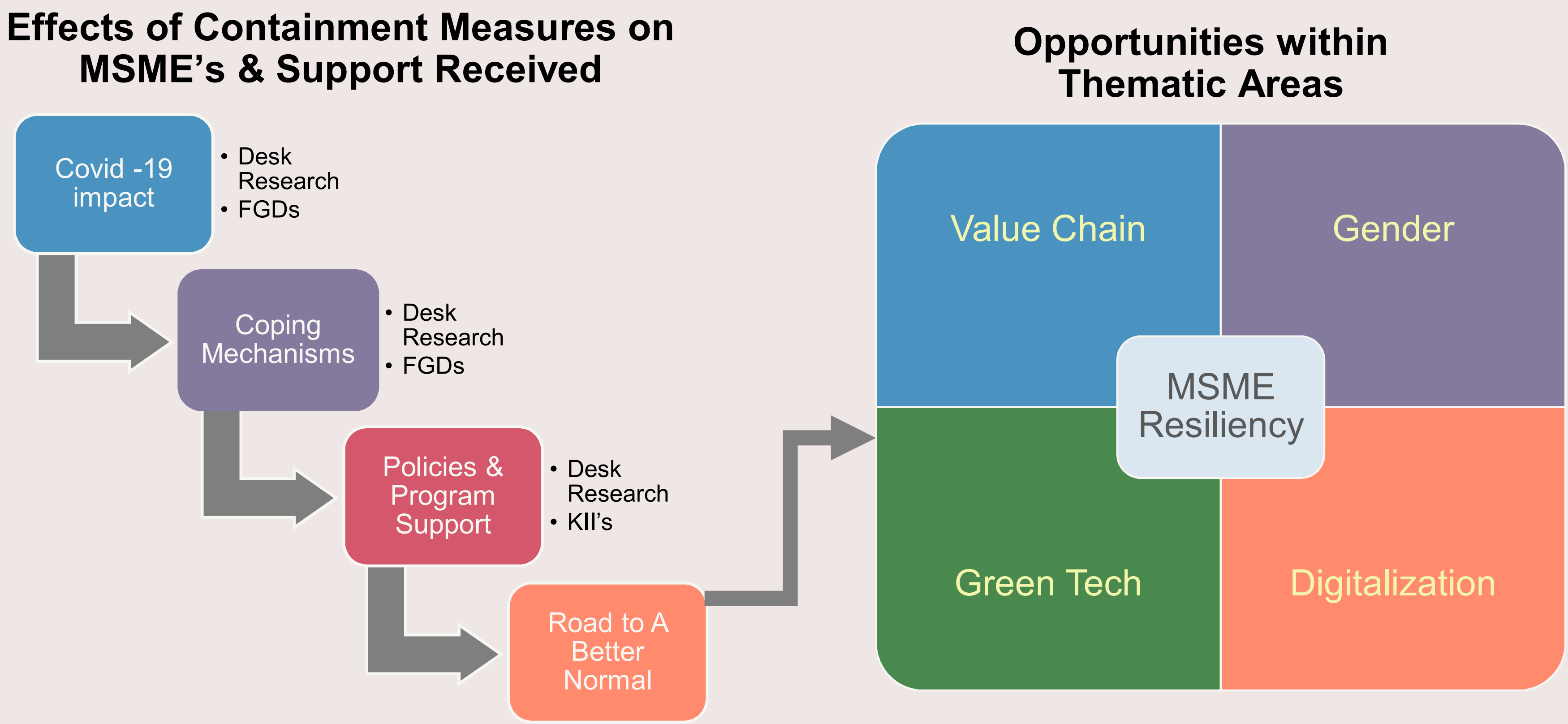
CONSULTATION ON THE ILO, UNIDO AND UN WOMEN RESEARCH “UNLOCKING OPPORTUNITIES TO BUILD A BETTER NORMAL: TOWARD GENDER RESPONSIVE AND RESILIENT MSMEs IN THE MANUFACTURING & SUPPORT INDUSTIES IN THE PHILIPPINES”

UNITED NATIONS
PHILIPPINES

18 MARCH 2021, 2.30 to 4.30 P.M., via ZooM

What this research is about?



Why Food Manufacturing Sector?

54%
Manufacturing Business Establishments (2018)

70%
Women Owned

- **Priority sector exempted from Community Quarantine**
- **Integral part of Food Value Chain**

KEY FINDINGS

1. Firm and Disruptions in the Value Chain
2. Thematic Areas

(Gender, Green Tech, Digital)

CONSISTENT FINDINGS FROM SURVEYS

7 out of 10 businesses closed down

Value Chain	Closures	Operating
Retail	74%	26%
Distribution	76%	24%
Processing/Manufacturing	71%	29%
Agri/Farming/Producers	57%	43%
Raw Materials	77%	23%

Consistent across various sources: UNDP, UNIDO, NEDA, ADB

Trends after 6 months

90% of MSME's resumed operations

POSITIVE TRENDS

Micro – Firms
- 3/10 improved business performance
- Increased employment

Other General Trends
- Increased business name registration
- Online sales more than doubled vs past year

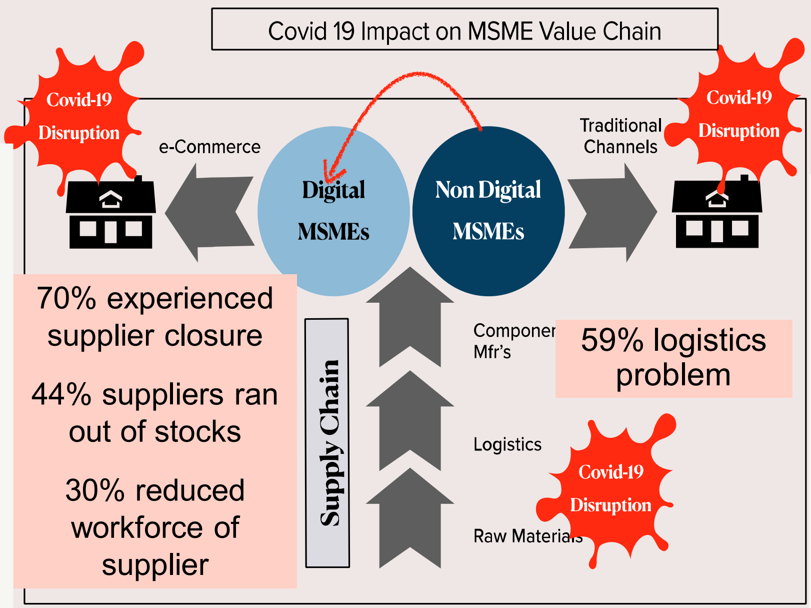
PERSISTENT CHALLENGES mainly Small & Mid sized firms.

Mid – Sized Firms
- Reduced workforce
- Disruption in. supply chain

Small– Sized Firms
- No increase in. employment
- Cancellation of contracts

Firm Level – Value Chain Support & Constraints

MSME Covid 19 Situationer



70% experienced supplier closure

44% suppliers ran out of stocks

30% reduced workforce of supplier

59% logistics problem

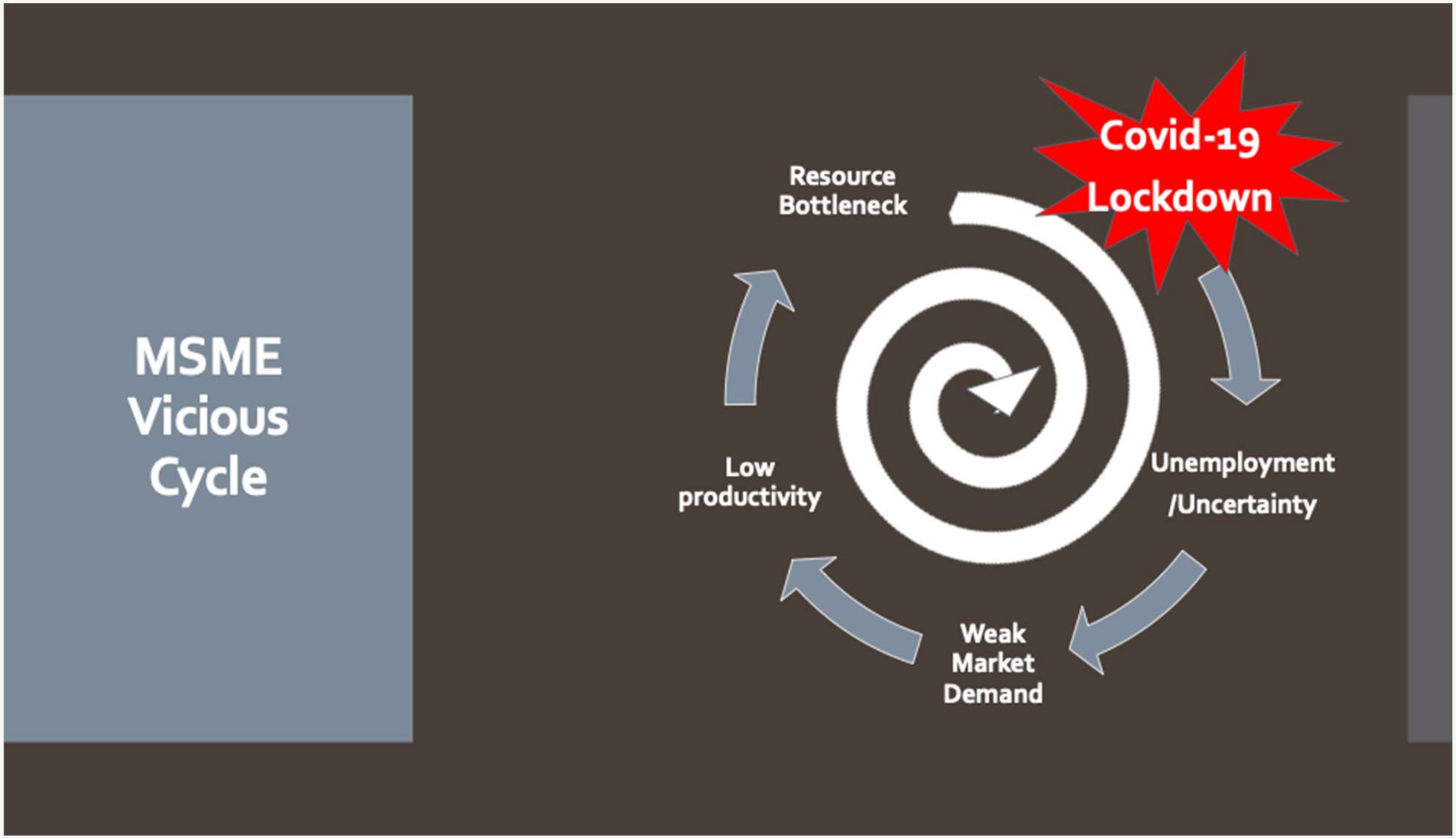
SINGLE MOST CRITICAL NEED:

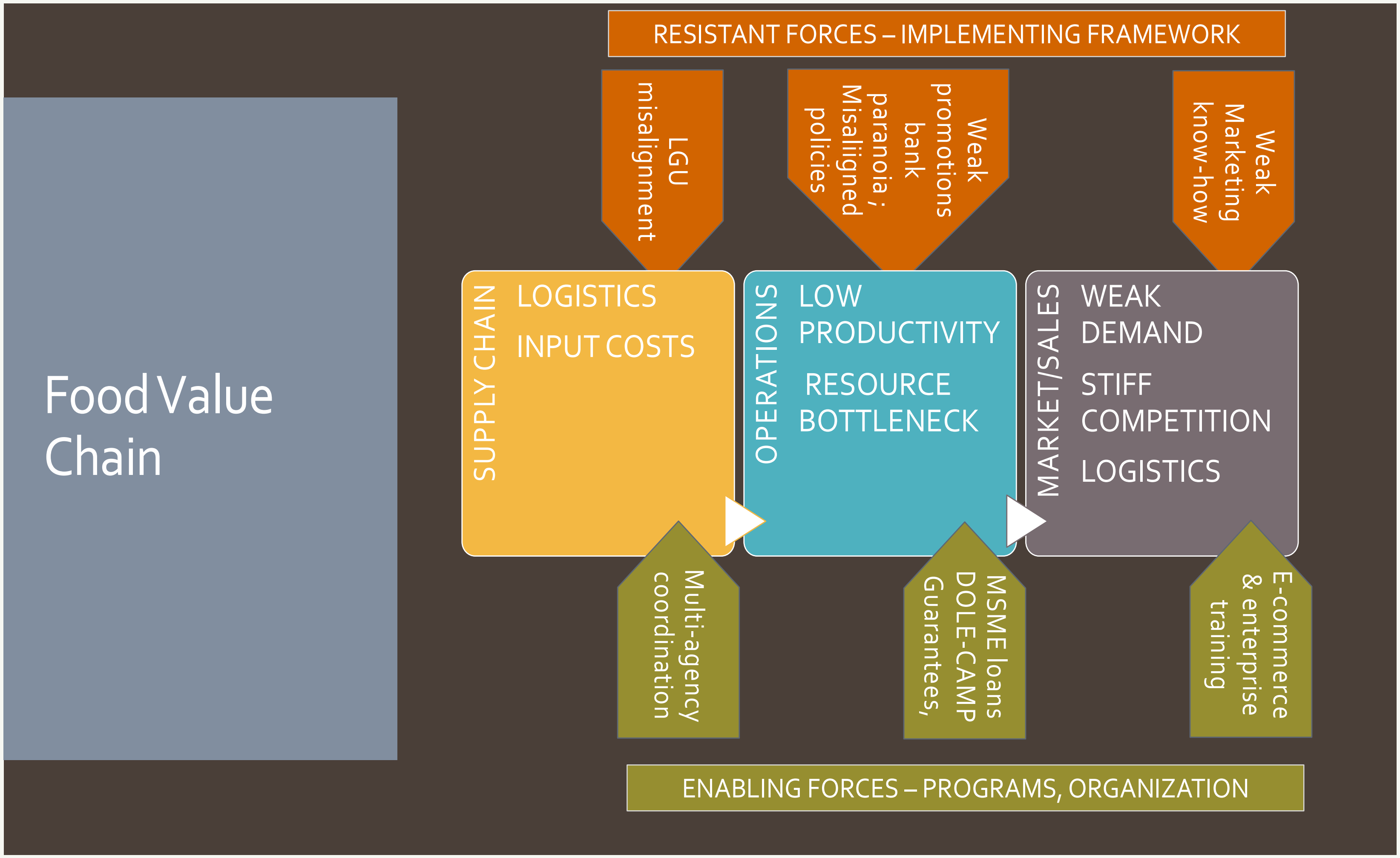
CREDIT

OR

MARKET

Rationale being: they needed to generate their own resources to survive




Food Value Chain
RESISTANT FORCES – IMPLEMENTING FRAMEWORK
LGU misalignment
Weak promotions bank paranoia ; Misaligned policies
Weak Marketing know-how
SUPPLY CHAIN
LOGISTICS
INPUT COSTS
OPERATIONS
LOW PRODUCTIVITY
RESOURCE BOTTLENECK
MARKET/SALES
WEAK DEMAND
STIFF COMPETITION
LOGISTICS
Multi-agency coordination
MSME loans DOLE-CAMP Guarantees,
E-commerce & enterprise training
ENABLING FORCES – PROGRAMS, ORGANIZATION

Recovery vs Resiliency

Source: WikiDiff

RECOVER:

The act or process of regaining or repossession of something lost

RESILIENCE:

Positive ability of a system or a company to ADAPT itself to the consequences of a catastrophic failure

What can make MSME's in food processing resilient and adapt better?

RECOVER:
Expressed Needs:

CREDIT

MARKET

RESILIENCY REQUIRES MORE:

- **ADDRESSING VULNERABILITY OF WOMEN ENTREPRENEURS**
- **ADOPTING GREEN TECHNOLOGY**
- **DIGITALIZATION**

Gender Gaps

Current State

Indications of Vulnerability of Women Entrepreneurs

1. UNDP Survey: Women tend to operate micro enterprises (56%) while men dominate the small and medium enterprises (62% & 73%, respectively)

2. Women are not growth oriented, while men desire more aggressive growth (2018 survey of MSME's)

3. UNDP: More women entrepreneurs claimed that sales were affected by Covid 19 (46% vs 35% men)

4. UNDP: Logistics was particularly challenging for women than men (29% vs 20%) during the lockdown

5. UNIDO: Women are less inclined to take interest in disruptive technologies. Less process oriented, more sales oriented (e-commerce)

Digitalization

Current State

Half are interested in advanced digital and disruptive technologies. (51%), more male than females (58% vs 44%)

Interest in e-commerce (46%), stronger among females than males (54%vs 38%), younger than older (38%)

Lower relevance of e-mobility (32%), online delivery of government services (25%) and HR functions (9%)

Source: UNIDO Survey

Green Technology

Current State

Generally low interest in Green Technology (at best 3 out of 10)

- **Energy Efficiency (26%)**
- **Waste Management (12%)**
- **Resource efficiency and cleaner production (9%)**
- **Pollution control technologies (7%)**

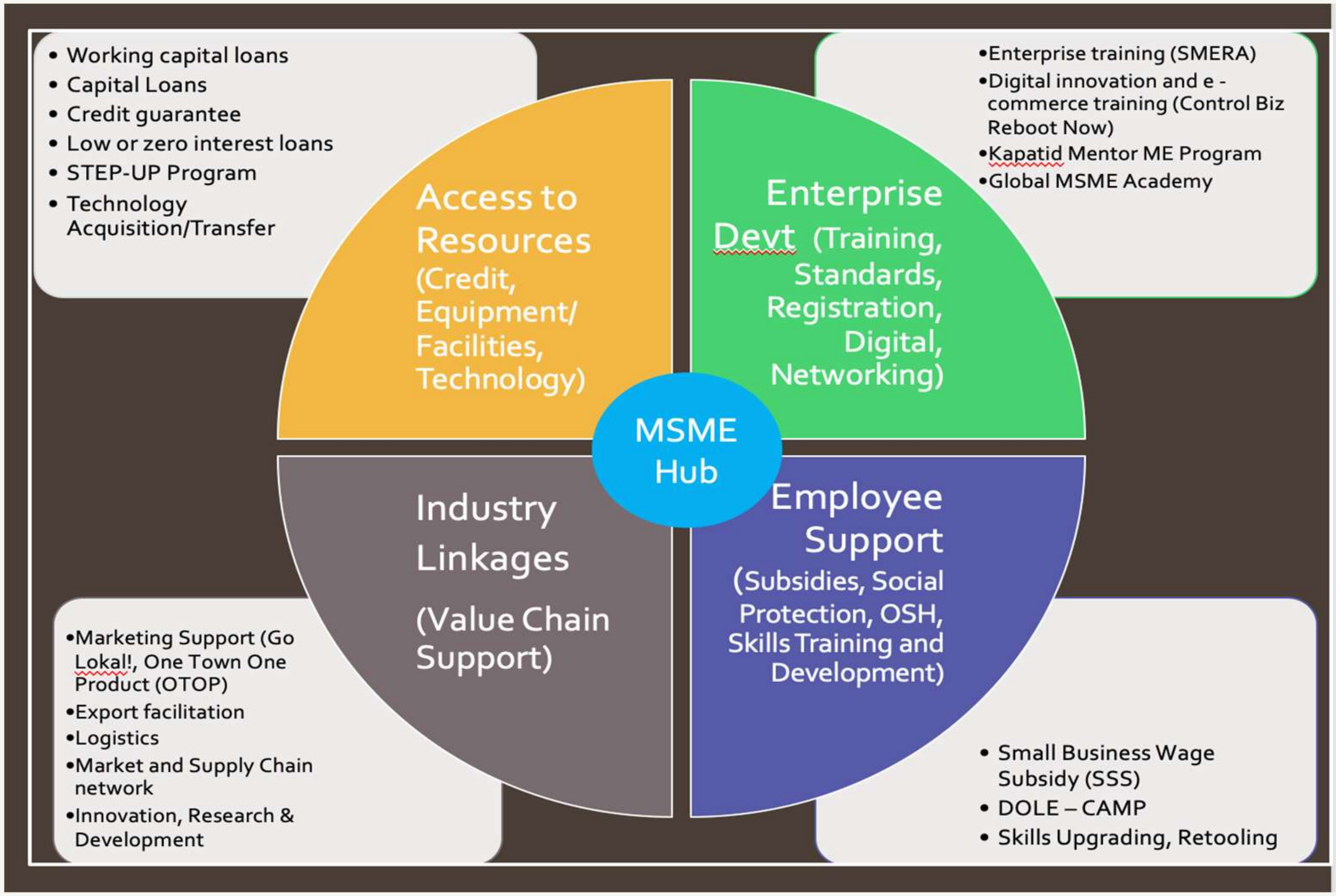
Source: UNIDO Survey

BETTER NORMAL:

RESILIENT MSME'S

A River SELF NAVIGATES

Improving Access to Information and more Integrated Program Delivery



A River Has MOMENTUM

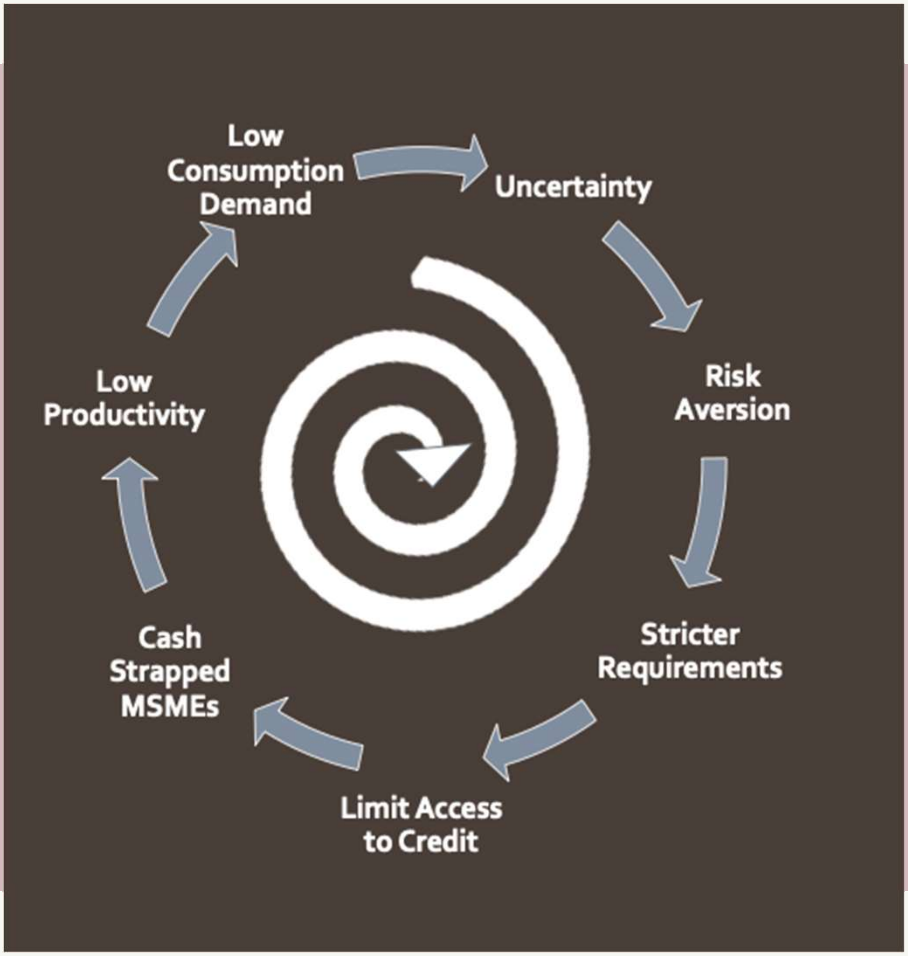
Financing as an Impetus to Growth

1. Address the credit risk choke point.

2. Develop alternative ways to evaluate credit risk

- Financing the Value Chain
- Inclusive Business, Inclusive Finance
- Financing for Impact (multiplier effect not just reach)

3. Financing as an enabler to help MSME's create and accumulate value to absorb unforeseen shocks like this and lessen their dependence on credit eventually.



A River FLOWS

Strengthen Ability to Adapt and to Rebound

Digitalization of markets and operations

Access to Markets

- E-Commerce
- Public Procurement

Develop Effective Marketing Strategies

Develop Business Continuity Plans

A River Needs a Stable Source to Survive

Empower Women Entrepreneurs

Investigate possible vulnerability of women owned enterprises

- Why they are mostly operators of micro enterprises
- Why they are not growth oriented
- Why they are less inclined to adopt new technology.

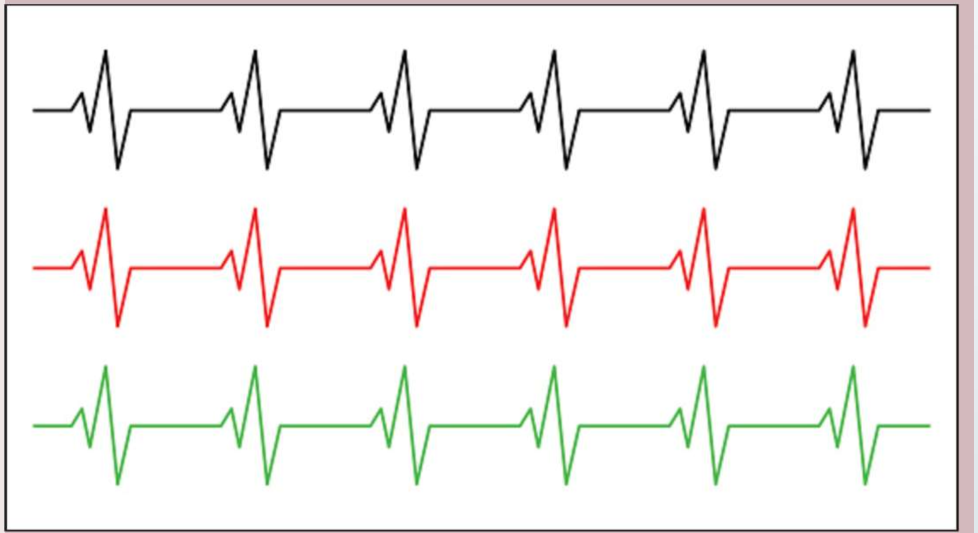
SUSTAINABILITY:
A River is Part of a Larger Eco-system

Educate and Encourage Green Technology Adoption Sooner than Later

- Increased awareness and relevance of Green Technology Adoption
- Consider formulating Technology Adoption strategies tailored to specific industry sectors and MSME types (micro vs. small & medium)
- Consider gender responsive IEC materials given that women tend to be intimidated by technology.

A River Has Rhythm
Track and Monitor MSME’s Life Cycle

- Regular Measurement
- Representative Sample to aid program and policy development and decision making
- Use Relevant Metrics (e.g. awareness of programs, availment of programs, impact measures, growth, closures)
- Track and analyse relevant sectors by and segments e.g. by industry sector, gender, firm size, other resilience measures.



RESILIENT MSME'S

- Self Directed
- Self Propelling
- Able to Adapt and Rebound
- Stable Foundation
- Sustainable Part of a Larger Ecosystem

To support them effectively, we need to track, monitor and evaluate impact of policy/program interventions.

Thank You!