



MUSLIM CHRISTIAN ACTION FOR ADVOCACY RELIEF & DEVELOPMENT  
**MUCAARD-UK**  
 GROWING SUSTAINABLE COMMUNITIES

**This has been a year of change and development for MuCAARD.** Until now we have focused on funding small scale regeneration and employment projects that have been very successful - and where we have shown the way funding has been taken up on a larger scale by other organisations. So, for example, the World Bank are now funding reforestation projects and regenerating mangroves on a large scale. The Model Farm in Pocopoco, Damulog is looking fantastic if we do say so ourselves, with a return of water and people coming to visit to view it. We still fund small projects to help farmers and others but it has become clear over time that there are other really pressing priorities and that we needed to start supporting and developing capacity and infrastructure in local areas. For example, a women's group that we funded in Marawi set up a wholesale business in their village, which really helped them and also helped local retailers.

**There are two areas where we believe that we can truly help relieve poverty and develop the capacity and infrastructure needed. These are schemes to help mitigate the impact of catastrophic expenditure on the very poorest, and providing core funding to MuCAARD Philippines to support them to pull in much larger project based grants from the central Philippine government and other sources**



Cacao seedlings for distribution to farmers.



Linda with Doni and her son. Members of the family who take care of the model farm in Pocopoco, Damulog

## Mitigating the impact of Catastrophic Expenditure

**Catastrophic Expenditure is probably something we've never really had to worry too much about. In countries like the Philippines where a serious illness, a major accident or the cost of paying for your child to go to college can mean the difference between just keeping your head above water and sinking; these expenditures can have catastrophic consequences.**

A family member is involved in a serious motorbike accident and the family need money for the hospital bills. The patient will not be discharged from the hospital until the bill is paid. So the bill continues to increase. The desperation of the family means they have nothing to bargain with and they approach a local moneylender for a loan. The loan is given with the condition that all the harvest on the land and/or permanent crops of the family are theirs until the loan is repaid.

The result is the family have lost their source of income and have no way of repaying the loan so where once they survived they are now destitute.

When a family is faced with these expenditures they have had no option but to approach a moneylender for a loan. The collateral for these loans will be any land, crops or animals the families have. The result is the family has lost their source of income and have no way of repaying the loan so where once they survived they are now destitute.

CoSEED, one of the MuCAARD member organisations in the Philippines had an innovative scheme to help families in this situation and more widely communities faced with this. We had

agreed to support them in a small way to test out if this type of project could assist and we gave them enough money to help four families. Linda Tiongco visited them in the autumn of 2015 to discuss and help develop the Land Redemption Programme.

**The Land Redemption Programme of CoSEED** is aimed at offering families an alternative. CoSEED will give them a loan and an agreement is signed that the family can continue to work the land/harvest the crops and give an agreed share of the crop to CoSEED towards paying off the loan. Everyone wins.

Currently the Land Redemption Scheme is giving small loans using coconut palms as the collateral. Coconuts are harvested twice a year and the initial results are showing that repayments are going well. At the moment the amount we can give CoSEED to expand this project is limited, but we believe that we should increase our funding for this project as it stands and we have hopes that it will become self-supporting using the income from the repayments. The initial success of this project means that other members of MuCAARD Philippines are looking at introducing it too.

The big problem is with the land/crops that are in the hands of the local money lenders. How can the farmers, through CoSEED, raise the capital to redeem them? *The cost of mortgaging a fruit-bearing tree is between £20 - £40 depending on its productivity (equal to 8 – 16 days of a farm labourer's wages).* As long as the loan is unpaid the farmer has no income from the land and is unable to redeem his farm. COSEED needs to raise more capital to take over these loans giving hope to farmers that can get back their land. The initial success of this project means that other member teams of MuCAARD Phil are looking at introducing it too.

BUT we also need to address one of the biggest causes of **Catastrophic Expenditures** which is illness and accidents. One way of doing this is with G.R.A.C.E or **Grassroots Response Against Catastrophic Expenditures**. This is basically a community insurance scheme.

## GRACE

In the past 'poor health-seeking behaviour' has been attributed to cultural practices and superstitious beliefs. In Kitaotao, a town near Damulog in Bukidnon where GRACE has been introduced people sought medical assistance much earlier and health expenses tumbled - the more ill you are when you seek help, then the more it costs to treat and the poorer the health outcomes are. Local leaders were able to negotiate with nearby hospitals to admit members of GRACE without requiring a deposit on admission or full payment before discharge. GRACE would guarantee payment.

### SO HOW DOES IT WORK

A community agrees to set up the scheme and everyone agrees to pay a monthly fee. In one of the communities we looked at the families are paying the equivalent of ½ kilo of rice. If 50 families sign up the scheme becomes viable and, as with any insurance scheme, there is build-up of capital over time and further services can then be offered.

MuCAARD members are hoping to introduce **GRACE** to their communities and encourage its adoption. Together with the **Land/Crop Redemption Scheme** we hope to support these programmes aimed at eradicating poverty.

## Supporting Capacity

**MuCAARD Phil Secretariat**- the past few years has been a difficult time for the core team. After the office burnt down 5 years ago they were able to rebuild a small area to continue the office but they have struggled to get funding for the essential core administrative and supportive work. Many international non-government agencies (INGO) will only support one staff per project and expect the local NGO to counterpart the finance and admin staff. This has meant that many of the local staff are volunteering their time so the work can continue. It also means that they can't work full-time as they have to feed their families.

**MuCAARD UK has agreed to support the Secretariat for the next year to ensure they can monitor and evaluate their members programmes and apply for new funds.** Our support is limited to 2 staff who will work part-time but it ensures that they can comply with financial and statutory legal requirements. High quality staff who know the area and the local people are crucial to the success of the sorts of schemes and projects that we support and MuCAARD secretariat are a core team for disaster relief in Mindanao as well as the ongoing work. We will be monitoring the success of this approach by measuring their success in pulling in alternative sources of funding but we are confident that this will succeed.