

Programme for Local Economic Development through Enhanced Governance and Grassroots Empowerment (PLEDGE)



International
Labour
Organization

The Challenge

Many parts of Mindanao have been the site of near-continuous conflict for several decades, focused predominantly in the Autonomous Region of Muslim Mindanao (ARMM). The signing of the Comprehensive Agreement on Bangsamoro in March 2014 was the culmination of years of negotiations for peace in the region.



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The conspicuously low unemployment rate in the ARMM (3.9 per cent in July 2014) masks deep issues around employment in the region. Poverty is such that people cannot afford to be unemployed. Families in the ARMM had the lowest average annual family income at 130 thousand pesos, compared to the national average of 235 thousand pesos in 2012.

In the ARMM, four in every five employed workers are either own-account workers (without paid employees) or unpaid family workers, and therefore have little to no income security.

The Response

The International Labour Organization (ILO) is committed to working toward peace and development in Mindanao through enterprise development and job creation. In pursuit of this, the ILO, in partnership with the Bangsamoro Development Agency (BDA), international donors and local stakeholders, have initiated a *Programme for Local Economic Development through Enhanced Governance and Grassroots Empowerment (PLEDGE)*. The programme seeks to make direct positive impact on local conflict affected communities. In parallel, it aims to be an effective demonstration of the integrated PLEDGE approach for local economic development and capacity building.

The PLEDGE works with the government agencies and business communities and aligns its work with the other relevant development programmes being undertaken in conflict-affected areas in Mindanao, through the Mindanao Trust Fund administered by the World Bank, and other multilateral and bilateral agencies.

The PLEDGE aims to assist:

- 120 existing business enterprises will be provided technical assistance, for expansion, to contribute to employment creation and local economic development.
- At least 360 persons will benefit directly and up to 1,324 persons indirectly, from the project through increased incomes.
- At least 100 persons will be trained for wage employment
- Up to 36 community based organizations will be trained on market oriented livelihood and will be supported for wage and self-employment.
- 35 BDA staff and additional 30 persons from other development partners will be trained on the application of the tools and instruments.

At least 60 per cent of the beneficiaries (inclusive of women and persons with disabilities) who receive entrepreneurship training will start-up new enterprises and/or have their incomes increased by 50 per cent.

Key Statistics

- In 2012, the Autonomous Region in Muslim Mindanao (ARMM) had the highest rate of vulnerable employment at 86 per cent of those employed.
- In 2012, the poverty incidence among families in the ARMM was estimated at 49% or about 271,355 families living in poverty.

Objectives

The PLEDGE contributes to confidence and peace building efforts through local economic development and sustainable livelihoods in conflict affected areas in Mindanao. It:

- Creates sustainable livelihood opportunities that center on community-based enterprises with higher level market linkages;
- Builds the capacity of the BDA, to implement, monitor, evaluate and upscale livelihoods interventions; and
- Enhances community ownership of interventions through participatory and consultative approaches.

Relevant ILO Conventions and Recommendations

- Job Creation in Small and Medium-Sized Enterprises Recommendations, 1998 (No. 189)
- Promotions of Cooperatives Recommendations, 2002 (No. 193)

Project Approach

PLEDGE is designed for an initial 6-month Inception Phase to be followed by a 24-month Implementation Phase. As a pilot programme, the PLEDGE will rapidly incorporate lessons learned in anticipation that results and experience will lead to a future larger scale programme.

During the Inception Phase, a Project Advisory Committee (PAC), a Municipal Technical Team (MTT) and a Technical Working Group (TWG) have been established. Other requirements include a baseline study and a territorial diagnosis, the results of which will be used to generate evidence-based findings on the impact of the project and its design, which can be a credible basis for future expansion. Technical assistance and training from the ILO will seek to boost leadership capacity, so that over the course of the project the BDA can assume increasing responsibility for project implementation.

During the Implementation Phase, focus will be on promoting Local Economic Development (LED) and enlightened governance through participatory action research and development of practical community planning tools, guidelines, strategies and service delivery system. Municipal and barangay government units, service providers and the citizens through people's organizations within six municipalities and 12 randomized communities in Mindanao will be involved. Community-based enterprises will be strengthened by utilizing the local supply chains as entry point for local economic development. The project will invest in supply chain development activities in order to create internal market structures that will involve more people in production, processing, distribution and marketing of local agro or aqua products and services, which will be supported by the project.



Source of statistics: Philippine Statistics Authority

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Components

Donors: Mindanao Trust Fund administered by the World Bank

Acronym: PLEDGE

Start Date: January 2013

End Date: October 2015

Budget: US\$2.0 million

Partner: Bangsamoro Development Agency

Project Site: Conflict-affected areas of Mindanao

November 2014