

CANADA FUND PROJECT BRIEF

1. Project Title : Enhancing Local Government Participation in Enterprise Development
2. Location : Antique
3. Project Sector : Strengthening civil society
Business support services and institutions
SME development
4. Budget : Php 1,993,000.00
5. Implementing Organization : Antique Development Foundation, Inc.

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6. Duration : October 23, 2007 - May 15, 2009
7. Project Description :

The project shall respond to the concerns of the seven local government units and their partners in the OTOP program. It seeks to make the local government units more responsive and capable of delivering services to their local entrepreneurs. It shall have the following components:

- **Capability Building for selected LGUs.** Local Chief Executives (LCEs) shall be given appreciation courses in enterprise development. Key staffs shall be trained so they will become small business consultants in their respective municipalities. Series of other trainings to enhance managerial, technical, financial and marketing skills of key staffs shall be provided. The ADF has identified the University of the Philippines Institute of Small Scale Industries (UPISSI) as partner in implementing this component. The project shall also work for the institutionalization of OTOP program in the LGUs towards the creation of an economic unit/ through the designation of person/s who will specifically work for the program. At present the ADF is negotiating with a local academe for the accreditation (read: masteral units equivalency) of the project training activities to masteral courses.
- **Direct assistance to OTOP beneficiaries.** OTOP program beneficiaries are usually micro and small entrepreneurs. Support facilities and also capability building activities will be provided to the direct beneficiaries to increase their productivity and income. Among the identified assistance are training to update skills, good manufacturing practices, packaging and labeling. Technical assistance will be provided for food processors so they will have licenses from the Bureau of Food and Drugs (BFAD). They shall also be assisted in terms of pricing and costing, negotiation with buyers and other needs.
- **Marketing and Promotion.** Support facilities of the ADF, such as the ADF Marketing Center in San Jose de Buenavista, shall be opened to OTOP program beneficiaries. The ADF shall help promote the products through participation to local and international fairs. It will work for the establishment of a "pasalubong center" for food processors. Market information support on current production technologies and processes, increasing productivity, quality control, fund accessing and other

information shall be provided to LGUs and OTOP program partners. Capability building interventions, using information technology to access market information, will be given to LGUs. The ADF will maximize its network with the Provincial Government of Antique for the inclusion of OTOP program products in the Provincial website.

- **Financial Management.** The ADF shall encourage the LGUs to provide regular annual fund allocation for the OTOP program. It will also assist the OTOP program beneficiaries to access funds from other financial institutions. Meanwhile, this project shall allocate a small amount as start up revolving fund to assist their small enterprises.

8. Beneficiaries :

9. Expected Results :

- Enhanced understanding of Local Chief Executives and key officers and staffs on the various enterprise development concepts, principles and practices
- Wider perspective of LGUs on governance and enterprise
- Increase in participation of local chief executives and key personnel to OTOP activities
- Greater confidence of the LGUs in matters related to enterprise
- Greater appreciation of business ideas which may eventually lead to LGU managed economic enterprises
- The LGUs can speak with assurance regarding the status and direction of the OTOP program and their beneficiaries
- Accessibility of technical consultants in the municipality which the beneficiaries can directly approach to improve efficiency in the delivery of services to people
- LGU OTOP officers and beneficiaries engaged in handicraft development learned current designs and trends
- LGU OTOP officers and beneficiaries engaged in fish and processing gained knowledge and skills in proper packaging and labeling
- LGU OTOP officers and beneficiaries engaged in “muscovado” sugar production learned proper packaging designs for their products
- LGU OTOP Officers and key staffs provided direct assistance to the OTOP in relation to packaging and labeling.
- OTOP Officers and beneficiaries are able to learn knowledge and skills in Hazard Analysis and Critical Control Points
- OTOP Officers and beneficiaries are able to learn knowledge and skills in Total quality management
- OTOP officers and beneficiaries are able to understand and practice bar coding
- OTOP officers and beneficiaries engaged in processing learned and apply necessary standards to get the BFAD license to operate
- Enhanced skills and knowledge of muscovado farmers in organic farming, its premium benefits over the others
- Increase in number of muscovado farmers adapting organic farming
- OTOP officers acquired knowledge and skills in marketing
- OTOP officers and beneficiaries acquired knowledge in pricing and costing, and negotiation with buyers, visual merchandizing
- LGUs are able to participate in one of the local trade fairs, promoting their products
- OTOP products are sold at the ADF Marketing Center in San Jose de Buenavista and at the Ilonggo Producers Association Show room in Iloilo City
- OTOP products are promoted by ADF during its participation to various trade fairs
- LGUs and partners acquired skills in improving and reducing cost of distribution and shipping
- OTOP partners and beneficiaries acquired knowledge on how to obtain BFAD licenses, and other product quality standards
- OTOP Officers learned knowledge and skills in proposal making
- OTOP officers and beneficiaries are able to learn available financial resources in the province during round table discussions and other venue
- OTOP officers and beneficiaries lobbied with the LGU for support in their 20% development fund

- Direct assistance in small support for the OTOP beneficiaries provided by ADF beneficiaries to access funds from other financial institutions. Meanwhile, this project shall allocate a small amount as start up revolving fund to assist their small enterprises.

10. Midterm Results :

This assessment covers the first quarter of project implementation. Generally, the target accomplishments for the quarter were achieved as planned. Most of the activities focused on building the foundation of partnership and getting to know better each organization that are involved especially the LGUs and the local partners. Except for the municipality of San Jose de Buenavista, all other partner municipalities have already decided their OTOP. Presently, the municipalities have also already assigned personnel to act as OTOP Officer either through Executive Orders, resolutions by the Sangguniang Bayan (Municipal Legislative Councils) or memorandum. One of the facilitating factors is that the OTOP is among the flagship projects of President Gloria Macapagal Arroyo, hence the LGUs are mandated to implement it. The Department of Trade and Industry is a good partner as it also helped in the program implementation. One offshoot of this project, in complementation with the OTOP program, is the plan to organize a province-wide OTOP producers association.

Meanwhile, the ADF Executive Director was invited by Senator Loren Legarda to participate in a round table discussion in Iloilo and discuss about textile and fiber industry development in Region 6 which includes Antique. It is in this event that the ADF was able to know an indigenous raw material called “quillo” which can be used as a raw material for handlooms instead of the commercial polyester.

The following are the specific accomplishments based on the project implementation plan:

Program Launching. The program was launched last January 2008 , attended by the governor of Antique, municipal mayors and representatives from the Department of Trade and Industry (DTI), Department of Science and Technology (DOST), Technical Education and Skills Development Agency (TESDA) and the OTOP beneficiaries. A memorandum of Agreement was signed by stakeholders stating their support to the program. The TESDA and DOST expressed their support to the program and they also gave information regarding their present program complementing this project.

Meetings and program orientations per municipality. Nov and December 2007. The project management team (PMT) met with each of the local chief executive (LCE) of the seven municipalities of San Jose, Bugasong, Barbaza, Laua-an, Tibiao, Sebaste and Pandan in November and December 2007 to orient them about this project. All LCEs have designated their OTOP Officers to cooperate with and support the project through Executive Order or Memorandum.

The following are the OTOP of the municipalities:

- Bugasong – loomweaving
- Laua-an – Muscovado
- Barbaza - Bamboo craft
- Tibiao – pina weaving
- Sebaste – nito weaving
- Pandan – eco-tourism with handicraft
- San Jose – to be decided

Consultation Meetings. From January to February 2007, visits and meetings were made with the OTOP beneficiaries in the municipalities of Pandan, Barbaza, Bugasong, Tibiao, Laua-an and Sebaste. January and February. Meanwhile, consultations were made in Pandan, Barbaza, Sebaste, Tibiao, Laua-an and Bugasong . The OTOP beneficiaries were able to express their current status and needs. Many of the OTOP groups remained unorganized. Due to change in the LCE, there is also a corresponding change in the OTOP of San Jose from fish processing to Information Technology.

Coordination with DTI, UP-Institute of Small Scale Industries (ISSI), Saint Anthony’s College and the Polytechnic State College of Antique (PSCA). The PMT explored possibilities in these institutions

for the accreditation of project training so that the participation in these activities would have masteral equivalency. The UP-ISSI is willing to conduct the training in San Jose while the PSCA has some entrepreneurship subject but it has to be explored further.

Philhealth membership. The OTOP beneficiaries are enrolled either voluntarily or subsidized by the local governments in their Philhealth Program. The PMT explored with the LCEs of Bugasong, Laua-an, Barbaza, Tibiao, Pandan and Sebaste the full inclusion of the OTOP beneficiaries in their respective Philhealth program. So far the prospect is encouraging.

Conduct of consultancy / study sessions on product development and planning. On-site consultancy and study sessions were conducted with OTOP and producers engaged in bariw/abaca crafts, loomweaving and nito weaving in January and February 2007. Twelve new product designs and weaving patterns were produced and promoted in the National Trade Fair 2008 for abaca/bariw craft. An on-site consultation was made with the loomweavers as they need the assistance in product design

Field visits and provision of technical assistance to OTOP beneficiaries together with OTOP officers. The PMT was immersed in the project sites and provided technical assistance to OTOP officers and beneficiaries in the areas of enterprise development since November 2007. The PMT and OTOP officers assisted the nito weavers in the municipality of Sebaste to organize themselves and prepare their registration documents. An industry study and initial business planning was already made. The loomweavers of Bugasong was also assisted to organize themselves. The Executive Director was asked by Senator Loren Legarda to attend a round table discussion on the Fiber Industry in the region.

Provision of technical assistance in the formulation of a marketing plan for OTOP products. In January and February 2007, the PMT provided assistance to the LGU of Barbaza in the establishment of the Municipal Trade, Information and Learning Center in partnership with DTI. The center will be serving as a multi-purpose venue for information, products, and other data about the municipality. It was scheduled to be inaugurated in March 2007 in time for the town fiesta (feast or founding anniversary)

Marketing of OTOP products at ADF and its other outlets. The ADF has consistently assisted its OTOP partners in the marketing of their products. The products below were sold at ADF Marketing Center and other outlets from January 2007. The total sales from January to February amounted to Php 50,000.00

- bariw/abaca crafts
- nito craft products
- handwoven products such as patadyong (wrap around skirt), handkerchiefs, and bags

Promotion of OTOP products through trade fair participation. The preparations for the National Trade Fair 2008 were already conducted from January to February 2008. New product prototypes and other booth materials are now ready for shipment and the market collaterals and product brochures were stored in compact disks for distribution to potential buyers. The product profiles, pricing systems and others materials are ready as well while the existing buyers or patrons were already invited to the show through phone calls and emails.

Coordination with the Provincial Government for the inclusion of OTOP products in the Province's website. The coordination activities were conducted in February 2007. The provincial government at present is on the process of negotiation with the organization that will design and create its website. The Provincial Information office committed to include the OTOP in the website as soon as it is made.

Provision of small financial support for production. The project has already started in February 2007 to provide small production fund for existing OTOP producers. The following production funds was released to the existing OTOP:

- Php 10,000.00 for loomweavers
- Php 10,000.00 for Barbaza

- Php 50,000.00 for Pandan
- Php 10,000.00 for Sebaste
- Php 10,000.00 for Tibiao

Beneficiaries

Number of beneficiaries planned to be assisted:

Direct :	Female: 170	Male: 904
Indirect	Female : 2,072	Male: 2,072

Actual beneficiaries actually assisted as of this quarter:

Direct:	Female: 214	Male: 850
Indirect:	Female 2,150	Male: 1,950

Impact on Women

Even at this point the potential of women rising into equal position with men is very evident. Most of OTOP organized groups in Sebaste, Pandan, and Bugasong are headed by women. Most women members and leaders also actively participated in the celebration of the women's month in March 2007.

Impact on the Environment

So far, the impact in the environment is nil. For abaca/bariw weavers, there is an available abaca plantation of 240 hectares province-wide. Since the announcement that "quillo" material is available in Bugasong, the LGU is somewhat excited to revive the plant and use it as alternative material.

Finance

The proponent had already utilized Php 344,949.00 or 35% of the first tranche of grant amounting to Php 996,500.00. On the other hand, the cash counterpart reached Php 458,099.00 or 19% of the annual combined cash and in-kind contribution worth Php 2,425,000.00. The utilization appears to be appropriate for the purpose for which the funds were made available.