Expansion of Microfinance Services in Hard-to-Reach Areas:

An Outreach Strategy of the

Center for Agriculture and Rural Development (CARD), Inc.

VICENTE P. BRIONES, JR.

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School of Community Economic Development
Southern New Hampshire University

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Approved by Professor Puneetha Palakurthi
Acknowledgements

It was truly a great experience and a wonderful learning journey. Let me take the opportunity to show my sincerest gratitude to

The Clients, management and staff of BaSuTa and Zamboanga provinces, knowing and sharing with them were a treasure of experiences and knowledge.
The CARD MRI family for such an incredible opportunities, for shaping me as a person and be the best that I can be.
Ms. Marina Aranilla for being the first volunteer to one of the CARD’s most challenging endeavor. I admire her courage and commitment.
The KCCDFI, our good partner that helped us a lot in establishing presence to distant places.
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CARD MRI Managing Director Dr. Jaime Arsitotle B. Alip. His unwavering passion to make a change, his noble achievements and great value to people were for me a source of power and life’s enlightenment. His guidance and mentoring, I could not repay.
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My parents Vicente Sr. and Juana Briones, they have taught me essential values in life.

And most of all...

To my Almighty God. Thank you for the gift to share and enjoy life.
# Table of Contents

*List of Tables*  
iv

*List of Figures*  
v

*List of Symbols, Abbreviations and Nomenclature*  
vi

*Abstract*  
1

1. Executive Summary  
3

2. Problem Statement  
6

3. Literature Review  
9

4. Community Needs Assessment  
11
   4.1 Community Profile  
11
   4.2 Expanding Microfinance Services- Community Need  
15

5. Project Design  
20
   5.1 Goal  
20
   5.2 Objectives  
20
   5.3 Logic Model  
21
   5.4 Implementation and Budget Plans  
22

6 Monitoring and Evaluation Plan  
25
   6.1 Project Monitoring Plan  
25
   6.2 Evaluation Plan  
25

7 Results of the Project  
27
   7.1 Issues and Challenges on Project Implementation  
30

8 Conclusions and Lessons Learned  
32

9 Recommendations and Alternative Actions  
35

*References*  
37

*Appendices*  
39
List of Tables

Table 1: 1997-2003 poverty incidences of the ten poorest provinces in 2000
Table 2: 1997-2003 poverty incidences of the ten poorest provinces in 2003
Table 3: CARD-KCCDFI Partnership, Jolo Branch at a Glance as of April 26, 2006.
Table 4: Project Status Update
List of Figures

Figure 1: Geographical Presentation of the Project site
Figure 2: Project Hypothesis and Indicators
**List of Symbols, Abbreviations and Nomenclature**

<table>
<thead>
<tr>
<th>Acronym</th>
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<td>ASEAN</td>
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<td>Mutually Reinforcing Institution</td>
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Abstract
CARD taking off with its Grameen-style microlending in 1989 has been refining the methodology with the end in view of achieving the twin goals of outreach and sustainability. Adopting the new methodology introducing the ASA approach that was pilot tested in 2000 marked the beginning of CARD’s fulfillment of the passion to create impact by providing greater number of clients—the 1M client goal, easy access to resources. CARD has a rich experience in achieving the set goals and objectives. Its continuing innovations and development to provide a complete and stable package of microfinance services to its increasing client base enchanted CARD in its desire and commitment to expand the services to the hard-to-reach areas where such services is believed to be limited or totally unavailable. In 2005, CARD as an MRI joined force in executing strategy called the ConExIn 300—a strategy where CARD, Inc. was mandated to go for expansion to reach the 300,000 client base in the shortest time possible. CARD has then continuously established branches in areas identified with high demand for microfinance operation. In the same year, it opened its first branch in Visayas and in Mindanao. It even entered into partnership with a local MFI in the ARMM region as a new strategy for rapid expansion to an unfamiliar frontier. Moving forward to increasing outreach and keeping operation sustainable, CARD’s goal involves pushing the frontiers to hard-to-reach and unserved areas particularly in Muslim Mindanao and the Visayas. Specifically, this project was focused on expansion in the southern frontier of Basilan, Sulu, Tawi-tawi and the Zamboanga del Norte.

Generally, CARD’s expansion strategy in Mindanao particularly in BaSulTa and Zamboanga areas is evaluated to be positively operative given the eight (8) months period of the project implementation. It has generally achieved its main objectives of establishing presence in the areas and operates branches to deliver microfinance services to the communities it served. Although in the course of the project implementation, unexpected situations and conflicts were encountered
that somehow adversely redirected the project monitoring plan and resulted to constraint on the timing to meet other set objectives for the project.

With the result and the experiences of implementing the project, it is concluded that CARD is successful in its strategy of expanding microfinance services in hard-to-reach and unserved areas. Except for the loans outstanding, performance indicators as parameters of evaluating results posted high accomplishment rating of above 90%. CARD has established presence in the municipalities and province as targeted. Eight (8) branches were set up over the project term. These branches provide access to financial and non-financial services to the 1756 total clients served, all of them have savings that totaled to Php938,114 (USD19,960). Among these clients, 1513 have loans with a total remaining loan outstanding of Php3,510,297 (USD74,687). All of these clients are able to repay their loan consistently.
1. Executive Summary

CARD in two decades of operations as a social development organization has proven its track record of becoming a leader in microfinance institution (MFI) that is presently leading the pack of microfinance institutions in the Philippines. In a country with 5.2 million households (2000 estimate) living below the poverty line, CARD’s achievement in microfinance services delivery, which has reached out to more than 200,000 households has been widely recognized. Since taking off with its Grameen-style microlending in 1989, CARD has been refining the methodology with the end in view of achieving the twin goals of outreach and sustainability.

In 2003, CARD faced truly challenging issues. With the reasonable consolidated efforts of the management and staff in mitigating the problems, CARD was back on track in 2005. This was the year that CARD saw completion of the conversion plan of shifting its gears from group to individual liability using the ASA microfinance technology. As one of the pioneering MFI who has provided significant contribution in the development of the industry in the Philippines, CARD has gain confidence and has accepted the challenge and commitment to play the role and further contribute in continuously helping shape the industry. CARD has then continuously established branches in areas identified with high demand for microfinance operation. In the same year, it opened its first branch in Visayas and in Mindanao. It even entered into partnership with a local MFI in the ARMM region as a new strategy for rapid expansion to an unfamiliar frontier.

Moving forward to increasing outreach and keeping operation sustainable, CARD’s goal involves pushing the frontiers in hard-to-reach and unserved areas particularly in Muslim Mindanao and the Visayas.

Generally, CARD’s expansion strategy in Mindanao particularly in BaSuLTa and Zamboanga areas is evaluated to be positively operative given the eight (8) months period of the project implementation. It has generally achieved its main objectives of establishing presence in the areas and operating branches to deliver
microfinance services to the communities it served. Although in the course of
the project implementation, unexpected situations and conflicts were encountered
that somehow adversely redirected the project monitoring plan and resulted to
constraint on the timing to meet other set objectives for the project.

Implementing the project, the following were some of the lessons learned. Starting
the program in new and unfamiliar areas, particularly in hard-to-reach, is
quite costly and slow. Since the program is still new in the area and the
community is not yet oriented and does not know the program yet, people in the
community tend to adopt “wait and see” policy, to see the result before they
generally accept the program. The staff too would need some time to familiarize
with the place and understand the environment including the systems practiced in
the agencies where CARD would need to negotiate or deal with. Distance to
theadquarter is also a constraint although there is an assigned full time Head
Office Personnel to perform the job and oversee the operation in the place. It is
also highly risky and vulnerable to sudden situations or incidents that may happen
in the place. These incidents or situations hamper the operation, disrupting
CARD to deliver the services to the clients and the clients in accessing services.
Livelihood activities of the clients are also affected and even the lives of the
clients and of CARD staff were also placed in danger. There were situations that
while delivering CARD’s services to clients such as conducting house to house,
meanstesting, project inventory and loan validations, staff on the field witnessed
an encounter between government soldiers and the rebel. They had to take cover
from gun firing. Not only were the staff and clients frightened of the incidents but
as well of natural disaster. A hurricane that hit the place destroyed houses and
crops. Bombings of the military base near the CARD office caused people to be
dispersed and the business to be temporarily closed including the CARD branch
operations. In addition, unstable economic condition, particularly increasing price
of fuel or gasoline, affects the business of the clients. The most recent
traumatizing incident was the Abu Sayyaf Group beheading of the six
construction workers, which has greatly paralyzed the normal business.
Transportation was cancelled; business establishment temporarily closed down and the heinous incident have caused great fear to people.

Availability and management of funds in the hard-to-reach areas are concerns that could not be neglected as this implies cost and maximizing utilization of the funds. It was also noted that the issue in conducting project monitoring is not so much on the cost but on safe monitoring while ensuring that monitoring is done on time. Furthermore, one major issue and perhaps the most critical issue concerns personnel management when operating in hard-to-reach areas. From this issue evolves all related concerns of the operations.

With the result and the experiences of implementing the project, it is concluded that CARD is successful in its strategy of expanding microfinance services in hard-to-reach and unserved areas. However, for its future modeling of the project in other targeted hard-to-reach areas, it is recommended that following are taken into considerations. A well designed strategy and operational policy must first be prepared before the actual launching or start of the project aside from the usual resources required such as funds and people. This should include proper timing and well planned staffing and hiring. Management committee is helpful if will be formed to create a strong force and line of support for the effective implementation of the project. Specialized training and capacity building program is also advantageous equipping all the manpower involved in the project specially developing specialized skills for key officers handling the project
2. Problem Statement

The Philippines is a country of great promise during the 1950s. Since then it has not lived up to expectation, but has a greatly lagged behind a number of other Asian countries, in terms of both economic growth and poverty alleviation. It is only within the last few years that this land of 70 million people (1995) has again dared to hope that the growth and development earnestly desire by people will return to the country. Yet poverty remains to be the biggest problem in the Philippines. In 2000, data from the National Statistics Office Family and Income Expenditure Survey showed that the poverty incidence of households with per capita income below the poverty threshold is estimated at 24.7% or about 5.2 million families.

The Philippines poor are largest in number in the agricultural sector, which is attributed by some to a prevalence of large landholdings and a failed land reform. More than half the rural population are poor, with little change incidence rates: 55 percent in 1991 and 54 percent in 1994. The incidence of rural poverty, about two-thirds, was highest among farming and fishing families. The decline in urban poverty, which is somewhat below average, was more marked: from 36 percent in 1991 to 29 percent in 1994. In addition to the magnitude of poverty, the government has also to contend with the highly inequitable distribution of income, which is slow in changing. Between 1991 and 1994, the Gini index has negligibly declined from 0.468 to 0.454, indicating a slightly more equitable distribution of income. (R. Callanta, E. Garcia, G.M. Llanto, H. Dieter Seibel, 2000 p 200).

Recognizing the important role that microfinance would take in poverty reduction and in supporting the capacity building of microfinance institutions (MFIs), the government placed it as top priority in the Medium-Term Philippine Development Plan (MTPDP) 2001-2004. More and more, both donors and aid recipient countries all over the world have increasingly understood as well as resolved that
a sustainable microfinance system is an indispensable tool for poverty reduction especially in developing countries like the Philippines.

In the past 30 years, microfinance has been proven to be a powerful poverty alleviation tool. It is one of the only development tools with the potential to be financially self-sustaining. However, even after more than 30 years of industry effort, 80 percent of the working poor (more than 400 million families) are still without access to microfinance services. The Microfinance Council of the Philippines estimates that the combined reach of all poverty eradication programs in the country is 600,000 households, revealing a large gap between the demand and supply of financial services to the poor (Alip, 2002). This tells us that large populations without access to microfinance services are vulnerable households who are forced to adopt poverty coping strategies to enable them to survive but not to improve their welfare. Having only limited income and resources, they give more importance to basic needs such as food and shelter for immediate survival just to make ends meet in their daily expenditures. For families earning around P50,000-P59,999 ($1,315-$1,579) annually, 57.6% of that amount is already allocated for food alone. 18.6% is handed for shelter, 3.7% is for clothing, 3.2% is for transport, and 12.7% for other expenses. Education and medical care are both in the bottom list with 2.4% and 1.8% respectively (National Statistics Office). Furthermore, most poor families live by hand to mouth existence. They have very meager resources to the point that they intentionally miss their children out from school in order for them to work. Poor families often have little or no allowance for good health within their constrained budgets. Since they lack basic healthcare, they tend to be sickly and malnourished. Poor families view attainment of success in a different light. For them, their relief from poverty is by having as many children as they could. They believe that their children are the capital for their progress. Unfortunately, this "responsibility" is passed on early to children who end up working without educational opportunities and often end up underemployed. Poor families don’t have immediate access to the basic needs because of low income. Since their savings and expenditures ratio is roughly 1:1,
their savings are virtually nil because the costs of basic needs are quite astronomical for their standards.

It is in this light that like everyone else, people living in poverty need access to a diverse range of financial services, including loans, savings services, insurance, and money transfers. Without credit, poor people may work hard but stay poor because of a lack of opportunity and capital. Hence, the work of a microfinance like that of the CARD MRI provides venue for these services.

Initial start up of operations of the CARD in Jolo, Sulu as a result of partnership agreement extending services to clients using the new technology of CARD in early part of 2006 shows promising role of CARD to expand services in similar areas. Thus, how should CARD implement its expansion strategies in the Southern Frontier of the country? How should CARD implement its microfinance service strategies addressing institutional concern on sustainability while extending services to the communities of the hard-to-reach and unserved areas particularly of BaSulta and Zamboanga del Norte areas?

In order to address the above-mentioned needs of the hard-to-reach areas and fulfill its ultimate goal, CARD has to implement the most suitable type of financial assistance in order to achieve sustainability on the part of CARD while providing opportunities on the lives of the clients it served through easy and continuous access to CARD’s microfinance services. Success in the CARD’s initiative to expand in the hard-to-reach areas particularly on the selected sites above mentioned will eventually serve as another model in establishing presence in other parts of Mindanao.
3. Literature Review

Microfinance has been recognized as an important tool for achieving several key Millennium Development Goals (MDGs). In addition to poverty alleviation, microfinance has a positive impact on school attendance, increasing gender equality, reducing infant/child mortality, reducing maternal mortality, and increasing access to reproductive health services. Microfinance also promotes free markets and entrepreneurship, reduces the dependency of poor people, and contributes to the emergence of a middle class.

The economic crisis and financial difficulties of the year 2001, encountered and experienced by the Basilan Provincial Government had doubled the efforts of the Local Finance Committee in tightening the belt on the expenditures and marshaled financial resources from the National Government and other entities to sustain administrative expenditures. The Provincial Government on the one hand, maintained peace and order in the province and pursued the implementation of badly needed vertical and horizontal infrastructure projects on the other hand.

Nevertheless, The Provincial Government had overcome the mounted obstacles of the year 2001 and ably paid various outstanding statutory obligations of the province and improved the capability building in terms of equipment and facilities needed to expand delivery of basic goods and services to the constituents.

The peace and order condition in the province of Basilan that is known to be the most volatile the entire Western Mindanao posed a threat in the development effort of the Provincial Government. This is due to the rampant and continuing rebellion of the MILF and the criminal activities of the ASG as well as the feudal conflicts existing in the province. Because of those threats, projects are likely to be abandoned, postponed, realigned and entail more cost.

Despite all these, the Provincial Government had done enough to bring the basic infrastructures to the people (Provincial Government of Basilan, n.d.).
Some MFIs work in hard-to-reach, difficult or remote areas. The Association Mennonite de Développement Economique (MEDA) provides services to poor people in the mountainous regions of Haiti. There is virtually no infrastructure here. The unreliable rainfall, poor soil, and continuing environmental degradation, force people to survive on subsistence farming.

Social exclusion, or the exclusion of groups because of their differences from the dominant social group, can exacerbate poverty. Social exclusion may be based on ethnicity, caste, language or even profession. Many MFIs have extended the notion of geographic targeting to a targeting of such excluded groups. AliSol, in Mexico, works in the state of Chiapas with the indigenous people. Chiapas has been the scene of endemic violence following the Zapatista uprising and the subsequent military repression. The Women Economic Empowerment Consort (WEEC) in Kenya has a special program to work with the Maasai, who have traditionally been a pastoral community. IDF had been the only MFI for many years to work with the tribal people of the Chittagong Hill Tracts in Bangladesh, who were caught between an armed insurrection and state-sponsored violence. Swayam Krishi Sangam (SKS) works with the Dalits (the "untouchables"), the lowest caste in India, in one of India's poorest states. Even now, in rural areas, higher caste people will not eat together or socialise with Dalits because the Dalits are considered impure (Unitus, 2006).
4. Community Needs Assessment

4.1 Community Profile

This project supports CARD’s goal of expanding operations nationwide reaching farthest areas particularly the hard-to-reach communities. The project is about expansion strategies of delivering CARD microfinance services in the Southern frontier of the country covering areas in the archipelago of Sulu and the Zamboanga del Norte. The project chose the communities of Sulu and Zamboanga as the strategic hard-to-reach areas that best suits the qualifications of CARD primarily because it is located in Mindanao where no other MFIs dare to serve. Further, these provinces are included in the ten poorest provinces in the country. In 2000, Sulu and Tawi-tawi ranked 3 and 8, respectively, while in 2003 Zamboanga del Norte ranked as the top 1 poorest province from its rank of 17 in 2000. Though Sulu and Tawi-tawi were out in the top ten in 2003, but they still belong in the top 31 poorest provinces (Virola, 2006).

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Note: The 1997 estimates have yet to be revised based on the refinements done on the 2000 and 2003 estimates.
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Sulu is an island province located in the Autonomous Region in Muslim Mindanao (ARMM). Its capital is Jolo and occupies the middle group of islands of the Sulu, Archipelago, between Basilan and Tawi-tawi. Jolo is a 3rd class municipality in the province of Sulu. According to the 2000 census, it has a population of 87,998 people in 12,814 households.

Basilan now known throughout the world is but a Philippine province located at the southern tip of the Zamboanga Peninsula. It straddles the trade route between Western Mindanao and Singapore-Brunei-North Borneo route. The province is in the middle of the western sub-triangle of the East ASEAN Growth triangle.
composed of Brunei, Indonesia and Malaysia. Tawi-Tawi, on the other hand, is a group of islands that is located at the southwestern tip of the Philippine archipelago. It lies along the earth's equatorial zone and is composed of 307 islands and islets, 88 of which are characterized by extensive reefs. The total land area is 114.9 square kilometers with terrain ranging from level to steep. The province has a population of 250,718 distributed in 10 municipalities. The general climate is cool and breezy along the coastal areas and hot and humid within the island. The rainy season begins in August and ends in November. Much of Tawi-Tawi resources come from the sea; from the rich fishing grounds to spectacular sceneries of white sand beaches and vibrant coral reefs. The major economic crops grown are rice, corn, cassava, vegetables, fruit trees and banana of the 5,346.94 has. Planted areas (76 has) are planted to rice, (51 has) are planted corn, (4,848 has) are planted to cassava, (374.94 has) are utilized planted to assorted fruit trees, banana, vegetables and other root crops. Farmers are engaged in livestock and poultry raising to supplement the consumption requirement and other family needs. As of 2002, fish and fishery product caught totaled to 8,538.5 MT of all kinds with the used of motorized and non-motorized bancas. While seaweeds production ranges to 93,182.25 MT aggregate area planted of 10,472.25 hectares respectively. This would mean the major occupation of the Tawi-Tawians is fishing and farming and the minor occupation is trade (buy and sell) and business establishment (coffee shops, sari-sari store). Most of the family income are below poverty line (DAF Tawi-Tawi).

The City of Dipolog is a 2nd class city in the province of Zamboanga del Norte. It is the capital city of Zamboanga del Norte. According to the 2000 census, it has a population of 99,862 people in 20,461 households. It has an area of 137 km² and is surrounded by rolling hills to the southeast and the Sulu Sea in the north. The area code is 065 and the zip code is 7100. Dipolog is known for its wild orchids and also its sardines industry stemming from a rich fishing area off its shores. It is nicknamed the "Orchid City of the South" and now called as the "Gateway to Western Mindanao" having the title as the "Bottled Sardines Capital of the
Philippines". Dipolog is politically subdivided into 21 barangays (wikipedia,2007).

Pres. Manual A. Roxas is a second class municipality in the province of Zamboanga del Norte. According to the 2000 census, it has a population of 33,659 people in 6,423 households. It has 31 barangays. The land features of Roxas is generally hilly. Only approximately one-third of the land area is of level grounds. Most of the Barangays are located high ground except for six Barangays, e.g. Dohinob, Upper Irasan, Langatian, Piao and Nabilid which are along the coastal area. Being a coastal municipality, the town has ten kilometers or shoreline stretching from the boundary of Manukan. Shallow waters along this shoreline abounds with bangus and prawn fries. The natural depths within the municipal waters especially at Barangay Nabilid could be utilized and developed for the construction of a port and wharf (Roxas gov.website.)

4.2 Expanding microfinance services – Community Need

Microfinance is a powerful aid in helping the poor people to have the means to find their own solutions to overcome poverty. It gives poor families a chance to improve their livelihoods through their own economic activities. Often, the one thing preventing the poor from raising their standard of living is lack of access to financial services that would help them start or expand their businesses or prevent risks.

Impact studies show that in many cases, microfinance reduced poverty through increasing income levels. According to the Human Development Report, since the 1980s, the number of people living in extreme poverty has increased by almost 100 million while the total world income has increased by an average of 2.5% annually. Over the past 30 years, microfinance has been proven to be a powerful poverty alleviation tool. Still after 30 years of industry effort, 80 percent of the working poor (more than 400 million families) are still without
access to microfinance services. The 2003 data from NSCB noted that about 3.966 million Filipino families were living below the poverty line. The highest proportion of poor families were all in Mindanao, namely Caraga, with 47.3%, the Autonomous Region of Muslim Mindanao with 47.7 % and Western Mindanao with 44.1%. Jolo, a capital of Sulu, is a 3rd class municipality in the province. According to the 2000 census, it has a population of 87,998 people in 12,814 households. Basilan is composed of one component city and six municipalities with a total of 261 barangays. The total land area of 1,379 squares kilometers or 137,900 hectares of mostly agricultural land is a home to 332,828 inhabitants of unique and diverse cultures. The province of Tawi-tawi has a population of 250,718 distributed in 10 municipalities while the Zamboanga del Norte has a total population of 918,615 for its 27 municipalities.

To assess the feasibility of expanding CARD’s services in the target areas, pilot branch under the CARD- KCCDFI partnership was started in March 2006. Prior to the implementation of the system under the CARD approach, visits to the communities and to three assisted centers were conducted. Results of the dialogue with the clients were very positive. They were very happy and interested to hear about the improved services available for them. This includes introduction of the new approach on ASA methodology. The partnership provided technical assistance on the details and critical steps undertaken to successfully change the existing operations into the new approach. Individual liability approach with flexible pledge savings and packaged microinsurance product had been implemented of course with the proper orientation and trainings conducted with the staff. Hence, result of the operations under the partnership in Jolo is shown in Table 3 below. Adopting the CARD approach, Jolo Branch was able to recruit a total of 45 new members and was able to disburse new loans for 60 members amounting to Php347,500 in one month. Repayment rate is 100% for the new system.
Table 3: CARD-KCCDFI Partnership, Jolo Branch at a Glance as of April 26, 2006.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Staff including BM</td>
<td>4</td>
</tr>
<tr>
<td>• BM</td>
<td></td>
</tr>
<tr>
<td>• 3 FCOs</td>
<td></td>
</tr>
<tr>
<td>Total No. of Members</td>
<td></td>
</tr>
<tr>
<td>• New Members</td>
<td>45</td>
</tr>
<tr>
<td>• Old Members</td>
<td>869</td>
</tr>
<tr>
<td>No. of Members With Loan</td>
<td></td>
</tr>
<tr>
<td>• New Loans</td>
<td>60</td>
</tr>
<tr>
<td>• Old Loans</td>
<td>412</td>
</tr>
<tr>
<td>No. of New Loans Disbursed</td>
<td>60</td>
</tr>
<tr>
<td>Amount of New Loan Disbursed</td>
<td>Php314,000</td>
</tr>
<tr>
<td>Amount of Loan Outstanding</td>
<td>Php1,533,879.80</td>
</tr>
<tr>
<td>• New Members</td>
<td>347,500</td>
</tr>
<tr>
<td>• Old Members</td>
<td>1,186,379.80</td>
</tr>
<tr>
<td>No. of Past Due Borrowers</td>
<td></td>
</tr>
<tr>
<td>• New Members</td>
<td>0</td>
</tr>
<tr>
<td>• Old Members</td>
<td>461</td>
</tr>
<tr>
<td>Amount of Past Due</td>
<td>Php722,606.80</td>
</tr>
<tr>
<td>• New Members</td>
<td>0</td>
</tr>
<tr>
<td>• Old Members</td>
<td>722,606.80</td>
</tr>
<tr>
<td>CBU Balance</td>
<td>Php889,270.68</td>
</tr>
</tbody>
</table>

In addition, based on the actual ocular visit on the communities in the Southern Frontier of the country which was conducted in order to work within the mandate of ultimately empowering poor women, and based on prior research, there exists seven (7) Agrarian Reform Communities (ARCs) in Zamboanga Del Norte. Its residents are referred to as Agrarian Reform Beneficiaries (ARBs). They are the owners of the land that they have taken cared of for a number of years granted by the Philippine government. Taking the data gathered for the Roxas, Zamboanga del Norte an estimate of 775 are prospective clients for CARD. From this estimation, 71 are ARBs. According to the Annual Poverty Indicators survey, in 2000 poverty incidence was 45% among ARBs while 56% among non-ARBs. These ARBs are grouped together in implementation of community development projects facilitated by the Department of Agrarian Reform (DAR) offices.
nationwide. Their usual activity includes seminars and trainings focused on livelihood activities such as vegetable farming, poultry, hogs and cattle-raising. In addition, these ARBs are encouraged (or required) to form organized groups such as cooperatives in order to facilitate community development and access to services easier. This indicates that there exist groups in the communities that are in need of funding agencies in order to augment their working capital and sustain their land’s productivity, in addition to their daily basic needs. The ARBs in these communities usually rely on rural banks, pawnshops, money-lenders, and their community-based cooperatives. However, with initial discussion with community leaders, most of the cooperatives lacks financing assistance, thus, were not able to provide the financial needs of the ARBs. It was also found out that most of the pawnshops and money-lenders imposed high interest rates, helplessly losing their collateral in a short period of time. Although there was noted assistance from National Banks, the ARBs found it above their absorption capacity. The banks gave away production loans which was more than what a usual ARB-farmer would need. Thus, making the money invested on unproductive assets such as home appliances. And when payment time comes, the poor ARB-farmer has nothing to pay the bank. Adding in the burden is the lost of his collateral.

In Zamboanga del Norte, there are seven (7) ARCs identified that needs assistance in terms of microfinance. Hence, an ocular field visit was conducted to assess the sites’ feasibility for expansion and the needs of the residents for microfinance services. During the field visits and informal conversation with the ARBs, it was found out that if they only have a source of financial assistance, they will continue their farming activities for their usual crops such as vegetables, coffee, rice and corn, in addition to their backyard hogs, cattle and poultry raising. However, it would be much appreciated by the ARBs if the financial assistance will be in easy payment terms and of lower interest than the other providers. Also, the provider is also asked to also facilitate non-financial services such as trainings and other activities relevant to the community development.
Based on the assessment conducted, it can be deduced that there is a great demand for the CARD to expand its microfinance services in the area of BaSulTa and Zamboanga del Norte. Furthermore, CARD believes that if the clients in these hard-to-reach areas will be given financial assistance based on their needs, they will be able to be more productive in their communities. However, CARD would need to find ways of how best it could serve the clients without sacrificing its institutional sustainability.
5. Project Design

5.1 Goal
In conjunction with the CARD’s commitment on meeting the double objectives of outreach and profitability as its mandate in the overall CARD goal of expansion in hard-to-reach and unserved areas in Muslim Mindanao and the Visayas, the project sets the following goals:

a. To help develop the communities in hard to reach areas through the microfinance service intervention being provided by the CARD, Inc.

5.2 Objectives
In the pursuit of achieving the goals over the period sets for the project, the following objectives should have been achieved:

a. To serve the chosen communities through easy access to financial and non-financial products and services of the CARD, Inc.

b. To enable access to financial services to clients living in the hard-to-reach communities.

c. To provide the clients more responsive products and services to create new source of income or improve their business or income-generating activities through improved offerings and overall CARD’s microfinance program

d. To help the clients to grow their business to increase their income.

e. To operate the CARD branches in the hard-to-reach areas achieving program profitability and sustainability.
### 5.3 Logic Model

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>OUTPUTS</th>
<th>OUTCOMES – IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What we Invest</strong></td>
<td><strong>What we Do</strong></td>
<td><strong>Who we Reach</strong></td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td>To establish the CARD microfinance branch in project sites</td>
<td>Community Members and their Families Local Government Units</td>
</tr>
<tr>
<td>- CARD staff &amp; Mgt</td>
<td>To conduct client Trainings</td>
<td>CARD Clients</td>
</tr>
<tr>
<td>- CARD BOD</td>
<td>To deliver microfinance financial and non-financial products and services</td>
<td>CARD Clients and their Families</td>
</tr>
<tr>
<td>- CARD MRI Staff and support units</td>
<td>To conduct staff training and development</td>
<td>CARD Staffs and Management</td>
</tr>
<tr>
<td>- Time</td>
<td>To conduct regular monitoring and evaluation</td>
<td></td>
</tr>
</tbody>
</table>

**Environment (Influential Factors)**
- Government policies (Regulations, permits, licenses, taxes)
- Natural Disasters
- Competitors, peace and order
- Economic activities and opportunities

**Inputs**
- Financial Resources
  - Funding for operating expenses
  - Loan Fund
  - Funding for trainings
- Other Resources
  - Materials / supplies
  - Equipment
  - Facilities
  - Time

**Outputs**
- Activities
- Participation
- Short-term
- Medium-term
- Long-term

**Outcomes – Impact**
- Improved living condition (health, education, food housing, etc.)
- Poverty Reduction
- Profitability and Sustainability of the program
Assumptions

1. If clients are provided the access to financial services, they would have better income-generating opportunities.
2. If clients have better income-generating opportunities they would have better source of income.
3. If clients increased income, clients could provide their family needs and repay their loans.
4. High repayment rate indicates client business viability and of the sustainability of the CARD program.

5.4 Implementation and budget plans

The mutually reinforcing institutions of CARD will mainly host this project in the following manner:

a. CARD Inc. for the establishment of the branch in the area;
b. CARD Mutual Benefit Association, Inc. (CARD MBA) for the provision of the microinsurance service to the area;
c. CARD MRI Development Institute, Inc. (CMDI) for the trainings both for the staff and the members on the field level;
d. CARD Business Development Services (CARD BDS) for the provision of marketing assistance for the members; and,
e. CARD MRI Support Units in providing the necessary support such as monitoring and research activities as well as recruiting and hiring of competent staff.
5.4.1 Implementation plan

The implementation plan is generally composed of five project activity program such as the initial preparatory activities, branch establishment, branch operation, monitoring and evaluation and reporting to partner offices. The initial activities up to branch establishments are set to be done from September 2006 and one month after for the succeeding branches. Monitoring and evaluation was conducted every month while reporting to partner offices was every quarter. Depending on activities, responsible person varies from Operations Director, branch manager, hr personnel and technical officers. Please refer to appendix 1 for details.

5.4.2 Staffing, Operations Budget and Fixed Assets

A. Staffing Plan

To cover all branches planned for the project implementation, staffing requirements are composed of two (2) Area Managers who will be responsible for the area operations in Basilan, Sulu and Tawi-tawi and in Zamboanga del Norte. Branch Managers were posted for three (3) branches in the areas of Basulta and five (5) for Zamboanga del Norte while there were twenty-six (26) Technical Officers who were hired to directly deliver CARD’s services in the project areas. There were thirty-six (36) staffing requirements all in all for the project not to include the Head Office personnel.

B. Operating Expenses

The project projected budget totaled to Php5.147M. This composed of personnel expenses that totaled to Php2.457M and other administrative expenses totaled to Php2.69M. Further details on the project operating expenses were presented in appendix 3.
C. Fixed Assets

For better efficiency in the branch operations, the branch were provided motorcycles. Hence, the budget amounted to Php480,000. Furniture and fixtures were budgeted at Php376,000. For communication, fax machines were installed in Sulu and Zamboanga del Norte for a budget of Php20,000. There were also budget used for computer sets. Hence, a total of Php1,036,000 for the fixed assets. Please refer to appendix 4 for the complete figure and budget allocation.
6. Monitoring and Evaluation Plan

6.1 Project Monitoring Plan

Specific project outputs and corresponding indicators were set to monitor the project. Data source, method of getting these data, person responsible and the time frame were all planned and used in the project monitoring. Starting from September 2006 until May 2007, monitoring of plan for specific project outputs and indicators considering those who are responsible for each category were conducted. Project outputs were as follows: staffs are recruited, trained and hired; established CARD microfinance branches in hard-to-reach areas; credit services are provided to the clients; access to savings (CBU) services were provided to the clients; profitable and sustainable operation were also expected to be achieved; increased client retention; and improved living condition. Further details of the plan were presented in appendix 5.

6.2 Evaluation Plan

Project results were evaluated on the basis of how the project performed in the following hypotheses and indicators stated as follows: clients would have better income-generating opportunities once they were provided access to financial services; they would have better source of income once they had better income-generating opportunities; they could provide their family their needs and repay their loans once they increased income; and high repayment rate indicated clients business viability and of CARD’s program sustainability. Overall, access to integrated CARD microfinancial services (savings, loans, insurance, credit with education) would lead to improve living condition of women clients and their families in hard-to-reach areas.

Impact of the project have been evaluated assessing the result on the following indicators: increased on accumulated savings, increased on coping mechanism on health problem, increased household income, increased number of continued sending children to school, better food security, improved clients
business and assets, sustained clients business growth, increased participation in the community development programs, contributing some of the income/resources for the social welfare such as giving donations for village/community improvement projects, payment of taxes through the business and helped employ individuals in the community.

**Hypothesis and Indicators**

<table>
<thead>
<tr>
<th>Individual</th>
<th>Accumulated savings, coping up mechanism on health problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>Household income; number of children continue schooling</td>
</tr>
<tr>
<td>Enterprise</td>
<td>Improved business; increased assets; sustained growth</td>
</tr>
<tr>
<td>Community</td>
<td>Participation in development program; contribute some for social welfare; employ individuals</td>
</tr>
</tbody>
</table>

**Improve living condition of women clients and their families in hard-to-reach areas**

Access to integrated CARD microfinancial services (savings, loans, insurance, credit with education)

**Figure 2: Project Hypothesis and Indicators**
7. Results of the Project

Despite all the experiences on the field that somehow affect the project in achieving its set goals and objectives, generally the project remains on track on meeting the targets. As indicated in the performance indicators as parameters of evaluating results as shown in the figure below, except for the loans outstanding indicator, all the rest posted high accomplishment rating of above 90%.

CARD has established presence in other municipalities and province as targeted. In October 2006, two nearby municipalities of Jolo, the Basilan and Tawi-tawi were established and two branches in Zamboanga (Roxas and Polanco) were also established. Zamboanga area however completed its branch adding two more in January 2007 and last in February 2007. Overall, eight targeted branches were accomplished to be set up. These branches provide access to financial and non-financial services to its 1756 total clients served, all of them have savings that totaled to Php938,114 (USD19,960). Among these clients, 1513 have loans with a total remaining loan outstanding of Php3,510,297 (USD74,687). All of these clients are able to repay their loan consistently as shown in table 4 on the next page.

For the eight months period of the project implementation, CARD hired a total of 32 staffs and assigned four (4) officers in the area, two (2) staffs, however, did not continue their work and left CARD. New recruited clients totaled to 1546 but 138 drop-out from the program. A total of Php5,810,000 (USD123,617) was disbursed as loans to clients. This means that there were already repeat loans provided to clients.

For the CARD operations profitability and sustainability, Operational Sustainability ratio is 9% higher than the targeted figure while Financial Self Sustainability is 8% higher than what is projected. Its net loss is lower by about 1M peso than what is the expected loss as of the period.
Table 4: Project Status Update as of April, 2007

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Target</th>
<th>Actual as of Oct. '06</th>
<th>Actual as of April '07</th>
<th>Accomplishment October '06 to April '07</th>
<th>April 2007 Variance to Target</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Staff</td>
<td>36</td>
<td>4</td>
<td>35</td>
<td>32</td>
<td>(7)</td>
<td>97%</td>
</tr>
<tr>
<td>Number of Established Branch</td>
<td>8</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>No. of Members</td>
<td>1882</td>
<td>262</td>
<td>1756</td>
<td>1494</td>
<td>(126)</td>
<td>93%</td>
</tr>
<tr>
<td>No. of members recognized*</td>
<td>1230</td>
<td>240</td>
<td>1319</td>
<td>1546</td>
<td>89</td>
<td>107%</td>
</tr>
<tr>
<td>Number of Member dropout*</td>
<td>4</td>
<td>142</td>
<td>138</td>
<td>142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Recognized Members</td>
<td>1230</td>
<td>236</td>
<td>1,177</td>
<td>1,408</td>
<td>(53)</td>
<td>96%</td>
</tr>
<tr>
<td>Number of members with loans</td>
<td>1577</td>
<td>222</td>
<td>1513</td>
<td>1291</td>
<td>(64)</td>
<td>96%</td>
</tr>
<tr>
<td>Number of loans disbursed*</td>
<td>1100</td>
<td>222</td>
<td>1378</td>
<td>1583</td>
<td>278</td>
<td>125%</td>
</tr>
<tr>
<td>Number of members with CBU (savings)</td>
<td>1882</td>
<td>262</td>
<td>1756</td>
<td>1494</td>
<td>(126)</td>
<td>93%</td>
</tr>
<tr>
<td>Total CBU (Savings)</td>
<td>772,085</td>
<td>121,110</td>
<td>938,114</td>
<td>817,004</td>
<td>166,029</td>
<td>122%</td>
</tr>
<tr>
<td>Loan Disbursed (Php)*</td>
<td>1,515,000</td>
<td>792,000</td>
<td>5,034,000</td>
<td>5,810,000</td>
<td>3,519,000</td>
<td>332%</td>
</tr>
<tr>
<td>Loan Outstanding (Php)</td>
<td>3,923,484</td>
<td>515,375</td>
<td>3,510,297</td>
<td>2,994,922</td>
<td>(413,186)</td>
<td>89%</td>
</tr>
<tr>
<td>PAR 1 (Php)</td>
<td>78,470</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>78,470</td>
<td>100%</td>
</tr>
<tr>
<td>Total Income (Php)</td>
<td>419,928</td>
<td>55,367</td>
<td>422,277</td>
<td>366,910</td>
<td>2,349</td>
<td>101%</td>
</tr>
<tr>
<td>Total Expenses (Php)</td>
<td>2,768,906</td>
<td>411,387</td>
<td>1,787,652</td>
<td>1,376,265</td>
<td>981,254</td>
<td>155%</td>
</tr>
<tr>
<td>Net Income (Php)</td>
<td>(2,348,978)</td>
<td>(356,020)</td>
<td>(1,365,375)</td>
<td>(1,009,355)</td>
<td>983,603</td>
<td>172%</td>
</tr>
<tr>
<td>OSS</td>
<td>15%</td>
<td>20%</td>
<td>24%</td>
<td>4%</td>
<td>8%</td>
<td>156%</td>
</tr>
<tr>
<td>FSS</td>
<td>15%</td>
<td>0%</td>
<td>23%</td>
<td>23%</td>
<td>8%</td>
<td>152%</td>
</tr>
<tr>
<td>Admin Cost Ratio</td>
<td>293%</td>
<td>0%</td>
<td>74%</td>
<td>74%</td>
<td>219%</td>
<td>396%</td>
</tr>
<tr>
<td>Average Rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>143%</td>
</tr>
</tbody>
</table>

Notes: * as of April 2007 accounted year 2007 only, hence accomplishment for the period oct'06 to april'07 includes data for October to December 2006

Staff also happy to share on the fulfillment of CARD’s initiative in the hard-to-reach areas of the project expansion. As planned, succession on staffing in the area was implemented. Appointing local staff to be exposed to lead and head the branch and the area was initiated through the CARD’s approved policy on the Team Leader approach. This approach provides venue for the newly hired staff to gain experience and expertise on the job given the shorter period of practice on the job.
Hence, the approach tests those who will qualify to be promoted for the position as Branch Manager and Area Manager once they have shown potential during the period of their appointment as Team Leader. Staffs were happy on the result of the services of CARD in the community. Sharing the voice of one of the CARD staff from the hard-to-reach area as follows:

CARD is good enough in giving services to the people. We can always rely on their methodology to sustain harmonious relationship in all aspects of endeavor.

Just like in Mindanao, particularly Sulu Regions, people are deprived of opportunities to uplift their livelihood. We have a lot of organizations with brilliant mind but in the end we remain nothing only but a populace. Especially, political leaders they just look at people as subject in winning the electoral position.

However, CARD invasions to Jolo, Sulu give us hope to help in our own little way, without expecting something in return but only for that to be a good member and a good people as well. We will able to erase the idea that Joloanos are not good in dealing business agreements, we are able to present that Joloanos are normal person just like in Visayas and Luzon Regions. They were able to cope up the so called "self-discipline" especially in attending center meeting and of course with payments.

I do believe CARD was able to reach the program in our area and I am proud to be part of this program and people are hoping that CARD will stay longer in our place to enjoy scholarship program for their kids and secure themselves on the part of their insurance. Even the middle class family, mothers join us because of the CARD MBA insurance program.

Little by little, we are able to get their trusts to be a CARD family. And it is true when we celebrated our Christmas Party last December 17, 2006, with the members, but we used to call it as an acquaintance party because we don't celebrate Christmas... Almost all of the members came to participate and our guest speaker (assistant to governor) came to realize that we belong to a big family.

Gina Tiamwatt

A letter shared by CARD staff as participant of the CARD MRI AM Ready -to-Go Training held on January 29- February 2, 2007 at the CMDI, Tranca, Bay, Laguna, Philippines
7.1 Issues and Challenges on Project Implementation

7.1.1 Recruitment and hiring of Personnel

Finding the people to work in this area is a challenge, particularly in hard-to-reach areas where CARD is not yet that familiar and oriented about the culture of the place. Hence, selection and training for the new staff would need special consideration to CARD such that initial cost to train shall have to be borne by CARD and that venue for the training have to be conducted at the headquarter since there was no exposure training laboratory yet in the place to start the operation.

Venturing into this hard-to-reach area would also mean negotiating with the incumbent staff of CARD to willingly accept assignment in any of the project areas. CARD would need staffs who are well prepared and whose personality would meet what is needed in the type of work location such as the project expansion, this job is then hard for the Human Resource Office of CARD since there were very few people that could be appointed that could match the profile of those that will best fit in the hard-to-reach assignment.

7.1.2 Setting up of Branches

Starting the program of CARD in new areas particularly in hard-to-reach is quite expensive and slow. As compared to the normal situation, starting the operation in hard-to-reach areas had to be done with extra care though may cause some delay in the result. First, introducing the CARD’s program to the target communities was never easy. The target areas had families that ‘tasted’ some of these dimensions, such as, fear of the unknown, past bad experiences with money lender, feeling of helplessness and so forth that made them resist participation in a new venture like what CARD had to offer. Too, the staff would need some time to familiarize with the place and understand the environment
including the systems practiced in the agencies where CARD would need to negotiate or deal with. Distance to headquarter is also a constraint although there is an assigned full time Head Office Officer to perform the job and oversee the operation in the place. Further, the peace and order situation creates fear and apprehension to the staff and clients that affects their decision and participation related to availment of services offered by CARD.

7.1.3 Delivery of Microfinance Services

Regular operation in hard-to-reach areas as compared to the branches that operate in accessible areas is seemingly slow, highly risky and vulnerable to sudden situations or incidents that may happen in the place. These situations incidents or hamper the operation, disrupting CARD to deliver the services to the clients and the clients in accessing services. Livelihood activities of the clients are also affected and even lives of the clients and of CARD staff are also in put in danger. There were situations that while delivering CARD’s services to clients such as conducting house to house, meanstesting, project inventory and loan validations, staff on the field witnessed an encounter between government soldiers and the rebel. They had to take cover from gun firing. Not only were the staffs and clients frightened of the incidents but as well of natural disaster. A hurricane that hit the place destroyed houses and crops. Bombings of the military base near the CARD office caused people to be dispersed and the business to be temporarily closed including the CARD branch operations. In addition, unstable economic condition, particularly increasing price of fuel or gasoline, affects the business of the clients. The most recent traumatizing incident was the Abu Sayyaf Group beheading of the six construction workers, which has greatly paralyzed the normal business. Transportation was cancelled, business establishment temporarily closed down and the heinous incident have caused great fear to people. Because of such incidents and unlikable situations, CARD branches have to stop operations, postponing center meetings, project validations, loans disbursements and loans collections, As
experienced, these situations happened not only once but they happened any time, more often.

7.1.4 Financial Management Issues

Availability and management of funds in the hard-to-reach areas are concerns that could not be neglected as this implies cost and maximizing utilization of the funds. Scarcity of banking services and the distance of the operation would cause delay in availability of the resource plus the high cost of availing services of other banking institutions in responding to the funds requirements in the branches.

7.1.5 People Issue and Personnel Management Issues

One major issue and perhaps the most critical issue is related to personnel management when operating in hard-to-reach areas. From this issue evolves all related concerns of the operations. Handling cultural differences, imposing CARD culture and implementation of the CARD approach in delivering microfinance are points of conflicts that would need to be addressed appropriately with the CARD staffs assigned or hired in the hard-to-reach. Hence, leaders supervising these areas would require competency in personnel management and expertise in program implementation.

7.1.6 Monitoring and Evaluation Issues

The issue in monitoring is not so much on the cost but on safe monitoring while ensuring that monitoring is done on time. When there is peace and order situation in the place, monitoring is also limited leaving the responsibility to the available officer/s in the local operation and putting trust that staffs are honestly committed to the job.
8. Conclusions and Lessons Learned

The project results suggest that CARD has been successful in its expansion in the hard-to-reach areas. CARD may not yet be in full control and equipped in handling and managing conflicts or situations particularly on peace and order, natural calamity or disaster and to include cultural differences, but CARD has definitely make numbers of getting expected results of recruiting 1756 clients with a total portfolio of about Php3.5M to establish its presence and intent to reach out to needy clients in the target communities. CARD’s innovations in discovering approaches and technologies were effective strategies to overcome challenges. Thus, given the experience in this project, the following lessons were learned.

a. **Affordability and accessibility**, once provided and served, drew clients to CARD. The target areas had families that ‘tasted’ some of these dimensions, such as, fear of the unknown, past bad experiences with money lender, feeling of helplessness and so forth that made them resist participation in a new venture like what CARD had to offer. But, the project has made inroads along the way showing what CARD can really provide.

b. **Financial capacity must be coupled with superior operations strategy** to succeed in the initiative to get to hard-to-reach areas. The target areas are susceptible to unpredictable but anticipated situations, particularly on the cases of peace and order. CARD has learned how best to manage and handle the situation. Network and connections to partners in the areas within the hard-to-reach also provide best advantage for CARD to strategize and achieve the goal.

c. **A full knowledge about the relevant information about the hard-to-reach areas is critical in establishing presence in these locations.** It is not only about studying of the economic situation and poverty incidence in the area but
a study of the social and cultural profile of the community. Awareness and knowledge about these aspects would greatly create advantage for the MFI’s to design its program operations and the overall technology of how to provide the service to the clients with a win-win result.

d. **People issue is so critical in doing the microfinance in the hard-to-reach areas.** People issue encompasses not only those who will directly deliver the microfinance service in the local, it covers the clients who will be served and in need of the service, but especially, people issue is concerned about people in the microfinance institution- who are the people and who should be involved and responsible in the operation.

e. **Strong networking and linkages is a good strategy.** It is always advantage and a great investment to establish strong links and networks with those that are relevant to the logic or business of the organization or any firm. Partnerships and good relationships will always be a favorable venue to becoming strong and stable.

f. **Strong monitoring system should be in placed to ensure that branch is compliant to internal control system.** CARD in sustaining the operations of the established branches and even for the new branches that may be opened in the future would need to further enhance the monitoring system in these areas to ensure that internal control are in placed and that management risks are minimized.
9. Recommendations and Alternative Actions

With the outcome of the project given the experiences in the implementation of the project, alternative action for CARD and the other institution that would be interested to do the same is to implement the project with the following recommendations:

a. CARD must ensure that the program and services it offers is affordable and accessible to clients, especially at the start up of operation where products and services are still being introduced in the community.

b. A well designed strategy and operational policy must first be prepared before the actual launching or start of the project aside from the usual resources required such as funds and people. This should include proper timing and well planned staffing and hiring.

c. CARD in venturing into any expansion operation, particularly in the hard-to-reach areas where it requires a specialized strategy, must be well prepared to have the full knowledge of the relevant information and situation in the community. This exceptional situation on hard-to-reach must be reflected in the operational plan of the branch. It should capture the potential occurrence of unlikable incidents or situation based on the actual condition that will be incorporated in the financial projections and strategy or policy related operating system. As with the actual experience of the project, occurrence of peace and order situations had to stop the regular branch operation, and it happened several times. Hence, a clear guidelines and strategy to cope up with the condition not sacrificing institutional sustainability is but a critical requirement.
d. Specialized training and capacity building program is also advantageous equipping all the manpower involved in the project specially developing specialized skills for key officers handling the project.

e. Continuing and expanding strong network is always better to get the best advantage. It is beneficial that CARD not only establish networks but to employ proper judgment on selecting who to network with for mutual benefit.

f. Available and extended management capacity is effective if will be formed to create a strong force and line of support for the effective implementation of the project. Given that hard-to-reach areas are extensively distant branches, close monitoring must not be taken for granted in order to make sure that internal control is properly in placed. Creation of regional office to support building management capacity coupled with clear and superb guidelines and policies will help in controlling risk and keeping the operational performance at its best.

g. Knowledge about the local culture and traditions shall give CARD the strategic options by further incorporating the subject in educating the whole CARD human resources. This is not only aimed at better understanding of the local culture and traditions but as well to have appreciation and respect. Community leaders will then have a role in helping CARD for the purpose.
References

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