

# NEGROS ISLAND SAVINGS & CREDIT COOPERATIVE

*A Briefer*

## I. NISCO BACKGROUND

The **Negros Island Savings and Credit Cooperative** was organized on May 31, 2006 to address the prevailing economic unrest. Majority of the ARBs are poor with very few opportunities to rise from poverty. Agrarian Reform Beneficiaries' cooperatives experienced difficulty in accessing support services from the government **Micro Finance Institution**. Due to this, most of the farmers either borrowed capital from private individuals who charge exorbitant rates, sublease their farm lots and engaged in financing scheme agreement.

Several fora and consultation meetings were initiated by TFM - Productivity Improvement Program (PIP) to discuss issues and concerns by the less fortunate farmers. It was emphasized that the mere transfer of land ownership and its operation in smaller parcels without the corresponding support services and adoption of appropriate production technology had least impact on increasing farmers' income.

To complement the land transfer and assist the agrarian reform beneficiaries (ARBs), the **Negros Island Savings and Credit Cooperative (NISCO)** was organized to facilitate accessing of support services for production support, micro finance and generation of internal capital to ensure the sustainability of the cooperative. NISCO was established by 20 founding farmers and professionals who infused capital and believed in the importance and value of savings. It is registered with the Cooperative Development Authority (CDA) last May 12, 2008.

On November 22, 2007, TFM donated an initial capital to NISCO amounting to **1.4 Million** which will be used for its Agricultural Credit & Micro Finance Program. Around 451 farmers availed for sugarcane production. Further, TFM tapped the expertise of MASS-SPECC or Mindanao Alliance of Self-Help Societies – Southern Philippines Educational Cooperative Center to strengthen the capabilities of NISCO in Agricultural Credit and Micro Finance.

The cooperative aims to address poverty through agricultural credit and micro finance for self-reliance. It also actively seeks out co-financing from government and financing funding institutions that share the NISCO Vision.

## II. THE PROGRAM AND SERVICES

### 1) Micro Finance Agriculture

#### Joint Venture Agreement

This is a new program initiated by NISCO to help farmers by providing production capital, technical assistance and marketing. This program will be piloted in selected areas with existing agrarian reform beneficiaries awarded with Certificate of Land Ownership Award (CLOA). A joint venture or financing scheme is the main program thrust that will be implemented by NISCO. This model was designed to establish internal capital to ensure the sustainability of the project.

## **2) Micro Finance Enterprise**

### **Micro Enterprise**

Through this program, micro-entrepreneurs who group themselves into one cluster and are willing to establish internal capital, are given support for their business expansion and development in order to increase productivity and income among the farmers or depressed sectors in the community and prepare them for the next level of support.

This program is designed to cater to the financial needs of individual entrepreneurs who want to establish a small business and members who have existing business and see the need to expand but are unable to do so due to limited financial resources.

This is an individual loan but they group themselves into a cluster of enterprise.

The essential features of NISCO loans are as follows:

- Individual guarantee but clustering approach
- Weekly meetings and payments
- Life Insurance & Loan Redemption
- Savings Capital build-up component

## **3) Micro Insurance**

NISCO launched a micro insurance that will cover or insure the lives of NISCO members and his/her immediate families. This service is done in partnership with QK or Quidan Kaisahan

## **4) Mutual Aid or Mortuary Funds**

NISCO provides mortuary aid or mutual aid to its members or member of the family in times of death.

## **5) Providential Loan**

- ✓ Emergency Loan
- ✓ Educational Loan
- ✓ Salary Loan
- ✓ Pension Loan

## **6) Savings and Capital Build-up Mobilization**

- ✓ Savings mobilization/Monthly dues
- ✓ Capital Build-up Formation

## **7) Business Development Services (BDS)**

NISCO shall involve or tap other partners in the provision of Business Development Services to its clients. NISCO aims to develop successful and sustainable microenterprises through the provision of a comprehensive, practical and quality business development services to micro entrepreneurs. The long-term goal is to develop micro-entrepreneurs into small and medium-size entrepreneurs creating a more vibrant local economy.

The following are among the components of NISCO BDS;

**a. Value Formation and Seminars**

NISCO or partner institutions shall conduct value formation and seminars that aim to build positive character and values among its members. These trainings, also, are meant to empower and transform members and leaders in the community.

**b. Entrepreneurship Training**

NISCO aims to develop and enhance the capability and knowledge of its clients in managing their business by giving them entrepreneurship trainings.

The following are the trainings that NISCO particularly conducts for its clients:

- Leadership and Values Formation
- Project Development and Management
- Bookkeeping
- Entrepreneurship

**c. Business Advisory.**

One of the services by the BDS is the provision of business consultancy and advisory to the entrepreneurial clients through a computer aided business analysis or meeting and discussion. This is provided to clients who want to put up a new business, and also to those who want to further develop and or strengthen the said business.