

PHILIPPINE EXPERIENCE IN COMMUNITY ECONOMIC DEVELOPMENT

Policy and Operational Implications

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LIVELIHOOD DEVELOPMENT

- securing basic necessities through endowment
- no/low risk
- low profits

ENTERPRISE DEVELOPMENT

- risk-taking, opportunity-seeking
- involves financial investments
- higher profits



Evolution of Community Economic Development in the Philippines



LIVELIHOOD DEVELOPMENT

- Primarily concerned with increasing incomes
- Uses microloans and savings
- Small economic activities that rely on skills of beneficiaries
- Commonly caters to individuals



ENTERPRISE DEVELOPMENT

- More concerned with creating successful business
- Involves investment in upskilling business management and production of retail goods and services geared towards the market
- Higher financial investment requirements
- Can be either individual or community



MARKET SYSTEMS DEVELOPMENT

- Involves organizing business around a value chain
- Looks at high value markets
- Interventions in different aspects of the chain
- Entails organizing small producers to achieve scale
- May entail different forms of financing

Models of Community Economic Initiatives in the Philippines

LIVELIHOOD DEVELOPMENT



Established 1986
7.1m clients
26m households insured
19,700 staff
3,504 offices

Php 29B in outstanding loan
Php 27B in savings
91% repayment rate
Php 74B in assets
Network of 14 institutions



Self-Employment Assistance - Kaunlaran

Started in 1993
Approx. 320,000 reached
between 2011-14
54.5% repayment rate
(2011-14)

Operating cost est. 4x of CARD
Considered as capacity building
program, not microcredit
Folded into SLP in 2011

Microfinance challenge in the PH

Cross over to SME

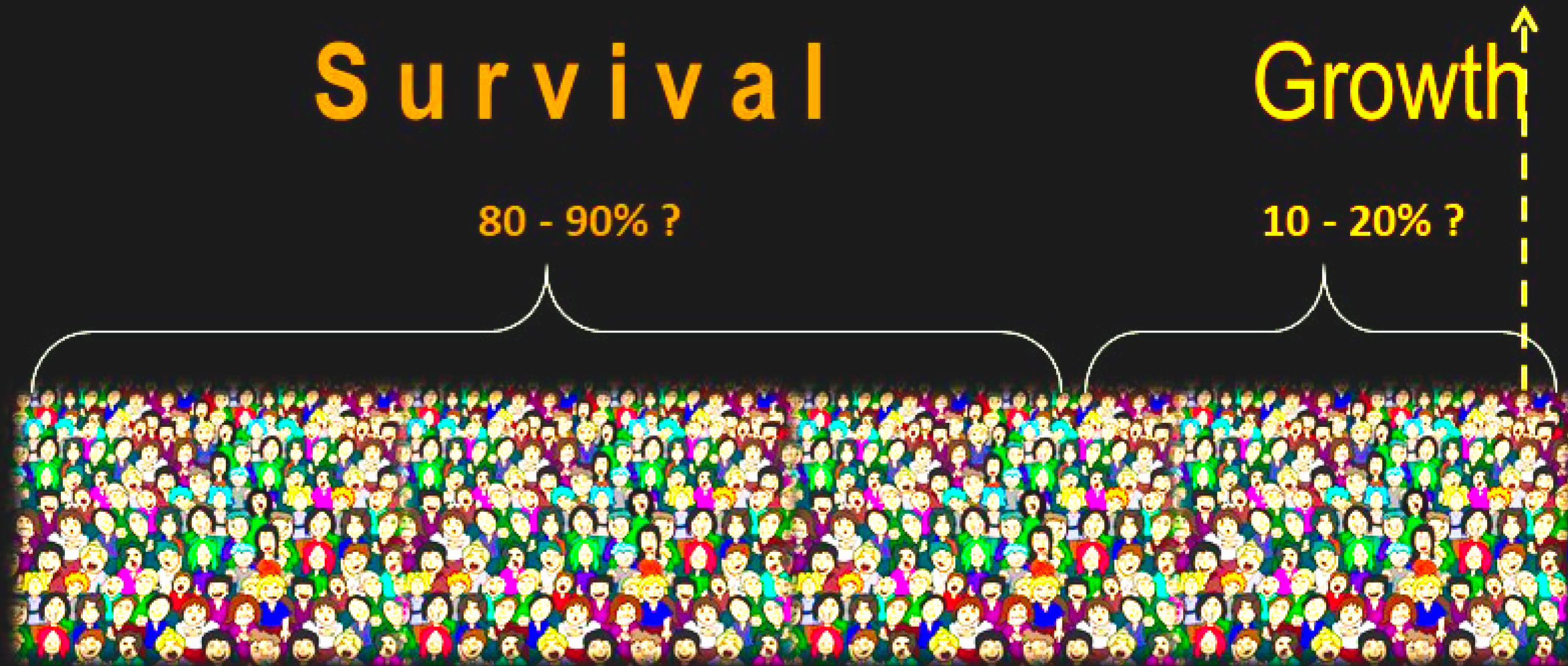
1 - 2% ?

Survival

80 - 90% ?

Growth

10 - 20% ?



Models of Community Economic Initiatives in the Philippines

ENTERPRISE DEVELOPMENT



pilMico

Egg-laying machine
Php 34,500 start up cost
48 RTL chickens +
complete equipment

Payback period - 1.1 yrs
Net income for 1 cycle -
Php 43,848.00



55,779 HH served in 2019

49,296 HH provided
with microenterprise
development assistance
in 2019

285 HH provided with
employment assistance
(2019)

Models of Community Economic Initiatives in the Philippines

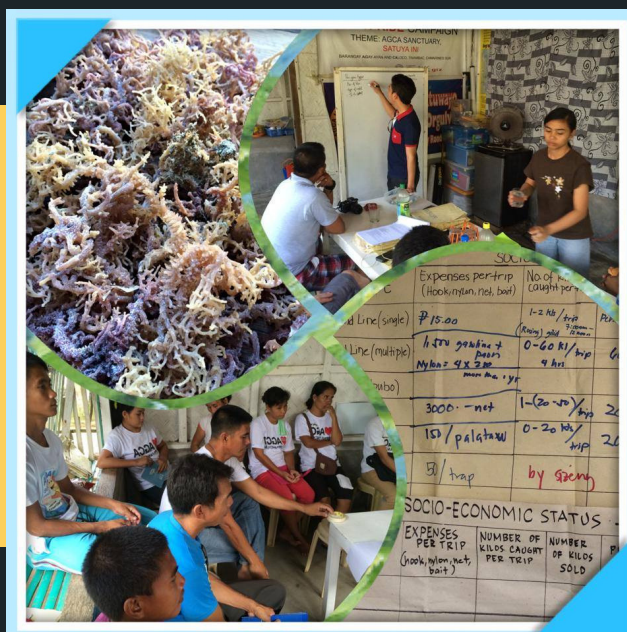
MARKET SYSTEMS DEVELOPMENT



17 Farmer groups delivered to Jollibee group in 2017

7k metric tons of vegetables delivered to JFC since 2009

P 300M total sales of FEP farmers to JFC since 2009



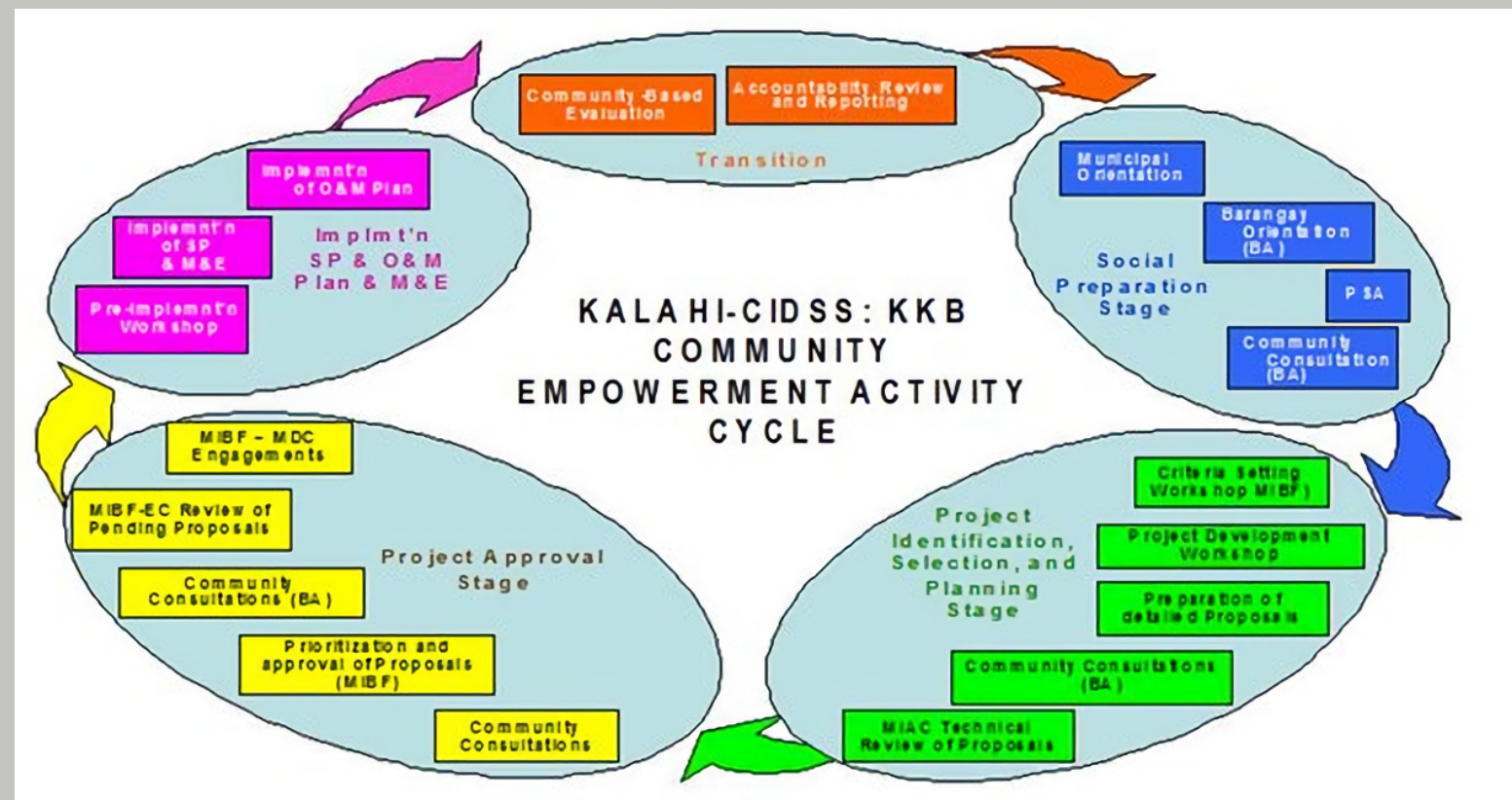
**Community-driven
Enterprise Development**

6 of the poorest municipalities

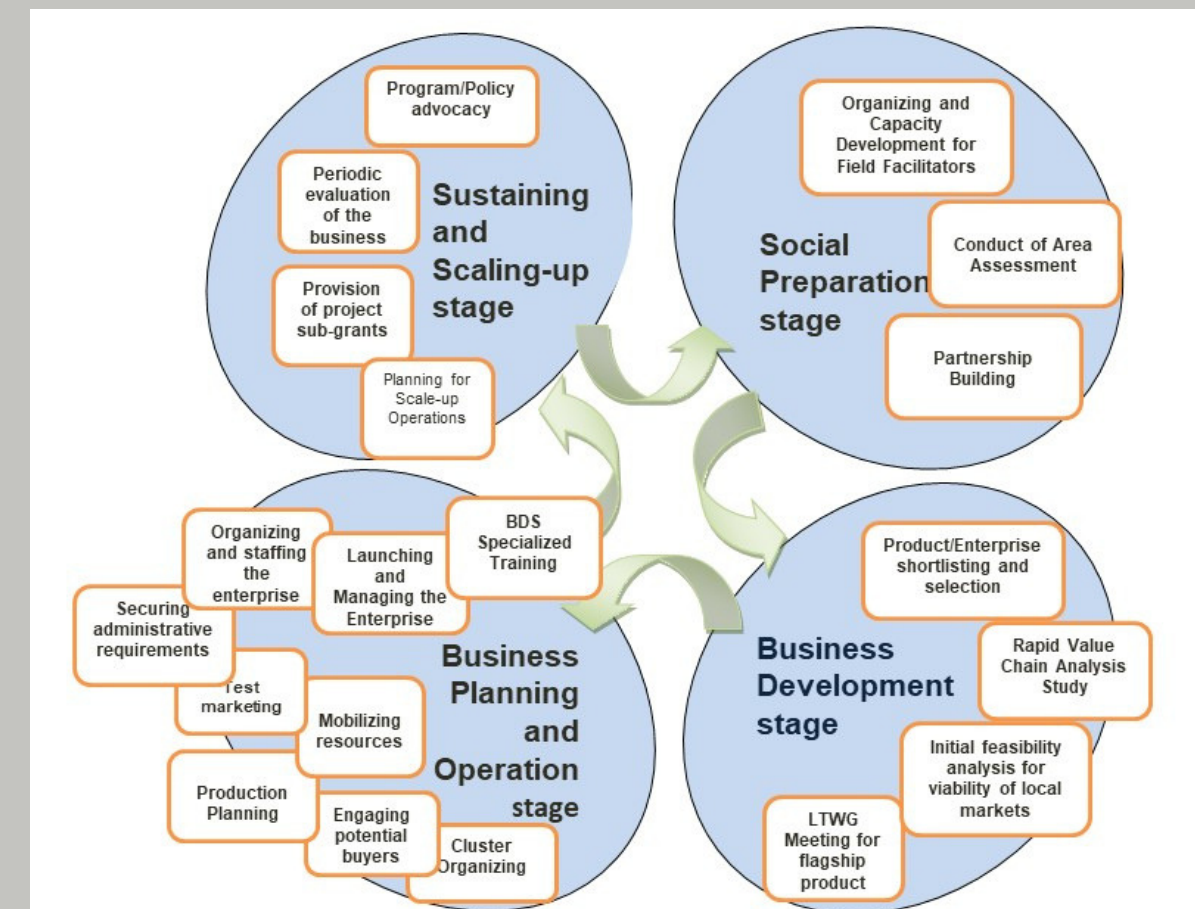
Target of 1,000 farmers per municipality

6 value chains developed

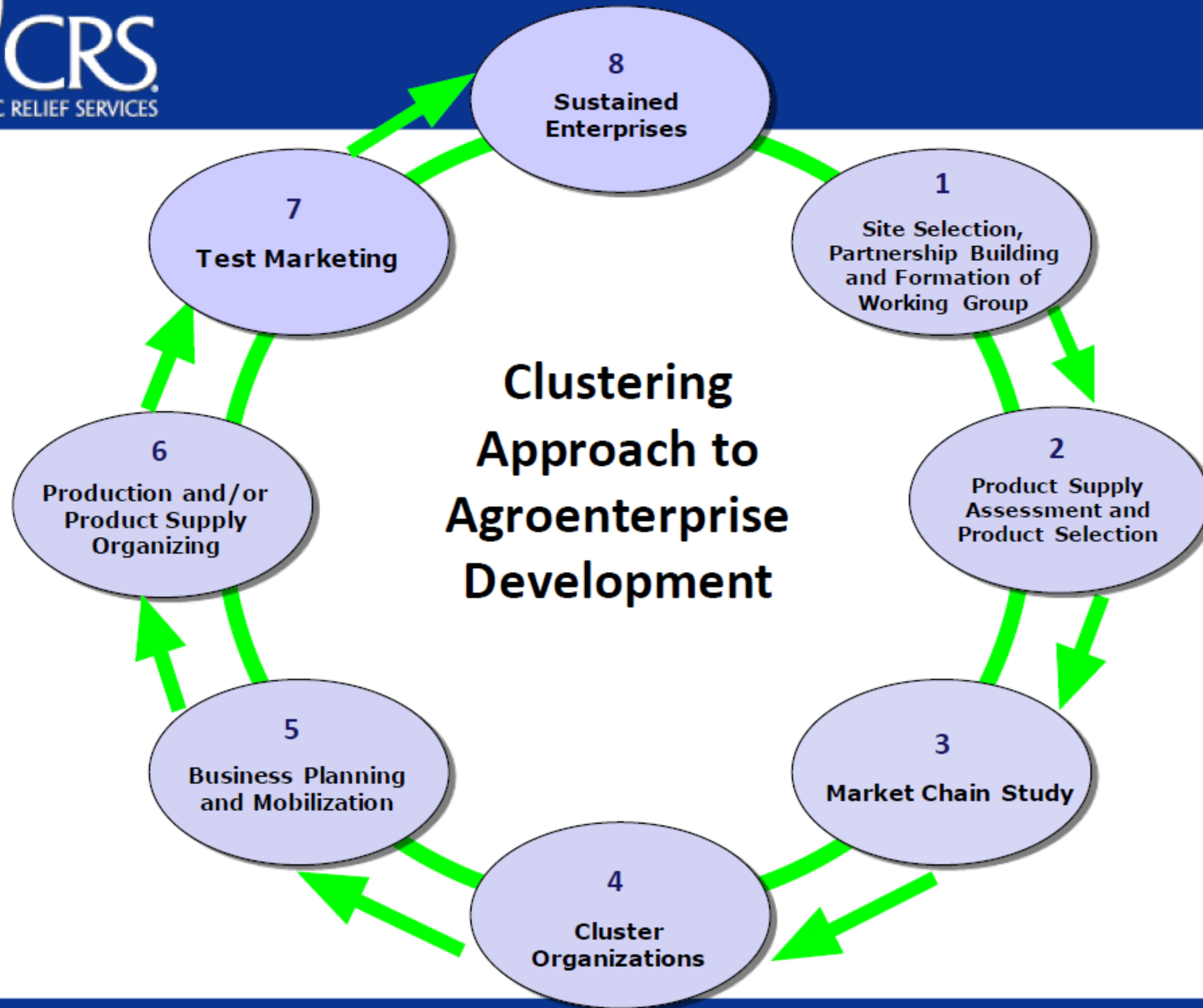
Evolution of CDED



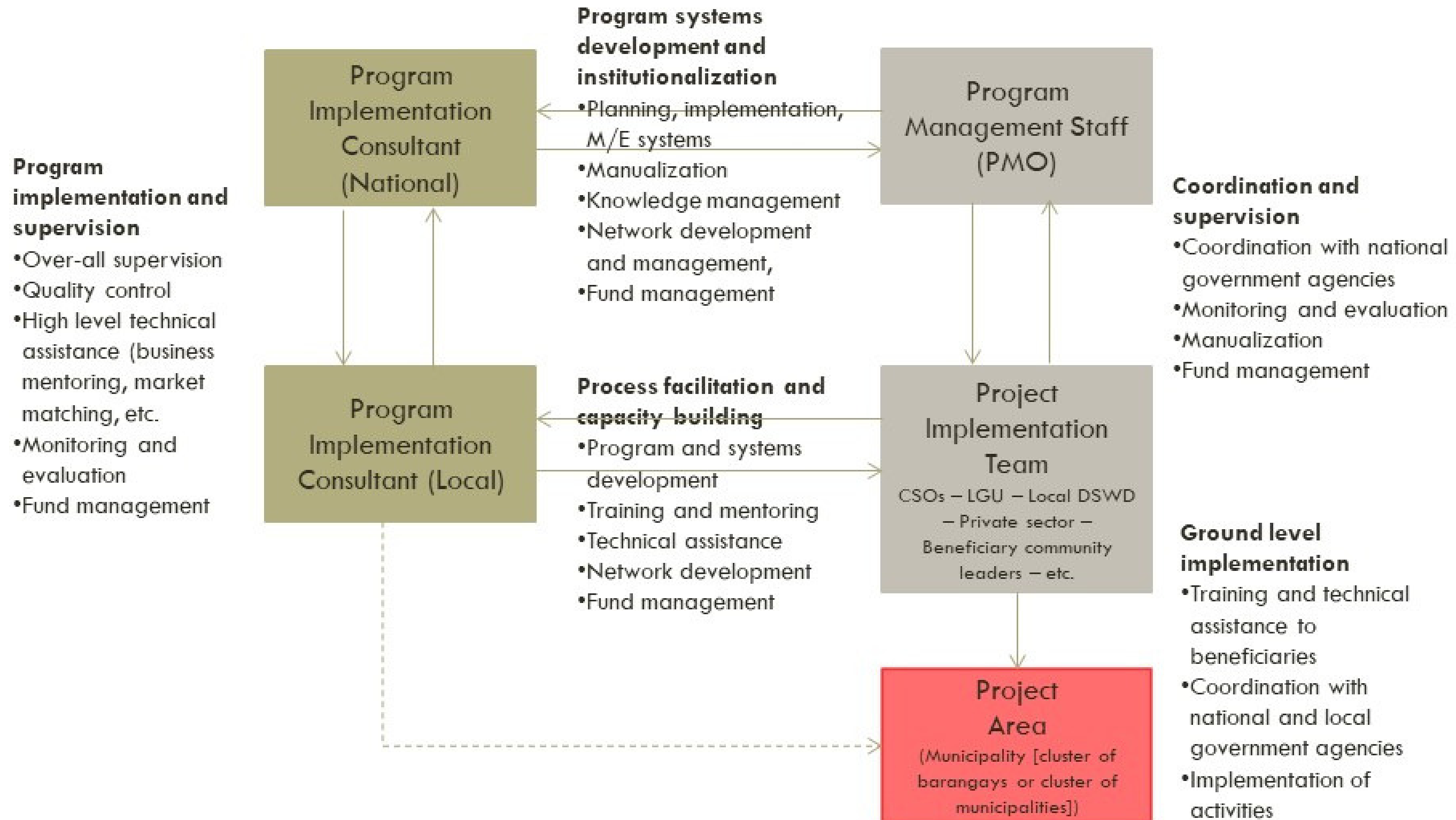
COMMUNITY EMPOWERMENT
ACTIVITY CYCLE



COMMUNITY-DRIVEN ENTERPRISE
DEVELOPMENT CYCLE



CDED Program Implementation Framework





\$52.6M project funded by IFAD started 2015
Beneficiaries: agrarian reform beneficiaries
49,342 HH reached by 2020
11 agrarian reform community clusters
7 value chains in 10 provinces in Mindanao



R>PID

G R O W T H

P R O J E C T

\$95.1 project funded by IFAD started in 2019
9,635 farmers reached (12% of target)
108 farmers' organizations to enter into 107
commercial partnership agreements with 29 MSMEs
and 29 anchor firms
4 priority crops (coffee, cacao, coconut, and
processed fruit and nuts)
in 7 regions and 21 provinces, all in Mindanao except
region 8

OPERATIONAL AND POLICY ISSUES FOR NCDDP

INSTITUTIONAL CAPACITY TO ENGAGE IN LIVELIHOOD AND ENTERPRISE DEVELOPMENT

How to develop enterprise development skills in ACT? How to interface with SLP? Outsourcing?

PUBLIC GOODS FOR PRIVATE GAIN?

How to build in profit-making into NCDDP framework and CEAC?

EXTENT OF INVESTMENT AND TIMEFRAME

What can we realistically achieve in 3 years (under the NCDDP AF)? What resources are available?

COLLABORATION WITH OTHER AGENCIES/PRIVATE ENTITIES

How to harness the competencies of other government agencies and private entities in enterprise development and business development and management?

STRATEGIC POLICY ON ENTERPRISE DEVELOPMENT

What is the long-term plan of the department in livelihood and enterprise development?

