

Promoting Local Economic Development In The Provinces Of Quezon, Masbate, Northern Samar And Bukidnon

Completion Report

Submitted to

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By

Angelita B. Resurreccion
Passion for Perfection, Inc

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PROMOTING LOCAL ECONOMIC DEVELOPMENT IN THE PROVINCES OF QUEZON, MASBATE, NORTHERN SAMAR AND BUKIDNON

COMPLETION REPORT, 16 NOVEMBER 2011

1. DESCRIPTION

The mission was undertaken by Passion for Perfection, Inc to contribute to the elimination of child labor in 14 municipalities covered by the International Labor Organization International Programme PEC Project.

The mission lasted from June 1 to 31 October 2011.

The Terms of Reference are attached as Annex 1 to this report.

2. OBJECTIVES

The objectives for the assignment were to:

1. Assess the economic potentials and critical livelihood bottlenecks in the four districts covered by IPEC
2. Identify sectors/sub-sectors/value chains that offer economic potentials and income opportunities for child labour families in the targeted municipalities
3. Generate LED projects (both quick wins and catalytic projects), details of which will be spelled out in specific project proposals to be submitted by partners/beneficiaries, as practical interventions to stimulate the local economy and provide jobs and incomes to targeted families.
4. Set up a LED Steering Team to sustain initiatives throughout subsequent iterations of Local Economic Development (LED) processes in the project sites.

3. FRAMEWORK

The design took off from guidelines laid out in the Local Development and Decent Work (LDDW) Resource Kit of the International Labour Organization as described. The LDDW approach defines Local Economic Development as “a participatory process that encourages partnership arrangements between the main private and public stakeholders in a defined territory”. The action-oriented process engages stakeholders in identifying the advantages and bottlenecks in upstream and downstream activities linked to the key sector with the greatest impact and

outreach to targeted poor families. The following elements in the LD process ensure accountability, transparency, ownership and sustainability of projects:

- It is participatory, requiring public-private sector partnerships
- It covers a defined territory
- It entails the mobilisation of local resources to capitalize on comparative advantages of the locality.
- It is owned and managed by local stakeholders

The structures of various workshops also drew heavily from processes in the Participatory Appraisal of Pro-Poor Income Potentials (Pro-Poor PACA), an approach developed by GTZ and Mesopartner¹.

4. ACTIVITIES

4.1. TRAINING OF FACILITATORS

The LED process is steered by facilitator who acts as a broker between private and public stakeholders in the locality. His or her role is to motivate local stakeholders to work together to harness development potentials and overcome constraints for economic development for the benefit of the local business community and local government. A facilitator is expected to inspire local stakeholders to act for change

A local facilitator (internal to the LGU as ILO IPEC partner) provides information, convenes people, moderates meetings and workshops, monitors the process, rings the alarm bell if the process is losing track, sometimes challenges inadequate mind sets and sometimes helps local stakeholders to be proud of their achievements.

An external facilitator (comes from outside the LGU, even if the agency is located in the locality such as ILO, DTI or maybe even DOLE) supports local stakeholders running the process, capacitating and supporting the internal facilitators.

The 14 LGUs in the target areas were invited to send candidates who underwent an 5-day Training of Facilitators Program (TOF) in Lucena City. The training program covered the following:

- Rationale for Local Development & Decent Work Rex
- Development concepts& issues
- PACA & LED Concepts
- Value chain development
- Pro-poor appraisal process

Contents of Chart 1 were sent by ILO to project coordinators to help LGUs in selecting or nominating possible candidates as LED facilitators.

¹ Based on Pro-Poor PACA Manual Version 1.0 June 2009

CHART 1. TERMS OF REFERENCE FOR LOCAL FACILITATORS

Internal Facilitators		
Particulars	Focal Person	Facilitator
Duties	• Anchor for LED in the locality • Hosts the process • Coordinates the complete process • Coordinates each of the identified projects later on	• Coordinates the fieldwork • Moderates the workshops • Supports monitoring of interventions • Help in institutionalization of process
Tasks	• Links up with government agencies • Looks for sources of funding for projects • Serve as information hub to Mayor, local councils and facilitators • Convener for monitoring meetings and responsible for documentation of project implementation • Facilitation of replanning workshops later on	• Assist in organizing stakeholders • Support implementation of fieldwork • Take active part in validation and action planning workshops • Help identify coordinator(s) for agreed LED projects
Role	• Attach credibility and importance to process • Carries the weight of the Office of the Mayor (acts as Little Mayor in the whole process)	• Bring in unbiased and uncompromised views
Possible candidates	LGU officials, members of the SB, Planning Officer, Devolved NGA personnel, representatives of private sector like business organization, cooperative, NGOs)	Private consultants from NGOs, university lecturers, staff of international agencies (not ILO), Staff of provincial/regional agency like DTI, DOLE, DA
Criteria for selection	1. Have free access to the Mayor, can have Mayor's eyes and ears at any time (in other words, powerful) 2. Can mobilize people, proven leadership skills 3. Managerial skill 4. Good networks 5. Can abide by ethics (below)	1. Good training and moderation skills 2. People-oriented 3. Good "soldier", resourceful 4. Can work well with the focal person 5. Good networking skill 6. Can abide by ethics (below)

Sixteen individuals were trained in the TOF, see Chart 2.

CHART 2. PARTICIPANTS' PROFILE, TRAINING OF FACILITATORS

Province	Gender		Name	Position
Bukidnon	Male	1.	Adrian R. Gamboa	Planning Officer IV, CPDC/OIC
Bukidnon	Female	2.	Emma C. Ravelo	Aquaculturist II, Provincial Agriculturist's Office
Bukidnon	Female	3.	Rebecca C. Capistrano	PPDO, Malaybalay, Bukidnon
Masbate	Female	4.	Esperanza E. Ariola	Economist I, City Planning Dev Office, LGU, Masbate
Masbate	Male	5.	Arthur L. Merico	Mun. Planning Dev. Officer, LGU-Aroroy
Masbate	Male	6.	Carmelito C. Piedad	Admin Asst. II, LGU-Cawayan
Masbate	Male	7.	Chito D. Atibagos	LEO III - Masbate
N/Samar	Female	8.	Nimfa C. Julio	MSWDO, Catarman
N/Samar	Male	9.	Noriel L. Tan	PESO Manager, Las Navas
N/Samar	Male	10.	Jay Keenson C. Acebuche	MSWDO, Laoang
N/Samar	Female	11.	Emilia D. Singzon	MSWDO - Mondragon
N/Samar	Female	12.	Lilia B. Varela	PDO IV - Northern Samar
Quezon	Male	13.	Raymond R. Ramos	LEO 3, DoLE, Quezon Province
Quezon	Female	14.	Virginia C. Paraiso	MSWDO - Calauag
Quezon	Female	15.	Minerva C. Coronacion	Catanauan
Quezon	Female	16.	Raquel A. Pornela	Project Evaluation Officer I, City Social Welfare & Dev Office, Lucena City

4.2. LIMITED DIAGNOSTICS

This involved the preparation of a shortlist of sub-sectors / products with both economic and pro-poor potentials for the municipality. A review of available secondary data, such as investment profiles, socio-economic profiles, development plans, websites, and Internet links was undertaken to help in preparation of the shortlist.

4.3. HYPOTHESIS WORKSHOP

This was for the consultant and the LED team formed by the local facilitator (minimum: focal person plus 1 assistant) to meet and achieve the following objectives:

- Have a common understanding of the appraisal schedule, sequence of activities, and expectations on the role of team members
- Align understanding of the methodology and expectations regarding the appraisal process
- Build team spirit and cohesion, agreeing on a code of conduct for all members
- Formulate hypotheses regarding the local economic and social situation (including key actors), and on possible proposals that may be expected.

CHART 3. HYPOTHESIS WORKSHOP SEQUENCE

Time	Content	Coverage	Lead
8:00	Meeting with host, courtesy call on Mayor	Verbal discussion on project, activities, schedule	Focal person
9:00	Presentation of team members	Self presentations: name, organization, position, experience with LED, experience with poverty reduction	Focal person
9:15	Exercise agenda	Intro of meta card technique Overall appraisal agenda and process	Anji
9:30	Report on status of preparations	Invitees to all workshops Venue of all workshops Speakers in workshops Interviewers and interviewees	Focal person

9:45	H1: Personal expectations	What are your personal expectations regarding the exercise?	Anji
10:00	Mapping of stakeholders	Distinguished between social, economic and infrastructure concerns	Anji
10:15	H2: Competitive advantage of location	Clustering- relevant to businesses, and relevant to individuals	Anji
10:30	H3: Production patterns & poverty situation in target barangays	Refer to geographical district map	Anji
10:45	H4: What do we expect as main results of the appraisal process?	Metacards	Anji
11:00	H5: What do we expect as main proposals for activities at the end of the week?	Metacards	Anji
11:15	Input on Porter's 5 Forces of Competitiveness	Modified Porter's 5 Forces	Anji
11:30	End of workshop		

4.4.KICK OFF WORKSHOP

The workshop was meant to:

- To inform local stakeholders about the pro-poor appraisal process and to motivate them to support the process.
- To select one or more sub-sectors/products with pro-poor potential relevant for the location that will subsequently be analysed by the team and
- To gather information from the participants about the availability and quality of framework conditions relevant for economic activities and poverty reduction in the location.

CHART 4. KICK OFF WORKSHOP SEQUENCE

Time	Content	Process	Lead
1:00 -1:15	Registration	Filling out of attendance sheets	Local team
1:15-1:25	Invocation, National Anthem	Leader	Team member
1:25-1:30	Welcome Remarks	Speech	LCE
1:30-1:40	Introduction to ILO-IPEC Project, LED,	Powerpoint	Focal Person
1:40-2:00	Explanation of Selection Criteria and Voting Process	Chart	Consultant
2:00-3:00	Sector selection	Chart and voting slips	Participants
3:00-3:15	Processing of results (participants on coffee break)	Chart	Team
3:15-3:20	Presentation of results	Powerpoint	Anji
3:20-3:25	Explanation of next steps	Powerpoint	Anji
3:25-3:30	Invitation to Presentation Event	Powerpoint	Focal Person
3:30- 3:45	Closing Remarks	Speech	Focal Person

4.5.FIELDWORK

The main purposes for data gathering in the fieldwork were:

1. To understand the internal structure of enterprises and institutions
2. To understand the specific socio-economic situation of poor farmers/ producers and traders,
3. To understand how the various players fit into the sub-sectors / value chains
4. To gather their perceptions of the local economy
5. To assess their willingness to participate in (pro-poor) LED initiatives
6. To motivate them to participate in (pro-poor) LED initiatives

Data gathering techniques included mini workshops or Focus Group Discussions and structured interviews. FGDs were mini-workshops for homogeneous groups such as farmer-producers, suppliers/traders, and child labor families. Charts 3 and 4 show the typical sequence of activities in the mini-workshops.

CHART 5. FGD FORMAT FOR FOR FARMER-PRODUCERS, SUPPLIERS /TRADERS

Time	Sample	Activity
10'	8:30-8:40	Welcome, presentation of participants
5'	8:40-8:45	Explanation of workshop purpose
5'	8:45-8:50	Explanation of modified 5-Forces Model
25'	8:50-9:15	Question Set 1. Who are your competitors? What are the strengths and weaknesses of your competitors?
15'	9:15-9:30	Question Set 2. Who are your suppliers? What are your strengths and weaknesses towards your customers?
15'	9:30-9:45	Question Set 3. Who are possible new market entrants? What competitive advantages could they have?
15'	9:45-10:00	Question Set 4. What are your limitations (barriers to entry) when trying to enter into neighboring markets (neighboring district, next production stage)?
15'	10:00-10:15	Question Set 5. What are support activities to generate more income for poor farmers/entrepreneurs?
5'	10:15-10:20	Show value chain map. Is it correct? Does it reflect reality? Could they suggest changes to better reflect actual practices? Determine if all actors are shown on map. Who is missing? Are actors correctly allocated to functions in the chain? Who has power in the chain" Where are the final markets? How does final product look like
10'	10:20-10:30	Distribute the CSF assessment table (mini-survey) and ask participants to rate.
1'	10:30	Closing and invitation to presentation event, Snacks

CHART 6. FGD FOR CHILD LABOR FAMILIES

Time	Sample	Activity
10'	2:30-2:40	Welcome, presentation of participants
5'	2:40-2:45	Explanation of workshop purpose
5'	2:45-2:50	Explanation of modified 5-Forces Model
20"	2:50-3:10	Question Set 1: What are the present income generating activities (IGA) or means of income of the poor in your barangay? Ano ang karaniwang pinagmumulan ng kita ng mga mahihirap sa barangay? How many of you say ang kita sa mga ito ay nakakasapat para sa mga mahihirap? What are the weaknesses of these present IGA why these fail to get the poor out of poverty?
10'	3:10-3:20	Question Set 4: Show value chain map. Explain the rationale why the value chain was chosen by stakeholders in the Kick-off activity held earlier in the appraisal exercise. Explain the potential for livelihood development through value chain development/upgrading. Examine the value chain. As far as they know the sub-sector, is the map correct? Does it reflect reality? Could they suggest changes to better reflect actual practices? Determine if all actors are shown on map. Who is missing? Are actors correctly allocated to functions in the chain? Who has power in the chain? Where are the final markets? How does final product look like?
5'	3:20-3:25	<u>Question 5:</u> Saan sila puede ma-involve sa value chain na ito? (What are the possible employment opportunities of the your bgy poor in this chain?)
15'	3:25-3:40	<u>Question Set 6:</u> How many say these involvements will be acceptable to them? What are the reasons why some of them will <u>not accept</u> this? What problems would they have that hinder participation? What are the reasons why some of them will <u>accept</u> this? What results are they expecting?
10'	3:40-3:50	<u>Question 7:</u> What support do they need for them to succeed in this chain?
20'	3:50-4:10	<u>Question Set 8:</u> In which links of the value chain are "females" found? What about "males"? How many % are male / female? For each link: How much are females earning? How much are males earning? What are the possible reasons behind the differences in levels of participation and pay?
20'	4:10-4:30	<u>Question 9 :</u> What proposals can you give to ensure that a livelihood program in this chain will truly benefit the families who wish to withdraw children from child labor? Who should participate? How can they be identified?
1'	4:30	Closing and invitation to presentation event, Snacks

Interviews were done with key informants (well informed, influential and interested in developing the sector) who were /are unable to participate in the mini-workshops. Interviews were conducted in respondents' place of business.

The following instruments (Annex 2) were used as guides in structuring the interviews:

- Interview Guide 1- for Business Associations (Annex 2A)
- Interview Guide 2 - for Support Institutions (Annex 2B)
- Interview Guides 3A for Consolidators /Intermediaries (Annex 2C)
- Interview Guide 3B : CSF for Sector Competitiveness (Annex 2D)
- Interview Guide 4 for Local Producers (Annex 2E)

4.6. RESULTS WORKSHOP

This took about a day, and involved all members of the LED Team identified by the Focal Person.

CHART 7. STEPS FOR RESULTS WORKSHOP

Step	Activity	Remark
1	Final documentation	Check all interviews if encoded and FGD documentations if complete
2	Diagnosis 1: What are the main surprises?	Discuss and cluster cards, pareto
3	Diagnosis 2: What are the strengths and weaknesses of the sub-sector ?	Discuss for each element of the value chain Pareto (relevance for competitiveness and impact on the poor) on each sector/subsector with more than 8 cards
4	Diagnosis 3: What are the strengths and weaknesses of supporting institutions?	Discuss and cluster cards. Pareto (relevance for competitiveness and impact on the poor) on each sector/subsector with more than 8 cards
5	Proposals 1: Which proposals came up during the fieldwork or cross our minds for each sector?	Discuss and cluster cards. Pareto (relevance for competitiveness and impact on the poor) on each sector/subsector with more than 8 cards
6	Proposals 2 : Arrange and assess proposals according to results workshop format	Assessment criteria: • realistic and viable • including the poor • quick win • visible effects
7	Preparation of presentation	Preparation of slides • Introduction • Diagnosis • Proposals Slides are prepared in parallel by team members
8	Discussion of presentation event	Review structure of the Presentation Event and Discuss specific roles for each team member

4.7. PRESENTATION & WAY FORWARD EVENT

This was done jointly by the LED team and the consultant. The objectives of the workshop were:

1. To share the diagnosis and proposals with the local community
2. Get feedback on the findings and proposals. This was to ensure that the diagnosis is acceptable to the targeted sectors and stakeholders, including those who need to be engaged in the local development process (i.e, the child labor families and the key players in the key economic sector /cluster to be upgraded or developed).
3. Motivate the local actors to actively contribute to the fleshing out and implementation of proposals.

The following were invited to participate in the half day event:

- Participants to the Kick-off workshop
- All those interviewed
- All those who took part in mini-workshops

CHART 8 . PROGRAM FOR PRESENTATION AND WAY FORWARD EVENT

Minutes	Time	Activity	Possible Speaker
30'	9:00-9:30	Registration	LGU
5'	9:30-9:35	Invocation	DSWD
5'	9:35-9:40	National Anthem	CL Family
5'	9:40-9:45	Welcome Remarks	IPEC/LGU
15'	9:45-10:00	Acknowledgement of Participants	Focal Person
15'	10:00-10:15	Opening Remarks	Mayor
15'	10:15-10:30	Presentation 1: The Pro-poor Appraisal process Scope of analysis Activities conducted Results of initial sub-sector selection	LED Team(1)
		WORKING BREAK- SNACKS SERVED	
20'	10:30-10:50	Presentation 2: Diagnosis of subsector Diagnosis of supporting institutions Star diagrams and value chain maps	LED Team (2)
10'	10:50-11:00	Powerpoint Presentation 3 Proposals by supporting institutions	LED Team (3)
45'	11:00-11:45	Reactions from participants (by Metacards) Distribute cards, explain purpose Participants write feedback, questions, comments, proposals and critique Cluster/organize the cards Moderate discussion on cards	Anji
10'	11:45-11:55	Explanation of next steps	Anji
5'	11:55-12:00	Closing Remarks	Focal Person
		LUNCH SERVED	

5. OUTPUTS

5.1. QUEZON

The value chains chosen for development to support pro-poor growth in the target barangays were smoked fish for Lucena, coconut by-products (coco coir and coco peat) for Calauag, and vegetables for Catanauan.

5.1.1. LUCENA

(See Annex 3 for documentation of participatory workshop outputs)

A. SHORTLIST OF PROMISING SUB-SECTORS

Based on a review of published documents² as well as consultations with participants in the Hypothesis and Kickoff Workshops regarding products with pro-poor growth potentials in Lucena, a total of ten (10) items were included in the shortlist of promising sub-sectors. They were, namely:

1. Dried /smoked fish
2. Kakanin
3. Meat products
4. Noodles
5. Ornamental flowers/plants
6. Poultry
7. Processed food products
8. Swine
9. Tourism
10. Vegetables

B. SECTOR SELECTION

Stakeholders ranked the ten items in the shortlist, with the following results.

Economic Criteria

Dried/smoked fish has

- Largest economic volume
- High growth trends in recent years
- Show the easiest access to markets
- Show greatest unique advantage of Lucena over other locations

Processed food products

- Offer value addition through processing or product improvement? – processed food products

² Provincial Socio-Economic Profile

Poverty Reduction Criteria

Dried/smoked fish

- Most labor-intensive production-

Kakanin

- Provides greatest income for the poor in target barangays
- Lowest entry barriers for poor people
- Offer most opportunities for women

Processed food products

- Provide the quickest returns, low risk of failure

The total weighted score given by stakeholders supported the choice of dried/smoked fish production as the livelihood to be developed for the target Barangays Dalahican, Market View, Ibabang Iyam, Ibabang Dupay, Isabang and Gulang Gulang.

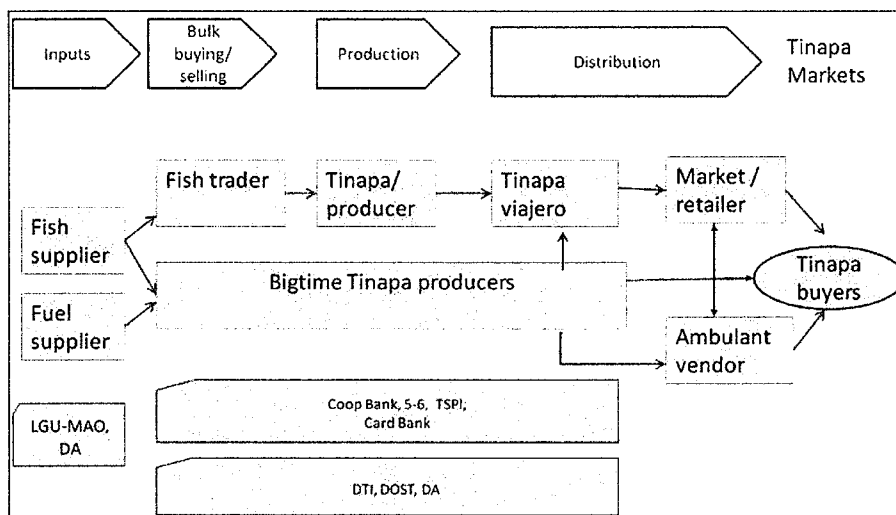
C. PARTICIPATION OF CL FAMILIES IN THE TINAPA VALUE CHAIN

Many CL families in Market View and Dalahican are currently involved in the tinapa value chain as fish supplier, workers for tinapa producers, or as ambulant vendors. More jobs and incomes could be created by helping families in both barangays as well from the other target barangays to participate as actors in other parts of the chain, as fuel suppliers, fish traders, tinapa producers, and ambulant vendors to other municipalities.

CL families in other barangays are active in vending kakanin, dried fish, and other products. They can participate by adding tinapa into their current offerings to buyers.

An increase in tinapa production is expected to increase waste materials from activities of the beneficiaries. Collecting and processing of these wastes into usable products (such as organic fertilizers) can be another livelihood option.

CHART 9. TINAPA VALUE CHAIN, LUCENA



D. SWOT ANALYSIS OF TINAPA CHAIN

The Tinapa Value Chain, if supported and upgraded, seems a viable option for providing sustainable livelihood to CL families for the following reasons.

1. It is a pioneer industry in Lucena (since the early 1930's)

The Obsemame Brothers of Market View are grandchildren of Aling Punsang (Alfonsa Yden), the original tinapa producer in Lucena. Documents from the DTI indicate that Ireneo Obsemame served as President, and Oscar Obsemame as Chairman of the Board of the Lucena City Tinapa Producers Association, Inc.

2. Reliable supply of raw materials

Lucena records a production of more or less 4,360 metric tons³ per annum of various species of *tinapa* (smoked tamban, bangus, galunggong, alomahan, tapolok, banak, hasa hasa, kapak, lapad, matang-baka, tilapia, etc.). A range of fish varieties is available all year round through the existing fish brokerage facility at Dalahican Fish Port, as well as from local fish pond operators.

3. Local talents and skills

Support to the chain will strengthen the achievements of more than one hundred families presently engaged in the industry even with little support from the government. The talents and skills of families in Barangay Dalahican, Mayao Crossing, Market View and Barra can be harnessed to quickly grow the industry to benefit the beneficiaries of IPEC.

4. Extensive market

Lucena *tinapa* has an established market. Over the years, public markets of various municipalities, cities, and provinces from Quezon all the way to the whole of the Tagalog Region, up to Manila, Pampanga, Ilocos, Cagayan, Isabela and Baguio City have been sourcing high quality tinapa from Lucena.

Lucena's *tinapa* has a unique appeal to buyers due to the characteristic glossy golden color derived from the smoke of narra sawdust, the input favored by local producers. The color, the quality of the fish, as well as the reasonable price, have defined the competitiveness of Lucena's *tinapa*.

5. Aggressive core of producers

In general, the producers in Lucena are disorganized. Individually, they are strong and aggressive in production and marketing on their own, but the industry can definitely benefit from collective action to be more competitive both locally and globally.

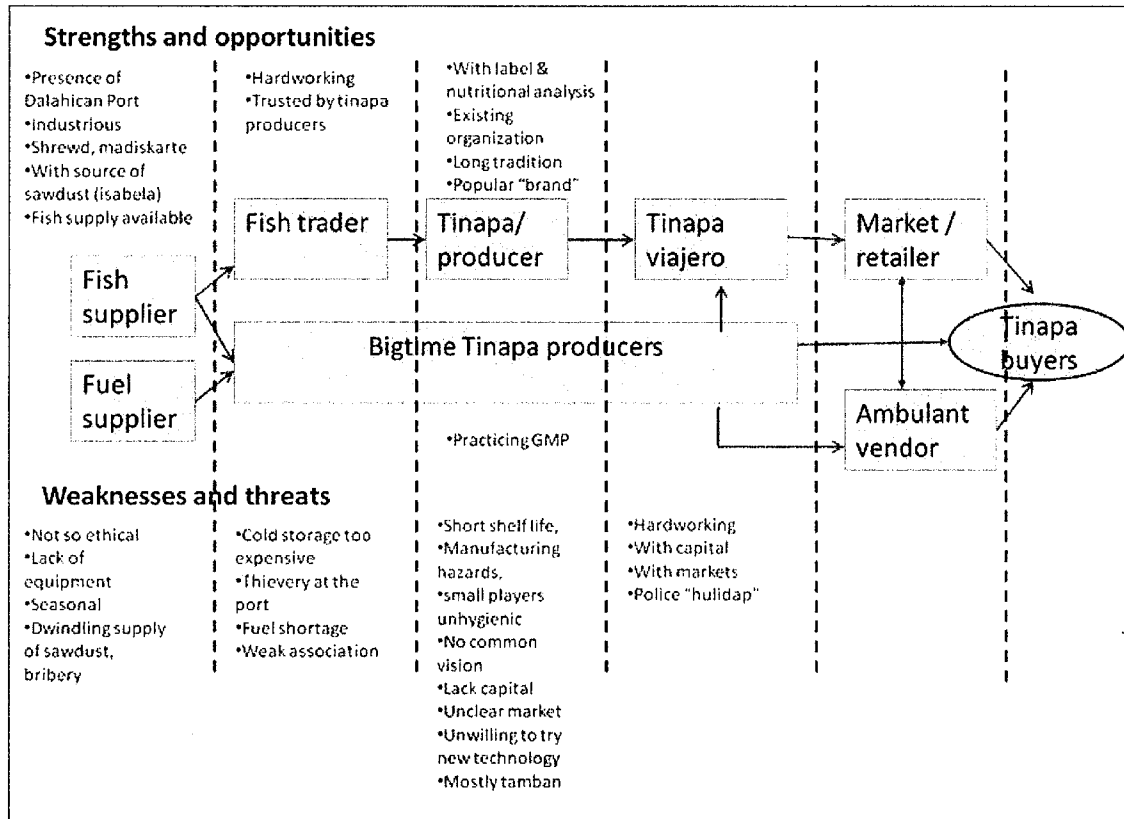
6. It is the OTOP of Lucena

³Based on recorded estimates at the DTI and the City Agriculturists' Office in 2009

The City Government has chosen *tinapa* as the OTOP of Lucena. There is potential for widespread support with the LGU behind it, along with the City Agriculturists Office, DENR, DILG, DAR, DOST, DOST and TESDA .

Chart 8 shows the constraints of actors responding to opportunities in the *tinapa* industry in Lucena.

CHART 10. SWOT ANALYSIS INTEGRATED IN TINAPA VALUE CHAIN



E. STAKEHOLDERS' PROPOSALS FOR ACTION

The activities suggested by respondents in the various workshops are as follows.

1. Financial assistance : lend money at very low interest

- For beneficiaries.** This was seen as critical to enable the poor to participate in the Tinapa Chain. The beneficiaries are used to vending, and a mechanism has to be found to allow them to sell "on consignment", for which trust must be established between them and existing producers. With available capital, they can also produce their own *tinapa* for sale.
- For producers.** This will allow producers and fish traders to buy more fish thereby increasing production, and of more fish variety, thereby increasing offers to other markets
- For the association.** The capital can be used to manufacture boxes, which is costly, and which limits the appeal of products to more serious/global markets.

2. Marketing

- Make tinapa serious OTOP

- Since *tinapa* is Lucena's OTOP, all agencies must work together to make it succeed. It can be a big help in Lucena's tourism drive, and vice versa.
3. Manufacturing boxes for tinapa
 - The tinapa should not only have professional labels and nutritional analysis, but the delivery and display packing should also be attractive.
 4. Have standardized quality and pricing
 - The industry should self-regulate so that a product marketed as *Lucena Tinapa* should possess a minimum set of quality features that the market requires
 - Pricing should also be attached to the quality certified by the group as an assurance to the market
 5. Branding
 - Teach modern packaging and brand management
 - The boxes manufactured under (b) above will help to promote the brand image
 6. Facilitate exporting
 - Government to really help the tinapa industry to attain world-class standards and facilitate exporting
 - Link with tourism and investment promotion
 7. Training
 - a. Entrepreneurship Training
 - Help existing as well as new entrants (CL beneficiaries) to develop personal and motivational competencies in entrepreneurship (they must need to achieve)
 - b. Progressive Life Values Education
 - This includes savings, goal-setting, etc.
 - c. Teach modern management training to Tinapa owners and managers and Assoc. leaders
 8. Strengthening of associations
 - Study possibility for *magtatapa* to form an association (not necessarily cooperative) for collective production and marketing, to achieve economies of scale, and for easier monitoring
 - Strengthen tinapa producers association w/ good, competent officers
 - Provide services to members of the association
 9. Production
 - a. Address panggatong shortage
 - Coordinate with the DENR and the Police to address constraints in obtaining sawdust for the industry

- Coordinate with DOST for technologies that will deal with the problem of fuel shortage
- b. Build world-class common service facility and storage at very low fee
 - This is to address the constraint of many CL beneficiaries having no area (not mentioning hygienic) where to clean, smoke, and pack their fish.
 - This will also take care that the environment is not degraded with fish wastes
 - Upkeep and maintenance of the facility will provide jobs to a number of beneficiaries as well.
- c. Address high cost of storage
 - The project can help facilitate the revival of an additional cold storage facility to specially serve tinapa producers
 - The cost of storage should be studied and rationalized

10. Cooperations : Lobbying

- The association, once strengthened, can help sustain the project efforts through lobbying with concerned agencies

The collaborating agencies, along with the activities where their involvements are seen as crucial, are seen in Chart 9.

CHART 11. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, LUCENA

Activities *	Champion	Collaborator/s
1. Lend money at very low interest	Coop Bank TSPI Card Bank	LCTPA
2. Make tinapa serious OTOP	City Mayor DA-OCA	DOT DTI, LCTPA Chamber DOST
3. Mfg. of boxes for tinapa OTOP	Chamber LCT PA	CBDC LGU/ OCA
4. Services to members	QC, CDA	QC
5. Progressive Life Values Education (savings, Goal-setting, etc.)	DSWD	DOT Church TSPI
6. Magtayo ng koop para sa magtatapa	Kap. Napule	LTCPA DSWD DIT
7. Address panggatong shortage	LTCPA	DENR, Police (haggis)
8. Address high cost of storage	LTCPA	Port Authority BIR
9. Teach modern Mgt Trng to Tinapa owners and managers and Assoc. leaders	DTI	Enverga Ciy College Chamber, CI
10. Have standardized quality and pricing	DTI, DOST	LCTPA?
11. Gov't to really ehlp tinapa world-class and	DTI	CITEM

facilitate exporting		Chamber LCTPA
12. Entrepreneurship Trng (Focus: PECS, N-Ach)	DTI, DOST	Enverga City College, SLSU
13. Strengthen tinapa assoc. w/ good, competent officers	LTCPA	DA, City Planning
14. Lobbying	LTCPA	QCCI DTI, OCA
15. Branding. Teach modern packaging and brand management	DTI, DOST	QC CI DCP
16. Build world-class common service facility and storage at very low fee	Mayor Approp Comm.	DTI DOST LTCPA

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

The City Social Work and Community Development Office was supposed to be the focal agency for the LED process but unfortunately, the office could not field any of its officers to assist in the conduct of the participatory appraisals, nor in the follow through activities to address the suggestions expressed by stakeholders. Mr Hermie Amargo provided assistance in locating possible working partners to help in LED activities at the barangay level.

It was Mr Raymond Ramos of the DOLE who provided much needed assistance in organizing the fieldwork.

At the end of the Presentation Event, the LED Team for Lucena was still to be organized.

G. RECOMMENDATIONS

1. Facilitating the LED

- a. It is important that a facilitator who owns and champions the processes initiated in the participatory workshops be identified, and that he or she takes steps to organize the LED team.
- b. The external facilitator can be the DTI, through the Provincial Director, who is quite familiar with LED and who is mandated to ensure that a locality's OTOP become globally competitive. The external facilitator should be interested and able to champion the cause of the tinapa industry upgrading efforts to achieve the community's vision.
- c. The internal facilitator can be the DOLE, through Mr Raymond Ramos, who has the interest and the influence to work with stakeholders and the Mayor's Office to get things moving to upgrade the value chain. The internal facilitator ensures through appropriate networking that resources are allocated and mobilized at the local level.
- d. The Focal Person can be the City Agriculturist, Jose T. Canlas Jr, whose office has direct access to the Mayor, and who has both interest and mandate to modernize

tinapa processing in the city. He is to work closely with whoever will be President or representative of the tinapa producers association in the poor barangays.

- e. LED Team : this will be a cross section of public and private partners who will champion the collective vision of tinapa producers. I recommend the following as members of the team:

- i. Internal facilitator
- ii. External facilitator
- iii. Focal Person
- iv. OTOP Council
- v. Tinapa Producers Association (from the poor barangays)
- vi. 6 IPEC Barangay Captains (if they are not included yet in the above groups)

2. Quick wins (short term strategies) for pro-poor participation : Improvement of business linkages

- a. Demand side: Facilitators, LED Team

- Obtain marketing contracts from buyers of tinapa
- Communicate market requirements to producers. Use a simple system to facilitate information flow between chain links, to sow seeds of trust and cooperation.

- b. Supply side : CL families & other producers

- Raise awareness on opportunities in tinapa production
- Classify readiness of beneficiaries to perform as actor in specific link of value chain
- Organize / cluster the beneficiaries for joint fish and fuel procurement, or tinapa production, or marketing (ambulant selling) ventures.
- Help existing producers to increase tinapa production for CL families to sell. Make the help conditional: benefits from increased production with ILO help should benefit the CL families (as workers, sellers, etc).
- Let all parties decide on ways and means to track orders and payments, with sanctions against anyone not honoring contracts.

3. Medium term strategies : Improvement of services to chain actors

- a. Establish common service facility for joint processing, labeling, packing, and marketing ventures. Link the association with DOST SET UP or other relevant support agency for assistance in setting up the common service facility
- b. Access to cold storage facilities is improved and reduce costs of storage. Ways may be found to reduce costs in the existing facility and establishment of a new one can be pursued if that will benefit the industry and result in greater benefits to all.
- c. Link producers with markets, using physical or web channels. E marketing can be pursued to promote tinapa as an essential component in touristic activities in the province, as well as reminding Filipinos abroad of home.
- d. Communicate and build capabilities to improve product handling and manufacturing practices compliant with BFAD and market requirements.

Training on quality, hygiene and waste management are a must for all participants in the chain.

- e. Certify the product and process to meet global standards.
- f. Introduce measures to build trust between actors – through iterative processes involving dialogue (identify issues of common interest), planning win-win solutions, implementing the plan, and evaluating the interventions.
- g. Strengthen the association of producers to provide immediate and relevant services to members.

4. Long term strategies: Market Expansion

- a. Diversification, quality improvement and and product innovations for the export market
- b. Integration into tourism-oriented strategies for Lucena and Quezon
- c. Link the project with DENR projects for reforestation, to address the panggatong shortage in the long run

5.1.2. CALAUAG

(See Annex 4 for documentation of participatory workshop outputs)

A. SHORTLIST OF PROMISING SUB-SECTORS

In Calauag, the review of published documents produced eleven product items⁴. But during the Hypothesis and Kickoff Workshops, participants expanded the list of sub-sectors with pro-poor growth potentials in Calauag into a 19-item list of promising sub-sectors. They were, namely:

- 1. Abalone
- 2. Alimango
- 3. Bamboo
- 4. Bananas
- 5. Charcoal
- 6. Coco coir
- 7. Coconuts
- 8. Copra
- 9. Corn
- 10. Fishpond
- 11. Mangrove
- 12. Nipa
- 13. Rice
- 14. Seaweeds
- 15. Shrimp
- 16. Swine
- 17. Tilapia

⁴ Coconuts, rice, citrus, vegetables, fishing, bananas, corn, fruit trees, fishponds, shrimp and forest products such as lumber, mangrove, timber, nipa, bamboo, buri, charcoal, and wild plants.

- 18. Vegetable
- 19. Anahaw

B. SECTOR SELECTION

Deliberations revealed the following results on the sub-sectors included in the shortlist.

Economic Criteria

Coconuts

- Largest economic volume
- Offer value addition through processing or product improvement

Rice

- High growth trends in recent years, unmet market demand exists)
- Show the easiest access to markets

Alimango (crab)

- Show greatest unique advantage of municipality over other locations

Poverty Reduction Criteria

Coconuts

- Provides greatest income for the poor in target barangays (along with rice)
- Most labor-intensive production
- Provide the quickest returns, low risk of failure

Charcoal

- Lowest entry barriers for poor people

Anahaw

- Offer most opportunities for women

The total weighted score given by stakeholders supported the choice of coconut by products as livelihood to be developed for the target Barangays Kinalin Ibaba, Pinagbayanan, Pinagkamaligan, Sabang Uno, Sabang Dos and Sta Maria.

C. PARTICIPATION OF CL FAMILIES IN COCONUT VALUE CHAIN

CL families in the target barangays have been involved in the copra value chain one way or another. The municipality has had a long history of copra production, but not coir production. The copra industry is Given the volume of coconuts produced in the area (22,250 hectares covering 74% of its total land area)⁵, there is great potential in utilizing wastes from copra production to generate jobs and income for the CL families.

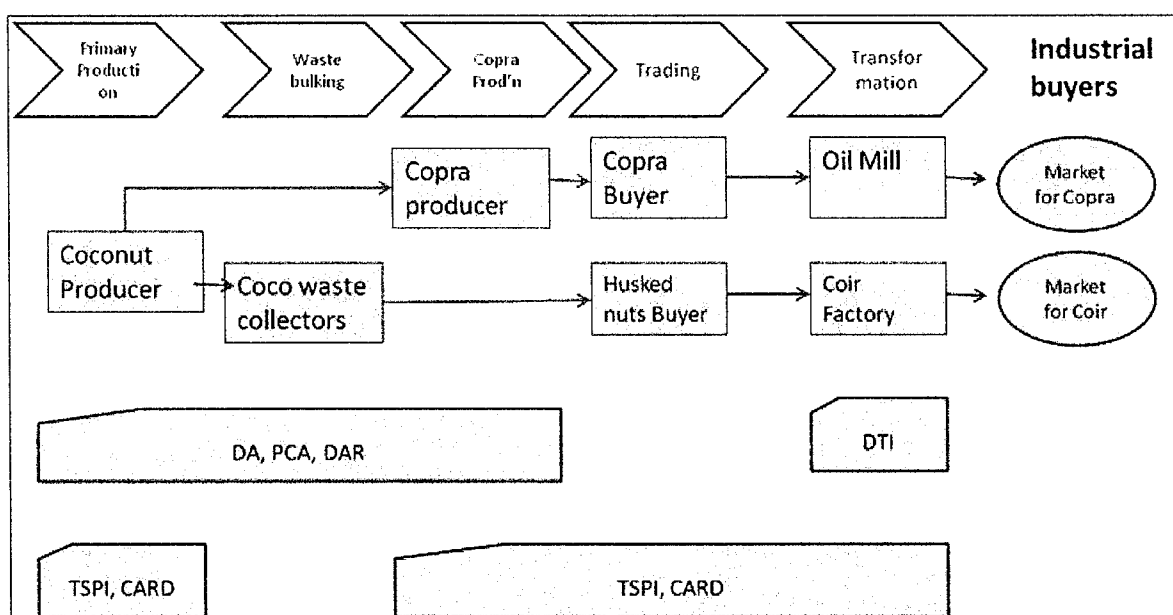
⁵ Municipal Socio-Economic Profile, 2001

It was perhaps this opportunity that led Consand, Inc to set up a coconut coir processing plant in Calauag. The factory was set to open when the owners received a restraining order on account of a complaint from a neighbor regarding environmental issues.

If Consand is opened, it can serve as lead firm for a coir processing livelihood project for IPEC. If it remains closed, another buyer for coconut husks gathered is available and eager to contract the communities for constancy of supply. The buyer, Filcoco, reported increasing demand for their coir fibers, and were posed to expand to other products such as coco peat processing as well.

Coir processing offers job opportunities to the poor by getting them involved not just as laborers in coconut farms, but as coconut husk gatherers/sellers, and as twiners and weavers of coco coir produced by coco coir processing plants. They could also use the cocopeat (currently treated as waste materials by coir factories) to produce organic fertilizers for sale to surrounding farms.

CHART 12. COPRA AND COIR VALUE CHAIN, CALAUAG



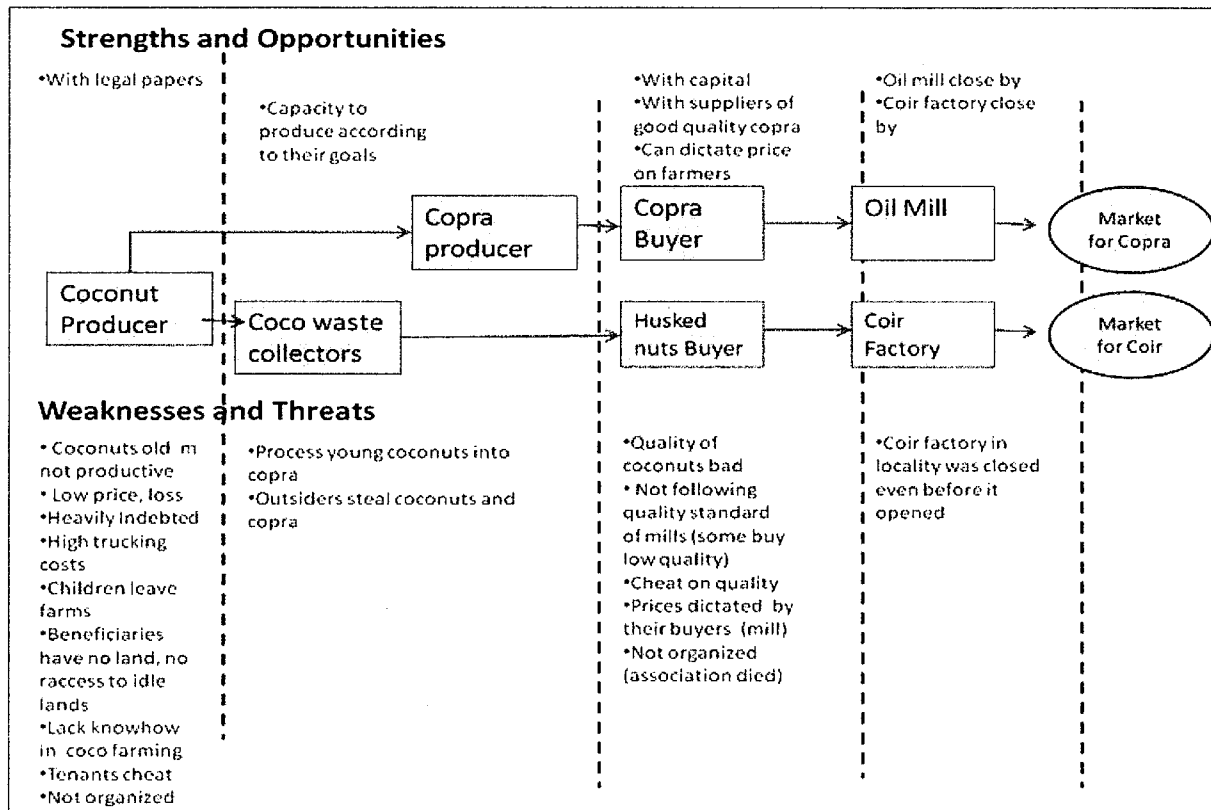
D. SWOT ANALYSIS OF COCO COIR CHAIN

The choice of coco coir as livelihood to support in Calauag seems promising. No less than the President, President, Benigno S. Aquino III, was outspoken in support of the industry, according to Ariel Aguirre, president of the Philippine Coconut Exporters Association (Philcoir) during the April 2011 National Coconut Coir and Coconut Peat Summit in Davao City.⁶

The market for coco coir is anchored on the implementation of Memorandum No. 5, which mandates the DPWH and other agencies to use coco nets and coco peat in government projects. The making of coco nets requires massive employment for twining and weaving of fiber. The

⁶ <http://www.goldstardailynews.com/business/2606-coco-coir-coco-peat-industry-heading-for-bright-future-philcoir.html>. Accessed 11 July 2011.

country is producing 15 billion coco coir but only 3 percent is processed and the rest is wasted. There is rising demand from foreign market, such as China and India.



E. STAKEHOLDERS' PROPOSALS FOR ACTION

Stakeholders proposed a number of activities for livelihood development in the target barangays, and they classified the activities as follows:

1. Livelihood activities

Stakeholders identified the following strategies for livelihood development in the target barangays

a. Coco coir and coco peat production

- Organize beneficiaries to collect coco husks from all over the municipality.
- Possible buyers are Filcoco (in Gumaca), and Consand (in Calauag). If the beneficiaries are able to decorticate their own husks according to quality requirements there are other buyers based in Manila and Cebu
- Coco peat (a waste product from coir production) can be processed into products to support organic and vegetable farming.

b. Alternative livelihoods for farmers/husbands/families

- The beneficiaries can plant good quality coconut seedlings to support the PCA, and DA campaign for coconut farming rehabilitation in Quezon (Beneficiaries are to collect good quality coconuts, and they are paid if the plantlets grow to a certain level. The beneficiaries can use idle lands to grow their plantlets if

there is already some agreements or legislations in place with landowners for use of their lands because the latter will be penalized if they do not develop their lands.)

- Families plant easy-to-grow-and-sell farm products, such as vegetables, peanuts, cassava.

c. Alternative livelihoods for farmers' wives

- The women in the barangays have had a long history of anahaw (pamaypay) and buri weaving. The number of producers can be increased and assistance in transporting outputs direct to Manila (or other destinations) can be arranged.

2. Organizing

a. Alternative trading and marketing for coconut and anahaw producers

- Beneficiaries should be linked with DTI for help in marketing coco by products and anahaw/buri woven products to local and export buyers

b. Profiling and database of coconut producers

- The project should determine who, where and how many producers and products are there in every barangay to facilitate negotiations with buyers as to volume and timing of delivery.

3. Institution building

a. Establishment of Project Management Team

The LED team proposed the assignment /hiring of extension officers to monitor livelihood projects. This extension officer can be assigned Enterprise Development Officer later on a permanent basis.

A programme manager needs to also be assigned for this project.

b. Strengthening of the Calauag Coconut Council

The Calauag Coconut Council needs to be activated and made to function and provide relevant services to coconut farmers and industry actors.

c. Lobbying for full time PCA officer for Calauag

The PCA Officer assigned to Calauag needs to be visible and functioning to serve the interest of coconut farmers, particularly the IPEC beneficiaries.

d. Work together with Enterprise Development Officer

4. Legislative measures

a. Agreement with landowners.

- Examples: Tax amnesty for landowners who will "lend" their lots for use by CL families.
- CL families can farm if they plant coconuts and intercropped on the land
- If lands remain unproductive, landowners pay double tax

b. Control and punish coconut stealing

- Strict enforcement of law by barangay police (Barangay police magpapatupad ng ordinansa laban sa bisyo at sugal)

- Incidence of stealing is attached to the performance of barangay police (DILG)

5. Capacity building

- Techno-transfer from DOST/DTI on coco coir/coco peat and anahaw enterprise startup till build up
- Value Reorientation for CL families
 - Anti bisyo, anti sugal
 - Common devt vision
 - Pagbabayad ng utang
 - Anti-pandaraya
 - Savings

6. Infrastructure: Provision of post harvest facilities for coconut /copra

- Provision of dryer
- Provision of warehouse

This will address the need for coconut farmers to sell their copra just so they will not “spoil” because they will become moldy. They will also be able to wait or negotiate for better prices if prices are being manipulated against them by traders.

The prioritization of action proposals, plus the key movers (champion and collaborator) to ensure that resources are allocated to make the activities happen, are presented in Chart 11.

CHART 13. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, CALAUAG

Activities *	Champion	Collaborator
Alternative livelihoods for beneficiaries farmers' wives	MAO	DSWD, DAR DOST
Alternative livelihoods for farmers/husbands/families	MAO	6 Barangays Schools
Coco coir and coco peat production	MAO	PCA , Filcoco, DTI
Value Reorientation	DSWD	6 Barangays
Establishment of Project Management Team	DSWD	MAO, 6 Barangays PCA
Techno-transfer from DOST/DTI - > till enterprise build up	MAO	DOST, DTI
Strict enforcement of law by barangay police	Barangay Captain	6 Barangays
Alternative trading and marketing activities for coconut producers – buyers and anahaw producers –	MAO	Enterprise Development Officer, DTI, Copra Producers & Anahaw producers
Agreements with landowners	SB	Assessor's Office MTO
Profiling & database of coconut producers	MAO	MPDC
Provision of post harvest facilities for coconut /copra	Engineering	CL Families, DA Congressman
Plant good quality coconut	MAO	PCA , OPA

seedlings		
Control and punish coconut & copra stealing	DILG	Barangay Captains President, Liga ng Barangay
Strengthening of the Calauag Coconut Council	MAO	Coco producers, PCA SB Committee on Agri, Copra buyers, Mayor's Office

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

The LED Team for Calauag was composed of the following:

Jerwin T. Navarro	MSWDO
Mildred N. Villareal	SB Member
Leah M. Dela Cruz	SB Member
Luz G. Rosas	O.M.A
Myra A. Balesteros	MSWDO
Virgima C. Paraiso	MSWDO

G. RECOMMENDATIONS

1. Facilitating the LED

As Focal Person for the LED in Calauag, Mr Jerwin Navarro demonstrated a number of characteristics that indicated he is the key person for the IPEC project. I observed his willingness and ability to function as LED anchor:

- Effective hosting as manager and coordinator of the participatory appraisal process
- Has the necessary network to link up with government agencies for funding, serve as information hub to Mayor, local councils and facilitators
- Skills in facilitating, particularly for replanning workshops
- Attached his own and the mayor's credibility and importance to the process
- Carried the weight of the Office of the Mayor (acts as Little Mayor in the whole process)

In addition to the individuals in the LED team listed above, perhaps the MPDC and the PCA should be included as members as well.

2. Quick wins (short term strategies) for pro-poor participation :

a. Decision on Consand

The community needs to work together on an acceptable and win-win solution to the fate of Consand. On one hand, opening it up will quickly result in jobs and incomes for the poor, assuming that the company will not only buy coconut husks from local suppliers but also be willing to supply coir fibers to local producers (twiners and weavers) of coconet. This provision can be an item in the negotiation of the LGU with the company.

b. Quick cash from coconut seedlings and vegetables

ILO augments existing support for the planting of coconut seedlings, backyard vegetable production, and the linking of anahaw producers to markets outside of Calauag and Lopez.

The vegetable and organic fertilizer production, in case of surplus, can be connected with the value chain in Catanauan, if at all feasible.

c. Marketing contracts for coco husks

Use the coco industry profile prepared by the LGU to negotiate with buyers of coco husks, coco fiber and coconet. Agreements can be made with Consand, Filcoco and other buyers.

d. Quick cash from using cocopeat for organic fertilizer production

Livelihoods from this activity can support organic farming in the municipality, and will increase production of backyard vegetable farming.

3. Medium term strategies

- a. Address the lack of access to land and capital for small scale livelihoods.
- b. Train poor farmers to save up for their own capital through financial discipline and progressive life values. Capability building programs during the project should provide non-stop inputs to achieve economic self-reliance.
- c. The project manager should act as business manager as well, planning and executing activities that take care of joint marketing and production from beneficiary barangays (treat them as one company).
- d. Communicate success stories across the barangays to promote cooperation and trust, thereby facilitating build up of a functioning association among the beneficiaries.

4. Long term strategies : Competitiveness enhancement

- Examine LGU policies and regulations. How friendly are they to business? It is significant to note that Consand managed to obtain permits and licenses in the early stages but was finally stopped from operating after it has already invested capital into the construction of buildings and purchase of equipment. An aborted investment like this is likely to discourage investments in the locality.
- Encourage public-private sector dialogues on economic matters. In its current state, the Consand issue should not just be a matter between two families, but a matter that has implications for doing business in the community. The issue has implications for policy and economic governance.

5.1.3. CATANAUAN

(See Annex 5 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The shortlist of sectors for Catanauan was prepared together with the Municipal Agriculturist, taking off from a recent report done on the local economy by the ILO⁷.

The final items included in the list were:

1. Banana
2. Cattle
3. Coconut
4. Corn
5. Swine
6. Upland Rice
7. Tuyo
8. Uraro
9. Vegetables

B. SECTOR SELECTION

Stakeholders rendered the following judgments regarding the promise of the sub-sectors for pro-poor growth:

Economic Criteria

Coconut

- Largest economic volume

Vegetables

- High growth trends in recent years, unmet market demand exists
- Show the easiest access to markets

Uraro

- Show greatest unique advantage of municipality over other locations
- Offer value addition through processing or product improvement

Poverty Reduction Criteria

Coconut

- Provides greatest income for the poor in target barangays
- Most labor-intensive production

Bananas

- Lowest entry barriers for poor people

⁷ Local Economic Development In Unisan, Catanauan, Mulanay and San Narciso: Report On Rapid Economic Appraisal Done By Rene & Angelita Resurreccion For ILO, May 2011.

- Offer most opportunities for women

Vegetables

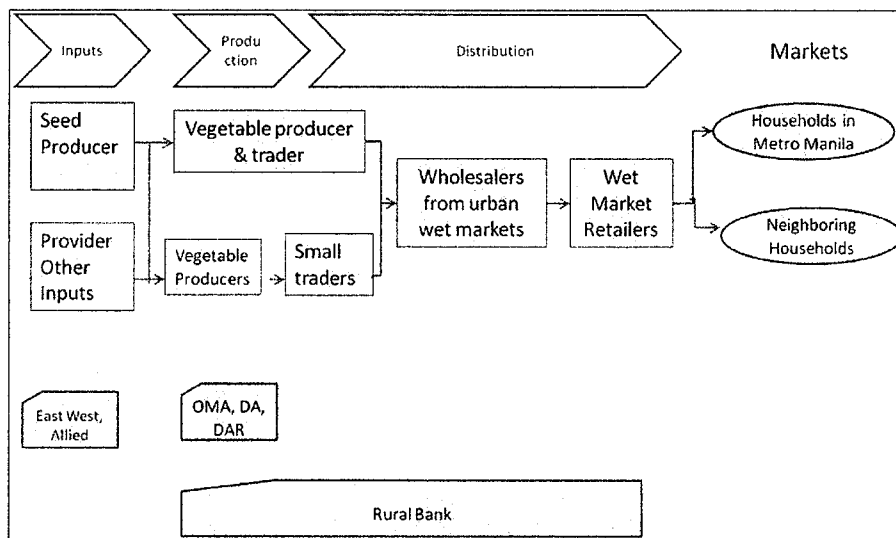
- Provide the quickest returns, low risk of failure – vegetables

The total weighted score given by stakeholders supported the choice of vegetable production as the livelihood to be developed for the target Barangays 7, 10, Doongan Ylaya, Madulao, San Isidro and Tuhian.

C. PARTICIPATION OF THE POOR IN THE VEGETABLE SUB-SECTOR

The CL families can participate in the vegetable value chain in Catanauan as laborers, as well as producers and traders of vegetables. They can also be developed as providers of seeds and organic fertilizers.

CHART 14. VEGETABLE VALUE CHAIN, CATANAUAN



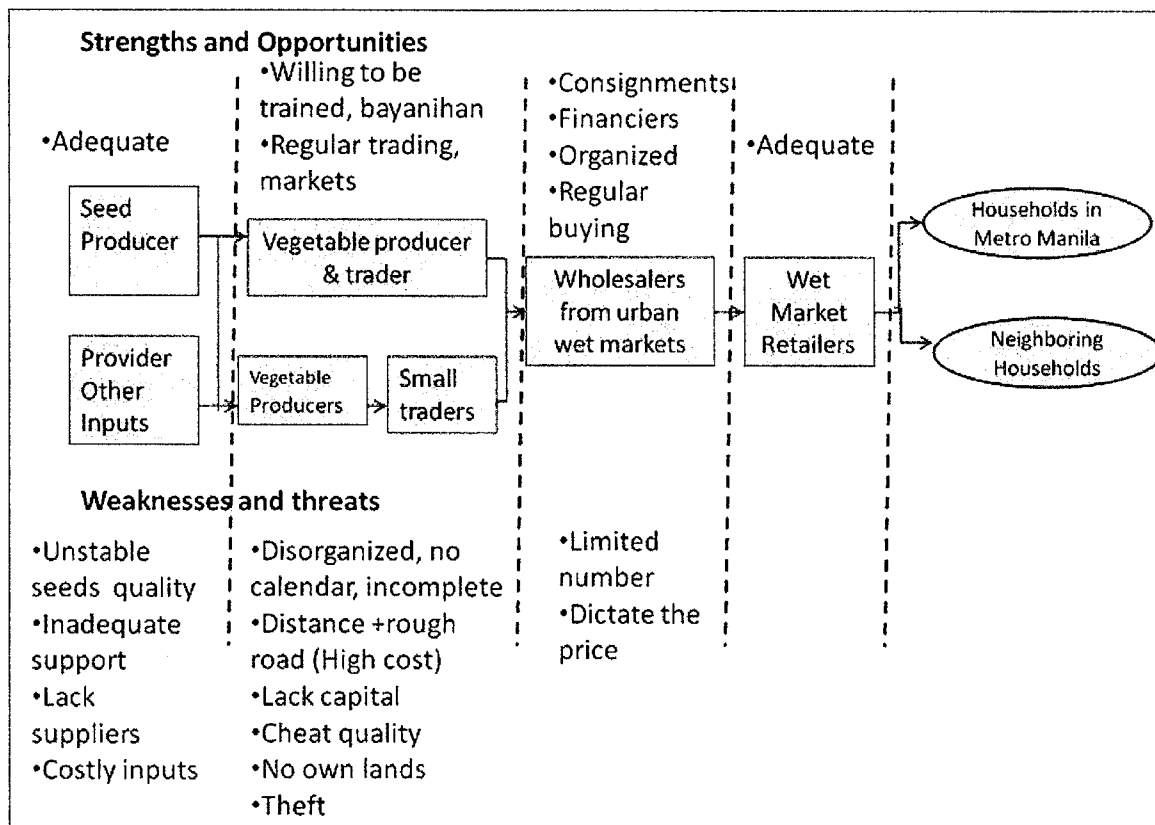
D. SWOT ANALYSIS OF VEGETABLE CHAIN

According to the Office of the Provincial Agriculturist Catanauan is ideal for growing *pinakbet* varieties of vegetables. There are wide areas available for vegetable farming, even as intercrops to coconuts. The climate is also the “reverse” of that in Baguio, so that if it is typhoon season in the north, it is good season in Quezon.

The cultivation of vegetables is a good link to organic fertilizer production, a program that is being aggressively pursued by the Department of Agriculture in the province.

Catanauan itself used to be known as a good source of vegetables. However, in recent times, the producers in the area stopped producing. Former support agencies from the private sector (seed supplier, rural bank) had stopped giving assistance. Farmers are disorganized and demotivated. There are many workers with no farms to work on.

CHART 15. SWOT ANALYSIS INTEGRATED INTO VEGETABLE VALUE CHAIN, CATANUAN



E. STAKEHOLDERS' PROPOSALS FOR ACTION

Stakeholders proposed eight clusters of activities for the LED process. These were:

1. LGU invests in marketing vegetables
 - The association and the LGU work as partners in marketing, pricing
 - The LGU demonstrates/guides the farmers in marketing the vegetables
 - LGU assigns liaison officer to attend to market linkaging
2. Organizing
 - Reorganize or reactivate the farmers organization
 - Association members choose officers with dedication to fulfill duties and the vision
3. FMR
 - Transport can easily/cheaply pick up produce from remote areas
4. Monitoring
 - Close monitoring by concerned department (agri-technician)
 - Provide appropriate guidance to vegetable farmers
5. Technical Assistance

- a. Train farmers for vegetable processing
 - b. Provision of updates on modern agri-tech
 - Information updates on farming (planting calendars)
 - Provide free training & seminar for farmers
 - Technical knowhow
 - c. Soil testing
 - Suggest to farmers the plant varieties & inputs adaptable to area they till
 - d. Planting calendar (may off season planting)
 - Harvesting during season of peak prices
 - Programmed crop production
 - e. Look for quality seed provider
6. Infrastructure
 - Set up facilities for organic input production
 7. Post harvest facilities
 - Appropriate response to the needs of farmers (eg. Storage, trading post)
 8. Rent free agreements
 - Samahan ng magsasaka + landowners + SB ordinance agree on use of idle land for a number of years => tree planting
 9. Financing
 - Link with financing institutions

CHART 16. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, CATANAUAN

Activities *	Champion	Collaborator
1. LGU invests capital in marketing vegetables	Kagawad Casal	6 Barangay Captains SB MAO
2. Reorganize/reactivate farmers Organizations	CAFAFED	Barangay San Isidro MAO
3. Train farmers for vegetable processing	MAO	OPA DOST Barangay Tuhian
4. Easy pick up /transport of produce	Kagawad Casal	Engineer Fortaleza (LGU)
5. Close monitoring by agri-technician	Barangay Doongan Ylaya Captain of Barangay 07	Barangay Madulao MAO
6. Tamang giya (sa market), Linkages, Samahan + LGU magkatuwang sa marketing, pricing	Kagawad Cabangon (Enterprise Dev Committee)	CAFAFED Barangay 10
7. Updates on modern agri-tech (training)	MAO	Barangay San Isidro Barangay 07
8. Soil testing (Suggest to farmers the plant varieties & inputs adaptable to area they till)	MAO	Barangay Madulao
9. Planting calendar (Harvest during peak	MAO	MAFC MVIC

price, Programmed crop production)		6 Barangay Captains (IPEC Areas)
10. Quality seed provider	MAO	Barangay 07
11. Rent free agreements	Kagawad Ogie de la Cruz	Barangay Tuhian
12. Post harvest facilities (eg. Storage, trading post)	Barangay 10	MAO Barangay 10 Kagawads and Mayor
13. Link with financing institution	MAO	MAFC
14. Infrastructure (Facilities for organic input production , Water supply)	Mayor SWMP	MPDC

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

The LED Team for Catanauan consisted of:

- | | |
|-------------------------------|-------------------|
| 1. Minerva C. Coronacion | MAO, Focal Person |
| 2. Reynaldo Batario | LGU-DA |
| 3. Liwayway Pizarra | LGU-DA |
| 4. Wilfredo Organo | LGU-DA |
| 5. Juan T. Casal | S.B |
| 6. Joy U. Novles | S.B |
| 7. Gregorio C. Cabarubia, Jr. | MPDC |
| 8. Antonio A. Avila | S.B |
| 9. Francis Jay E. Gimenez | 4PS |
| 10. Shiela P. Araneta | MSWDO |
| 11. Fe A. Manzano | MSWDO |

G. RECOMMENDATIONS

1. Facilitating the LED

I found the MAO, as Focal Person, to be hardworking and able to coordinate the whole appraisal process smoothly. She has good facilitating skills, with the necessary network and charisma to link up with government agencies and other economic actors. However, I sensed that she may not have free access to the Mayor, and neither does she have the Mayor's eyes and ears most of the time. This must be taken into account

There is a need for LED outputs (from both this and past participatory appraisal done in the LED Bondoc project of the ILO) to find their way into the economic planning of the municipality and the Mayor's priority agenda. For this to happen, the LCE and the MPDC to champion needed measures to develop the value chain of vegetables should be undertaken. For example, a critical success factor in the competitiveness of local vegetables is reduction in transportation costs. The quality of FMR in vegetable farms

contributes a great component to farmers' transaction costs. Infrastructure development should take the priority agenda of economic actors into account. Some resources being poured into the setting up of a university (a priority agenda of the current administration) could perhaps be used to support vegetable farmers through much needed infrastructure improvements like paving of road or repair of an existing but not operating *bagsakan*.

2. Quick wins (short term strategies) for pro-poor participation

The strategies for marketing assistance are critical for success and should be a priority for achieving quick wins. Local farmers and beneficiaries are well aware of the opportunities in vegetable production, having had some positive experience in vegetable farming in the past. They are therefore ready to take off if given some financial assistance. They only need to be monitored to ensure that they save up for capital repayment and build up as they go along.

Farmers reported satisfaction and short-term success of previous strategies undertaken by East West in cooperation with Pitogo Rural Bank worked until the latter was closed in the heels of the De los Angeles debacle. The scheme can be replicated in this project and improved by implementing lessons learned from the past. Close monitoring of farmers with respect to application of new production processes, as well as management of personal expenses for capital build up, should be done.

At the regional (and even national) level, a system of information flow between vegetable chain links across production centers should be established to ensure that production calendars redound to the benefit of everyone. When markets do not get to have any over or undersupply of any vegetable, end buyers get to have access to affordable fresh vegetables at all times, and farmers' prices ensure their sustainability.

3. Medium term strategies

Efforts to organize farmers to better exploit their collective power for lobbying with government, buyers, and suppliers should be undertaken. It is important that trust is built among key players, thus project management should ensure transparency and win-win solutions across the chain. This can be done throughout the project through immediate feedback to the community on jobs and incomes that result from working together, plus quick and relevant action on burning issues raised in dialogues. Constant communication on successes is expected to promote the kind of cooperation that is essential for value chain upgrading.

4. Long term strategies

The project should aim to turn over strengthened organizational structures that can reliably and effectively manage the vegetable value chain at the local level. The efforts put in by the LGU to kickstart the change process for the target barangays should not last longer than the duration of the project. The farmers should be self-reliant and

earning on their own without the same sort of assistance as those given here. Families having jobs and incomes that contribute to improved quality of life are the impacts aimed for. If support is to be continued, succeeding or follow-up LED activities should focus on new challenges (not the exact same) or address emerging constraints/issues for upgrading the vegetable value chain.

5.2. MASBATE

The value chains chosen for development in Masbate to support pro-poor growth in the target barangays were beef tapa for Masbate City, seaweed production in Cawayan, and hog raising in Aroroy.

5.2.1. MASBATE

(See Annex 6 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The shortlist of sectors drawn from reports as well as initial consultations with stakeholders included the following five products:

- Smoked Fish
- Soap Making
- Peanut Butter
- Dried Fish
- Beef Tapa

B. SECTOR SELECTION

(See Annex 4 for detailed documentation of participatory appraisal workshops)

Initial deliberations during the Kickoff Workshop, which was attended mostly by stakeholders from target barangays, revealed the following outcomes regarding the potential of sub-sectors to provide pro-poor growth:

Economic Criteria

Beef tapa

- High growth trends in recent years, unmet market demand exists)
- Show greatest unique advantage of municipality over other locations
- Offer value addition through processing or product improvement?

Dried fish

- Largest economic volume
- Show the easiest access to markets

Poverty Reduction Criteria

Dried fish

- Provides greatest income for the poor in target barangays
- Most labor-intensive production
- Lowest entry barriers for poor people
- Provide the quickest returns, low risk of failure

Soap making

- Offer most opportunities for women-

The LED team had expected that barangay stakeholders would choose the production of dried fish as the livelihood to be developed by IPEC for the target barangays of Bagumbayan, Bapor, Espinosa, Nursery, Pating and Tugbo. Many of the targeted beneficiaries were informal settlers in coastal communities and derived much of their income from activities related to the sea.

Participating support institutions⁸ in a subsequent workshop argued against supporting dried fish production because of limited possibilities for pro-poor growth. According to them, addressing the constraints to the fish value chain in Masbate will take longer than the project duration of two years to address. Specifically, the arguments against dried fish were:

- There is no support for dried fish business activities
- There are no dried fish producers in Masbate City. Most of the dried fish come from other municipalities. Not one of the 6 barangays are primary producers of both fresh and dried fish. Beneficiaries will just be traders. As such, they will not be earning much. They get their fish at a high price from fish traders. Therefore, jobs and incomes from a "dried fish project" will merely result to survivalist and unsustainable activities. Incomes will be too small.
- The project cannot intervene at the fish production link. There is a "fishing mafia" in operation in Masbate. Many of the fishers are heavily indebted to capitalists. Even as the fish they are to catch are still swimming at sea, capitalists have already paid them for the catch. Thus, Masbate's fish is already committed to certain buyers. Small local fish buyers will not be able to compete unless they are willing to pay fishers a high price, and their success will incur the ire of the Fishing Mafia. Stories abound of what this mafia can do to people who spoil their incomes. Therefore the profit margins for small players in fish drying will be small.
- The 6 IPEC barangays, being in an urban area, do not have space for drying fish if the project should decide to go for production activities. Therefore, the only option for beneficiaries is really just to sell fish dried elsewhere. Since dried fish is popular fare among the poor, it is likely that the fish will be eaten by them rather than sold for income. Eating more dried fish will not improve their already bad state of health.

⁸ Those directly involved in LED, including Land Bank, Card Bank, Camalig Bank, CFARMC, CSWDO, City Cooperative Officer, Mabate Association of Local Producers, CAO, DTI, DOLE, TESDA, DOST, and City Tourism Council.

The group of stakeholders argued positively for shifting the project to beef tapa production for the benefit of the poor in the six barangays. The income potential is higher, the market is more promising, job opportunities for the poor are high.

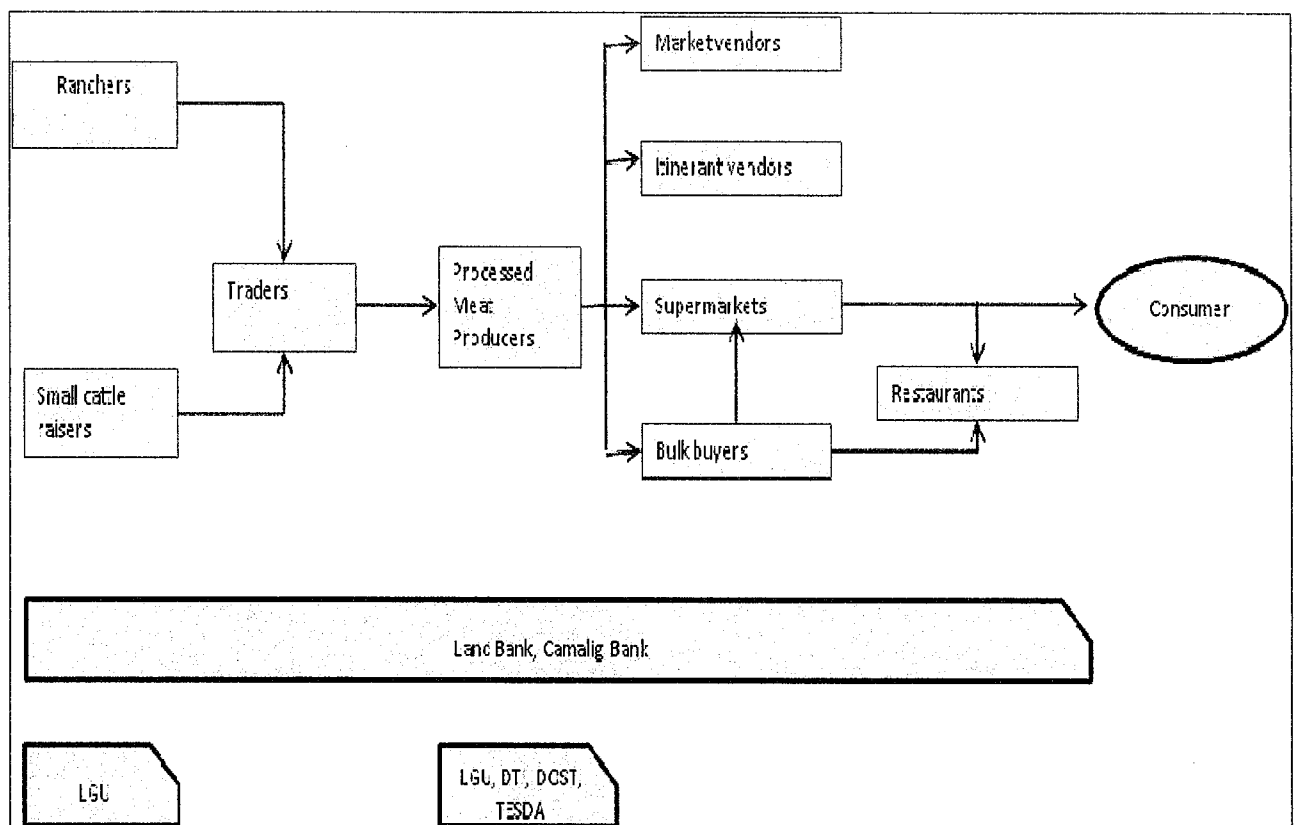
Masbate wants to be known as “Rodeo Capital” of the Philippines. The province has plenty of ranches, and the local economy benefits mainly from sale of live cattle, not from value added items. Beef tapa production is anchored on Masbate’s competitiveness in cattle production. It will also address a great need for *pasalubong* items to support the tourism value chain of Masbate.

C. PARTICIPATION OF THE POOR IN BEEF TAPA PRODUCTION

There is much room for residents in the six barangays to participate in the beef tapa value chain. They can serve laborers or chain actors as :

1. Backyard cattle fatteners
2. Cattle traders
3. Cattle slaughtering
4. Tapa (and processed meat) producers
5. Tapa suppliers and traders

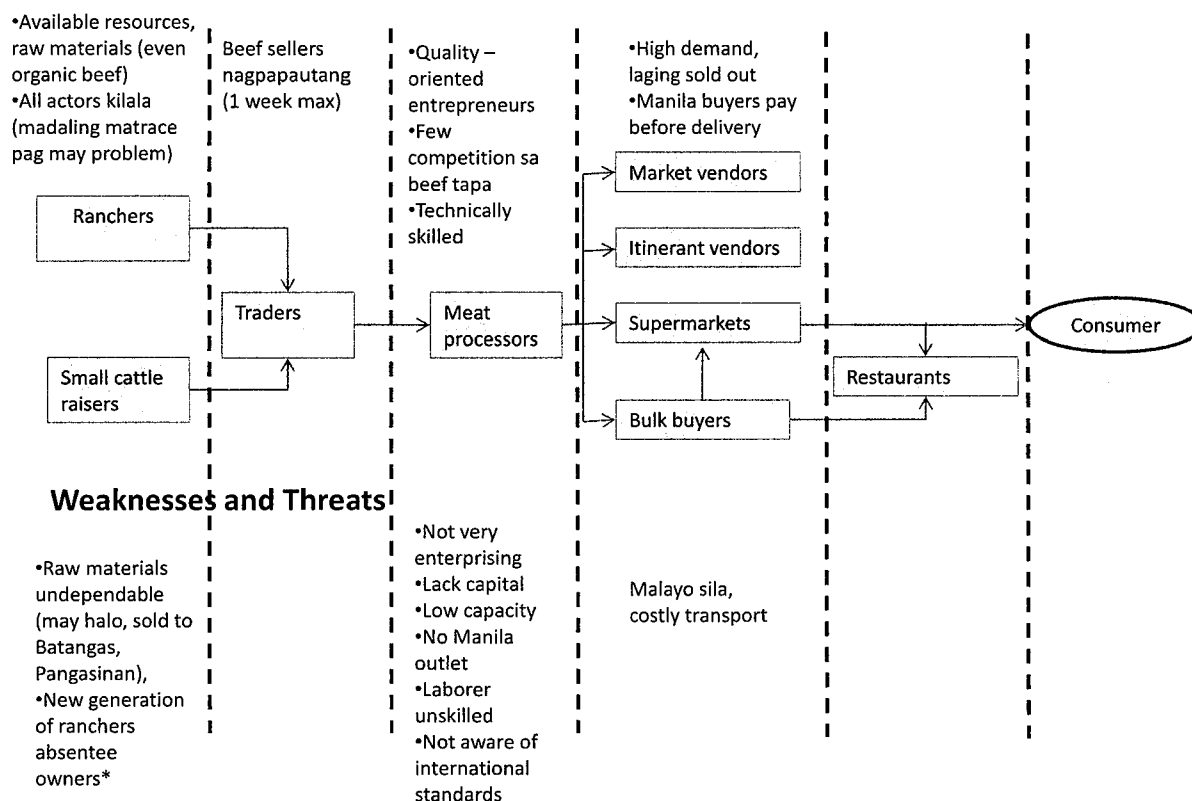
CHART 17. BEEF TAPA VALUE CHAIN, MASBATE



D. SWOT ANALYSIS OF BEEF TAPA CHAIN

Developing the beef tapa value chain takes advantage of Masbate's competitive edge in cattle production and support its efforts to increase tourism, taking advantage of its fine ports, white sand beaches and strategic location as gateway to Luzon, Visayas and Mindanao.

Strengths and Opportunities



E. STAKEHOLDERS' PROPOSALS FOR ACTION

Proposed activities for the IPEC project are presented in Chart 16, along with identified project champion and possible collaborators. Stakeholders suggested to undertake the following twelve activities:

1. Training support

- Intensive trainings with follow up for entrepreneurs and workers
- Training on international standards
- Complying with BFAD requirements

2. Organizing families

- Social preparation and values formation for 6 target barangays
- Organize the CL families
- Organize the producers of beef into a cooperative

3. Common service facility
 - Establishment of common facility for beef tapa
 - Provision of complete range of equipment
4. Outlets
 - Department store
 - MOA/Legislation for grocery stores to have Masbate stand
5. Input support
 - Connect with different trusted suppliers for the beef/ raw materials
 - Support to backyard raising
 - MOA with cattle raisers, Baleno backyard cattle raisers (IOM) project
6. Packaging
 - More attractive to customer : Ang tapa ng Masbate ay pangmasa, Buying this product will help prevent one child laborer from leaving school
 - Packaging into more affordable packs
7. Grand launching of beef tapa in Masbate City
 - Motorcade
 - TV/radio advertisement
 - Posting of tarpaulin
8. Marketing strategy
 - Development of tapa branding
9. Lobbying
 - Lobbying with various GOs and NGOs for quicker and more appropriate action on issues affecting beef tapa industry
10. R & D support
 - Product development /improvement of beef tapa
11. Regulatory support
 - Approved BFAD registration
12. Monthly participation in trade fairs

CHART 18. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, MASBATE

Activities *	Champion	Collaborator
1. Training support	DOST	DTI, TESDA, LGU, DA
2. Organizing families	Caritas	MAP
3. Common service facility	LGU	DOST, DTI, Milagros School of Fisheries, DA
4. Outlets	LGU	DTI, MABLI
5. Input support	LGU	DTI, Carami (Mr. Aguilar), Brahman

		Breeders Association (Mr Favis), RMI (Mr Manuel Sese), OPA, Butchers' Association
6. Packaging	DOST	DTI
7. Grand launching of beef tapa	Mayor	Economic Enterprise Officer (MABLI)
8. Marketing strategy	DTI	LGU, CTC, MAP
9. Lobbying	Caritas	LGU
10. R & D support	DOST	SCU-DEBESMSCAT, Milagros School of Fisheries (TESDA), LGU
11. Regulatory support	LGU	FDA, MAP
12. Monthly participation in trade fairs	DTI	LGU, MAO, Coop (future)

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

Apart from the public-private sector partnerships identified in Chart 16. It was proposed that project be steered by a Project Management Team be composed of an LGU overseer (to be hired/assigned from staff complement), and an officer each from DTI, LGU and TESDA.

1. Esperanza Ariola – Focal Person
2. Ronnie Nadal
3. Jennifer Castillo
4. Katrina Lim
5. Grace Velza
6. Vicente Llanita
7. Mabelle Bailon
8. Evelyn Somera

G. RECOMMENDATIONS

1. Facilitating the LED

The LED Team that helped facilitate the appraisal process was quite effective in coordinating all activities. The CPD Office proved to be appropriate as anchor of LED in the city. The office carried the weight of the Office of the Mayor. During the whole process, the Mayor and the CPDO made sure that they attached credibility and importance to the activities.

2. Quick wins (short term strategies) for pro-poor participation

a. Joint production and marketing

Beef tapa is a special breakfast fare in Philippine restaurants and middle to upper class homes. It is an expensive product and is considered out of reach for poor households. Since majority of the people in Masbate City are currently classified as poor, beef tapa needs to be marketed to them in small sachet packs to be affordable. Hence, for the value chain to succeed in generating jobs and incomes for the poor, the project must achieve quick wins in marketing the product outside of Masbate (preferably Metro Manila, Cebu and outside the country wherever migrant Filipinos abound).

Masbate already has three existing beef tapa producers who have attained some success in marketing their *tapa* in and outside of Masbate. They are unable to supply what the market demands due to different production limitations. The project can help strengthen these producers in exchange for concessions that will benefit the poor. For example, the beneficiaries can be hired as laborers for producing, packing, labelling or selling tapa.

Existing resources (drying, warehousing and cold storage facilities) which are currently lying idle should be made accessible to producers/beneficiaries.

Agreements with cattle ranchers can be forged to ensure supply of cattle for slaughtering and making into tapa. Other parts can be sold by beneficiaries to the community by making goto, longanisa, bulalo, etc.

An existing IOM project is supporting a community-based enterprise in Baleno in livestock raising. The enterprise is run by families of OFWs. The group can be utilized as supplier of cattle to the Masbate beef tapa enterprise to be set up by IPEC.

b. Marketing

Beef tapa should be marketed on a full time basis. The LGU and DTI should implement their plans to support the marketing of beef tapa as Masbate OTOP by displaying the product in airports, seaports, malls and all national trade fairs.

Securing BFAD approval /certification is critical to competitiveness. Assistance should be provided to achieve this.

It should also be possible to use eCommerce for obtaining orders and securing payments to help the project beneficiaries.

c. Training support

Intensive training of beneficiaries to make them competent in producing and selling *tapa*. They should also be trained in cattle fattening and processing of other meat products as the project runs along.

Training all actors in food handling and good manufacturing will be crucial to ensure that the product will meet international market standards.

3. Medium term strategies : improving linkages across the value chain

The project should put in place systems and measures to build the collective spirit among all actors so that they work together towards their vision as an industry

4. Long term strategies :

Organizational strengthening should be undertaken for all actors to exploit their collective power for lobbying and negotiating with other parties.

5.2.2. CAWAYAN

(See Annex 7 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The shortlist of sub-sectors which the LGU socio-economic profile identified as promising for pro-poor growth in Cawayan were the following:

1. Bangus (Fish Cage)
2. Crab (Lambay)
3. Fishing(Panagat)
4. Seaweeds (Guso)
5. Scallop
6. Sea Cucumber
7. Abalone
8. Hog Raising

B. SECTOR SELECTION

Stakeholders unanimously judged seaweed production as the sub-sector which was most promising in terms of all criteria for pro-poor growth to benefit Barangays Chico, Looc, Naro, Punta Batsan, and Talisay.

Economic Criteria

Seaweed production

- Largest economic volume
- High growth trends in recent years, unmet market demand exists (tied with crab)
- Show the easiest access to markets
- Show greatest unique advantage of municipality over other locations
- Offer value addition through processing or product improvement?

Poverty Reduction Criteria

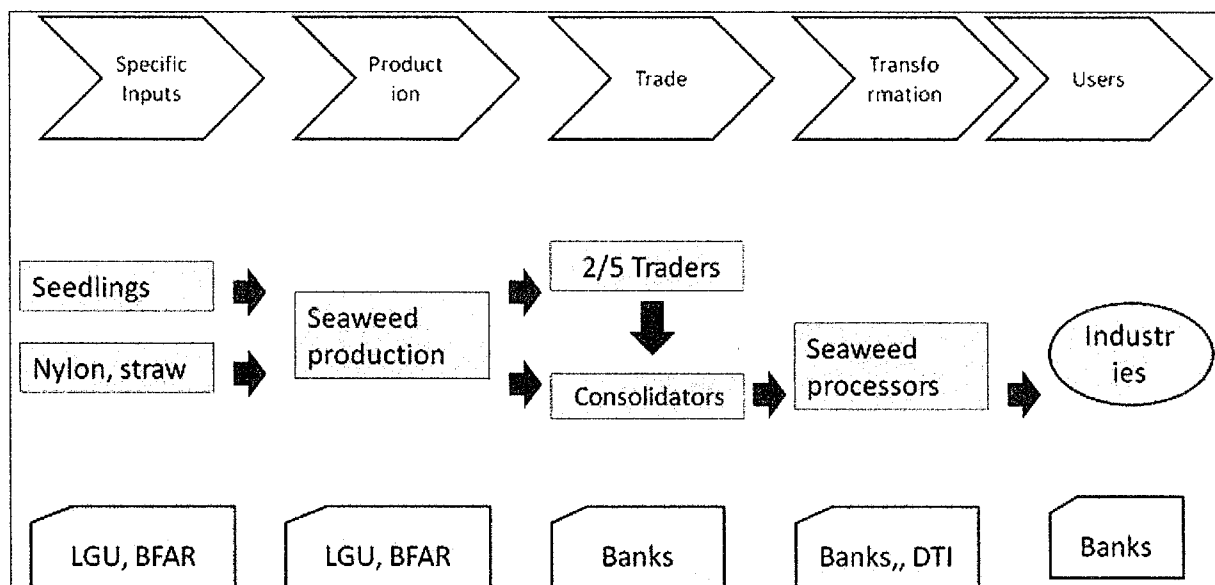
Seaweed production

- Provides greatest income for the poor in target barangays
- Most labor-intensive production
- Lowest entry barriers for poor people
- Provide the quickest returns, low risk of failure – (tied with crab)
- Offer most opportunities for women- seaweeds

C. PARTICIPATION OF THE POOR IN SEAWEEEDS PRODUCTION

The beneficiary barangays are currently active in seaweed production. Project interventions can be introduced for them to be involved in providing inputs, consolidating seaweeds harvested and processing them .

CHART 19. SEAWEED VALUE CHAIN, CAWAYAN



D. SWOT ANALYSIS OF SEAWEEEDS PRODUCTION CHAIN

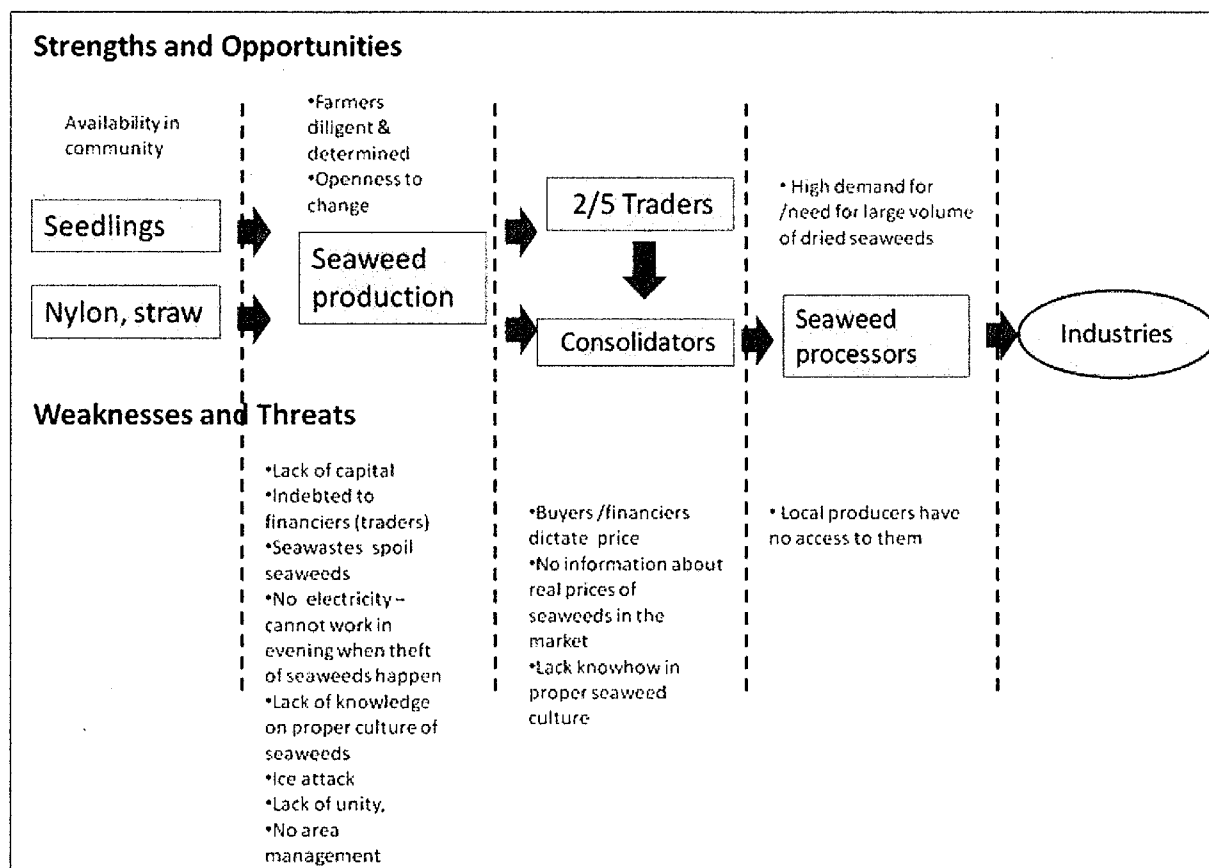
Seaweed producers in Cawayan are linked to the seaweed value chain. The industry has already benefited many families in the target barangays.

There is a myriad of business opportunities where the poor can participate in the seaweed industry. They include seaweed nurseries, farm development, supply of farm tools, equipment and chemicals, setting up of a post-harvest facility, trading of raw and semi processed seaweeds, downstream processing, or manufacturing of finished products from dried seaweeds.

Seaweed production is pro-poor. Even small scale production can be very viable, as was the testimony of many participants to the participatory workshops. Industry literature gleaned from the Internet indicate a fast growing local and global market. According to the DTI, it is a global industrial commodity that enjoys continuing government and private sector support through R & D. The Philippines is the world's 2nd largest producer of aquatic plants (including

seaweeds), having produced a total of 0.989 million metric tons or nearly 8% of total world production of 12 million metric tons (FAO website).

CHART 20. SWOT ANALYSIS INTEGRATED IN SEAWEED VALUE CHAIN



E. STAKEHOLDERS' PROPOSALS FOR ACTION

The beneficiaries from the six barangays came up with twelve activities that they wanted help on during the IPEC project :

1. Seek support from LGU

The island barangays felt they need more attention from the LGU to improve their livelihoods, including seaweed production.

2. Conduct orientations and trainings on seaweed (*guso*) culture

They had plenty of questions regarding species to propagate, proper care and maintenance, how to deal with diseases.

3. Seaweed processing technology

Beneficiaries need to be trained on how to dry and process seaweeds for greater value in the market.

4. Ipatupad ang 10 TESDA scholarships

A factor identified by the SIAP in the drop of seaweed production has been the aging of farmers. Many of their children, do not stay and continue their seaweed farming. They go out in search of jobs. Those who do are just as ignorant as their parents about proper seaweed farming. The stakeholders decided that the best way to improve seaweed farming in Cawayan is to encourage the youth to be educated in the field of seaweed farming. Those who will become experts in this field will be assured of jobs in the seaweed farms within the community. The youth will be given scholarships in TESDA on seaweed culture.

5. Organization of seaweed producers

- Implement activities to ensure unity and cooperation in seaweed production
- The beneficiaries will organize themselves for livelihood purposes
- Conduct meetings for all beneficiaries of IPEC barangays (preferably all residents)
- Regular seminar/meeting
- Implement unity/cooperation
- Strengthen the group
- Select responsible members

6. Proper waste disposal

This will address the contamination of the waters along the coast where the seaweeds are growing, to prevent ice ice.

7. May disiplina (GMRC)

The communities must adhere to collective values such as:

- a. "Bawal ang tamad" (Laziness is prohibited)
- b. Less income = no vices, People should not have vices
- c. Enforce policies and enact laws so that everyone will plant *guso*

8. Implement municipal fishing policies and regulations

- a. Information and education for all on policies and resolutions
- b. Clearcut "areas" for each individual farmer/grower to avoid conflicts
- c. Prohibit the use of chemical to clean boats (like household wastes, they pollute the waters/ seaweed farms)

9. IEC on all possible support

- a. If there are sources of cheap capital (low interest, like Camalig Bank) the Barangay should inform everyone in the barangay so they can access
- b. Seek support from all agencies that can help: DTI, LGU, Bank for financing
- c. Seek BFAR advise on *guso* culture
- d. Training and other technologies

10. Electrification of the island

The island has no power supply. Only a few households are able to afford generators. Thieves of seaweeds use the cover of darkness to victimize seaweed farmers.

11. Planting / cultivation of mangroves to protect the seaweeds

12. Seek solutions for *lumot* (algae, lichen or moss)

The presence of *lumot* depresses the price of seaweeds. The taking out of *lumot* increases demand on the time of women doing the harvesting and cleaning. *Lumot* increases cost of production when farmers have to hire people in order to convert the seaweed into quick cash.

CHART 21. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, CAWAYAN

Activities	Champion	Collaborator
1. Seek support from LGU	Kap Gaudencio/OIC	1 Purok leader (seaweed grower) per barangay
2. Conduct orientations and trainings on guso culture	Raffy Lanoy	Seaweed Grwers Association (SGA)
3. Seaweed processing technology	Roy of DTI	SGA
4. Ipatupad ang 10 TESDA scholarships	MSWD	TESDA, CL Families
5. Organization of seaweed producers	MAO	5 Barangay captains and officials
6. Proper waste disposal	MHO (Dr Ybañez)	5 Barangay captains
7. May disiplina (GMRC)	CPC	Caritas
8. Implement municipal fishing policies and regulations	Raffy Lanoy	Mario and Rolly (BFAR) . All barangay officials
9. IEC on all possible support	MAO	BFAR (Raffy & Mario Cistena)
10. Unta ipatuman ang kuryente dinhi sa barangay	Carmelito Piedad	All barangay captains
11. Pagtanom ug bakhaw para protection sa guso	MAO	DENR, barangay captains
12. Pangitaan solusyon ang lumot	SGA	Barangay captains and DOST

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

Mr Carmelito Piedad

PESO Officer

Ho wshop team

G. RECOMMENDATIONS

1. Facilitating the LED

Mr Carmelito Piedad served as Focal Person and facilitator of the whole appraisal process.

At the end of the appraisal process, it was not yet clear who the members of the LED team would be.

In the absence of a clear LED team designated by the LGU, the key people who helped Mr Piedad steer and anchor the appraisal process in the island could serve as the LED team to manage the IPEC project as well.

It is recommended for the team work to work closely with BFAR, DTI and DOST as stakeholders for strengthening and upgrading the value chain.

2. Quick wins (short term strategies) for pro-poor participation

Since the communities are already engaged in seaweeds production, the main objective in value chain development is to upscale their production outputs and increase their incomes. This can be done through:

a. Forming associations and policies

The farmers/ beneficiaries need to be organized and establish policies for regulating their business activities in the open sea.

b. Joint marketing for better prices, or direct to Cebu buyers

Quick cash can be generated by beneficiaries if the project can assist them in negotiating for better prices from traders. Better yet, if the seaweeds can be bulked at the local level and marketed jointly, the profits for farmers promise to be much higher.

c. Training on new technologies, products

Seaweed farmers need to be trained not only in *guso* culture but also in processing their seaweeds into value added products.

d. Access to financing

The project can link with Camalig Bank for financing of small scale seaweed production. The bank offers low interest (2%) on capital (from P5,000 to P500,000).

e. Post harvest handling

Facilities can be developed for collecting harvests from various producers and dried as well as semi-processed jointly.

3. Medium term strategies

a. Joint processing ventures

The project can install the promised equipment assistance from DOST for a small scale seaweed processing facility in the island.

b. Product development

The project can link with support agencies (like DTI, TESDA, DOST) for value added products from seaweeds.

4. Long term strategies

- a. Investment promotion for local seaweed production
- b. Quality control along the value chain
- c. Market expansion, to locate other buyers of production outputs

5.2.3. AROROI

(See Annex 8 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The shortlist of promising sub-sectors for pro-poor growth in Barangays Luy-a, Panique and Tigbao included the following:

1. Fish processing
2. Hog raising
3. Luy-a Processing
4. Broiler & goat
5. Backyard cattle
6. Organic vinegar
7. Coconut coir
8. Pottery making

B. SECTOR SELECTION

Stakeholder deliberations resulted in the choice of fish processing as the top sub-sector to support, followed by hog raising. Fish processing ranked number 1 among all sub-sectors on nine economic and poverty alleviation criteria used. Hog raising topped only in the criteria : "Offers most opportunities for women to participate".

On seeing that fish processing won, representatives from Luy-a, Panique and Tigbao rejected the livelihood for themselves in this project. They argued that while fish processing may be appropriate for Aroroi in general, the same cannot be said for their barangays as Luy-a and Panique were far from the coast. Even the residents of Tigbao voted for hog raising as most of them found incomes from fishing to be erratic, for the very same reasons given by stakeholders in Masbate City. They said that fish processing had many weaknesses and threats, including its being:

- Seasonal
- Good only for Tigbao, not for the two other barangays
- Low profit
- High cost of raw materials

On the other hand, they defended hog raising as

- Easy for women.
- Short supply in Masbate and Aroroi
- Can produce biogas
- Can produce tocino, longanisa

The only negative point given on hograising had to do with sanitation issues, but the DA representative assured everyone that a “Korean technology” was available and implementable to address it.

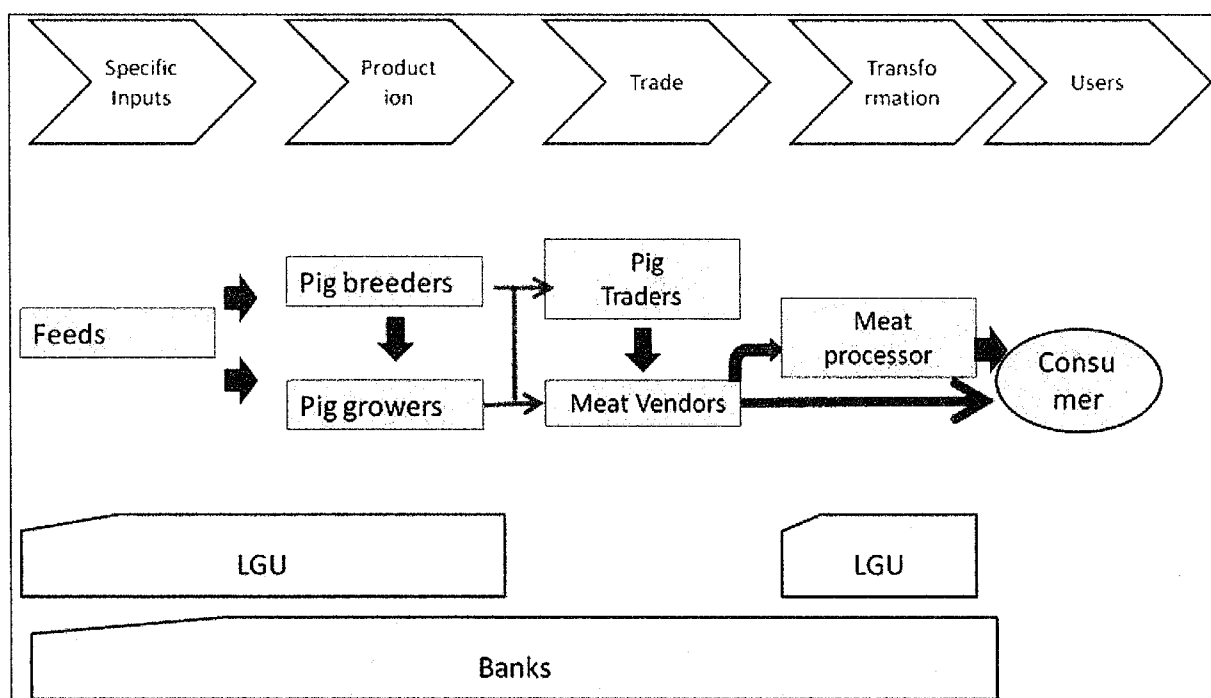
C. PARTICIPATION OF THE POOR IN HOG RAISING

Many residents in the three target Barangays were already engaged in backyard hog raising in varying capacities as pig breeders, growers, traders, meat vendors and small scale meat processors. The sub-sector is producing a lot of jobs and incomes. Hogs are considered “savings” by the poor for emergencies such as medical events, school fees, fiesta/birthday celebrations, appliance purchases and placement fees for employment.

The project can generate more jobs and incomes for families/beneficiaries that do not wish to raise hogs, but rather gather ingredients or plant crops for feed production.

Wastes from the hog raising livelihood can also be used to generate incomes from organic fertilizer production.

CHART 22. HOG RAISING VALUE CHAIN, AROROI



D. SWOT ANALYSIS OF HOG RAISING CHAIN

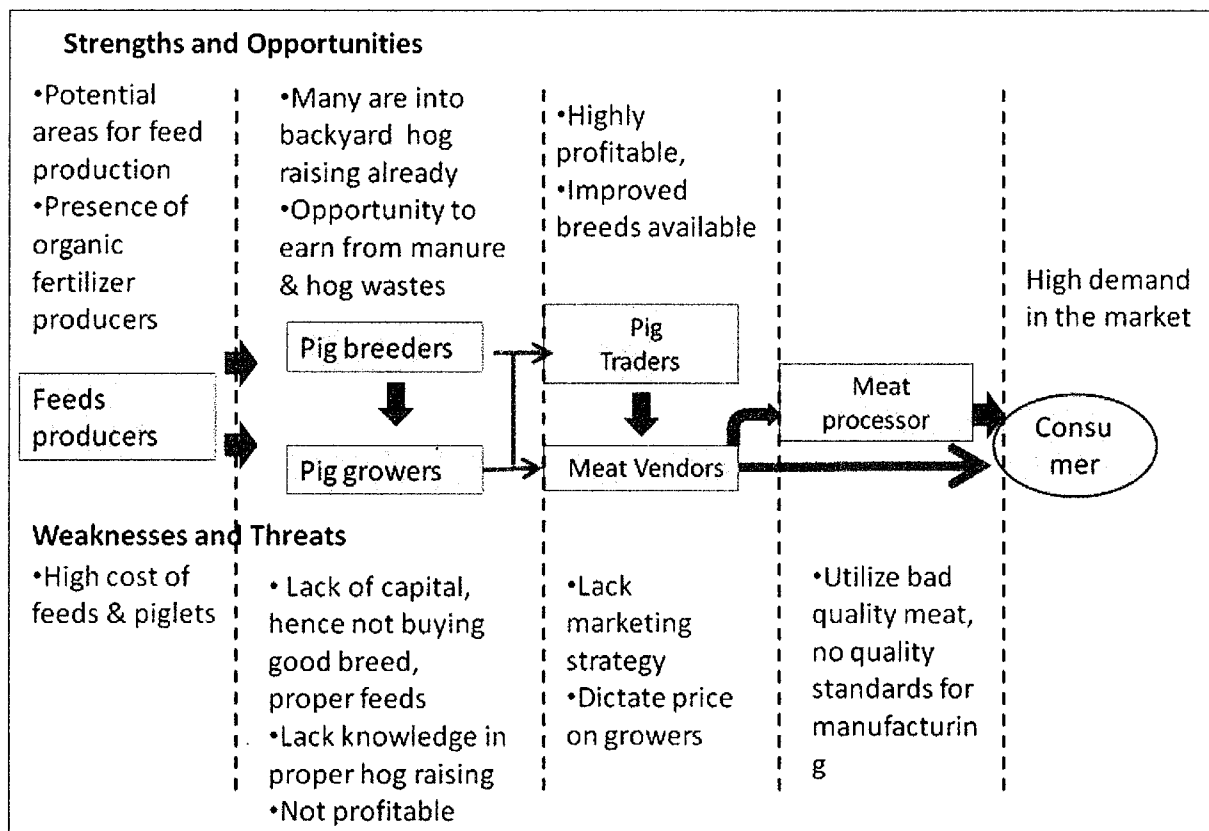
While many poor people are already raising hogs in their backyards, closer scrutiny showed that many of them were not producing optimally. Feeds cost a lot and so they were feeding their hogs from table scraps. Incomes therefore were not high. If they accounted for all the costs attendant to production, they would probably be losing. Still, the backyard industry was considered good insurance money by the poor.

Because the main hogger farm near serving Aroroi and nearby municipalities had closed down due to succession problems, there was generally a shortage of good meat

in the area. During festivals and Christmas season, the shortage becomes very acute and prices go very high.

Hog production has been promoted by the DA since 2002 when Masbate was declared FMD free.⁹

CHART 23. SWOT ANALYSIS INTEGRATED INTO HOG VALUE CHAIN



E. STAKEHOLDERS' PROPOSALS FOR ACTION

The proposals for action, as prioritized, along with the project champions and collaborators are presented in Chart 22.

1. Organization of beneficiaries

Except for Tigbao, which demonstrated a higher level of organization, the beneficiaries in the two barangays were not organized. They need to be formed into a form of association to address collective concerns, including the need to weigh options for the joint (communal) production of hogs.

Whether the beneficiaries decide on individual or communal farming, they need to undergo the following activities:

⁹ <http://www.gmanetwork.com/news/story/95522/economy/rp-hog-industry-bullish-on-bagging-fmd-free-certification>. Accessed July 5, 2011

- Organizational management training/seminar to the association
- Developing business policies

Beneficiaries need to be classified by their functions in the value chain, i.e., as either feed producers or pig producers.

2. Trainings/Seminars

Apart from management training, the beneficiaries are to undergo a series of technical training programs, such as :

- Season long training on hog raising and breeding (4 months)
- Training/seminar on feed production
- Training on feed crops production (like season long training on yellow corn production)
- Leadership, capability and entrepreneurship training

3. Support facilities

- a. There is a need to pay attention to resources needed for production such as
 - Acquisition of land, “usufruct”
 - Construction of pens
 - Provision of utilities (water, electricity)

- b. Stakeholders suggested to:
 - Make a project proposal for establishment of demo area and swine breeding
 - Invite technical men in support of hog raising demo
 - Establish an artificial insemination centre in the community
 - Establishment of barangay farmers information center

4. Formulation of local feeds

Since feeds is the main cost component in hog raising, the LED team proposed the establishment of a feed processing facility. They suggested to:

- Use indigenous feed materials
- Examine shell “composition”
- Organize producers of local feed suppliers
- Establishment of feed mill
- Procure ingredients

5. Provision of farm inputs

- Provision of corn seeds and fertilizers

6. Implement zero wash swine raising

- Design low cost pens
- Market organic fertilizers
- Promote organic fertilizer production

7. Credit support

- Tap lending institutions (formal/informal)
- Capital support from the following services/ institutions : ILO-IPEC, LGU-Aroroy

8. Marketing strategy for hog raisers

- Link to production schedule
- Bulk marketing : “negotiating leverage”

9. Monitoring and Evaluation

- LGU technical people will monitor (A=MVET, MAO)
- Resident AT

CHART 24. PROPOSALS FOR ACTION AND COLLABORATING AGENCIES, AROROY

Activities*	Champion	Collaborator
1. Organization of beneficiaries	MSWD	Admin, MAO, CARITAS, Bgy FP
2. Trainings/Seminars	MAO	MSWD, MVET, Brgy FP
3. Support facilities	MPDC	Admin, MAO, MVET, MSWD, Bgy FP
4. Formulation of local feeds	MVET	Admin, DEBESMSCAT (Dr. Cajurao)
5. Establishment of feed mill	Mayor	Admin, MAO, MVET
6. Provision of farm inputs	MAO	Admin, MPDC
7. Implement zero wash swine raising	MAO	MVET, MENRO, Admin, Bgy PFP
8. Credit support	MPDC	MSWD, Admin
9. Marketing strategy for hog raisers	MAO	MVET, Admin
10. Monitoring and Evaluation	MVET	MAO, MPDC, Admin, Bgy FP

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

The LED Team in Aroroy consisted of

Hon Mayor Enrico C. Capinig
MPDC Arthur Merico
Admin Emilio Bulalacao
MAO Marilyn Velasco
MVET Moreno de la Rosa Jr
SWO Aillen Panganiban
Milagros A. Labajo
3 Barangay Focal Persons

G. RECOMMENDATIONS

1. Facilitating the LED

Members of the LED Team, especially the MPDC and the Municipal Admin Officer, have free access to the Mayor, can have Mayor's eyes and ears at any time. They have proven leadership and managerial skills, can mobilize people, and have good networks.

The motivation, ability and competence of the LED team to anchor and steer the LED process were manifest during the appraisal process.

The project must assign an agri-tech to each of the barangays, and a business manager manages all areas as one.

2. Organizing beneficiaries

- While beneficiaries are organized, a feasibility study is prepared to determine the necessary inputs for the communal hog raising facility
- Determine which link in chain each beneficiary can play a part
- Conduct training programs on hog raising

3. Raw materials supply

- Conduct training on feed crops production (like season long training on yellow corn production)
- Conduct training on use of indigenous materials for feed production.

4. Joint production

- Facilitate financing of hog raising value chain development from feed production to selling of hogs

5. Joint marketing

- Assist beneficiaries to market in "bulk" for better terms
- Connect the association with markets
- Examine conditions of contract to extract the most benefit for beneficiaries

5.3. NORTHERN SAMAR

An Enhanced Convergence Initiative Program between the Departments of Agriculture (DA), Agrarian Reform (DAR), and Environment and Natural Resources (DENR) was launched in Northern Samar in June 2011. A convergence initiative works on the principle of resources and expertise complementation between and among the partner agencies.

The convergence program in Northern Samar is implemented in two (2) clusters of municipalities as convergence domain, namely: Central Cluster composed of **Catarman**, Bobon, **Mondragon**, Lope de Vega, and Catubig Valley Cluster composed of Catubig, **Las Navas** and **Laoang** towns. The convergence initiative thus clearly includes the four target municipalities of ILO IPEC.

To achieve the aims of convergence, DA Secretary Proceso Alcala has called for all agencies to coordinate closely with the provincial government for the upscaling of local food production through the drafting of a comprehensive agri-fishery development plan for Northern Samar.

The activities proposed by stakeholders in the series of workshops here can be an input to the preparation of a provincial agri-fishery development masterplan to address the deficiency of rice and other farm commodities in the province.

The value chains chosen for development in Northern Samar are supportive of the convergence initiative and also pro-poor. They were geonet/coco coir production in Catarman, bangus processing for Laoang, rice production for Las Navas, and vegetable production for Mondragon.

5.3.1. CATARMAN

(See Annex 9 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The shortlist of sectors for the municipality, as pruned by the LED team, consisted of four items:

1. Palay
2. Coconut by-products
3. Chicken and hog
4. Nipa production

B. SECTOR SELECTION

The deliberations resulted in a toss-up between coconut by-products and nipa production. The highlights were as follows:

Economic Criteria

Coconut by-products

- Largest economic volume
- Show greatest unique advantage of municipality over other locations
- Offer value addition through processing or product improvement?

Chicken and hog

- High growth trends in recent years, unmet market demand exists

Palay

- Show the easiest access to markets

Poverty Reduction Criteria

Coconut by-products

- Provides greatest income for the poor in target barangays – coconut by-products
- Most labor-intensive production-coconut by-products
- Lowest entry barriers for poor people - coconut by-products

Nipa production

- Provide the quickest returns, low risk of failure – nipa production
- Offer most opportunities for women- nipa production

The total weighted score given by stakeholders supported the choice of coconut production as the livelihood to be developed for the target Barangays of Bangkerohan, Baybay, Cawayan, Dalakit, Ipil-ipil and Narra.

Based on stakeholder consultations, coco-coir production was chosen as the by-product to support on account of the presence of a buyer/lead firm, high demand, receptivity of barangay residents, contribution to tourism and waste management, as well as being gender-friendly.

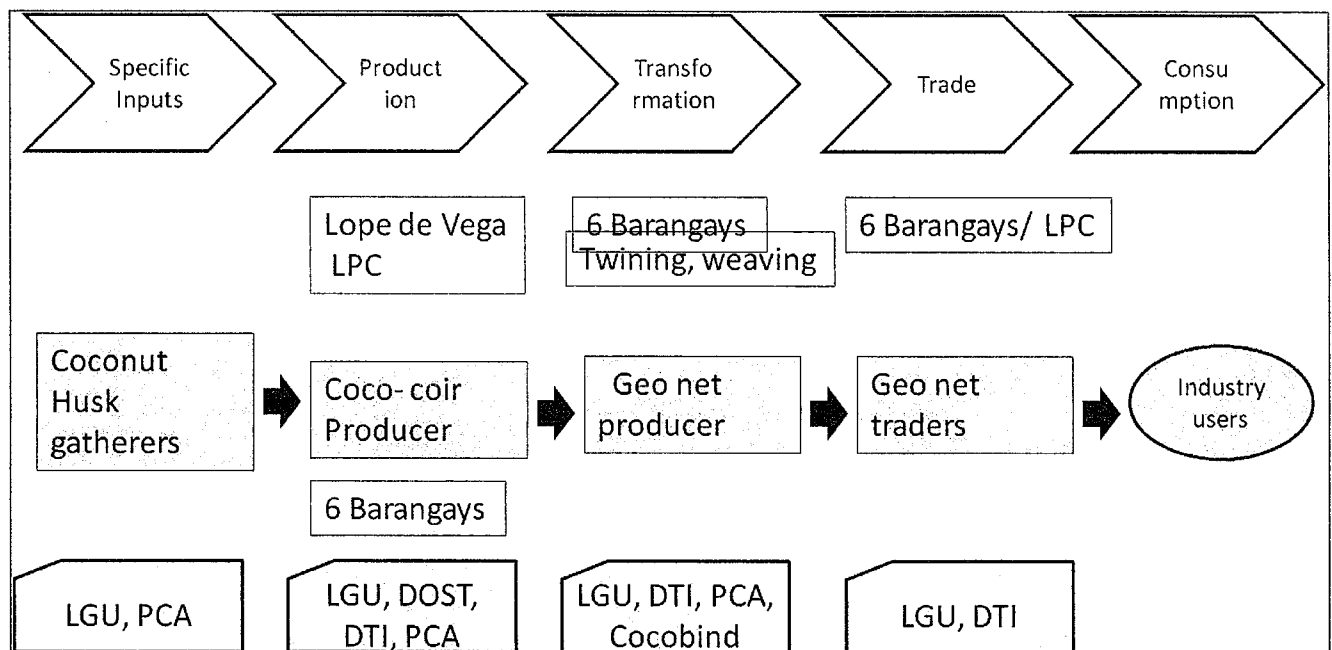
C. PARTICIPATION OF THE POOR IN COCO-COIR PRODUCTION

The coir value chain is yet to be developed in Catarman. When ILO supports this livelihood, it will also be supporting the Lope de Vega Production and Processing of Coco-Coir (LPPC) as a lead firm for the livelihood of the target barangays.

The IPEC beneficiaries can sell all the coconut husks they can gather to LPPC. LPPC will pick up the husks from designated sites in the barangays and deliver coco fiber which the community can twine and weave into geonets.

The beneficiaries can also opt to obtain some fiber or twine and process them into products.

CHART 25. COCO COIR VALUE CHAIN, CATARMAN



D. SWOT ANALYSIS OF COCO COIR CHAIN

Region 8, where Catarman belongs, contributes 21% of the country's total coconut production of 12.2B nuts per year. It has a total of 21 coco coir processing plants, of which 2 are located in Catarman. One is located in Barangay Daganas, the other in Barangay Bayho in Lope de Vega.

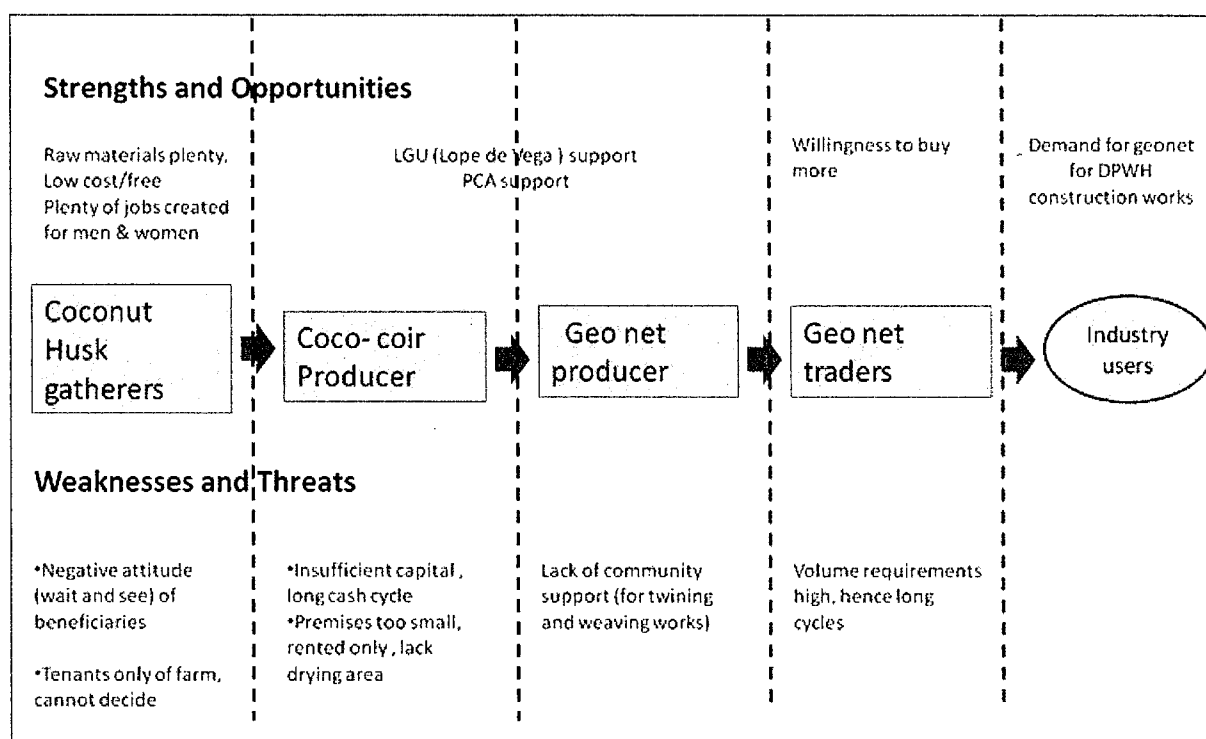
Coco coir is a by-product in coconut production . The Department of Public Works and Highways (DPWH) is vigorous in applying of coco nets and coir to stabilize slopes along the national highways in Eastern Visayas Region. In Year 2000, the DPWH Region 8 Director Rolando M. Asis allocated P32.9 million budget to finance about 58 projects with an estimated area application of 20 in 8,205 square meters that require this bio-engineering technology¹⁰. Coco nets help in slope stabilization, soil conditioning, soil erosion prevention and river bank protection. Coco nets are derived from the fibrous husks of coconuts. The fiber extracted from discarded coconut husks, which is commonly called coco coir, has to undergo further twining and weaving for it to become a geotextile.

Apart from the DPWH as local buyer of geonets, global markets for coconets is growing fast. Large buyers include India and China.

The collection of husks for coir processing is seen as boosting Catarman's bid to position the municipality in the tourism map. The activity will clear beaches and riverbeds of eyesores, and at the same time generate incomes for the poor.

¹⁰ <http://www.dpwh.gov.ph/offices/region/08/index.asp>, Eastern Visays adops Coconet Bio-Engineering Technology for Infra Projects. 08/02/2011.

CHART 26. SWOT ANALYSIS INTEGRATED INTO COCO COIR VALUE CHAIN



E. STAKEHOLDERS' PROPOSALS FOR ACTION

- A. Skills training
 - Production
 - Marketing
 - Hands on orientation
- B. Community / group formation
 - Consultation meeting with local stakeholders
 - Project orientations (including charcoal)
 - Organize land owners and tenants
- C. Good communication with producer and buyers for financial facilitation
 - Forging sales contract
- D. Prepare business plan
 - Screening of qualified beneficiaries (who is enterprising poor, and who is not)
- E. Provision of materials and equipment
 - Equipment maintenance budget
 - Mechanical dryer?
 - Twining and weaving machines for the barangays
- F. Work toward establishment of own coco coir factory
- G. Creation of project management team
 - Full time focal person
- H. Lobbying of financial support from other agencies (enter into MOA)
 - Request resolutions for assistance (link with funding sources)
- I. Development of project guidelines and policies

J.
CHART 27. PROPOSALS FOR ACTION & COLLABORATING AGENCIES

Proposal *	Champion	Collaborator
1. Skills training	PCA	DOST, DTI, FIDA, LPC, BCPC
2. Community / group formation	MAO	MSWD, PLAN, BCPC
3. Good communication with producer and buyers for financial facilitation	DTI	PCA, Barangy groups, BCPC
4. Prepare business plan	DTI	PCA, LPC, BCPC
5. Provision of materials and equipment	DOST	MPDC, LPC, BCPC
6. Work toward establishment of own coco coir factory	MSWD	MAO, DTI, DOLE/CDA, BCPC, MPDC
7. Creation of project management team	Mayor	MPDC, MSWD, MAO, SB, BCPC
8. Lobbying of financial support from other agencies (enter into MOA)	MPDC	SB, DAR, DOLE, DOST, BCPC, DTI
9. Development of project guidelines and policies	MAYOR	MPDC, MSWD

* Prioritized according to scores on viability, inclusive of the poor, quick implementation and visible results.

F. LED TEAM

Honorable Mayor Rolando Figueroa Carpio, Jr.
MPDC : Arturiesto Ramigoso
MSWD: Nimfa Julio
MAO : Carlos C. Adalla
SB (to be assigned)
BCPC (to be assigned)
Private business person –Samar Coco /Cyril Santiago
PCA

Plus a Full time focal person

G. RECOMMENDATIONS

1. Facilitating the LED

The LED process in Catarman is fully supported by the Mayor, and the MSWD and MPDC showed during the appraisal process that they are harmoniously working together. Both offices shared responsibility in hosting and steering events, even in crafting the strategies for project implementation. The livelihood project for the beneficiaries was forwarded by the PCA, and was fully supported by the MAO and the LGU. There was no hesitation on the part of Catarman LGU to work together with the Lope de Vega enterprise.

For the LED process to move forward smoothly, it is important that the PCA and the LPPC be part of the steering committee.

2. Quick wins (short term strategies) for pro-poor participation
 - a. The link with the LPPC is considered by the LED team as a quick win. They see that supporting the enterprise in the neighboring municipality will result immediately in jobs and incomes for the beneficiaries. A MOA which specifies the benefits to the target families of IPEC in exchange for possible support to the LPPC is a good start to ensure quick win for both sides.
 - b. Each of the barangays should be provided with twining and weaving machines
3. Medium term strategies

In the medium term, the IPEC barangays should also have established their own coir fiber and peat processing facilities.

5.3.2. LAOANG

(See Annex 10 for documentation of participatory workshop outputs)

A. SHORTLIST OF SECTORS

The list of promising sub-sectors for Laoang was prepared together with the LED Team. The initial list included the following :

1. Feedmill
2. Fish caging
3. Hog raising/poultry
4. Bangus
5. Mudcrab production
6. Shrimp production
7. Kubkuban (deepsea fishing)
8. Coco by-products (candy, vinegar, sugar)
9. Vegetables

The following were eliminated from the list because they were "survivalist" and not growth oriented: Kubkuban (deepsea fishing), Coco by-products (candy, vinegar, sugar), Vegetables. Feedmill was also taken out because after probing, it was established that the participants were thinking of producing feeds for hog raising and fish caging.

The final shortlist of sub-sectors included only five items:

1. Mudcrab production
2. Fish Caging
3. Poultry & hog raising
4. Shrimp production
5. Bangus production

B. SECTOR SELECTION

Deliberations resulted in a toss-up between shrimp production and bangus processing.

Economic Criteria

Bangus production

- Largest economic volume
- Offer value addition through processing or product improvement?

Shrimp production

- High growth trends in recent years, unmet market demand exists)
- Show the easiest access to markets
- Show greatest unique advantage of municipality over other locations

Poverty Reduction Criteria

Shrimp production

- Provides greatest income for the poor in target barangays –
- Lowest entry barriers for poor people - Shrimp production
- Provide the quickest returns, low risk of failure – tied with **bangus production**

Poultry and hog raising

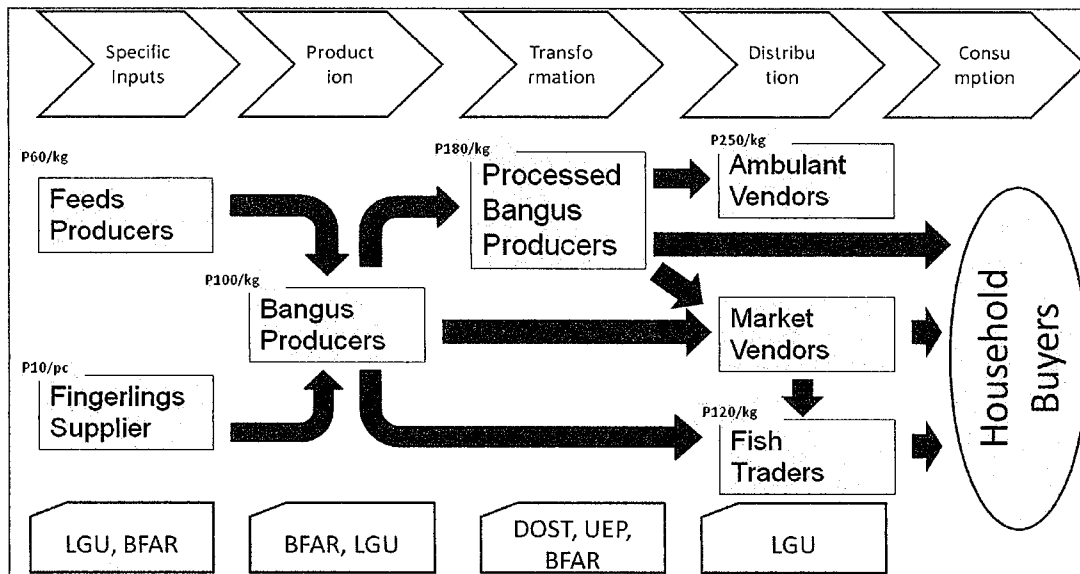
- Offer most opportunities for women-
- Most labor-intensive production- Poultry/hog raising tied with **bangus production**

The total weighted score given by stakeholders supported the choice of bangus production as the livelihood to be developed for the target Barangays of Rawis and Little Venice

C. PARTICIPATION OF THE POOR IN BANGUS PRODUCTION

The Mariculture Park Development in Aroganga is the object of convergence activities in Laoang. As such, a number of bangus producers have received support from BFAR and with a little more assistance can be sustained in order to support the development of a value chain in bangus processing. Some residents in Barangays Rawis and Little Venice have received some assistance from BFAR and DOST, respectively, for fish-based processing livelihood. For quick wins, the poor can participate in other links such as producing feeds, supplying fingerlings, or vending fish and processed fish. Later on, when the beneficiaries so desire and they are ready with resources, they can even become bangus producers themselves.

CHART 28. BANGUS VALUE CHAIN, LAOANG



D. SWOT ANALYSIS OF BANGUS VALUE CHAIN

The Philippine aquaculture production of 0.459 million metric tons in 2003 is 11th in the world, contributing 1.1% to global agriculture production of 42.3 million metric tons amounting to about 600 million dollars in terms of value (FAO website).

Based on NSCB and BAS data of 2004, Region VIII's population of 4,058,787 consume a total of 8036.4 metric tons of bangus (milkfish), but production only amounts to 2,362.4 million metric tons, meaning a shortfall in supply of 5,674.0 metric tons. This is an opportunity that the bangus production in Laoang's mariculture park wants to address.

Bangus production is an OTOP Product for Northern Samar.

LOCAL ECONOMIC DEVELOPMENT

IN UNISAN, CATANAUAN, MULANAY AND SAN NARCISO:

Report on Rapid Economic Appraisal

Submitted to
International Labour Organization

March 2011

Rene Resurreccion
Angelita Resurreccion

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ABBREVIATIONS

AIP – Annual Investment Plan
 AIP – Annual Investment Plan
 ARMM – Autonomous Region of Muslim Mindanao
 BDS – Business Development Services
 BDS – Business Development Services
 BEIS – Basic Education Information System
 BEIS – Basic Education Information System
 BFAD – Bureau of Food and Drugs
 BFAD – Bureau of Food and Drugs
 BFAR- Bureau of Fisheries and Aquatic Resources
 BFAR- Bureau of Fisheries and Aquatic Resources
 BIR – Bureau of Internal Revenue
 BonPen – Bondoc Peninsula
 BSP – Bangko Sentral ng Pilipinas
 CALABARZON – Cavite, Laguna, Batangas, Rizal and Quezon
 CAR – Cordillera Autonomous Region
 CBMS – Community-Based Monitoring System
 CBMS – Community-Based Monitoring System
 CSE – Crime Solution Efficiency
 CSO- Civil Society Organizations
 DA – Department of Agriculture
 DAR- Department of Agrarian Reform
 DCM – Direct Copra Marketing
 DepEd – Department of Education
 DILG – Department of Interior and Local Government
 DOT – Department of Tourism
 DSWD – Department of Social Welfare and Development
 DTI – Department of Trade and Industry
 DTI – Department of Trade and Industry
 EDSA – Epifanio de los Santos Avenue
 ELA- Executive Legislative Agenda
 FDP – Fisheries Development Program
 FMR – Farm to Market Road
 FMR - Farm-to-Market Road
 GRDP – Gross Regional Domestic Product
 GTZ – Gesellschaft fuer Technische Zusammenarbeit
 Hongkong SAR - Hongkong Special Administrative Region
 HVCC – High Value Commercial Crops
 ILO – International Labour Organization
 IRA – Internal Revenue Allotment
 LCE – Local Chief Executive
 LD – Local Development
 LDC – Local Development Council
 LDDW – Local Development & Decent Work
 LED –Local Economic Development
 LGU- Local Government Unit

MAFC- Municipal and Agricultural Fishery Council
MAO – Municipal Agriculture Officer
MDP - Municipal Development Plan
MFARMC-Municipal Fisheries & Aquatic Resources Management Council
MIMAROPA- Mindoro, Masbate, Romblon, Palawan
MPDC – Municipal Planning and Development Coordinator
MSEP –Municipal Socio-Economic Profile
MSME – Micro, Small and Medium Enterprise
MSR – Manila South Road
NCR – National Capital Region
NEDA – National Economic Development Authority
NGOs- Non-Government Organizations
NPA – New People’s Army
NSCB – National Statistics Coordination Board
NSO – National Statistics Office
OFW – Overseas Filipino Worker
PEF – Peace and Equity Foundation
PESO- Public Employment Service Officer
PPP- Public Private Sector Partnership
REA – Rapid Economic Appraisal
SEP – Socio Economic Profile
SLEX – South Luzon Expressway
SME – Small and Medium Enterprise
SOLCOM- Southern Luzon Coconut Oil Mills
UN – HABITAT – not an acronym, a UN Centre for Human Settlements
UNTFHS – United Nations Trust Fund for Human Security
USAID – United States Agency for International Development

1. EXECUTIVE SUMMARY

This report summarizes the results of a short-term consultancy conducted on behalf of BONDOK LED PROJECT between January to March 2011. The purpose of the assignment was to identify potential areas for local economic development (LED) within Unisan, Catanauan, Mulanay and San Narciso, Quezon and draft a concept for interventions. The appraisal was conducted through semi-structured interviews with farmers and micro-enterprise owners in the barangays and surrounding areas of the four municipalities. Officers and key informants from public and private support institutions were also interviewed. They included career officers in provincial and city administrations, local legislative body, national line agencies, business service organizations, NGOs and international development agencies.

The conclusions to the findings of the appraisal can be used to build locational competitiveness of the municipalities by undertaking manageable activities that promise success through public-private sector cooperation. It is suggested that the LED process continue by acting on the list of activities in "Quick Win Proposals" that came from stakeholders during the validation workshop of appraisal findings. In addition, the consultants recommended the following strategies.

1. CLUSTER AND SECTORAL DEVELOPMENT : ENCOURAGING LOCAL BUSINESSES

The four municipalities are to act like one network of producers and sellers. The LGUs and the leaders of target municipalities can agree on which sector to "specialize" on as "leader" or main "consolidator" and the others act as suppliers. Each municipality will have a growth sector in which it will lead.

The aim of interventions should be to provide advice, support and resources to enable enterprises in the coconut value chain to succeed.

A value chain analysis and upgrading strategy was recommended for coconuts and coconut by-products to determine the most appropriate intervention to benefit the most number of farmers and fisherfolk in Bondok Peninsula, particularly in the municipalities of Unisan, Catanauan, Mulanay and San Narciso.

In addition, an analysis of markets and value chains for the following sectors and sub-sectors, with the following as locational hubs, were also recommended:

1. Coco sugar for San Narciso
2. Uraro for Catanauan and Mulanay
3. Buri products for Unisan, Mulanay and San Narciso
4. Vegetables for Catanauan
5. Bananas for Mulanay and San Narciso
6. Upland rice for Catanauan
7. Corn and livestock for Mulanay and San Narciso
8. Carabao production for Catanauan
9. Fishpond & mariculture :
10. Unisan, Mulanay and San Narciso
11. Technical training and support : Unisan
12. Skills and entrepreneurship Training: PUP Mulanay/Unisan

2. ENCOURAGING NEW ENTERPRISES

The region's farmers have the basic knowhow and capability to deliver agricultural products. They only need to be better organized, infused with a common vision, and work according to a rational production schedule for a common purpose, acting like one big corporation (BonPen Inc). They need assistance in strengthening their organizations to succeed in marketing or market linkaging, and this is where new entrepreneurs from the ranks of their own youth, women and other unemployed can come in as traders or consolidators. They themselves should establish or perform this needed function and training in entrepreneurship will help.

Universities, community colleges should advice and train young people (all children of farmers and fisherfolk) as well as farmers' and fishers' associations to create working enterprises out their community's products. They should be encouraged to be traders and consolidators of farming and fishing products, and to maximize bargaining power by selling in bulk.

New enterprises are needed in the following :

- Consolidators / traders for all products in all areas
- Tourism, to establish hotels, entertainment centers, other services in all areas
- Hospital , for Mulanay and San Narciso

3. STRENGTHENING LOCAL BUSINESS ASSOCIATIONS

The fragmented business communities in all the four areas are to fully function as a networking, learning and advocacy group. Bondoc-LED project can definitely help by providing advice, training and technical support to the public-private partnerships forged in the proposed Quick Win/Catalytic projects so that the success of these groups serve as catalyst for change and become a model for other groups to follow.

4. AREA TARGETING AND INVESTMENTS IN HARD INFRASTRUCTURE

Investments in hard infrastructure should give higher priority to water supply for farm and home use and barangay farm to market roads to impact the greater majority of poor farmers and fisherfolk. The other needed hard infrastructure that kept surfacing was hospitals, which was insufficient in most areas.

5. POVERTY REDUCTION PROGRAMS

Get the poor, especially the *mag-uuling* sector, to participate in nursery programs, reforestation, and waste removal. Let them be the primary tree growers and planters, as well as seed entrepreneurs. Some can even be trained in the waste collection and recycling business as waste segregation was cited as a common problem in the municipalities. Women can undertake buri handicrafts weaving. Home-based industries can be revived to make use of the abundant raw materials in the province

6. IMPROVING THE BUSINESS CLIMATE

All areas will benefit from streamlining procedures to shorten the time or steps for getting a business license or building permit. This will have not only have an impact on tax collection, but will be an opportunity for the LGU to communicate and dialogue with the people, encouraging them to network and link with all sectors in order to boost the economy. LGUs need to prepare their own Investment and Revenue Codes.

2. INTRODUCTION

2.1. OVERVIEW¹

The Inter-agency programme to nurture peace, security and decent work through local development in conflict affected areas of Bondoc Peninsula (Bondoc-LED Project) was conceived as a joint undertaking between the ILO and the FAO. Through a funding support from the UN Trust Fund for Human Security (UNTFHS), this 3-year project seeks to promote human and economic security, and sustain peace building initiatives by capacitating the key stakeholders to define and manage their own path of local economic development (LED). This LED-driven project strategy seeks to contribute in addressing the root causes of poverty in Bondoc Peninsula area by integrating several interventions such as livelihood assets expansion and enterprise development (economic productivity), vulnerability and risks exposure reduction, stakeholder dialogue and empowerment of most vulnerable households and communities.

The LED framework of ILO is a mature methodology in promoting decent work opportunities in poverty-stricken and conflict-affected areas, where elements to care and protect for human security is wanting. LED is a locally owned, participatory development process in a given territory that encourages partnership from the private and public sector as well as the civil society groups. It enables the joint design and implementation of a common development strategy, stimulating the sustainable use of local resources and the creation and strengthening of competitive advantage. The LED, with its corollaries of stakeholder participation and collective action, is not only crucial in attaining greater economic activities and job generation; it can also be a facilitator and a catalyst in the resolution of conflicts. Precisely where Bondoc communities are affected and previously divided by conflict, it is more important to encourage inclusive dialogue and joint action for the common good, highlighting the mutual economic advantages of cooperation in the Bondoc Peninsula area.

The Bondoc-LED project requires a good assessment and understanding of the local territory. This assessment will enhance the efficiency and responsiveness of project interventions in a holistic and coordinated manner to ensure pro-poor targeting and support for the empowerment of most vulnerable communities and individuals.

The activities to assess the local economies of Unisan, Catanauan, Mulanay and San Narciso, all located in Bondoc Peninsula, were undertaken in the context of LED. As an approach, LED is underpinned by the following principles:

- a. Focus on a local region or territory
- b. Involvement of stakeholders to ensure participatory diagnosis, planning and implementation of local economic development processes.
- c. Holistic approach
- d. Committed local leaders and local government backing the effort actively

¹ Source: Annex 1, Project TOR

-
- e. Action and strategic orientation, aiming for quick wins that create momentum and build trust to achieve long term strategies for enterprise and entrepreneurship development.

2.2. OBJECTIVES OF THE ASSIGNMENT

The economic assessment of Bondoc-LED project sites were meant to serve as inputs to:

- Sensitize Bondoc Peninsula stakeholders by giving them up-to-date information about the area, its assets and resources, and vulnerabilities with a view to increasing the understanding of the local context for livelihoods and enterprise development and employment generation
- Give advice on how existing local economic development policies and institutional arrangements can be improved towards more economically, socially, and environmentally sustainable development in the project areas
- Identify specific sector/s that would need value chain analysis and improvement for strategic enterprise development, skills development and employment generation
- Organize LED forum and formulate LED strategies at the municipal level (4 LGUs) and
- Monitor and assess the LGUs performance on local economic development

The specific objectives for the consultants to achieve were the following:

1. To enhance the knowledge and appreciation of LGUs and other local stakeholders on LED through orientation, knowledge sharing and meetings.
2. To assess the resource base and economic competitiveness of the four LGUs covered by the Bondoc-LED project;
3. To identify growth sectors of the project sites vis-à-vis their economic comparative advantages that will create employment and livelihood opportunities especially for the economically-challenged vulnerable groups in Bondoc Peninsula;
4. To map out relevant institutions/organizations performing important functions in the local economy of the project sites;
5. To identify constraints, threats and gaps in promoting and advancing local economic development in the project sites;
6. To create a LED core group at the LGU level that will sustain LED activities

2.3. DURATION OF THE ASSIGNMENT

The assignment was undertaken from 28 January to 15 March 2011, and report writing lasted from 15 March to 15 April 2011. The report was revised from 25 to 30 May 2011.

3. APPROACH AND METHODOLOGY

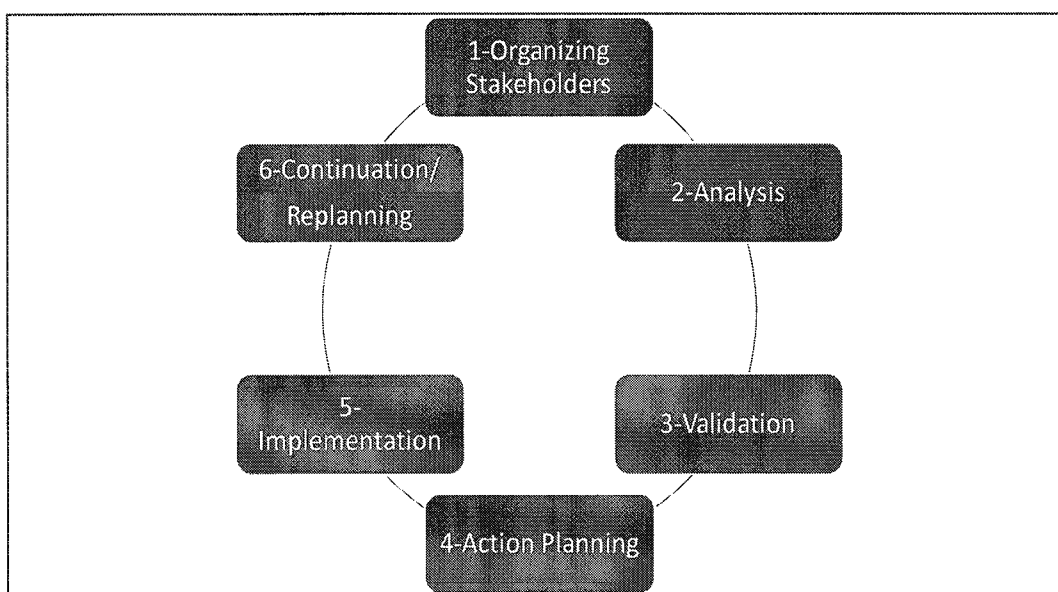
3.1. THE LED APPROACH

LED is an approach that has become increasingly popular among governments and donor agencies such as the ILO, the World Bank, USAID, UN-HABITAT and the GTZ, to name a few. The approach is underpinned by the following principles:

- a. Focus on a local region or territory
- b. Involvement of stakeholders to ensure participatory diagnosis, planning and implementation of local economic development processes.
- c. Holistic approach
- d. Committed local leaders and local government backing the effort actively
- e. Action and strategic orientation, aiming for quick wins that create momentum and build trust to achieve long term strategies for enterprise and entrepreneurship development.

LED activities follow defined and iterative steps in a continuing cycle from (1) organizing stakeholders, (2) analysis of the local economy, (3) validation of findings, (4) action planning, (5) implementation, and (6) continuation /replanning activities. See Figure 1. The activities and outputs embodied in this document comprise those undertaken in Steps 2 and 3 of the LED cycle.

FIGURE 1. LOCAL ECONOMIC DEVELOPMENT CYCLE



To enhance stakeholders' knowledge on LED, the consultants undertook the following activities.

1) Designation of REA coordinator

The REA coordinator ensured that preparations, coordination and groundwork were in place for the participatory processes for the territorial diagnosis. The Project Management Office nominated four of their LGU partners who fulfilled the following requirements:

- Availability for the duration of the appraisal process
- Position is senior enough and is associated with a certain prestige and standing in the local community
- Fair understanding of local economic situation

Those identified were Ms Perceviranda Galang (Unisan- MAO), Mr Greg Cabarubia (Catanauan- MPDC), Ms Marissa P Cortez (Mulanay – MPDC), Ms Elvira Lingahan (San Narciso – MAO).

The REA coordinator served as local resource person helped the consultants in the following steps:

- a. Establishment of sample size and structure so that the composition reflected the economic situation of the local area.
- b. Dissemination of information to local stakeholders, including organizations, trade associations, key businesses, farmer/fisherfolk leaders and local administrative units relevant to local economic development. A letter from the Office of the Mayor stated the objectives of the exercise, the date of the appraisal period, as well as the date and venue of the kick-off (Feb 7) and validation (March 7) workshops to which the recipients were invited to participate.
- c. Provision of written information on the LGU to the consultants. These included published documents or written reports such as the Municipal Development Plan (MDP), the Executive Legislative Agenda (ELA) or Socio-Economic Profile (SEP) which provide a picture of the economic situation of the municipality.
- d. Demarcation of fieldwork areas. For efficient use of time, the coordinator split the municipality into different zones, so that parallel work teams could be fielded in the interest of time. The REA team agreed on the criteria for separation such as contiguity of businesses or distance from town, depending on what was both meaningful and practical, given the tight fieldwork deadlines.
- e. Logistics preparations for the fieldwork. These included transportation and meals for interviewers, computers for encoding results, and venue for workshops (kick-off and validation workshops)

2) Kick-off workshop

The event was a half-day workshop with local stakeholders. The event officially launched the appraisal exercise and briefed stakeholders on LED and why their inputs to

the appraisal process were important. Participants were given the opportunity to comment and ask questions regarding the whole approach and process. The consultation was meant to encourage participation, and increase their feeling of having influence on the process.

During the meeting, the consultants ensured that expectations were “scaled down” so that local stakeholders did not look upon the exercise as a means to get money in order to “help” the locality. It was emphasized that LED was a process in which the local people mobilize their own resources in order to do what they can do to improve the economic situation. The event concluded with a request for the audience to provide the information needed by the appraisal team and with an invitation for the participants to the validation and action planning workshops to be scheduled later.

The kick-off workshop followed the schedule reflected. See Figure 2. Annex 2 for the slides used for the conceptual inputs on LED and the Hexagon of Development.

FIGURE 2. KICK-OFF SCHEDULE

9:00 – 9:30	Welcome Remarks
9:30 – 10:30	What is LED
10:30 – 11:30	LED Concepts : Hexagon of Development
11:30-12:30	Open forum,

3) *Validation of the appraisal results*

This was be undertaken in the form of a workshop to which a wider group of stakeholders were invited. The objectives for the workshop were : (1) to ascertain the correctness and conclusiveness of the analysis made by the REA team from the point of view of local stakeholders, and (2) to make sure that the local people “own” the analysis. The 3-hour workshop

followed the structure shown in Figure 3.

The kick-off and validation workshops served as vehicle for spreading knowledge about LED and what cooperation between public and private sectors can achieve together.

See Annex 3 for the powerpoint presentations in the four validation workshops.

FIGURE 3. VALIDATION WORKSHOP STRUCTURE

9:00	Invocation (Private sector)
9:05	National Anthem (Education sector)
9:08	Acknowledgement of Participants and Guests
9:15	Welcome Remarks (Business sector)
9:15	LGU Mission and Vision (Vice Mayor)
9:30	Keynote Address by the Honorable Mayor: What the Future Holds for Municipality
9:40	Municipality Faces Economic Challenges: MPDC
9:50	What is LED and its benefits : Consultant
10:20	Special Number : Youth sector (With snack break)
10:30	LED Experiences in Quezon Province : DTI
11:00	Municipality Picture in Time : REA Survey Results
12:30	Lunch Break, Mini Market
1:30	Open Forum
2:00	Prioritization of Issues : Stakeholders
3:45	Special Number : Youth sector
4:00	Reactions from Stakeholder Groups
4:30	Closing Remarks
Master Of Ceremonies : LGU	

3.2. THE APPRAISAL METHODOLOGY

A. DATA COLLECTION TECHNIQUES

1. RAPID ECONOMIC APPRAISAL

The main tool used for assessing the resource base and economic competitiveness of the localities was the Rapid Economic Appraisal (REA). The appraisal involved:

- Identification of constraints as well as opportunities to accelerate economic development in the particular territories covered by the Bondoc-LED project.
- Identification of short-to-long-term interventions to overcome growth barriers and let the poorer sections of the local economies participate more widely in economic gains.
- Initiating public-private dialogue among stakeholders in the area.

Two groups of respondents were interviewed for the rapid appraisal, these were the resource persons from institutions supporting the local business community (micro enterprises, farmers and fisherfolk) and enterprise owners.

2. KEY INFORMANT INTERVIEWS

This was conducted with selected key informants from specific agencies or industry sectors inside or outside the locality in order to shed more light on opportunities and constraints faced by the poor as they pursue livelihoods in the community.

3. REVIEW OF PUBLISHED LITERATURE

Written materials and reports coming from the LGU were reviewed. These documents included:

- Municipal Socio-Economic Profiles/Tables
- Executive Legislative Agenda
- Comprehensive Land Use Plan

At the district level, Provincial Socio-Economic Profiles were consulted along with relevant websites containing relevant regional data.

B. INSTRUMENTS /QUESTIONNAIRES

For the REA, two types of instruments were used.

The first type was used to obtain the perceptions and analyses of resource persons about what is going on in the local economy. Resource persons, included those who have a general knowledge of the local economy, such as the Mayor's senior administrators, members of the Sangguniang Bayan/Panglungsod, heads of NGOs, BDS providers, banks, educational institutions, chambers and trade associations. See Annex 3 for the instrument used.

The second type of questionnaire was used to interview business owners. Questions elicited the perceptions and analysis of farmers, fisherfolk and formalized enterprise

owners regarding the dynamics of business in the locality. The questionnaire is presented in Annex 4..

C. SAMPLE SIZE

Being more qualitative and rapid rather than a quantitative survey, the study was more concerned with representativeness of the sample interviewed. Thus, care was taken so that the composition of the sample was reflective of the economic strata in the locality. In drawing the sample size, the study followed the rule of thumb in doing studies of this sort, that at least 70 respondents per 50,000 inhabitants of a municipality would be considered sufficient, and that businesses should constitute at least 70% of the sample size. The team also made sure that the business respondents represented farmers and fisherfolk from far away barangays. See Table 1 below for the size of samples taken for the REA surveys in the municipalities.

TABLE 1. SAMPLE SIZES FOR RAPID ECONOMIC APPRAISALS

Municipality	Population (2007 Census)	Sample	Businesses (farmers, fisherfolk, micro- enterprises)	Key informants
Unisan	23,911	77	61	16
Catanauan	65,705	100	77	23
Mulanay	47,732	74	53	21
San Narciso	39,828	72	55	17

3.3. ANALYTICAL FRAMEWORK

Data were analyzed using a matrix with five fields of analysis. The following table provides a list of sample questions that were asked in each field of analysis.

TABLE 2. MATRIX FOR LOCAL ECONOMIC ASSESSMENT

Field of analysis	Key questions
General trends	• What is the trend and what are key determinants for either dynamic or sluggish economic growth? • Population: What is the general growth rate and what are trends in in- and out-migration? How broad-based is poverty and who is most affected? • What are trends in unemployment and underemployment? • What are general location factors (eg, proximity to big cities/markets)
Enabling environment	• Taxes: What local taxes exist? Do local stakeholders consider them high or fair? How efficient and professional is the local tax administration (e.g. collection)? • Red tape: In what areas is there red tape? Is corruption a problem? How does red tape affect the business community? • How is the local government's attitude towards economic development? • How did the local government's budget over the last years develop? What are the key sources of revenue? Is there pressure towards raising the share of internally generated revenues? How does it affect the local business climate?

Field of analysis	Key questions
	• What is the capacity of the LGU to carry out LED programs and interact well with private stakeholders? Is there enough dialogue between private and public sectors? • Are there existing programs and strategies towards improving economic development? Are they interventionist or are they geared towards generating an enabling environment? • Is the local business community involved in decision making? How do public and private sector representatives think about the effectiveness of these dialogue mechanisms?
Businesses (including micro businesses)	• How many businesses are there broken down into categories (micro, small, medium and large)? • What are the major sub-sectors and how did these develop over the last years? Which sub-sector is the most prominent source of employment? • What are the major problems of the business community/sub-sectors (e.g., threat of new entrants, threat of substitution, competition within sub-sectors, problems with suppliers)? • How confident are local business people with regard to the business climate (can be measured by investment plans of companies)? • How are local businesses integrated into supplier and consumer markets (local, regional, national, international)?
Support institutions	<u>Financial system</u> • How many banks and non-banking financial intermediaries are operating in the local area and what types of services do they offer? • Do their services and service conditions correspond to the needs of the local market? <u>Education</u> • What kind of vocational and technical education institutions are operating in the local area? • Do their services correspond with the business community's needs? <u>Training</u> • What kind of vocational, skills and technical training institutions are operating in the local area? • Do their services correspond with the business community's needs? <u>Providers of business development services</u> • Are there any BDS-providers in the area? In which fields? Are they operating well? <u>NGOs and cooperatives</u> (limited to those dealing with economic/business issues): • Are there any NGOs involved in economic affairs active in the local area? In which fields? Are they operating well? <u>Chambers and trade associations</u> • What chambers and associations are active in the local area and what is their specific mandate? • Did membership over the last years increase or decrease? • What is the financial situation of the chamber/association? Are they also providing business-related services or focusing on social issues?
Human and natural resources	<u>Employment</u> • Are unskilled labourers available? How do business people compare their costs with the quality of work they provide? • Are there skilled human resources available? In which fields are there and in which fields are their skills gaps from a business point of view? • Are skilled human resources expensive, from a business point of view? If so, why? <u>Natural resources</u> • Are there natural resources (eg, land, minerals, tourist attractions) in the local area? • Are there environmental problems related to the use of these natural resources?

Field of analysis	Key questions
	(e.g., soil degradation)? • Can the natural resources be accessed by businesses? Are there problems in the land tenure system?
Infrastructure	• What is the situation of the road transport (km of gravel and cemented roads, quality of bridges)? • What is the situation of maritime transport (ports, ferry companies, ferry lines)? • How is the quality and cost of power? • Is developed real estate available for business purposes? Can its costs be considered high or fair? • How is the quality and cost of the telecommunication network?

Source: Speit (2008)

3.4. ACKNOWLEDGMENTS

We acknowledge the support from the following key officials and entrepreneurs in the BONDOC-LED areas, without whose support this report will not be possible given the limited time within which to accomplish the mission:

City Mayors	Unisan- Honorable Mayor Nonato E. Puache Catanauan- Honorable Mayor Ramon Orfanel Mulanay – Honorable Joselito A. Ojeda San Narciso- Honorable Allen Uy
REA Coordinators	Unisan- MAO Perceviranda Galang Catanauan- MPDC Greg Cabarubia (Survey: MAO Minerva Coronacion) Mulanay – MPDC Marissa P Cortez (Survey: Dr Adel Roadilla) San Narciso – MAO Elvira Lingahan (Survey: Hermelito Diaz)
REA Interviewers and Encoders	Unisan 1. Johnny V. Ardulo, Jr. 2. Ianthe S. Cataquiz 3. Christina R. Villapando 4. Zeny B. De la Puerta 5. Nino Tiama (encoder) Catanauan 1. Roberto Cables, Jr. 2. Edmon P. Alonsagay 3. John Morris A. Garrate 4. Alvin de Ramos 5. Jacob M. Custodio 6. John Kenneth S. Rey 7. John Herbert Coronacion (encoder) Mulanay 1. Alfeo L. Lorzano 2. Joseph A. Palacio 3. Melinda M. Ical 4. Gemma N. Rocas 5. Alvin R. Amaro

	6. Willy P. Lincallo (encoder)
	San Narciso
	1. Melie Garcelazo
	2. Noel N. Bobadilla
	3. Emmanuel C. Abanto
	4. Jhonar Richard A. Uy
	5. Rodelito B. Serat
	6. Aleli Garcelazo (encoder)
REA Respondents	• Business people and resource persons from support institutions in the four municipalities
Consultation meeting participants	• Kick-off workshop participants • Validation workshop participants
	For formalized enterprises:
	• Office of the Provincial Director, DTI, - PD Marcy Alcantara, Lucena
	For agri- or coconut-based enterprises:
	• Office of the Provincial Agriculturist, DA- PAO Robert Gajo, Lucena • Office of the Municipal Agriculturist, Catanauan (Ms Minerva Coronacion), Unisan (Ms Percy Galang), Mulanay (Ms Preceva Q. Villafranca) , San Narciso (Ms Elvira Lingahan). • Office of the Municipal Planning & Development Officer: • Catanauan, Mulanay (Ms Mariz Cortes) and San Narciso (Engr Mabini C. Rivadulla)
	For coco-based by products:
	• Mr Gabriel Tan- Farmer Entrepreneur in Barangay Ajos, Catanauan • Mr David Williams- Entrepreneur in San Narciso
	For fishing sector
	• 10 Fisherfolk from Barangay Villa Reyes
	For livestock raising & feedmill integration:
	• Ms Flordeliza S.Maleon –Entrepreneur, Livestock & Feedmill
	For LGU and project priorities
	• Mr Yen Flores & Rudy Coronel – PMO, Bondoc –LED
	For trading
	• Ms Edith Valerio – Store owner, Unisan
	For uraro processing
	• Ms Malou Baticulon – Uraro Cookies Producer, Catanauan
	For people's training and education
	• Dr Adelia Roadilla – PUP Mulanay
	For donor agency perspective
	• Mr Yen Flores and Mr Rudy Coronel, ILO

4. FINDINGS OF THE APPRAISAL

The findings in this appraisal will be useful to anyone who wishes to explore participation in the development of Bondoc Peninsula, particularly by the locations of Unisan, Catanauan, Mulanay and San Narciso, where transformation efforts to get communities to energize their own economies are underway.

The underlying premise in this work is that private sector enterprise (which includes farming and fishing even at the informal level) is the backbone of development. The government's role is to be the enabler of enterprises, and to ensure a climate for private enterprise to grow without sacrificing social and environmental goals. Non-government support organizations come into the picture to equip entrepreneurs with capital (human, material, financial and information resources) which governments cannot fully provide.

Private enterprises need information on which to base intelligent decisions for doing business. Poor farmers and fisherfolk in coastal and upland communities have shown time and again that when sufficiently convinced that they will be able to gain returns on their investments, they do make their own investments in time, money and effort. Local residents with capital, as well as outsiders with an eye for opportunities, are quick to cash in on **visible or perceived** opportunities in an economic territory.

The emphases on **visible or perceived** are deliberate because that is often what spells the difference between sluggish or fast-paced growth in a locality. Local and external actors may **not see** what is happening if they are **not informed**, or may not believe what the local governments have probably been saying all along because they are not truly connected and do not trust each other.

Our bias is that local economic development is a result of collective action of all three pillars of the economy: private sector, local government, and civil society. When such collective action is **real and proven** to solve even what may look like minuscule but nonetheless important aspects of living in the community, then local players get energized. As hope springs eternal, the positive impact takes a life of its own and can be used to address other pressing economic challenges in an iterative way.

The findings of the appraisal are presented in terms of both what is positive and negative in the localities as **perceived** by the people interviewed. Positive elements in the findings are already inputs to the community's social capital – they help people decide to stay. Those factors listed as **strengths** of the locations are what existing middlemen have probably considered in undertaking their trades. It is good to note those positive elements as they help in understanding what has so far made the locality competitive. However, it is also good to note the negative factors, or weaknesses, as they have most likely influenced people's decisions to move outside and build their futures in other places. And it is good to remember that in enterprise negative elements are also seen as **opportunities**. When gaps exist in markets for products and services, when needs and problems abound, those are invitations for enterprises to come in. Thus, we enjoin the reader to treat the appraisal findings as a collection of opportunities to capitalize on in Bondoc Peninsula.

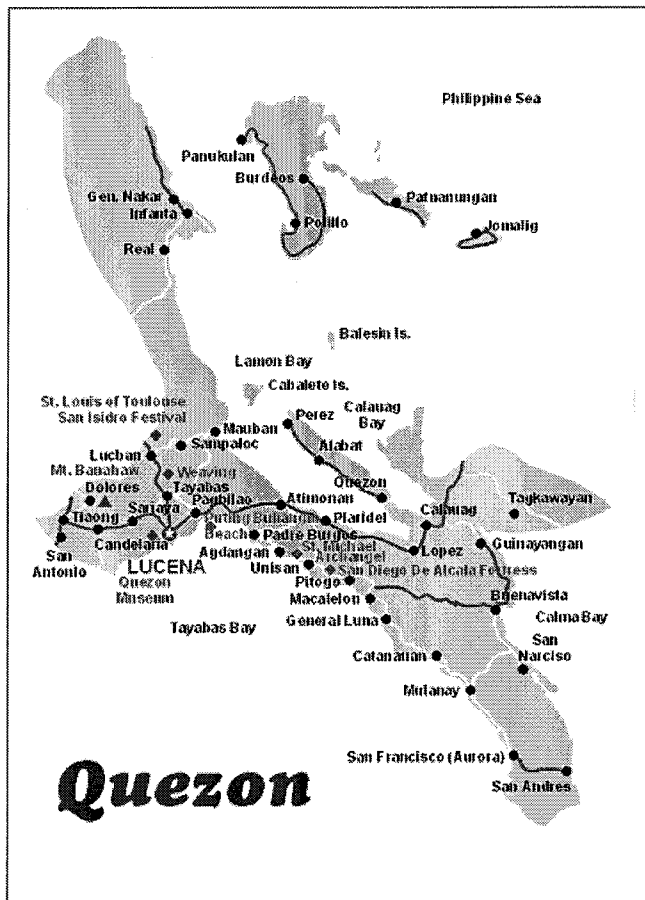
The detailed appraisal findings from REA interviews are in Annex 126 for Unisan, Annex 77 for Catanauan, Annex 88 for Mulanay and Annex 99 for San Narciso. Details on in-depth interviews with key informants are presented in Annex 10.

The following sections reflect the information and impressions obtained during the survey and interviews, which were validated by stakeholders in a presentation workshop. It must be emphasized that this report does not claim to be a picture of accuracy in all the details of the local economy, but rather depicts the broad picture from the points of view of business owners and key support agencies operating in the municipalities.

This chapter highlights the findings by fields of analysis as specified in the analytical framework.

4.1. GENERAL TRENDS²

4.2. MACROECONOMY (REGIONAL AND NATIONAL)



Bondoc belongs to Region IV-A (CALABARZON), which consists of the provinces Cavite, Laguna, Batangas, Rizal and Quezon. This dynamic group is next in economic performance to the National Capital Region (NCR). Rapid urbanization and industrialization in Calabarzon, particularly Cavite, Laguna and Batangas have been attributed to population transfers from and to the NCR.

Bondoc is a peninsula within the territory of Quezon Province, whose proximity to the National Capital Region (NCR, or Metropolitan Manila) is a key determinant of socio-

economic development. Tiaong, its first town via the South Luzon Expressway (SLEX) is about 89 kilometers from Metro Manila, while Lucena City, the capital of the province, is about 137 kilometers by road and 133 kilometers by railroad.

In 2010, the CALABARZON ranked second to the NCR in terms of percentage share in the Gross Regional Domestic Product (GRDP), the aggregate output of goods and services for agriculture, industry and services. NCR's share to GRDP in 2010 was 32.8%, for CALABARZON it was 13.8%, while Central Luzon, ranking third, contributed 8.8% (BSP Department of Economic Research, 2010).

² Refer to Annex 5 for the Detailed Review of Trends at the Provincial and Regional Level. Data sources are also listed there.

The region's economy recorded significant growth in the late 1990's owing to increased activities in the industry and service sectors. During the 10- year period from 1993 to 2002³, the industry sector contributed the highest to the GRDP at an average of 43.2% annually. Industrial growth was attributed to the production in 25 industrial parks/estates in CALABARZON (56% of the Philippines' total number of ecozones) which flourished since the Ecozone Act of 1995.

In 2010, the 10.0 % contribution of the services sector in CALABARZON also ranked next to the NCR, which accounted for 44.2% of the country's services. Central Visayas was third, with 8.8 percent. The development of the small and medium enterprises, the operation of expanded and modernized trade support facilities such as ports and road networks led to the income expansion in the service sector across the region.

The economy of CALABARZON declined with the global financial crisis in 2009. Data show that in the second semester of 2009-to the first semester of 2010, unemployment rates in CALABARZON was higher than the national average of 6.9% (BSP Department of Economic Research, 2010). This was triggered by contraction in manufacturing by 8.3% when the global demand for electronic products and semi conductors produced by the ecozones declined.

Negative growth in industries within the region affect the local economies in Bondoc Peninsula as those companies are the providers of employment outside of agriculture, particularly for skilled members of the workforce.

In agriculture, fishery and forestry, CALABARZON outputs accounted for 19% of overall agricultural output for the country over the 10-year period from 1993 to 2002, making the region the biggest contributor to the national income in agriculture.

In 2010, CALABARZON's contribution to total outputs for agriculture, fishery and forestry in the country declined to 12%, but still remained a major source of sector. (BSP Department of Economic Research, 2010). The bulk of CALABARZON's share in the agricultural output comes mainly from livestock and poultry products (hogs, chicken, eggs) as well as crops such as coconut, coffee and cabbage.

It has been noted that the agriculture sector contributed a meager 5% to the overall employment, with growth remaining steady at an average of 2.9% (NEDA, 2010). The inability of the sector to absorb new entrants to the labor force in rural areas is seen as worsening the poverty situation, which in 2000 stood at 34.1% of families. The rate of growth of agriculture's contribution to regional employment and to the overall economy has been dwindling through the years.

4.3. AGRICULTURE

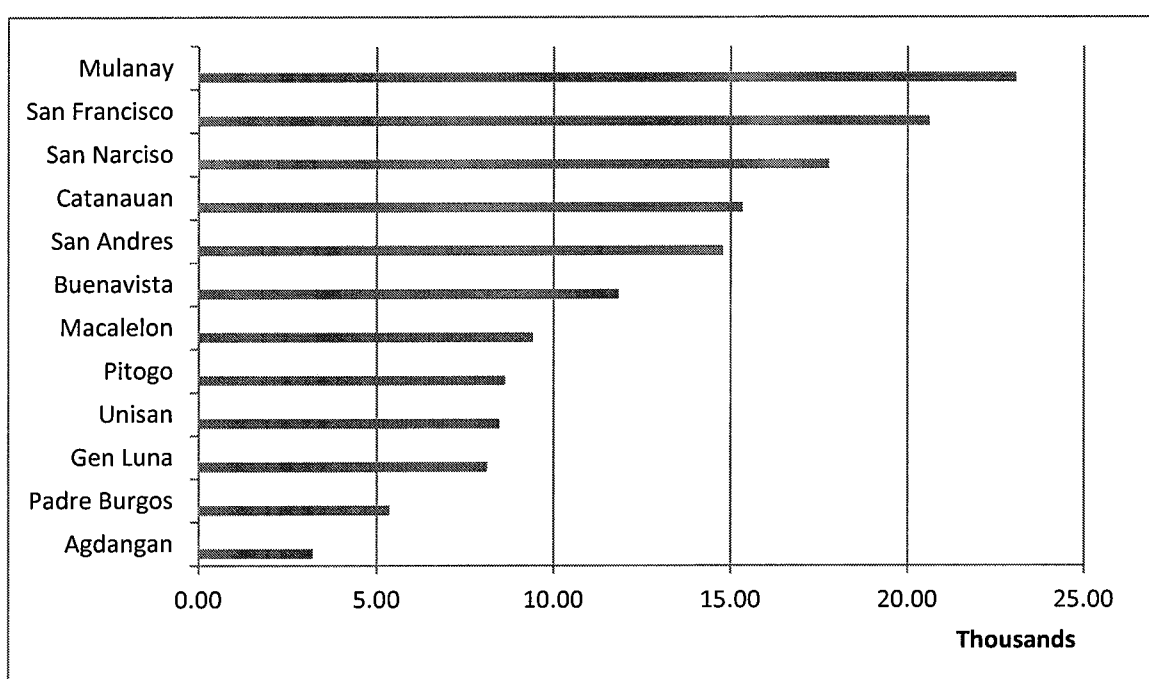
³ Prior to 2002, CALABARZON AND MIMAROPA (Mindoro, Masbate, Romblon and Palawan) were still grouped together as Region IV, or Southern Tagalog Region. Unless otherwise specified, regional data up to 2002 includes data from MIMAROPA.

Quezon Province is primarily an agricultural area. While it lags behind other provinces in CALABARZON when it comes to industry and services sectors, it plays a major role in agricultural, fishery and forestry.

Only about 59% of total land area in the province is utilized for agricultural use. In District III, where the target areas (Unisan, Catanauan, Mulanay and San Narciso) belong, about 72% of the land is agricultural land. There is room for expansion.

Of the four target areas, Mulanay, San Narciso and Catanauan have larger agricultural areas compared to most other municipalities in District III, including Unisan. See Figure 4.

FIGURE 4. COMPARISON OF AGRICULTURAL LAND AREAS IN BONDOC PENINSULA *



* In thousand Hectares

The agriculture sector is composed of three major production sub-sectors: crops, livestock and poultry, and fishery.

A. CROP PRODUCTION

In 2003, the value of agricultural crops from CALABARZON reached an estimated PhP6 Billion, contributed by sugarcane, coconuts, palay, banana, mango, pineapple, rootcrops and corn.

Quezon Province is a major source of Calabarzon region's supply of palay, corn, coconut, banana and cassava.

TABLE 3. QUEZON PROVINCE'S SHARE IN REGION'S TOTAL CROP PRODUCTION (2005)

	Palay	Corn	Coconut	Banana	Cassava
Batangas	14%	31%	9%	36%	11%
Cavite	15%	4%	3%	20%	1%
Laguna	27%	3%	7%	13%	3%
Quezon	35%	62%	81%	29%	83%
Rizal	10%	3%	0%	3%	2%

In Bondoc Peninsula, the main products are coconuts, rice, corn, and bananas. It is also producing high value crops like camote, pineapple, peanuts, citrus, vegetables and other fruit trees.⁴

4. COCONUTS

Quezon is the largest coconut producing province in Calabarzon, making the coconut industry a key determinant of economic growth in the area, including Bondoc Peninsula. Quezon has the largest coconut production area and is the second largest producer of coconut in the country next to Davao Oriental. From 1997 to 2001, the bulk (78%) of total regional output was estimated at 1.2 million metric tons (NEDA, 2010). The coconut industry provides livelihood to an estimated 187,194 coconut farmers in the region, 66% of whom are located in Quezon.

Copra making is a major source of income for the province, but because of various constraints, coconut farmers need to undertake additional activities to augment their incomes.

Some of these constraints include fluctuations in copra prices in local and international markets. Many coconut trees are over 30 years old, and average productivity is low at 35 nuts per tree per year, whereas Davao's is 95 nuts /tree/year⁵ and Palawan's is 100/tree/year⁶. Due to low productivity and incomes, coupled with tenurial problems, countryside farmers resorted to massive cutting of coconuts for sale as coconut lumber. The denudation of coconut farms has contributed to flooding during rainy seasons and drought during dry seasons.

Bondoc Peninsula is often visited by typhoons adding on to the vulnerabilities faced by coconut farmers. The government has encouraged intercropping, multi-storey cropping and widespread coconut re-planting to support coconut farmers.

Data from the four areas show that

Unisan

⁴ From Quezon Province Socio-Economic Profile, viewed in March 2011, from <http://www.quezon.gov.ph/about/economy1.html>

⁵ According to Provincial Agriculturist Robert Gajo, Interviewed February 2011.

⁶ According to key informant Mr Gabriel Tan, Catanauan entrepreneur

- Has the most number of barangays (89%) engaged in coconut production, and the highest percentage of land area (75%) devoted to coconuts.
- It has the least number of non-bearing trees (3% of bearing trees). However it also has the highest percentage of senile trees, and registered the oldest trees (mean age=55 years).

Catanauan

- Over half (59%) of its land area is planted to coconuts.
- Almost one-fourth (23%) are non bearing trees, and 12% are senile already, with average age of 40 years.
- It had the highest number of trees cut, and the highest number of coconut farmers in the sector.

Mulanay

- Mulanay has a high number (80%) of bearing trees.
- Mulanay is top on the list in terms of nut and copra production. At the same time, it also has the greatest number of senile trees.
- Mulanay has the most number of standing coconut trees, even if it has the lowest area planted to coconut (38% share) in relation to total land area.
- Coconut trees are youngest in the four areas, (mean age = 30 years).
- The municipality registered the lowest number of trees cut.

San Narciso

- A little more than half (57%) of the area is planted to coconuts.
- About 28% of standing trees are non-bearing, and 11% are senile, being quite old (mean age= 55years).

TABLE 4. BASIC COCONUT STATISTICS

	Unisan	Catanauan	Mulanay	San Narciso
Total Number of Barangays	36	46	28	24
Total # Coconut Brgys	32-89%	36-78%	24-86%	20-83%
Total Land Area (has.)	12,850	28,875	42,000	25,163
Area planted to coconut (has.)	9,675-75%	16,911-59%	15,901-38%	14,363-57%
Total number trees (coconut stand)	1,549,890	2,447,956	3,276,907	2,328,484
Total Number of bearing trees	1,300,607 (84%)	1,762,063 (72%)	2,620,581 (80%)	1,610,040 (69%)
Total Number of non-bearing trees	37,556 (3%)	399,045 (23%)	229,720 (9%)	456,344 (28%)
Total number of senile trees	211,727 (14%)	286,848 (12%)	426,606 (13%)	262,100 (11%)
Average age of trees	55	40	30	55
Nut prod'n (pcs)	53,174,518	76,406,976	113,634,229	68,830,784
Copra prod'n (MT)	11,817	16,979	25,252	14,185
Ave nut prod'n/tree/yr	33	35	35	32
Total # of coconut farmer	1,639	8,771	4,864	4,536
Total of trees cut	4,509	7,500	470	1,880

Source: (Office of the Provincial Planning and Development Coordinator (SEP), 2008)

Oil mills, refineries and other coconut product establishments in the area

- As a major crop, coconut farming provides direct source of livelihood to about 123,548 coconut farmers.
- A variety of coconut related processing industries, ranging from oil milling and refining, coir decorticating/ defibering to more complex processing such as coconut chemical production, to locate operations in the province.
- Quezon hosts 70% (or 33) of CALABARZON's 46 processing firms.⁷ These firms are listed in and their addresses are listed in Annex 12 of this report.
- Only two firms are located in the target areas, and these were the Catanaun Oil Mill Holdings, Inc. and Dr Villa Reyes Oil Mill of San Narciso, Quezon.
- A number of establishments dealing with coconut by-products are listed on the Internet, and these are mostly outside of Quezon Province. Table 6 below lists the name of establishments and the coconut by-products they trade with. The addresses, contact details and websites (if applicable) are also listed in Annex 12.
- Only one establishment in the web-based list is Quezon-based. Agrind Tec, located in Tiaong (outside BonPen), deals with food products and shell charcoal.

TABLE 5. OIL MILLS, REFINERIES AND COCONUT PRODUCT ESTABLISHMENTS IN QUEZON

Type	Company	Location
Oil Mills	District I	
	1. Licup Oil Mills & Ref.	Malabanban,
	2. Unideco Consolidated, Inc.	Candelaria
	3. Fortune Coco Oil Mill & Refinery	Isabang, Lucena City
	4. La Suerte Oil Mill & Refinery	Cotta, Lucena City
	5. New Quezon Coco Ent.	Cotta, Lucena City
	6. New Tayabas Oil Mill	Kanlurang Mayao,
	7. Diamond Coco Oil Mfg. Co.	Lucena City
	8. Worldwide Oil Mill	Tonko, Tayabas
	9. Tongsan Industrial Dev't Corp.	Taguan, Candelaria
	10. JTP Commercial	Mangilay, Candelaria
	11. A & G Coco Ent.	Malabanban,
	12. Monaco Oil Mill	Candelaria
	13. San Lorenzo Oil Mill	Talipan, Pagbilao
	14. Filipinas Agri-milling	Silangang Mayao,
	15. ATY Oil Mill	Lucena City
	16. Arcoco Oil Mill	Domoit, Lucena City
	17. Tantuco Ent.	Domoit, Lucena City
	18. Multi-Farms Ind'l. Dev't. Corp.	Domoit, Lucena City
	District III	
	1. Catanaun Oil Mill Holdings Inc.	Catanaun, Quezon
	2. Dr. Coco Oil Mill	Wasay Ibaba,
	3. Dr. Villa Reyes Oil Mill	Buenavista

⁷ According to information from Quezon Province Socio-Economic Profile , <http://www.quezon.gov.ph/about/economy1.html>, accessed May 27, 2011.

		San Narciso, Quezon
Refineries	District 1 1. Licup Oil Mill & Refinery 2. JNJ Industry 3. Tantuco Oil Mill & Refinery	Malabanban, Candelaria Isabang, Lucena City Iyam, Lucena City
Direct Copra Marketing (DCM) plants	a. Primex Coco Production b. Pacific Royal basic Foods, Inc. c. Peter Paul Phils. Inc. d. Superstar Coco Products	Malabanban, Candelaria Mangilag, Candelaria Pahinga, Candelaria Malabanban, Candelaria
Coir decorticating /defibering plants	1. FCX International 2. Unicoir Mfg. Co. Inc. 3. Fiber Tech. 4. Lutucan Multi-Purpose Coop. e. Yellow Bar Coir Craft	Mauban, Quezon Sariaya, Quezon Candelaria, Quezon Sariaya, Quezon Sariaya, Quezon

TABLE 6. LIST OF COCONUT BY-PRODUCTS BOUGHT AND SOLD BY DOMESTIC ESTABLISHMENTS⁸

Product	Establishment	Location
Activated Carbon	Mapecon Green Charcoal Phils., Inc.	Malate, Manila
	Pacific Activated Carbon Company, Inc.	Makati City
	Philippine-Japan Active Carbon Corporation	Makati City
Arts and Crafts	Balikbayan Handicrafts	Quiapo Manila
	Ran Bros. Co., Inc.	Las Pinas, Metro Manila
	Santa Agueda Enterprises, Inc	Paranaque City, Metro Manila
Biodiesel	Chemrez, Inc.	Bagumbayan, Quezon City
	Lion Chemical Corp.	Pasig City, Metro Manila
	Senbel Fine Chemicals Co., Inc.	Alabang, Muntinlupa City
Coconut Coir, Dust, Peat and Pots	Juboken Enterprises	South Triangle, Quezon City
	Legaspi Oil Coco Fibers Corp.	Makati City
	Philippine Environment Tech Products Corp.	Escolta, Manila
Coconut Oil	Ciif Oil Mills Group	Makati City
	United Coconut Chemicals, Inc.	Makati City
	Sc Global Coco Products, Inc.	Pasig City
Copra	Bicol Oil Mills & Refinery Corp.	Pasig City
	Cagayan De Oro Oil Company, Inc	Makati City
Dessicated coconut	Celebes Coconut Corporation	Cebu City
	Fiesta Brands, Inc.	Makati City
	Peter Paul Philippine Corporation	Pasig City, Metro Manila
Food Products	Agrind Tec Philippines, Inc.	Tiaong, Quezon Province
	Celebes Coconut Corporation	Cebu City
	Pure & Rich Food International, Inc.	Cebu City
Fresh Coconut	All Season Farm Corp	Sto Tomas Batangas

⁸ From: Valencia, F. R. (2011). Coconut Directory. Retrieved May 26, 2011, from Coco Oil Central: <http://www.coconut-oil-central.com/coconut-wine.html>

	Llanes Buko	Mandaluyong, Metro Manila
	Stanfilco - Division Of Dole Philippines, Inc.	Davao City
Fresh Shredded young coconut meat	Alyanna Borromeo	Antipolo City
	Y.E.S. Export & Import Corporation	Quezon City
Coconut husk	Exotic Products, Inc.	Paranaque City
Coconut lumber	N. V. De Guzman Freight Forwarder	Binondo, Manila
Makapuno	Fitrite, Incorporated	Caloocan, Metro Manila
	Newton Food Products Manufacturing Corporation, Inc.	Valenzuela, Metro Manila
	Sun Valley Food Mfg. Corp.	Makati City
Coconut milk and cream powder	Fiesta Brands, Inc.	Makati City
	Peter Paul Philippine Corporation	Pasig City
	Sirawan Food Corp. / Sodaco Agricultural Corp. - Food Processing Div.	Makati City
Nata de coco	Fitrite, Incorporated	Caloocan City, Manila
	Sun Valley Food Mfg. Corp.	Makati City
	Triple J. Nata De Coco Mfr.	Bulacan
Oleochemicals	D & L Industries, Inc.	Bagumbayan Quezon City
	Sc Global Coco Products, Inc	Ortigas, Pasig City
	Senbel Fine Chemicals Company, Inc.	Muntinlupa City
Shell Charcoal	Agrind Tec Philippines, Inc.	Tiaong Quezon Province
	Cenapro, Inc.	Mandaue, Cebu
	Phil. Japan Active Carbon Corp.	Davao City
Vinegar	Florence Food Corporation	Navotas, Metro Manila
	Fruits Of Life, Inc.	San Francisco del Monte, Quezon City
	Minola Refining Corporation	Makati City
Virgin Coconut oil	Cocovida	Quezon City
	Nature's Blessings Inc.	Ortigas, Pasig City
	Peter Paul Philippine Corporation	Ortigas, Pasig City
Water	Fiesta Brands Inc.	Makati City
	Fruits Of Life, Inc.	San Francisco del Monte, Quezon City
	Pure & Rich Food International, Inc.	Mandaluyong, Metro Manila
Wine	Capistrano Distillery	Tayabas, Quezon Province
	Lm Industries	Corinthian Gardens, Quezon City
	Manila Spirits, Inc.	Cavite

5. RICE

In 2007, Quezon contributed 38% of the total production of palay in CALABARZON. It ranked first among the five provinces in the region in terms of palay production.

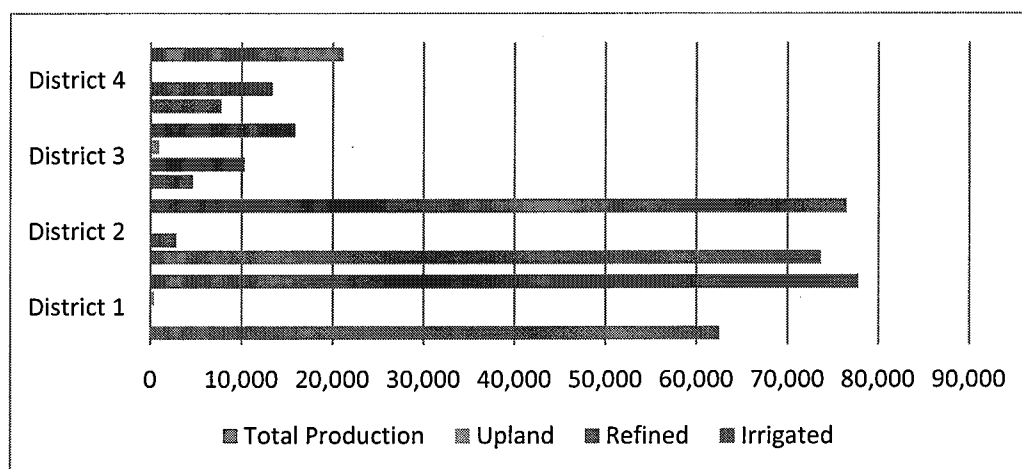
Rice is the second major agricultural crop for Quezon Province, where Candelaria and Tiaong (of District 2) are the leading producers.

Bondoc Peninsula is not prominent in rice production, but in Year 2007, data showed Catanauan as major producer of upland rice in Quezon Province. The outputs of Pagbilao (of District 1) was less than half (394 metric tons) that produced by Catanauan (855 metric tons), as shown in Figure 6 below. Catanauan may have a competitive advantage in upland rice production.

Palay production posted a 10.2% decline in the first semester of 2010 for the whole country, due to weather disturbances that hit the country. This more than reversed the 3.6% growth recorded the previous year. In CALABARZON, the decline was -26.5%.

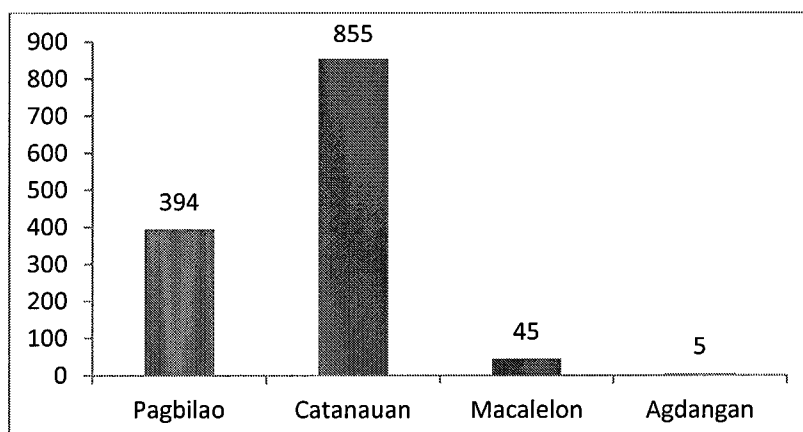
Major constraints that led to production decline include insufficient water supply, pest infestations and diseases such as tungro virus, rice blast, rodents, and black bugs on top of the El Nino phenomenon.

FIGURE 5. RICE PRODUCTION IN FOUR DISTRICTS OF QUEZON



Source of Data: Socio-Economic Profile of Quezon, 2000-2008

FIGURE 6. UPLAND RICE PRODUCTION (METRIC TONS) IN QUEZON PROVINCE



Source of Data: Socio-Economic Profile of Quezon, 2000-2008

6. CORN

Quezon ranks first in Region IV-A in terms of corn production⁹.

Of the four target areas, only Mulanay and Catanaun are included in the list of major producers. Their combined production is nearly equal that produced by San Francisco municipality is. See Figure 9 below.

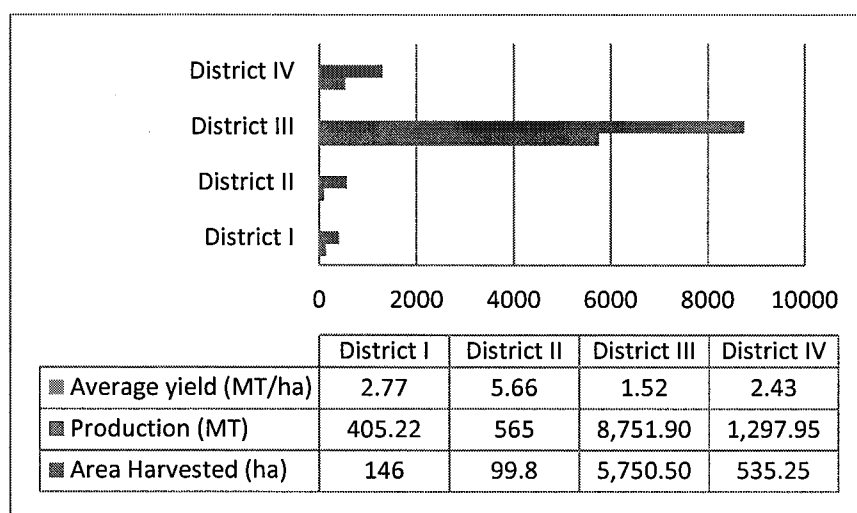
⁹ According to the Quezon Province Website. Accessed May 25, 2011.

Trend in yellow corn production was on a downward trend from 2003 to 2007, but trend in white corn production was on an upward trend for the same period.

In the first half of 2010, grain production declined for the whole country on account of the El Nino phenomenon. In CALABARZON, the decline was from 2.4% in 2009 to -54.8% in 2010 (BSP Department of Economic Research, 2010).

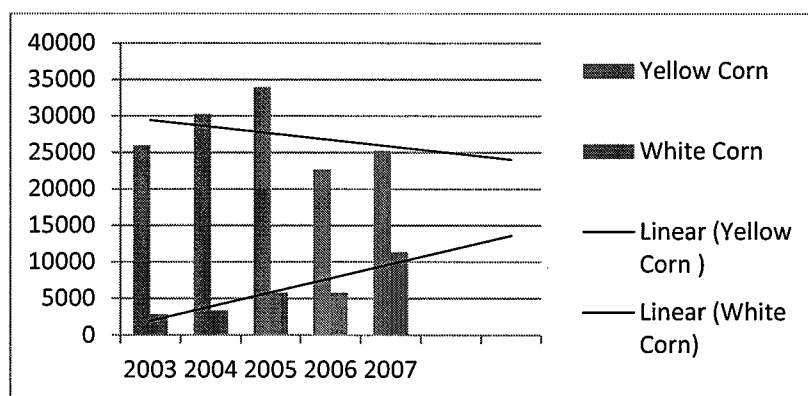
However, in 2011, corn production is expected to rise, with production probably reaching 3.30 million MT between January to June, 36.8% above last year's level of 2.42 million MT. Area harvested may expand by 14.3%, from 967 thousand hectares in 2010 to 1.10 million hectares this year. Yield is, likewise, expected to improve by 19.7% (Bureau of Agricultural Statistics, 2011).

FIGURE 7. CORN PRODUCTION IN QUEZON PROVINCE, 2007



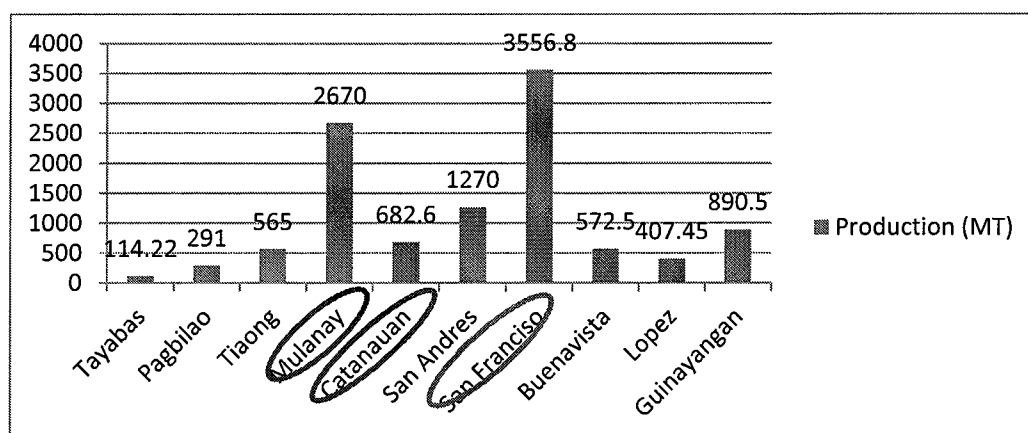
Source of Data: Socio-Economic Profile of Quezon, 2000-2008

FIGURE 8. TRENDS IN YELLOW AND WHITE CORN PRODUCTION IN QUEZON PROVINCE



Source of Data: Socio-Economic Profile of Quezon, 2000-2008

FIGURE 9. PRODUCTION (IN METRIC TONS) IN CORN-PRODUCING MUNICIPALITIES OF QUEZON



Source of Data: Socio-Economic Profile of Quezon, 2000-2008

7. HIGH VALUE CROPS (HVC)

Other crops raised in the province are high value commercial crops such as **lowland vegetables**; **upland vegetables** (cabbage, chayote, raddish, snap beans and carrots); **root crops** (sweet potato, cassava, ginger, gabi, ube and peanuts); **fruits** (mango, banana, magosteen, lanzones, rambutan, durian, papaya and citrus) and **plantation crops** (coffee, black pepper and pineapple).

With the exception of banana and coconut, performance of other crops considered under HVC registered minimal growth from 2000 to 2003 both in terms of volume produced and area harvested.

Bananas and coconuts declined in productivity and decreased in outputs.

Apart from high value crops, bananas and cacao are also produced alongside coconuts.

The government is promoting banana-coconut and cacao-coconut intercropping. (Mheda G. Garcia with a report from Dems Z. Magpantay) in other parts of Quezon.

B. FISH PRODUCTION

CALABARZON ranks **fifth** among the **country's** major fishery producing regions, which was led by ARMM in 2003.

The length of Quezon's coastline is 1,066.36 km. It has 41 municipalities, 34 of which are coastline/lakeshore areas. With 34 coastal municipalities, Quezon ranks **first in CALABARZON** total fish production in the 4th quarter of 2007. It was able to produce 34% of the total regional fish production followed by Rizal (32%) and Batangas (19%).

Over the past ten years (1994-2003), however, the production growth of the region's fishery sector has declined at an average of 1.79%. In recent years, the sector posted a decline from 3.1% in 2009 to -2.2% in 2010 (BSP Department of Economic Research, 2010).

Quezon province registered the highest commercial fishing and aquaculture production in the region, as shown in Table 7 below. Bangus and prawn are the most common cultured species. Other freshwater species include white goby, freshwater shrimps, catfish, tilapia, mudfish and *banak*.

Fishponds are located mostly in municipalities along the coastal areas such as Lopez, P Burgos, Gumaca, **Unisan**, Calauag, Infanta, **Catanauan**, Pitogo, General Luna, Real and Macalelon.

TABLE 7. PROVINCE SHARE IN REGION'S TOTAL FISHING PRODUCTION

	Aquaculture	Commercial	Municipal
Batangas	28%	5%	15%
Cavite	6%	5%	2%
Laguna	8%	0%	18%
Quezon	30%	90%	18%
Rizal	29%	0%	47%
Calabarzon	135,780	80,863	109,234

Source: Peace and Equity Foundation, 2007.
<http://www.pef.ph/downloads2.php>

For commercial fish production, Quezon produced 86% of the regional fishing output in the fourth quarter of 2007. This reflected a significant decline from 91%, which was Quezon's contribution to the regional output back in 2003.

Quezon only ranks 3rd place in municipal fishing production. It ranks second to Rizal when it comes to aquaculture production. of Rizal (40%), Quezon (31%) and Batangas (24%). Aquaculture structures such as fish pens, fish cages and fishponds are abundant in major water bodies in the province such as Calauag Bay and the coastal waters of Infanta and Real.

Fishing season is from February to October. During off season, many of the fisherfolk engage in farming or take odd jobs in the community. Stakeholders reported that fisherfolk are poorer in general compared to farmers.

Quezon province has the highest fishpond production in the region. Bangus and prawns are cultured, along with white goby, freshwater shrimps, catfish, tilapia, mudfish and banak.

In the target areas, San Narciso, Catanauan and Unisan have 38 registered fishponds operating a total of 463.11 hectares.

Brackishwater fishpond areas are found in Catanauan and Unisan.

FIGURE 10. QUEZON FISHPOND AREAS (HAS.)

Tayabas	24585
Calauag	1575
Infanta	893
Pagbilao	650
Atimonan	478
Guinayangan	418
General Luna	357
Pitogo	352
Tagkawayan	337
Macalelon	322
San Narciso	271
Lucena	233
Real	156
Catanauan	114
Buenavista	100
Lopez	98
Alabat	91
Agdangan	84
Unisan	78
Gumaca	21
Mauban	21
Burdeos	6
Jomalig	3
Quezon	3
General Nakar	1

Source: (Office of the Provincial Planning and Development Coordinator (SEP), 2008)

Seaweed areas and fish sanctuaries are found in all the 4 areas of Unisan, Catanaun, Mulanay, and San Narciso.

A fish processing establishment is listed in San Narciso.

Only Unisan has registered fishermen (213 in number), motorized bancas (131) and non-motorized bancas (212).

No commercial vessels were listed or registered in the target areas of Unisan, Catanaun, Mulanay and San Narciso.

C. LIVESTOCK AND POULTRY

Overall, the value of the livestock and poultry subsector in the CALABARZON region is estimated at PhP13Billion pesos in constant prices. The availability of support facilities such as feed mills, warehouse and distribution facilities, road networks and proximity to institutional buyers provide a conducive environment for commercial production of swine and poultry in the region.

The land in Bondoc Peninsula is suitable for grazing animals. Carabao is the most used draft animal in land preparation, as well as for hauling farm products and material inputs of farmers, although power tillers are available in the market. Horses are also utilized for hauling purposes. Cattle, however, are raised primarily for meat production. Swine, goats, chicken, ducks and geese are raised both for home consumption and as additional sources of income.

In 2007, Quezon ranked second top producer of cattle in the CALABARZON Region at 14,662 heads, next to Batangas' production of 33,869. Cattle production activities are mostly concentrated in Sariaya, Tagkawayan and Tiaong.

Regionwide, Quezon ranked third in duck production contributing 14% following Laguna's 49% and Rizal's 24% share in production. Major duck producers are based in Tiaong, Padre Burgos and Sariaya.

Among the CALABARZON provinces, Quezon has the least production of chicken meat. However, the province ranked third in the region for chicken egg production for its output of 138,250,371 pieces in 2007.

In summary, the province of Batangas is the leading supplier in swine, chicken and cattle in the region. Quezon, however, leads in the supply of carabaos.

It may be gleaned from Table 9 that San Narciso has the highest head count in carabaos, cattle, swine, and goat. Unisan and San Narciso have highest count with respect to horses, while Catanaun and Mulanay lead in poultry inventory. Catanaun and San Narciso have highest duck count.

The availability of corn feed supply has been a constraining factor in commercial production of both hog and poultry in Quezon Province.

Overall, the swine and poultry sub-sectors posted low growth rates year-on-year due to warm weather in 2009-2010 (NEDA, 2010). Cattle production delined from 9.9% in 2009

to 4.9% in 2010. Chicken production declined from 6.2% to -1.0% during the same period. Swine production fell from 7.6% to -3.8% (BSP Department of Economic Research, 2010).

TABLE 8. SUPPLY OF LIVESTOCK IN CALABARZON

	Swine	Chicken	Cattle	Carabao
Batangas	43%	36%	53%	24%
Cavite	10%	13%	13%	3%
Laguna	17%	14%	11%	22%
Quezon	12%	12%	21%	46%
Rizal	18%	26%	2%	5%
Calabarzon (inventory in heads)	1,634,600	19,963,756	237,017	143,618

Source: Peace and Equity Foundation, 2007. <http://www.pef.ph/downloads2.php>

TABLE 9. ANIMAL POPULATION IN FOUR TARGET AREAS IN BONPEN

	Carabao	Cattle	Swine	Goat	Horse	Poultry	Duck
Unisan	570	950	4582	655	743	16901	291
Catanauan	3380	2294	9019	1250	39	56050	1064
Mulanay	6804	2920	13848	2017	131	23723	302
San Narciso	5677	2830	10311	5581	770	14331	2223

4.4. POPULATION

Population growth is low. At a growth rate of 1.87%, it is lowest in CALABARZON region, lower even than the national average of 2.36%. Population density of 192.8 people per square kilometer, also is the lowest in Calabarzon, and just about 1/3 the density in provinces like Cavite, Rizal and Laguna. The national population density for 2010 is 250 persons per square kilometer.

TABLE 10. COMPARISON OF MUNICIPAL POPULATIONS WITH PROVINCIAL AND REGIONAL DATA

	Unisan	Catanauan	Mulanay	San Narciso	Quezon Province
Population	21252	57736	45903	38474	1,679,030
Male	10865	29511	23478	19966	855,730
Female	10387	28225	22425	18508	823,300
Pop'n Growth Rate (NSO, 2000%annual change 1995-2000)	-.26	2.09	1.10	1.11	1.87
Number of households (NSO 2000)	4454	11283	8,630	7845	339,923
Population per household (NSO 2000)	4.77	5.12	5.32	4.90	4.94

Source: Poverty Map of Quezon Province, PEF, 2007.

<http://www.pef.ph/downloads2.php>, National Statistics and Coordination Board and NSO websites.

1. POVERTY

Statistical data show that there remains a growing incidence of poverty in the country, as a whole, and in CALABARZON region and Quezon as well. Many people in Bondoc Peninsula are poorer than the rest of the nation. Poverty incidence is about 34.1% of

families, or about 40.7% of the population.¹⁰ Quezon province has a relatively smaller number of Overseas Filipino Workers compared to other provinces, numbering 12,635 (9,779 land based and 2,856 sea based) workers deployed¹¹.

There is a trend towards decreasing incomes for the poor who are mostly engaged in farming and fishing.

The poverty incidence for Unisan was 48%, Catanauan was 59%, Mulanay 62% and San Narciso was 69%. The areas ranked 22, 26, 27 and 30 in terms of the PEF Development Index ¹².

2. EDUCATION

Calabarzon ranks third among regions with highest functional literacy rates (90.4%), next only to NCR (94.6%), and CAR (85.4%). What is more important to note is that the link between literacy and economic well-being may not be that clear cut. For example, if 90.4% of Filipinos in Calabarzon are functionally literate, it does not follow that 90.4% of them are also economically well-off. Statistical data from the Asian Development Bank, Philippine Center for Investigative Journalism, and the NSO show that there remains a growing incidence of poverty in the country, and in the region as well.

CALABARZON recorded a high elementary drop-out rate from SY 1996 –1997 to SY 2000 – 2001 ranging from a low of 4.7 percent in 1997 to 7.6 in 1998. Quezon province registered the highest in terms of drop-out rate of 6.2% in among the provinces in Calabarzon in 2003-2004. Cavite had the lowest at 2% for the period. The Survey of Children (SOC) indicated that Quezon had the highest number of working children (NEDA, 2010).

Quezon registered the lowest cohort survival rate (75.4 % for elementary and 71.64 % for secondary level) as of 2001 while Cavite province posted the highest with 92% for elementary and 72.88% for secondary level. The cohort survival rate is a gauge of the staying power of the students in the particular educational level as it indicates what percent of those who start in grade 1 actually reach the final grade, grade 6.

4.5. LOCATION FACTORS

1. LAND AREA

¹⁰ Based on Year 2000 poverty statistics from National Statistical Coordination Board and NSO websites (<http://www.nscb.gov.ph/poverty/2000/povertyprov.asp>. Viewed May 18,2011).

¹¹ Philippine Overseas Employment Administration (POEA) Website.
<http://www.poea.gov.ph/stats/2006Stats.pdf>

¹² The PEF Development Index is PEF's sequential ranking of municipalities based on chosen indicators. It is the average of index values chosen by Peace and Equity Foundation based on chosen indicators. It is expressed as a value between 0 and 1, obtained using this formula: $PEF\ Indicator\ Index = \frac{(actual\ value - min\ value)}{max\ value - min\ value}$ and $PEF\ Dev\ Index = \frac{\sum no.\ of\ indices}{no.\ of\ indices}$, where an index of 1 indicates the municipality is relatively better off and 0 worst off.

Out of a total 1,048,541 hectares of alienable and disposable land resources in the region, Quezon Province has the biggest share (53% of total). There is plenty of agricultural resource still waiting to be tapped in Quezon. Percent of utilized agricultural area relative to total land area is 10% for Unisan, 18% for Catanaun, 26% for Mulanay and 20% for San Narciso.

2. HEALTH AND SANITATION

Proportions of populations with no access to potable water are 15% for Unisan, 28% for Catanaun, 21% for Mulanay and 39% for San Narciso.

Proportions of households with no access to sanitary toilets are 29% for Unisan, 54% for Catanaun, 52% for Mulanay, and 61% for San Narciso.¹³

Meeting people's needs for health and sanitation spell enormous opportunities for relevant support to the poor.

3. ROAD NETWORK

CALABARZON has a good road-based transport system, with national roads connecting primary and secondary urban centers. E

The Manila South Road (MSR) links Calamba City to Quezon up to the Bicol Region. The MSR forms part of the Maharlika Highway or PAN Philippine Highway, which is the country's main artery linking the north and south parts.

The Manila East Road links Quezon, Rizal (beginning with Cainta) and Laguna.

The proximity of Region IV-A to the NCR generates heavy human and commodity traffic volume. Commodity trips are particularly highest in Batangas and Quezon provinces, with NCR as main destination. For intra-regional commodity trips, Region IV-A is second only to Region III. Mineral products including petrol have the most intra-region trips in Region IV-A.

4. PORTS

There are 146 ports in Calabarzon region, and 46 are in Quezon. The province has access to 46 seaports, which are either owned/operated by the government or private entities. The major ports are in Quezon are Siain, Lucena Port and Dalahican Port.

There are five airports in Quezon, with two feeder airports (1 public, 1 private), in Polillo Island, and one feeder airport each in Lucena, Alabat and Pagbilao.

5. COMMUNICATION

Telephone density in the region in was 11.11 in 2002, with Quezon having the lowest at 3.71 in the same year. All provinces have access to cellular mobile telephone services, but this was not true for all municipalities.

¹³ Source: Poverty Map of Quezon Province. <http://www.pef.ph/downloads2.php>

6. POWER

Major power plants have been located in CALABARZON for over 30 years. In 2002, the region generated a total of 1,804 MW coal produced power, 1,103.5 MW from hydropower, 425.73 MW from geothermal, 820.454 MW from oil, and 2,700 MW from natural gas (NEDA, 2010). Eighteen percent (18%) of the power is generated from Quezon power plants, both coal-fired and oil-fed. The main issue in the power sub-sector is the shortage in supply vis a vis the power demand beginning in Year 2007.

The region is hesitating to host further additions to existing power plants in view of the following:

- Environmental hazards that power plants (particularly coal-fired types) bring to the community (dust generation, carbon dioxide emissions and waste disposals).
- Settlement issues (illegal entry, use of military force, unsettled compensation for tenants and damaged property)
- Frequent brownouts in the area despite being the host
- Lack of implementation of ER-194, which sets aside one centavo for the host LGU per kilowatt-hour generated by power producers.
- Need to secure transmission lines from sabotage
- Alignment of transmission lines so as not to affect the landscape of the area.

7. ENVIRONMENT

Air

- Inefficient garbage collection is the main cause of deterioration in air quality. Open dumpsites are still the main mode of disposing garbage. The public has inadequate knowledge on waste reduction, segregation, recycling and disposal.

Water

- The existing water supply consists mainly of municipal water systems as well as privately owned water sources.
- In CALABARZON, Quezon has the lowest proportion of households with potable water at 61%.
- There is a need to address access to water, improve water quality, water conservation, policies on water regulation and identifying alternative ways of drawing water.

Waste

- There are no public sewerage system in many parts of the region, causing water pollution, which seeps to the groundwater and major water bodies in the community.

Sanitary Facilities

- Households with sanitary toilet facilities in the region numbered 84% in 2002, up from 63% in 1990. Quezon had the lowest proportion of such households, with only 56.3% having sanitary toilet facilities.

Hazards

- The coastal municipalities of Quezon, such as those in Bondoc Peninsula are susceptible to flooding.

Peace and order

In 2004, statistics show a 15.74% decrease from the 8,430 crimes registered for the same period the previous year. Crime Solution Efficiency registered a high of 92.76 % with 6,589 of the 7,103 cases solved. Quezon registered the highest Crime Solution Efficiency (CSE) with 94.73 % (NEDA, 2010).

The LGUs of Bondoc have succeeded in curbing threats to life and property. The residents live in peace and quiet as indicated by crime incidences relative to the total population, recorded to be .03% for Unisan, .04% for Catanauan, .02% for Mulanay, and .003% for San Narciso.

The people consulted for this study in the four target areas were very proud of the quality of life in the area – clean area, peace and order, quality relationships and preserved beauty of nature around them.

TABLE 11. CRIME STATISTICS

Municipality	Population (2007 census)	N O. O F Police personnel	CRIME AGAINST PERSON				CRIME AGAINST PROPERTY	
			No. Of murder victims	No. Of homicide victims	No. Of physical injured victims	No. Of rape victims	No. Of robbery victims	No. Of theft victims
Unisan	23911	21	2	1	2		1	1
Catanauan	65705	25	6	5	8	3	1	3
Mulanay	48538	21	3	1		1	5	
San Narciso	39828	21		1				

Source : (Office of the Provincial Planning and Development Coordinator (SEP), 2008)

Cost of doing business

The Philippines ranked 148th out of 183 countries in terms of ease of doing business in the latest survey conducted by the World Bank and International Finance Corp. This ranking was two notches lower from the country's 146th ranking 2010 (Arciaga, 2010). The survey report said that while the Philippines showed improvements in terms of setting up one-stop shops at the municipal level, but it seemed to have also made acquiring construction permits more difficult. In fact, the same report found that 60-80

percent of building constructions in the country were undertaken without bothering to get government approvals.

4.6. TRENDS IN UNEMPLOYMENT AND UNDEREMPLOYMENT

The Calabarzon Development Plan (2004-2010) notes that the total population of residents who are 15-year old and over increased from 4.3 million in 1993 to 6.1 million in 2000 (which is roughly 60% of the population in CALABARZON). This translates to an annual growth rate of 4.49 % over the period. Meanwhile, the region's working population grew by 4.1% during the same period, a rate which was higher than the average annual employment growth rate of 3.8%. This means that the entrants to the labor force grew faster than the total number of people employed in the region. ((NEDA, 2010).

The same report revealed that during the same period (1993-2002), employment in urban areas expanded at a higher rate than in the rural areas with a difference of 3.92 percentage point. Data showed not only that more job opportunities were available in urban rather than in rural areas, but that regional employment was dominated by the male population which accounted for an average of 60% of the labor market.

From 1998-2000, CALABARZON ecozones employed an average of 165,079 persons representing 19% of total employment generated by the industry sector. Employment generation expanded in the ecozones with an average growth rate of 11% annually from 1998-2002.

According to the NEDA (2010), unemployment rate rose to 12.92% in 2002 from 9.60 in 1994. In the year 2002, there were more than half a million unemployed persons in the region compared to 241,000 in 1993. The underemployment rate in the region averaged at 7.66 percent or in absolute terms 219,743 employed persons were underemployed. This was attributed to unavailability of decent jobs for highly-qualified workers.

In the second semester of 2009-to the first semester of 2010, unemployment rates in CALABARZON was higher than the national average of 6.9%. Reports show that in 2009, job displacements in the region beginning in the last quarter of 2008 when the global economic crisis erupted resulted in 7,521 workers laid off, 719 retrenched, 1,000 forced to take leaves, 250 dismissed, and 500 declared redundant (Gaerlan, Cabrera, & Sami, 2010).

The rate of unemployment and underemployment in the region has been increasing over the past 5 years. There is a trend for out-migration, particularly among skilled labor, who travel to the other provinces of CALABARZON in search of work. Company closures or massive layoffs in those locations in recent times had an adverse impact on BonPen, as returning residents were added to the number of local jobseekers.

Low wage rates

Even without a recession, workers tend to migrate outside for work because local wage rates are low. On the average, agricultural plantation workers are paid PhP200 per day,

when the official rate is supposed to be between PhP253 to PhP337 per day¹⁴. Laborers get higher pay outside Bondoc Peninsula.

Labor/ Farmer/Fisherfolk organizations

There are no labor unions and neither are there large industries in Bondoc Peninsula. Farmers and fisherfolk however are active and organized into community-based organizations and maintain linkage with government, non-government and people's organizations as partners in agricultural development and livelihood programs.

Industry prospects

According to the BSP, infrastructure projects across the regions will be a key factor supporting growth prospects. Tourism-oriented efforts such as the construction of resorts, and the enhanced public security and transportation services will boost domestic tourism. Capacity-building seminars by NGOs and the public sector are expected to encourage entrepreneurial activities that will help alleviate poverty. In the agriculture, fishery and forest sector, continued programs to improve harvest and post-harvest facilities are expected to help the sector recover from adverse weather conditions (NEDA, 2010).

Construction activities in CALABARZON, as indicated by approved building permits, posted a decline in 2009 compared to 2008. However, construction seemed to have picked up in 2010, as indicated by a rise in approved building permits, particularly for residential buildings. Construction activities in the region is attributed to continued increase in demand from overseas Filipino workers and property developers (BSP Department of Economic Research, 2010). According to the Philippine Infrastructure Report, the construction industry is expected to grow by 7.2 % in 2010 and around 10% annually from 2011 to 2014.

Cost of doing business

The Philippine economy is expected to be on an economic uptrend particularly if it is able to sustain efforts in making it easier for firms to do business. Recently, the country was cited as one of the world's 10 most-improved economies for having eased trade across borders in 2009/2010 through improved electronic customs systems, according to *Doing Business 2011: Making a Difference for Entrepreneurs*, the eighth in a series of annual reports published by the International Finance Corporation and the World Bank (Arciaga, 2010). Singapore, Hong Kong SAR China, and New Zealand continue to lead the world in the overall ease of doing business for local firms.

East Asia and the Pacific dominated the list of countries (18 out of 24) which had reformed business regulations and institutions in the past year.

The Philippines eased business start-up by setting up a one-stop shop at the municipal level. It also improved electronic customs systems, including the addition of functions such as electronic payments and online submission of declarations, reduced the time and cost to trade. But updated electricity connection costs made dealing with construction permits more difficult. Its global ranking remained almost unchanged at 148 among 183

¹⁴ According to the MPDC Office, Mulanay and the Ms Percy Galang, MAO Unisan.

economies after ranking 146 in 2008/2009. Vietnam did better, having moved up 10 places and now stands #78 among 183 economies. The Republic of Korea, Thailand, and Malaysia held onto their spots among the world's top 25.

Employment outlook index

A survey by the BSP of over a thousand enterprises nationwide indicate that enterprises expect to hire more workers in the third quarter of 2011 as they expect the business environment to be more favorable. The employment outlook index – computed as the difference between the percentage of firms that have hiring plans and the percentage of those that will not take on more workers – stood at +14.5 percent (Remo, 2011). It must be said though that this positive outlook is lower than the +23 % that was reported in a previous survey.

Unfavorable economic developments that dampened the employment outlook in the country include the recent unrests in the Middle East and North Africa, as well as the disasters in Japan. Unrests in the Middle East are expected to slow down business performance in the Philippines because of their upward push on global oil prices, which tend to pull down demand for non-essential goods in the economy. Disasters in Japan, a major export buyer for Philippine goods, as well as a supplier of parts and raw materials for local manufacturing industries, is expected to slow down both agriculture and industry sectors in CALABARZON.

4.7. TOURISM TRENDS

In accord with the Tourism Act of 2009, the Board of Investments has identified tourism enterprises among the country's investment priorities. The region, in general, and Quezon Province, in particular can capitalize on this to develop tourism-oriented value chains.

CALABARZON is gifted with diverse natural, historical, cultural and man-made attractions for the domestic and international tourist markets.

Quezon has 34 coastal municipalities with beautiful seashores, and some are already with beach resorts and are ready for use with jet ski, motorboats, snorkels and others. It is also a potential haven for retirees. Its long white and gray sand beaches, beautiful islands and serene hilly villages offer the best place for relaxation and enjoyment.

The province is known for a variety of festivals, notably the Pahiyas Festival in Lucban, Pasayahan sa Lucena; Mayohan sa Tayabas; Agawan sa Sariaya; Hambujan in Dolores; Aranya at Balwarte of Gumaca; Buhay na Kubol in Gen. Luna.

The province is also known for its pilgrimage sites in Mt. Banahaw and Dolores, as well as the *Kamay ni Jesus* Healing Center in Lucban.

Nature lovers enjoy the famous Quezon Protected Landscape and the Pagbilao Experimental Mangrove Station. Those who love to trek can scale Mt. Banahaw and explore its beautiful waterfalls and caves.

Quezon is also renowned for its food products like are langgonisa, broas, pansit lucban, budin, espasol, brown puto and other special delicacies.

The province's 8,000-seater Quezon Convention Center is also an ideal venue for sports competitions, conventions, trade fairs, concerts and other big events.

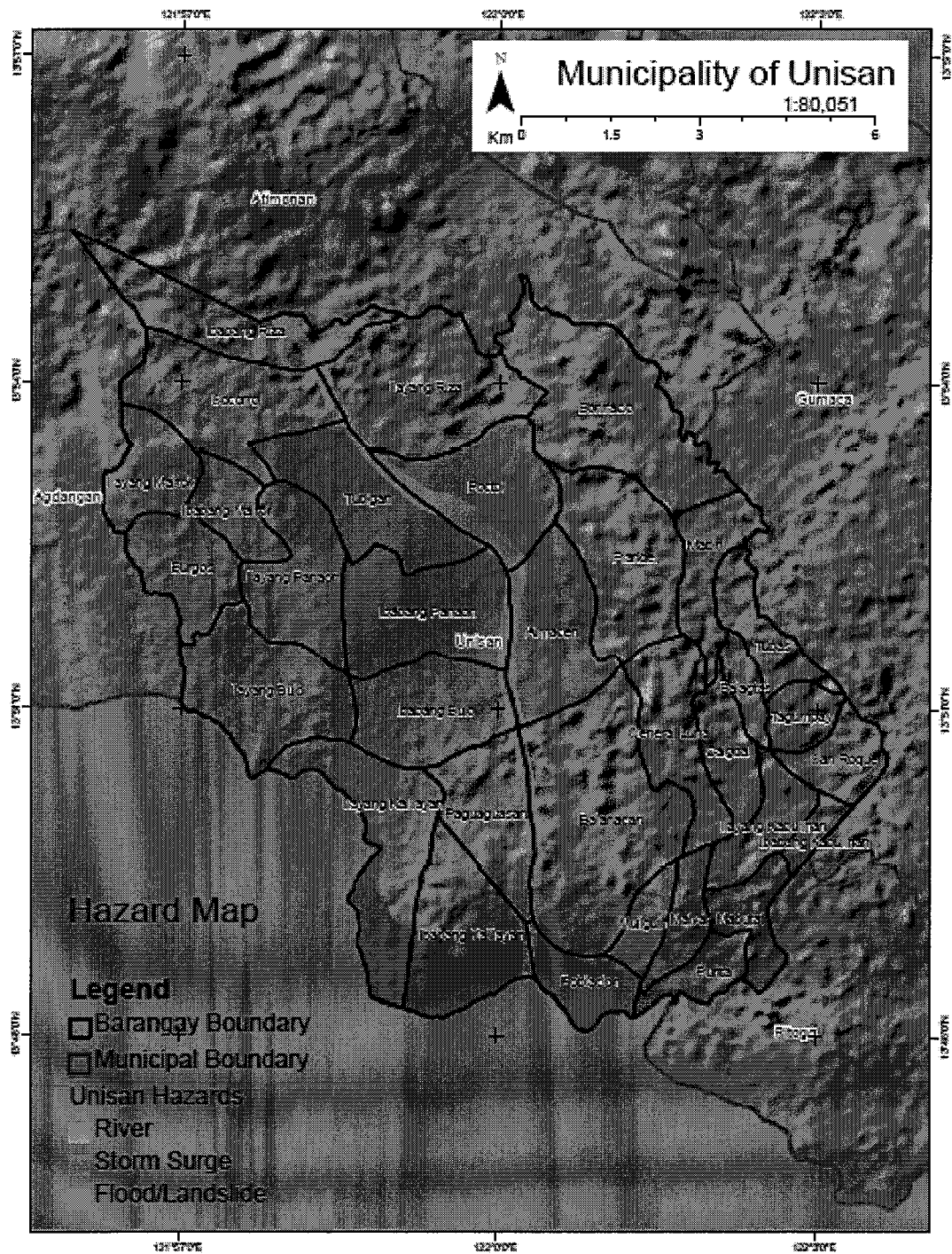
From January to September 2008, 477,572 local and foreign tourist were recorded as having visited the province.

The Philippine travel and tourism market performed positively in 2009 despite the global crisis. Inbound and domestic tourist numbers increased, however sluggishly.

In recent years a number of legislative measures were implemented to support the initiatives of the Department of Tourism. These included the National Tourism Act of 2009, which was signed into law in order to develop travel and tourism as a strategy for economic growth. The Philippine Congress, via the Budget Appropriation Act, approved additional funding for the Department of Tourism to support its marketing efforts. The Department of Tourism was also granted significant funding under the Economic Resiliency Plan proposed by the National Economic Development Authority, providing it with more financial support for infrastructure development. All of these legislative measures signify increasing government recognition of the important contribution that travel and tourism can make to economic recovery and growth in the Philippines.

Local government and private sector efforts to strengthen travel and tourism in the Philippines will lead to the development of many new ecotourism products and services at the local level in 2009.

Health and wellness tourism is also expected to develop in the next few years, along with entertainment tourism development.



A. GENERAL SOCIO-ECONOMIC TRENDS

1. POPULATION

The population growth rate is low at 1% per year, which is lower than both the provincial rate of 1.87% and 2.36% overall national average¹⁵. Population density is 176 persons per square km (or roughly 3 persons per 2 hectares) of land.

The low population is likely a factor why people in the municipality has a comparatively lower poverty index of 48%¹⁶, and a higher PEF Development Index of 72% even if unemployment is reported by respondents to be high. However, the low population also means a limited market for local enterprises.

2. OCCUPATION

Most of the people are engaged in farming (n= 3,162, or 59%) and fishing (25% or 1,322). Other sources of income for households include operating fish ponds, buying/selling, government employment, small scale enterprises, money-lending, transportation services (jeeps, tricycles, vans, and skates—wooden carts that use small boat engine to run on railway tracks) within Unisan or between it and nearby areas. Some residents get employment outside (such as Lucena or Manila), then send money back to, for use by, their family/ household in Unisan.

3. LABOR FORCE, CHILD LABOR

While Unisan has a significant labor force (64% of the total population, as of end-May 2005) who could provide for the needs of Unisan's dependents, there is a significant number of children below 15 years of age (80 boys and 54 girls, as per the May 2005 survey) who are already engaged in adult work.

4. EMPLOYMENT TRENDS

The local business community reported an increase in the number of employees they had hired over the last five years, but the increase had been minimal, from 214 five years ago, to 225 currently, meaning only an additional 11 jobs produced by the 61 enterprises, or 1 job per 5 ½ companies on the average. It is to be noted that family labor registered a downward trend. Considering that majority of the respondents were farmers, the data may suggest declining involvement in farm activities among family members.

B. ASSESSMENT OF STRENGTHS AND WEAKNESSES

1. ENABLING ENVIRONMENT

The LGU is supportive to the business community, particularly the agriculture sector. Its management processes are perceived to be business friendly. Tax rates and officers are perceived positively. It has existing policies for economic and private sector development, and invites the private sector to participate in development programs. The people are generally satisfied with LGU performance.

¹⁵ Poverty Map of the Province of Quezon. <http://www.pef.ph/downloads2.php>

¹⁶ Catanauan's is 61%, Mulanay 61% and San Narcisio 40%.

Weaknesses that need to be addressed include a declining trend in tax collections, as the tax collection effort does not seem to be systematic enough to get everyone to pay. Information shared with the private sector is insufficient, and dialogue between public and private sectors is likewise inadequate. These two problems are likely connected with the lack of full participation or cooperation of business people in community affairs. There is a perception that economic issues take are low in priority, and that politics take precedence. Dialogue between LGU and business sector was perceived as insufficient. Some projects viewed by people as high in importance are not implemented.

Respondents said that policies for economic and/or private sector development were stated, but not fully or consistently implemented. Systems and procedures followed at the LGU were perceived as unclear and open to abuse. People are uncooperative, leading to problems such as degradation of the environment.

The process of obtaining building permits was viewed negatively.

2. BUSINESS PERFORMANCE

Business owners fully appreciate the location's closeness to Lucena and access ports to Manila to the North and Bicol to the South. They are quite positive in their outlook of the local economy. Despite falling sales in the last 5 years, they expanded their capacities, invested in upgrading of premises or replacement of machinery. The area is home to many competent entrepreneurs in coconut, rice, livestock and feedmill production. Its farmers and fisherfolk are organized, and officers are committed and diligent. Existing company owners are positive about investing further into their businesses.

Local businesses mostly sell to locals (thus perceiving the market as limited). They have not fully capitalized on their strategic location at the doorway of Bondoc Peninsula. Having had stagnating sales in the last 5 years, they pay low wages. Many reported themselves as lacking capital and equipment.

Formalized or semi-formalized business owners were described as in the habit of not honoring commitments (*palabra de honor*), such as the payment of loans and delivery contracts.

Coconut farms are threatened by low productivity. Farmers have been so used to coconut farming that they refuse to entertain other crops which they believe require re-learning and more effort. When farmers realized coconuts were too old and did not give them enough earnings, many cut their coconuts for lumber and exchanged them for quick cash. Those who did replant coconuts planted them too close, in their desire to earn more. But when coconuts are planted too close, the fields could not have intercropping, because they become too shady when the coconuts grow. Thus, farmers will not be able to have steady income streams until the coconuts are grown.

There is a local enterprise put up by a former Unisan resident who built a career as an expert in swine raising. The enterprise can serve as "lead firm" in a livestock and feedmill value chain.

3. SUPPORT INSTITUTIONS

Training and financing services are available in the locality. It is the only location which has three technical support centers for livestock upgrading, aquamarine resource, and seeds and crops production.

It is ironic that the technical support centers were perceived by REA respondents to be inadequate, or not functioning optimally. Businesses (outside farmers and fisherfolk) are not organized and lack unity and cooperation.

There is only one bank in Unisan.

It seems that the institutions supporting the development of farms and small businesses in the locality are not achieving the expected impact from their services. Very few of respondents interviewed had gone through any of the training programs or consulting services being offered locally.

4. HUMAN AND NATURAL RESOURCES

The people are highly trainable, hospitable and friendly. Business owners are generally satisfied with the cost and availability of unskilled manpower because of the low pay, and their uncomplaining spirit. Available manpower are unqualified for high paying jobs so they are willing to work for low pay. Those who are unwilling to put up with low wages or are feel underpaid for their level of skill are pushed to get out of Unisan. Business owners find it difficult to locate skilled workers.

Negative attitudes among the people were reported, among them the lack of unity (*pinaiiral ang pulitika*) and *crab mentality*.

Natural resources are ample and available, and coastal ecosystems are good. However, stated policies are not implemented consistently – as support for FDP and attention to illegal logging activities have been noted to wane. Natural resources are said to be degrading fast. Access to natural resources are costly. Water is not managed properly – there is either too much of it (during the rainy season) or none at all (during summer). Both conditions affect farmers negatively and are major constraints to income potentials from farming activities. Policies (especially on garbage collection) are not strictly implemented.

5. INFRASTRUCTURE

The poblacion area has good quality roads and transport services. The whole municipality has a good road network and outreach. Telecommunication systems are good. The location is very good, being closest to Lucena and Manila.

The benefits of good infrastructure is not equally enjoyed by all of Unisan. Far-flung barangays do not have access to the same facilities available in areas surrounding the Poblacion. Roads remain poor or rough, and power as well as water supply are wanting. There is no irrigation facility or water collection facility for upland farmers. Infrastructure facilities like fishport, and trading post (*bagsakan*) likewise affect the performance of businesses. Producers are at the mercy of buyers who pick up the goods in various places. Since local business people are not organized and lack information on market trends and prices, traders take advantage of their ignorance. A trading post is likely to facilitate the flow of information and help organize farmers and fisherfolk to improve gains from their industry.

TABLE 12. SUMMARY OF STRENGTHS AND WEAKNESSES, UNISAN

Field of analysis	Strengths	Weaknesses
Enabling	• LGU is business friendly	• Declining trend in tax collections

environment	• LGU is business friendly • Tax rates and officers are perceived positively • Has existing policies for economic and private sector development • People are satisfied with LGU programs	• Limited info from LGU • Lack of full participation of business people • Economic issues perceived low in priority • Politics take precedence
Business performance	• Competent in coconut, rice, livestock and feedmill • Farmers and fishers organized • Positive outlook about investing further in business	• Mostly selling to locals, limited market, no market outlet: bagsakan for crops, port for fish • Low bargaining power • Not fully capitalized on strategic location • Stagnating sales in last 5 years • Pay low wages • Lack capital and equipment • Far from sources of supply • Lack establishments, partners
Support institutions	• Training and financing services are available	• Technical support centers are perceived inadequate or not functioning optimally • Non-farm/fishing businesses not organized • Business people not organized and lack unity and cooperation • Lack of suitable courses
Human & natural resources	• Trainable, hospitable and friendly people • Willing to work for low pay • Ample natural resources • Good coastal ecosystems	• Available manpower not so skilled • Net outmigration • Negative attitudes- lack of unity, full of politics, crab mentality • Stated policies not implemented consistently • Natural resources degrading fast • Lack jobs, livelihood locally
Infrastructure	• Generally good quality roads and transport services • Good quality and accessibility of communication facilities • Water supply not so good	• Some barangay roads remain impassable • Not all barangays have good communication signal • Power and water supply are inconsistent and cost high • Lack irrigation or water collection facility for farmers • Inadequate facilities • High cost of real estate • Presence of squatters (mostly fisherfolk along coast) • People undisciplined in waste disposal

C. LOCATIONAL ADVANTAGES & CONSTRAINTS

In summary, the analysis pointed out a number of points regarding Unisan as a location.

The locality offers the following advantages to enterprises locating in the area:

- Excellent roads and fast travel by land, accessible to Lucena and Metro Manila
- Location at the 'doorway' of BonPen
- Natural and scenic spots (beaches, caves, historical / heritage sites)
- Presence of two banks
- Good access to telecommunications
- Presence of hospital facilities
- Available power and water supply
- Good coastal ecosystem, clean environment
- Abundant natural resources (raw materials for agriculture and fishery)
- Committed and competent farmers, fisherfolk, livestock entrepreneurs
- Business-friendly and un-bureaucratic local government
- Presence of university and training institutions

On the other hand, the locality has to address the following constraints to doing business in agriculture and fishery, its two main economic activities:

- Marketing and production
 - Distance from markets and sources of pre-fabricated supplies
 - No marketing outlets (*bagsakan, fishport*)
 - Lack of investors
 - Lack of individual buyers / guest traffic to the municipality
- Infrastructure
 - Some barangays difficult to locate, isolated and without roads
 - Inconsistent (low quality and high cost) of power and water supply
 - Expensive real estate
- Coconut industry
 - rampant cutting of coconut trees
- Investments
 - Limited buyers – low population, low number of guests and tourists
 - Fear among investors regarding peace and order in Bondoc
 - Farmers and fisherfolk - Lack of capital and equipment
- Governance
 - Inconsistency in implementing fishery laws
 - Increased/ consistent tax collection efforts
 - Improve process for getting building permits
- People
 - Lack of Lack of discipline
 - Mismatch or absence of appropriate training and education

D. QUICK WINS

During the validation workshop, stakeholders affirmed the appraisal findings and agreed that all the weaknesses identified should be addressed by both public and private sectors working together. They also voted on the priority (or burning) issues that to be addressed by the community as a common effort for Local Economic Development. They used the following criteria for choosing the burning issues to work on towards quick wins:

- a. Doable within 6-12 months
- b. Implementable with local resources

- c. Outreach (wide impact to the poor)
- d. Generate employment/income.

The outcome, which was a list of Quick Wins, also included a proposal for a “catalytic project”. The stakeholders were asked to choose from among the sectors they identified as “most promising” that which met the following criteria:

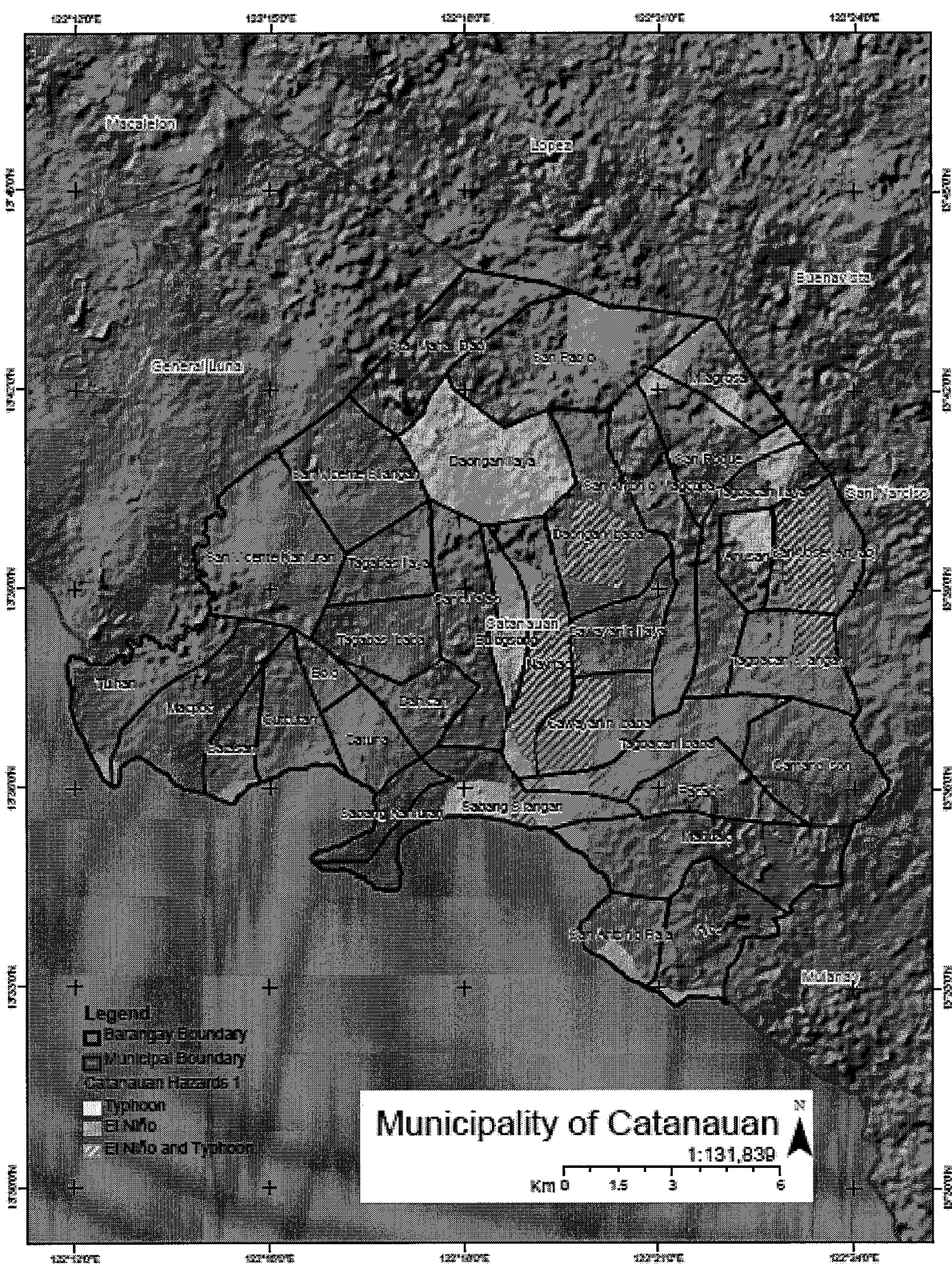
- a. Will strengthen /support coconut farmers
- b. Build on strengths
- c. Capitalize on municipality’s locational advantages
- d. Will benefit most from collective action

As Table 13 shows, first on the list of burning issues was the lack of capital among farmers. This was followed by: the continuing cutting of coconuts by farmers, the need for business associations, for consistent implementation of fishery laws, and for obtaining knowhow in processing products from buri.

Buri handicraft production was voted as the **catalytic** project to apply the newly forged public-private sector partnership in Unisan. Table 13 shows the list of work teams nominated by the stakeholders to formulate the action plans for the various issues.

TABLE 13. LIST OF QUICK WINS FOR UNISAN

Burning Issue	Who should lead	Who should collaborate together
Mga negosyante (farmers and fisherfolk, SMEs kulang sa capital)	MSWD	MAO Coop Bank St Jude MPC Entrepreneur Bank
Cutting of coconuts, panay ang putol ng niyog pero tamad magtanim	PCA	SB-Agri Unlad Foundation
Kulang/ Walang business association	Tita Flor Maleon	MSWDO and MAO
Kakulangan ng polisiya at implementasyon sa fisheries - Dito sa Unisan, open mangisda ang taga-ibang lugar pero kapag Unisanin ang dumayo ay hinuhili - Ma-mainstream at masuportahan ang proseso at implementasyon ng Fisheries Development Program (FDP).	MFARMC (Tita Lucy)	Tambuyog (Umali)
Kakulangan ng hanapbuhay - Kakulangan ng kaalaman ng pagpoproseso at paggawa ng mga produktong gawa sa buli Buri handicrafts was voted as the catalytic project	MSWDO (Buri)	Oming DTI



A. GENERAL SOCIO-ECONOMIC TRENDS

1. POPULATION

Catanauan is a first class municipality of 65,705 people (as of 2007), which is 264.205 km from Metro Manila and 128 km from Lucena City. Its population is growing at a rate of 1.86%. This rate is lower than the national average of 2.36%, and the province's 1.87%. The area is approximately 266 square kilometers, with an urban density of 102 persons per hectare, and a gross density of 2 persons per hectare. The municipality is plenty of space for people and economic activities.

Poverty index is 50% according to the National Statistics and Coordination Board, and 61% PEF Development Index.

2. OCCUPATION

The people's occupations are mostly in agriculture and fishing. Primary crops among farmers are coconut and bananas. A number of formalized enterprises are engaged in wholesale and retail trade and services, plus employment in government provide occupation to the people.

There is a high total dependency ratio at 81.25%. Young dependency ratio is 74%, meaning that the population is mostly young or below 15 years of age (MSEP Catanauan, 2010).

3. EMPLOYMENT TRENDS

Stakeholders perceived that the economy was on an uptrend. The local business community had a generally positive outlook of the total economy. They reported to have increased their job hires, on the average at least by one job per firm in the last two years. A total of 403 people were employed by the 77 businesses interviewed.

Despite the increase in employment, stakeholders also reported an increase in unemployment owing to a number of factors, including:

- Increasing competition from other businesses
- Jobs did not increase as fast the population did. Job opportunities were too limited for the people. About 40-60% were still without jobs.
- Economic growth is dependent on outside investors coming in

B. ASSESSMENT OF STRENGTHS AND WEAKNESSES

1. ENABLING ENVIRONMENT

The LGU is supportive of the business sector and there is good ongoing public-private cooperation in the municipality. Economic programs are prioritized in budgeting. Businesses find tax rates and tax officers to be good.

Municipal policies and ordinances are outdated, however. The Municipal Revenue Code is one, and the Investment and Incentive Code is yet to be formulated. Procedures for business licensing and permits are perceived to take too long. Natural resource management is weak, and rules are not implemented fairly and aggressively.

2. BUSINESS PERFORMANCE

Businesses thrive because Catanauan is strategically located at the heart of Bondoc Peninsula. It has a corp of competent local entrepreneurs which has succeeded in marketing local products like coco fiber, uraro cookies, semi-processed fruits, tapa, dried squied, herbal products, food supplements and medicines.

However, not too many businesses are paying taxes. They report stagnating or falling sales, and are not as positive about re-investing in their businesses except to replace old machinery. Most of them are inward looking, mostly buying from and selling to the local market.

3. SUPPORT INSTITUTIONS

Training programs and other support services are available in the area. Businesses are generally satisfied with the support services they get from agencies.

Although economically relevant information is provided to the private sector, not all available services are known by everyone. Services are perceived to be costly. On financing, businesses are unwilling to borrow and borrowers are unwilling to pay back loans. Business associations are weak.

4. HUMAN AND NATURAL RESOURCES

Manpower, especially skilled ones, are affordable and of good quality in Catanauan. However, skilled people prefer to work outside Catanauan due to the low wages offered by businesses. There is a shortage of skilled manpower. Unskilled people are paid low wages. They are not unionized. Business owners were not happy with unskilled workers.

Wide expanses of land are available. Natural resources are also available, legally accessible, at reasonable cost of access. There are attempts that resources are managed in a sustainable way.

Water resources are a problem. There is generally a lack of water supply in the area.

Fishing resources are threatened because of the entry of fishers with *taksay* (fine nets).

5. INFRASTRUCTURE

Infrastructure facilities are good in Catanauan. It has existing hotel and medical facilities, better than the other towns. Road network and road transport are good. Communication facilities are affordable and reliable.

Some barangay roads remain rough. There are frequent power outages. Real estate cost is high. Water supply is of low quality and unreliable. Waste management is poor.

TABLE 14. SUMMARY OF STRENGTHS AND WEAKNESSES, CATANAUAN

Field of analysis	Strengths	Weaknesses
Enabling environment	• Supportive of business • Ongoing public-private cooperation • Economic programs are prioritized in budgeting • Tax rates and tax officers are good	• Outdated municipal policies and ordinances (Municipal Revenue Code and no Investment and Incentive Code) • Business licensing and permits take

		- too long - Weak natural resource management - Rules are not implemented fairly and aggressively
Business performance	- Enjoy strategic location - Competent local entrepreneurs in coco fiber, uraro cookies, semi-processed fruits, tapa, seafoods, herbal products and food supplements	- Pay low wages - Not too many businesses are paying taxes - Not too positive about re-investing in their businesses - Inward-looking, mostly buying and selling locally - Lack capital
Support institutions	- Training programs and other consulting or support services are available and satisfactory - Institutions are open and willing to give support	- Not all available services are known- inadequate information is shared. - Businesses are unwilling to borrow - Borrowers are unwilling to pay back loans - Weak business associations - Charges for fertilizers - Slow service - No visits from agencies
Human & natural resources	- Skilled labor is available and affordable. - Wide expanses of land are available - Abundant natural resources, and are accessible as well as affordable - Good effort to at sustainable resource management	- Skilled people prefer to work outside Catanauan - Workers and businesses are not unionized or organized - Fish resources are threatened by <i>taksay</i> fishers.
Infrastructure	- Good infrastructure facilities - Road network and transport are good. - Communication facilities are affordable and reliable	- Some barangay roads remain rough - Frequent power outages - Real estate cost is high - Water supply is unreliable and low quality - Waste management is poor - Transport terminal facilities poor

C. LOCATIONAL ADVANTAGES & CONSTRAINTS

In summary, the analysis pointed out a number of points regarding Catanauan as a location.

The locality offers the following opportunities which enterprises can take advantage of by locating in the area:

1. Businesses
2. Financing institutions
3. Communication facilities
4. Medical facilities
5. Educational institutions
6. Real estate
7. Power supply
8. Water supply

9. Roads/ transport
10. Natural resources
11. Government
12. Market
13. Tourism
14. Quality of life
15. People

The business community needs to address the following constraints to doing business:

- Infrastructure
 - Unreliable water supply
 - Poor sewage system
- Governance
 - Poor environmental management
 - Business licensing process is not smooth
 - Expensive fishing licenses
 - Peace and order (NPAs present)
- Attractiveness to guests /tourists
 - Inadequate entertainment and shopping places
- Fishery
 - Dwindling fish stocks
- Limited markets
 - Poor purchasing capacity

D. QUICK WINS

During the validation of appraisal findings, the stakeholders chose two issues to tackle for quick wins. First was the issue of lack of farming knowledge/education (especially uraro refinery and handicrafts from buri, which became the choices for catalytic projects). The second issue was the lack of funding for relevant agriculture projects such as grain dryer, post harvest facilities, trading post (for marketing vegetables) and forest farming.

Burning Issue	Who should lead	Who should collaborate together
Lack farming knowledge & education	MAO	Carlos Bondoc (Rice)
• Uraro refinery powder/starch • Handicraft (anahaw, tingting, buli)		
Lack funding for projects	Edgar Ballesteros	MPDC
• Grain dryer • Post harvest facilities • Marketing vegetables (trading post) • Forest farming		



A. GENERAL SOCIO-ECONOMIC TRENDS

1. POPULATION

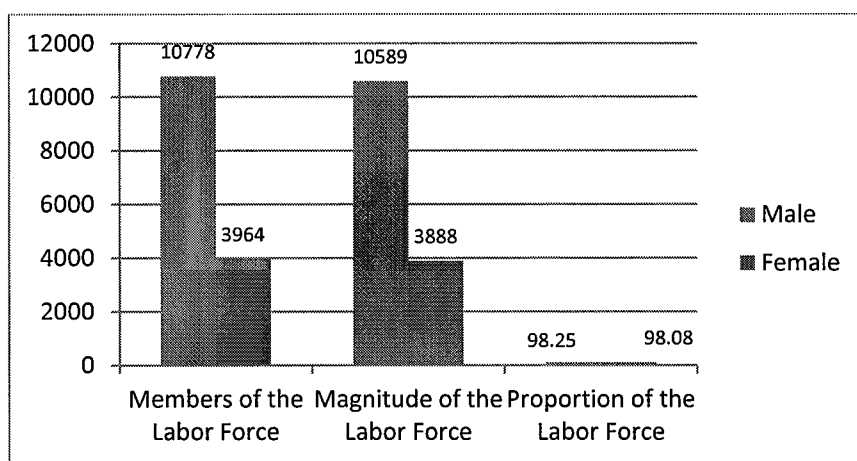
The population of Mulanay is growing at the rate of approximately .80 percent. The rate is lower than the growth rate of 1.87% for Quezon Province and 2.36% for the rest of the country.

NSCB poverty index is 62.18%, and PEF Development Index is 61%.

2. LABOR FORCE

The CBMS Survey of 2009 revealed that 30.9% of the total population belong to the labor force, i.e, 15 years old and above who are currently working or actively seeking work. Majority (73%) were male. See Chart 1.

CHART 1. NUMBER & PERCENT OF EMPLOYED MEMBERS OF MULANAY LABOR FORCE



3. OCCUPATION

Among those employed in the municipality, majority (54.48%, or 7921) are into agriculture, hunting, and forestry, followed by wholesale and retail trade, vehicle repair (12.6%). A sizable number (8%) are also engaged in community, social or personal services.

The major crop is banana, followed by coconut. Corn, fish, livestock and poultry production are also produced by Mulanay farmers.

Tourism is taken very seriously, and there are plans to establish a Tourism Council.

OFWs number 509, accounting for 4.93% of total households.¹⁷

There are no existing labor unions in the community.

¹⁷ Mulanay MSEP 2009

4. EMPLOYMENT TRENDS

Data obtained from company owners confirmed the general trend in increasing unemployment for residents. Those interviewed reported a decline in number of employees in their businesses five years ago from 327 to 324 as of 2011. The number of permanent employees dipped considerably from a count of 111 in 2005 to 85 in 2009, rising only up to 86 as of 2011. It appears that there was a trend in businesses resorting to hiring family labor to meet their manpower needs in the last 5 years.

B. ASSESSMENT OF STRENGTHS AND WEAKNESSES

1. ENABLING ENVIRONMENT

The LGU of Mulanay is perceived positively by the people. Its good performance is linked to the strong and corruption-free leadership of the Mayor. There is good cooperation between the public and private sectors. Tax rates are reasonable and tax officers relate well with business owners. There are LGU councils, and information is provided by the LGU to the business community.

There were however plenty of weaknesses that could be addressed in subsequent LED planning. Development policies emphasize infrastructure development for one. Certain policies are either absent or outdated, including an Investment and Incentive Code, a Market Code, Gender and Development Code, Municipal Revenue Code as well as Environment Code. Not everyone is paying taxes, despite the low rates. The procedures at the business permit office are orderly but overall the process is slow and takes too long. The Realty tax office has also been moved to the Provincial Assessor's Office, which poses an inconvenience to the people.

2. BUSINESS PERFORMANCE

There has been an increasing interest among outside investors to locate in Mulanay. There has been an increasing trend in the number of registered enterprises. A positive outlook among business owners, who expressed a willingness to invest further in their operations. They are merely waiting for the right opportunities.

There is a "leakage" in municipal incomes, as businesses source their raw materials and pre-fabricated inputs mostly from outside Mulanay. Their markets are limited, very little produce is sold outside. Businesses report falling sale turnovers. A dominant/lead firm in the past, SOLCOM (a coconut oil mill) has been closed for some time. It used to be the center of economic life in Mulanay. It was sequestered after the EDSA People Power Revolution.

3. SUPPORT INSTITUTIONS

There is a presence of good quality educational institutions and support agencies providing training. Commercial banks are available and access to financing is present.

The quality of access, cost and reliability of support services, however are rather low. Not everyone is aware of available services. Business owners report that technical/scientific support and loan conditions are not so good. There are not enough banks and training is expensive. Business associations are non-existent, inadequate, weak and non-functioning.

4. HUMAN AND NATURAL RESOURCES

The people's strengths are that they are united and cooperative with the government. They have good quality skilled labor who are not too particular about their pay.

Unskilled labor, however, are not so good. Not only do they lack training, they are often lazy.

Natural resources are ample and have rich potential for tourism. Their tourism sites are legally accessible and cost of access is affordable. There is concerted effort to manage, restore and sustain the natural resources in the area to address the continuing damage to the environment from soil erosion, siltation, and forest denudation. Some coastal communities continue with old habits in wanton dumping of garbage.

5. INFRASTRUCTURE

There has been marked improvements in infrastructure (such as FMR, barangay electrification, construction of pier and port, water system, schools). Land and water transportation are available, affordable and of good quality. There is very good access to communication facilities, with affordable rates. There is plenty of real estate available for development.

Again, as in other municipalities, not all barangay roads are good. Power supply is unreliable, with frequent brownouts and high cost of power. Water supply is inadequate, with poor pressure during summer, and with outreach limited only to areas surrounding the poblacion. The poblacion area itself, is too crowded and busy. Waste removal is not so good, there is no segregation. There is much garbage, and yet there is no landfill to put them in.

TABLE 15. SUMMARY OF STRENGTHS AND WEAKNESSES, MULANAY

Field of analysis	Strengths	Weaknesses
Enabling environment	• Strong and corruption-free leadership • Good cooperation between public and private sectors • Tax rates are reasonable and tax officers relate well with business owners • Information is provided to the business community	• Emphasis on infrastructure • Outdated or non-existing policies, such as the Investment and Incentive Code, the Environment Code, Market Code and Gender & Development Code • Not everyone is paying taxes • Need improvement in business permits and licensing process, • Building permits too many requirements • Inconvenient venue for paying realty tax • Information dissemination from LGU not reaching everybody • Stated policies not fully implemented • Dialogue not so good, lack support
Business performance	• Increasing interest from outside investors • Positive outlook, willingness to invest further into operations • Local businesses looking for opportunities	• Significant proportion of raw materials and pre-fabricated inputs still sourced from outside Mulanay. • Limited market • Falling sales turnover • Closure of oil mill
Support institutions	• Good quality educational	• Technical and scientific support, as

	institutions and support agencies • Commercial banks are available , financing is accessible • Training, technical support and consulting services are available	well as conditions for loans are not so good. • Not enough banks • Training is expensive • Business associations are weak, no business associations for most sectors
Human & natural resources	• Unity and cooperation between public and private sector • Good quality skilled labor, not particular about their pay • Concerted effort to protect the environment • With good source of water • Ample raw materials • Wide and fertile farmlands • Ample natural resources • Rich potential for tourism • Tourism sites are legally accessible and cost of access is affordable.	• Unskilled labor is not so good- they lack training, are lazy • Environmental damage from soil erosion, siltation and forest denudation • Coastal communities dump garbage
Infrastructure	• Marked improvements in roads, electrification, ports, water system and schools. • Land and water transport available, affordable and of good quality • Access to good communication facilities, with affordable rates. • Plenty of real estate available for development • With pier & fish port	• Not all barangay roads are good. • Power supply is unreliable, outages are frequent. • Water supply is inadequate, both for drinking and for farm use. • Waste management is not so good, no segregation

C. LOCATIONAL ADVANTAGES & CONSTRAINTS

In summary, the analysis pointed out a number of points regarding Mulanay as a location.

The locality offers the following opportunities which enterprises can take advantage of by locating in the area:

- Presence of banks – accessible financing
- Presence of good educational and training institutions
- Good public-private sector cooperation
- Members in cooperatives are active and helpful
- Good governance
- Unity of the people
- Peace and order in community
- Knowhow in farming, particularly coconuts, banana and livestock

The business community needs to address the following constraints to doing business:

- Farmers/ Micro businesses
 - Lack of knowledge or competence in new farming technologies
 - Lack of capital for equipment, inputs

- Associations are inactive, members are not doing well in business
- Lack of coconuts to trade with
- Vulnerability to El Nino, flooding
- Governance
 - Peace and order : presence of insurgent
 - Lack of livelihood programs
- People
 - Many are preoccupied with politics
 - Theft of coconuts
- Infrastructure/ investments
 - Lack of a hospital
 - Lack of potable water in households
 - Lack of post harvest facilities

D. QUICK WINS

The stakeholders identified four priority issues for the cooperation between public and private sector in LED. These issues were : the high price of local fish, the lack of technical support to farmers, the lack of government support to help farmers in their machinery and equipment needs, and the need for local residents to be more diligent in pursuing livelihoods.

Six project options were identified, of which livestock raising and diversified farming (intercropping coconut with off season vegetables) got the most number of votes as the most pressing issues to address for quick wins.

TABLE 16. LIST OF QUICK WINS FOR MULANAY

Burning Issue	Who should lead	Who should collaborate
Mataas ang presyo ng isda	SB Christine Aguirre- Adao	MFARMC Coop Kuya Ding
Lack of technical support to farmers	PUP Dr Ading	Kagawad Pineda
Kulang sa suporta ng pamahalaan , kulang sa makinarya at gamit ang mga negosyante	MPDC Mariz	MAFC Ding SMMPC Dr Esperanza Maximo
Kulang sa kasipagan sa kabuhatan	Dr Maximo	DTI PD Alcantara
Catalytic Project	Who should lead	Who should collaborate
1. Pag-aalaga ng hayop (baka, baboy, livestock)	Dr Maximo	DTI PD Alcantara
2. Diversified farming ● Vegetable production (off season) ● Organic farming		
3. Weaving of buri, c/o Diokno. Marami ang materials Palakasin ang handicraft ● magkaroon ng handicraft center na ang raw materials ay mula sa Mulanay.		

[illegible]

A. GENERAL SOCIO-ECONOMIC TRENDS

1. POPULATION

The population's growth rate is lowest (0.50%) among the four target areas of Bondoc LED. The rate is lower than the provincial average of 1.87%.

2. OCCUPATION

The people are mainly into coconut farming. Coconuts have the highest share in agricultural land use. Other crops grown include root crops, rice and corn, peanuts, different fruits and vegetables, garlic, black pepper, and coffee.

Fishing is another major occupation. San Narciso has the most number of coastal barangays in BonPen.

A total of 139 formalized establishments were registered at the LGU in 2007.

3. EMPLOYMENT TRENDS

Most (67%) of key informants from support institutions believed that the economy of San Narciso was on an increasing trend on account of the following factors:

- the increase in the number of businesses
- improvements in infrastructure (water and electricity)
- good governance
- tax collections
- public-private sector cooperation
- increasing market demand and
- people's competence.

However, the growth in the economy did not seem to translate automatically into the creation of jobs. The trend in unemployment trend was not clearly perceived as decreasing as it should have, if indeed the economy was growing.

B. ASSESSMENT OF STRENGTHS AND WEAKNESSES

1. ENABLING ENVIRONMENT

The LGU in San Narciso is described as good by the people. It is very supportive of the business community. Tax rates are affordable and tax collection efforts are working. There is good cooperation between public and private sectors. Statement and implementation of policies for economic policies are also rated satisfactory. There is no red tape – no bureaucracy within public administration is seen by the people.

However, business people still believe that that dialogue between public and private sectors is insufficient. Even if business license and building permits are easy to get, businesses do not apply for them. There are not many taxpayers in San Narciso.

The LGU is not so consistent in implementing ordinances for the environment.

2. BUSINESS PERFORMANCE

Business owners in San Narciso are optimistic about the economy. They are ready and willing to invest in their businesses, and report that sales turnovers are increasing. They

have invested in expanding capacities and improving their premises. They sell to markets beyond San Narciso as well.

Many of them purchase raw materials and pre-fabricated inputs from outside the area, leaking the income out of the municipality.

3. SUPPORT INSTITUTIONS

There are some business associations (such as farmers, fisherfolk and women's groups) that exist and are cooperating with the LGU.

Businesses rate the access, quality and price of training, scientific support and consulting services as not so good. The same was true with respect to access and conditions of loans.

Business associations were reported to be weak and not serving members

4. HUMAN AND NATURAL RESOURCES

The farmers of San Narciso are learning new farming technologies. Cost and quality of labor (skilled and unskilled labor) are reported to be good. However, businesses pay low wages, causing many skilled labourers to go out and search for better opportunities.

Tourist spots attract people to the municipality, specially because the whole town is very clean and orderly. Natural resources are available and legally accessible. However, access is somewhat costly. Natural resources need to be managed for sustainability. Some locals still cut trees to make into *uling*. Farmers complain of pests and lack of irrigation. Fisherfolk complain of illegal /dynamite fishing, and trolling.

5. INFRASTRUCTURE

Businesses and key informants note the marked improvements in electricity supply, as well as the excellent roads and transport networks. Communication facilities are also good, along with waste removal services provided by the LGU.

Weaknesses, however, come in the form of frequent brownouts, inadequate and unreliable water supply and the unsegregated waste that have no permanent dumpsite.

Informants also pointed out that much land remains not fully productive. Land is available but not so affordable.

TABLE 17. SUMMARY OF STRENGTHS AND WEAKNESSES, SAN NARCISO

Field of analysis	Strengths	Weaknesses
Enabling environment	• Good governance • Supportive of business • Affordable tax rates • Tax collection efforts are working • Good cooperation between public and private sectors • Stated policies are implemented • No red tape, no bureaucracy	• Insufficient dialogue between public and private sectors • Not too many taxpayers • Not too many businesses • LGU not consistent in implementing ordinances
Business performance	• Business owners are optimistic • Willingness to invest in business among locals	• Proportions of raw materials and pre-fabricated inputs sourced from outside – income leakage away

	• Sales turnovers are increasing • Selling to markets beyond San Narciso	• from municipality • Pay low wages
Support institutions	• Farmers, fisherfolk and women's groups exist and cooperate with the LGU • Support services are available	• Support services are not so good in terms of quality and accessibility • Business associations are weak.
Human & natural resources	• People are learning new farming technologies. • Cost and quality of labor is good • Town is clean, with ample tourist attractions • Natural resources are available and legally accessible • Land is available • Area is so clean	• Net outmigration in search of better pay and work. • Natural resources are not managed in a sustainable way due to illegal activities like dynamite fishing, kaingin for uling, trolling. • Land is not affordable.
Infrastructure	• Marked improvements in power supply • Excellent roads and transport networks	• Still frequent and unannounced power outages. • Inadequate and unreliable water supply • Unsegregated waste •

C. LOCATIONAL ADVANTAGES & CONSTRAINTS

In summary, the analysis pointed out a number of points regarding Mulanay as a location.

The locality offers the following opportunities which enterprises can take advantage of by locating in the area:

- Good governance
- Good public-private sector cooperation
- Organized private sector
- Peace and order in community
- Cleanliness of community
- Knowhow in farming and fishing

The business community needs to address the following constraints to doing business:

- Insufficient dialogue between public and private sectors
- Not all are paying taxes
- Consistency in implementing ordinances
- Lack of integration in supply and buyer markets
- Net outmigration of labor

D. QUICK WINS

TABLE 18. LIST OF QUICK WINS FOR SAN NARCISO

Burning Issue	Who should lead	Who should work together
1. Kulang sa kooperasyon	(LED Process itself answers this burning issue)	(All stakeholders)
2. Mataas ang bayad at putol putol na kuryente (petition, kalampag)	Mayor + Quezelco Director	Marilou Rea
3. May mga batas para sa kalikasan (dapat ipatupad)	Vicente Banico	Vice Mayor Konsehal Wendel
• Walang coastguard		
4. Walang good hospital	Anna Fontanilla	Dr Mark Mangotara
• Petition		
• Budget		
5. Kulang sa road signs	Raffy Carabido	Reynante Medenilla (SaNTODA)
Burning Issue/Catalytic project	Who should lead	Who should work together
6. Kulang sa kaalaman sa negosyo at farming	MAO	Business : 1. Palay- Luela Villanueva 2. Livestock- Ricky Ausa 3. Coconut- David Williams
• Kulang sa puhunan		
• Walang trabaho		
• Mahina ang kita		
The groups (palay, livestock and coconut groups) were to identify the catalytic projects after 1 week		Public 4. DTI

5.5. CONCLUSIONS AND RECOMMENDATIONS

LED has been described as “about anything that one can think of to make a place a good place to do business and thus create jobs and reduce poverty” (Rucker & Trah, 2007).

The appraisal has brought to fore a number of points to celebrate about in the way the communities of Unisan, Catanauan, Mulanay and San Narciso have attempted to make their localities attractive to business. Their strengths now help shape the advantages they offer to internal and external investors, and the various elements show the impact of their collective efforts to improve the competitiveness of their areas.

However, the litany of weaknesses and constraints are nonetheless overwhelming and themselves demonstrate the complexity of pursuing local economic development. This appraisal report simply listed down causes of people’s frustrations as well as the contents of their wish lists to pursue progress. Needless to say, the challenge of addressing all the weaknesses and constraints enumerated by all the stakeholders are much too much for any person or group to handle, and would take more than a lifetime to fulfil even if one of them wanted to do so. But with the concerted effort of everyone

having a stake in the local economy, there is cause for hope that change can be initiated for economic growth.

In LED, it is believed that the economies in each of the four areas is more than just a collection of individual firms and markets. It is a harmonic composition of networks and dynamic system of interactions that shape individual decisions and actions. This systemic perspective captures all the elements of competitiveness for a locality and classifies them into four categories:

- a. micro level, which refers to the competence of individual businesses or producers
- b. meso level, which refers to the support institutions and targeted services to essential sectors,
- c. macro level, which refers to the general policies and governance framework, and
- d. meta level, which captures the general values and belief systems that impact on livelihoods and entrepreneurship.

Results from the rapid economic appraisal support the following conclusions regarding the competitiveness of the four municipalities according to the systemic perspective:

Micro level (rural producers)

Business strategy. This is low. Rural producers do not seem to have a business strategy. In general, businesses conduct their day to day transactions “to each his or her own” way of doing things.

Specialization. This is low as well. Most producers come up with the same or very similar crops and products. A value chain analysis

Market information Local businesses have very little information about buyers’ preferences, and if they do, the information they have is limited to evidence only at the local level.

Collaboration. There was very little or no collaboration found between producers or between municipalities.

Informality - The degree of informality among local producers was very high, making it difficult for businesses to have access to support services.

Recommendations

1. Sectoral or cluster development strategy for local producers

The LGUs in the four municipalities should focus on facilitating linkages and interdependence among suppliers and buyers, support services (training, financing, technical support) in a network of products and services. Even as they compete in delivering the most innovative and market-oriented products, they can be motivated to collaborate through buyer-supplier relationships, knowledge sharing, training and financing linkages. They can act like one network of producers and sellers, with one to two areas being the specialists of a sector.

In all the workshops undertaken in the course of the fieldwork for this local economic appraisal, stakeholders were one in saying that any livelihood development interventions should benefit the coconut farmers first and foremost, and fisherfolk next. According to them, this should be the case because the main occupation of the majority is farming, followed by fishing, and that the majority of farmers are into coconut farming. In addition, fisherfolk find work in coconut farms during slack times from fishing. It goes without saying that any intervention to help coconut farmers will have an impact on the majority of the poor, consisting of farmers and fisherfolk, in Bondoc Peninsula.

Value Chain of Coconuts

It is therefore recommended that a value chain analysis be done on the coconut industry of Bondoc Peninsula, studying options and strategies for upgrading to benefit the farmers (and fisherfolk) in the municipalities of Unisan, Catanauan, Mulanay and San Narciso.

The expected result in the value chain upgrading of coconuts is increased incomes for farmers through value addition or process improvements.

For instance, it is known that coconut buying firms in Tiaong and Candelaria are often in search of coconuts. The demand is very high and supply is low. So some consolidators saw the opportunity. The farmers did not. Instead of taking additional functions in the value chain, they “gave up” certain functions and opted for easier ways to make money, such as selling whole nuts instead of handling them further (such as husking or transforming into copra). The latter processes had become too costly for them, making them give the functions up to other more enterprising individuals. Because farmers now sell nuts, they make it easy for many unscrupulous individuals to steal their goods. Nuts are easier to steal! The value chain analysis should be used to educate farmers on ways to increase their productivity and incomes from coconuts and the making of coconut by-products.

Coco sugar

San Narciso has the unique advantage of having a local resident (David Williams) who does not only possess the technical knowhow of processing coconut sap into *crystallized* sugar, he also has direct links to a network of buyers for the product. In addition, his wife has the technical knowhow for processing the coco by products into soap and perfume, among other things. The community only needs to work together to supply the sap. There is a potential for this industry to absorb the coconut sap not only from San Narciso but from all the other communities covered by Bondoc LED. It is important to get as many farmers as possible producing the sugar itself, and the products consolidated, to ensure that the value is spread to as many poor farmers as possible and not just benefit the bigger and currently more aggressive players.

San Narciso can be the main player in the coco sugar cluster.

Intercropping

Coconut farmers often resort to intercropping to augment their incomes from coconuts. Intercropping should be done in the context of a cluster or sector development strategy

so that LED efforts will result not only in the development of the coconut sector but the intercrops or “income generation project” as well.

Here are possibilities for subsectors that may be developed side by side with coconuts, and whose value chains need to be analyzed as well to determine feasibility for upgrading interventions:

a. Uraro production –

Uraro is a good companion to coconuts. Local production is mainly exported to Laguna as a raw material, where the produce is processed into flour and re-imported back to the area as a raw material for cookies. Cookies compete with Marinduque, which is more competitive because (1) they process their own flour, and (2) their products are packaged better.

Initial problems needing interventions in this supply chain include:

- Local uraro makers are not integrated into the wider cookie market outside BonPen.
- The supply chain is disorganized (uraro planters, uraro cookie makers, uraro flour sellers are not coordinated to ensure supply). Uraro producers dictate prices, “killing” cookie makers who cannot raise prices too high because of competition from Marinduque.
- Uraro flour is substituted with wheat flour during shortages of the raw material
- Packaging is inferior and needs to be upgraded for BFAD approval
- Post harvest facilities will help in meeting BFAD standards to meet market requirements

Catanauan and Mulanay have a competitive edge in uraro cookie production because of the presence of competent and motivated entrepreneurs who have gained experience and reputation in the making of good quality uraro cookies.

Catanauan has a long history of uraro cookie making, and has a corps of home-based enterprises that are poised to grow beyond the local territory. With minimum support, they are ready to take off. A common service facility, improved packaging, BFAD certification and group strengthening will go a long way to push Uraro out in the market. Growing uraro itself will support many coconut farmers as the tuber grows quietly and profusely without requiring much input.

Since Quezon, and particularly Bondoc Peninsula has wide coconut plantations, the province can produce as much uraro as the market can absorb. Thus, it may not harm to continue producing Uraro cookies side by side with Catanauan, and promote its own brand of whiter, milkier cookies. The seeming competition between the two municipalities can redound to the benefit of coconut farmers. The entrepreneurs in the two municipalities should go beyond cookies in their present form, but continue to innovate.

Product development to generate innovative ideas out of uraro can be the subject of technical support, perhaps to PUP Mulanay whose scientists can work on new ways to process uraro flour.

b. Buri products

There is an enormous supply of buri from all over Quezon. Harvesting is traditionally done by men and weaving by women, therefore developing the industry can revive home industries which existed in the past. Handicrafts from buri can be revived for the extra income they will generate.

Organized women's groups from Unisan, Mulanay and San Narciso have expressed interest in pursuing the making of buri handicrafts. The women's group in Unisan was the one which was most eager and showed the capacity and willingness to immediately embark on a project along this line.

Training on product quality and design will be beneficial.

c. Vegetables

District III municipalities, to which the four Bondoc LED municipalities belong, are identified as ideal sites for *pinakbet* vegetable production. Much of Bondoc Peninsula is favourable to vegetables as a companion crop to coconut because farmers say its climate is quite opposite that found in the North. When the areas in Baguio (the main competitor for vegetables) are under rainy season, the areas around Catanauan are sunny and dry. Thus, "off-season" vegetables can be grown to cash in on the low supply in Manila. Catanauan is in a good location to be a trading center for vegetables.

There are wide expanses of land, and they are good companions to coconuts that are planted 10 m x 10 m apart. This means that the re-planting of coconuts, a program being aggressively promoted by the DA, should be undertaken with vegetable intercropping in mind. Farmers need to be educated and trained not only in planting coconuts, by vegetables as well.

Training in the technology of planting vegetables should include processes for organic fertilizer production.

Farmers will benefit from a refrigerated post harvest facility (bagsakan) to ensure that the crops remain fresh longer.

d. Bananas

Bananas are good intercrops to coconut, and a good sector to develop. Bondoc LED should consider supporting a value chain analysis and upgrading of this sub-sector. Quezon is known for *saba*, and the DA is providing support (through fertilizers and training programs).

Mulanay and San Narciso will be good candidates as consolidators of bananas.

Unisan can specialize in developing its Tissue Culture Laboratory so that it supplies the right variety seeds to the banana-producing municipalities.

e. Rice

Although BonPen is not a major player in the supply chain for rice, Catanauan has made a mark as a leading supplier of upland rice in CALABARZON. The municipality should capitalize on this and create its own "brand" the way Mindoro and Benguet have done with their upland rice.

A value chain analysis on upland rice can be done so that farmers in Quezon who plant rice mainly for consumption (and to sell only what is in excess) can perhaps be motivated to also plant upland rice to add to the supply.

f. Corn

The DA is actively pursuing a corn program to address the supply shortage of the crop in the country. Corn is important to the livestock industry since it is an important component in feed formulations.

Quezon is one of the country's leading suppliers of livestock. Corn grows well in the soil and climate of Quezon, and also as an intercrop to coconuts. Corn is therefore a good subsector to support to grow both local livestock and coconut industries.

At the moment, traders control the markets and trading activities for corn. Farmers have very low bargaining power. Fields have low productivity because farmers recycle their seeds from previous harvests.

Mulanay and San Narciso are the two areas which are good target areas for corn and livestock production because they lead in the supply of these crops to the market based on LGU data from the four municipalities.

g. Livestock

Quezon is major supplier of livestock to CALABARZON. Demand for livestock is always high, and the supply is low, owing largely to constraints in corn production for feeds. Successful upgrading interventions in this value chain will greatly benefit participating farmers because livestock obtains high prices in the market.

Native swine and poultry have a positive growth trend in their value chains, and even the national market has unmet demands. There are available local entrepreneurs in these sectors, and they integrate well with current DA programs to spread corn as an intercrop to coconut farming. Unisan also has a seeds and crops dispersal program that makes it a suitable location for supporting this sector.

Above it was discussed that Mulanay and San Narciso be the main suppliers/producers/ consolidators of corn (as an intercrop to coconut) and livestock. This capitalizes on the capital and knowhow obtained by many farmers in the area from a previous project. This livelihood project was identified by the stakeholders as something they want to pursue alongside coconuts, bananas and vegetables. The unique advantage of Mulanay in supporting this sector will be its organized groups who will be in the supply chain. Together with the chain from San Narciso , both municipalities will enjoy the bargaining power of bulk selling.

Another option is for the two municipalities to agree on which type of livestock the other one will focus on to achieve economies of scale. San Narciso's records show that it has become an expert in raising goats and horses.

It is proposed that Unisan process the corn into feeds since it has a feedmill, even as it contributes as a livestock producer as well. Further, it is recommended that Unisan be the one to specialize in breeding and vet services because it has the Livestock Upgrading Center and the Seeds and Crops and Poultry Center.

Catanauan is the leader in carabao production. The municipality can capitalize on this strength and aim to have a name as the main source of this livestock for the country. A market study on this can be initiated and an industry built around it.

h. Fishery

Bondoc LED may also look into the outcomes of the Quick Win action in Mulanay regarding the price of fish being too high in the local market. Fisherfolk are the poorest members of the community and they are not the ones benefiting from the value generated by their industry. A value chain analysis on fish products will be useful to guide action in this sector.

DA giving free seeds or fingerlings to fishpond operators in Quezon, but Bondoc Peninsula is not included. Perhaps some action can be taken to influence next year's budget to include Bonpen.

Fisherfolk are victims of unbalanced development and abuse of the environment. At the moment, the fishes are too far out into the deep sea and their boats and equipment are no longer appropriate. A mother boat that can pull their little boats along will go a long way to alleviate poverty among them.

The LGUs should look into the hard infrastructure investments for fishports and cold storage facilities to help their local fishing industry.

Unisan, Mulanay and San Narciso seem to be good candidates as active players in a fishing sector development initiative supported by the Bondoc LED project. The three areas have well organized fisherfolk, and are passionate about the issues attendant to the fishery development program of the LGU.

San Narciso has the most number of coastal communities, and a large number of fishponds. Its fisherfolk know best how to fish, and they also would rather fish than farm. They are organized and motivated to band themselves into a group that will own and manage a "mother boat" that can take all their little boats out to sea. They also have the knowhow to process fish. They can be assisted to so that San Narciso is positioned as a source of fresh fish and high quality processed fish. The fishers can be better organized for better bargaining power.

i. Mariculture

The DA is giving out strong support for Mariculture (but not for BonPen) outside of BonPen. Perhaps a strong position can be made of the promise that BonPen offers in developing this sub-sector so that the fisherfolk in coastal communities can participate in a dynamic value chain for high value fish species.

3. Encouraging new enterprises

Consolidator / Intermediaries : All areas

In all four areas, new entrepreneurs to serve as traders of products from farmers and fisherfolk are needed. There are three possible sources of traders or consolidators. First will be one of the farmers or fisherfolk themselves who can be equipped to serve as traders or consolidators. Second will be a cooperative of farmers or fisherfolk who will specialize in the marketing side of farming and fishing. Third will be students from local colleges such as PUP Mulanay and PUP UNISAN who offer courses on Entrepreneurship. Students can undertake trading activities as a practicum. In this way, as they learn to be competent in trading, they also see the potential for employing themselves and to stay in the municipalities rather than migrate outside for work.

Tourism : All areas

Tourism development can be a long term goal for the four municipalities. However, they can already start planting seeds now by encouraging new enterprises to capitalize on the convergence of the DTI, DA and DOT for tourism promotion and development for the whole of Quezon. With cooperating leaders and community teamwork the municipalities can participate, as a start, in a domestic tourism supply chain where customers may not be too demanding when it comes to facilities. In the meantime new entrepreneurs from local residents and OFWs can be encouraged to invest in hotels, inns, or homestays as well as in restaurants and entertainment outfits. In this way, the tourism potential of the various places found on municipal websites and brochures are transformed into productive assets.

Hospital : Mulanay and San Narciso

The presence or absence of good medical facilities not only influence investment decisions, but even residence decisions in individuals. Having good local hospitals can be a contribution to stem the tide of outward migration among local residents. A hospital, just like tourism, has the potential to provide plenty of jobs to locals.

Meso Level (support institutions)

Policy. There have some cases indicating that the LGUs considered local comparative and competitive advantages into account when identifying infrastructure projects, but local producers were not included in the process of policy making. Economic planning should be done in close collaboration with the local business community

Evaluation. Governmental economic development is regularly evaluated, one of which could be viewed on the web through the Local Government Performance System website. There are, however, no easily available evaluation data on business promotion organizations .

MSME promotion. The appraisal showed that the local business community found much of available support services low in quality and high in cost. Only some support institutions respond to the needs of companies and the labor market, and only to some extent.

Business associations. There did not seem to be any strong operational sectoral business associations in all the four areas.

Recommendations

1. Strengthening local business associations

The business communities in all the four areas are fragmented. Many information gaps (what markets demand, what services are available, when prices are high or low) can be avoided if groups (farmers, fisherfolk, SMEs) fully functioned as networking or learning groups. The groups can serve as a collective voice for the sector in dialogues with the LGU, and to efficiently disseminate information down to all the members for faster action.

Only Unisan specified strengthening business associations in its list of Quick Wins, but the strategy applies for all the areas , particularly for sectors where LED actions are targeted.

The business associations that are formed in the LED project can serve as catalyst for other groups to form. The associations are vital for the Public-Private sector cooperation to work as they will serve as channels of communication and dialogue between economic segments.

Pursuit of the Quick Wins is a good starting point to encourage individuals and groups to participate in solving collective issues that impact on doing business.

2. Development of business development service providers

The list of support institutions found at the provincial and municipal levels showed that meso level institutions mostly consisted of banks and cooperatives. There was a dearth of affordable and accessible locally-based NGOs that provided appropriate services to local producers. Much of the services were provided by government agencies, and there were cases when LGUs were acting like cooperatives engaged in buying and selling products from local producers, or inputs for use by local producers.

It is highly recommended that LGUs focus on their facilitator role, promoting local business growth through MSME promotion rather than themselves engaging in functions that are best left to the private sector.

The services of BDS providers should be subjected to regular evaluation as well.

3. Building competitive advantage

LGUs should focus their energies in generating policies and programs that are coherent and will provide support to sectors and activities that are built upon or will strengthen the competitive advantage in the sub-sectors described above (ie, recommendations under the micro level).

Unisan can cash in on the three training institutions that are located in the municipality. It even has a PUP Unisan branch. It is therefore in a unique position as a training / technical support sector specialist.

4. Entrepreneurial capacity building

It is recommended that Bondoc capitalizes on the strengths of PUP Unisan and Mulanay to provide training programs for entrepreneurs. They can also help equip local NGOs or strong cooperatives to provide specialized marketing advice and support to make the sectors or clusters succeed, with full participation of poor farmers from producing barangays.

Unisan's technical support centers for livestock, mariculture, seeds and poultry can be strengthened to provide the laboratory and technology support for all sectors in Bondoc.

5. Coordination of farming activities

A common planting calendar for the areas should be prepared and followed by the farmers so that they know what or when to plant and where, based on an overall market oriented strategy. Care should be taken to ensure that the poor are the primary beneficiaries rather than already established businesses.

Needless to say, all efforts are to be supportive of the coconut farming sector as expressly desired by all stakeholders that participated in the consultation workshops for this Rapid Economic Appraisal. It is understood that all other crops (such as vegetables, corn, bananas.) planted by farmers are assumed to be cultivated alongside growing or newly planted coconut trees, properly spaced (at least 10m x 10m).

Macro level (governance)

LGU finances. All of the four LGUs are IRA dependent, and although they have enough funds to enable the performance of their most elementary tasks of governance, they do have very little savings if at all. Budgetary restrictions do not allow funds to be channelled to economic development projects found on municipal development plans.

Local planning. Local government planning in all the four areas is attempting to balance social, economic and infrastructure projects, but they do not seem to base decisions on systematic assessment of the local situation, particularly in terms of strengthening local businesses that have the potential to grow through value addition. The identification of projects and activities in local plans seem to have been done on an ad-hoc basis.

Bureaucracy/ Red tape- All four local governments have attempted to make doing business easy by simplifying procedures. Still the number of steps that business people need to go through are still too many, and the local people are complaining. The lack of streamlined laws, permits and regulations stand in the way of doing business, and may be contributing significantly to the sluggish growth of business registrations.

Corruption. Businesses do not have to bribe government officials, but may make processes much swifter. Some comments directly alluded to this.

Recommendations

1. Improving the climate and support for business

In all the areas, improving or streamlining procedures for business licensing and building permits promise to have potential impact on businesses. It will encourage many to register, making it easier for the LGU to monitor and share relevant information on the economy.

The four communities can decide on key businesses to support to create their own “brands” in the market, i.e., to position their locations in the market. Each LGU needs to ensure a favourable business enabling environment for all enterprises. A good first step is to come up with its own Investment and Revenue Code. It should also prioritize the setting up of a Business Permit and Licensing System, and rationalize the processes for obtaining building permits.

Many of the LGUs were noted to focus on infrastructure development in the past. It is high time they focus more on economic development, ensuring that social and environmental policies are properly integrated. This can be done through an effective dialogue with the private sector. A number of infrastructure projects that impact on their livelihoods were mentioned by them during the REA.

2. Area targeting and Investments in hard infrastructure

In the medium term, the priorities for infrastructure are the following:

- Opening of the fish port in Catanauan
- Prioritizing the market and transport terminal in Catanauan
- Hospital for Mulanay and San Narciso

Long term interventions should pay attention to issues on power, potable water and irrigation facilities. Since communities are in need of water supply, and since farming is the main livelihood in those communities and this requires consistency in water supply, the LED process can target areas where the people can work together to achieve sufficiency in this important resource. This is a major investment and promises to have high impact on the livelihood of coconut farmers and far-flung barangays. The LED process can start the consultation processes towards building irrigation facilities or dams in needy communities. Building this infrastructure not only promises to provide employment in the short term (qualifying it as a poverty reduction strategy) but also addresses environmental concerns for the province in the long term.

No major negative feedback were obtained regarding the presence of educational institutions, Bondoc Peninsula apparently has enough schools, universities and training institutions. There is high indication that their services will suffice in the short to medium term. Therefore, investments in hard infrastructure should give higher priority to water supply and barangay farm to market roads to impact the greater majority of poor farmers and fisherfolk.

The other needed hard infrastructure that kept surfacing was hospitals, which was insufficient in most areas.

Once the investment climate is positive and businesses start thriving, business development service providers and NGOs to support local businesses will come into the locality.

Meta level (culture, values)

Government. While the LGUs in the four areas showed some interest in economic development, it did not seem to be their top priority. The local business community perceived that the emphasis of their leaders was more on infrastructure development. Ideally, economic development should be the top priority in planning, with social as well as environmental concerns integrated to ensure pro-poor and balanced development.

Values for entrepreneurship: Business people are respected, but other professions are more prestigious. Having jobs at the LGU or employment abroad seem to rank high in people's regard.

Political culture: In Unisan, some cases show that LGU decision-making in the local administration is pursuing the interests of local people, but politics still take precedence. In Catanauan, the struggles between political groups were repeatedly mentioned as a constraint to doing business. The administrative culture in Mulanay and San Narciso appeared to be more development-oriented because groups belonging to opposing political parties were able to work together on common development agenda.

Policy networks. There are means and channels of communication as well as negotiation between local government and the private sector, but they are on an ad-hoc basis. The people in all the areas are wishing for their local governments to consult them on key policy decisions, and engage them in problem solving on matters relevant to their livelihoods. There has been some at holding dialogues with the private sector but they were perceived as inadequate.

Attitude of rural producers. Currently, rural producers in the four areas have very little inclination towards changing their farming and business practices. Some of their suppliers and buyers complain of their lack of "palabra de honor" or "crab mentality" and even plain laziness. The tendency among farmers and fisherfolk to "get rich quick" was cited as a root in the cutting of coconuts, or the abandonment of farming in favour of low paying jobs in the Poblacion. This is a great challenge to address in the educational system. People need to appreciate the value of hard work.

Recommendations

1. Ensuring success of Quick Wins

Pursuing the list of ideas and catalytic projects for Quick Win action generated by the stakeholders in each of the municipalities are but a start in initiating the change process that can add up to impact on the meta level of socio-economic systems in the municipalities. If managed well, the changes are expected to fuel iterative processes later on in taking bigger bites at development challenges.

The appraisal process was conducted such that only issues which were doable within 6 months from the workshop in March were chosen.

Many of the other issues that were no less important still need to be addressed to do justice to the energy and time invested by stakeholders in making the appraisal process possible through their open participation.

2. Poverty reduction programs

The *mag-uuling* sector was repeatedly mentioned as a cause of harm to the environment. They can be mainstreamed into the economy by training them in coconut tree nursery production and getting them to participate in replanting coconuts and bakawan. In this way, they are drawn away from *pag-uuling*, and at the same time they earn money while helping to restore the environment.

Another option is to get them busy with waste segregation in the communities so that proper waste removal is addressed even as the poor are provided some livelihood.

Poverty reduction programs can be undertaken targeting specific poverty groups (such as women, fisherfolk and youth) through the buri handicrafts program. The project makes use of an abundant natural resource, cleans the environment of unsightly waste (dried leaves) even as households earn extra income.

When the impact of poverty alleviation and quick win projects is visible to the rest of the community, trust, which is an important currency in LED implementation, is built. In this way, the iterative process that lead to incremental change is facilitated.

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7. ANNEXES

ANNEX 1: TERMS OF REFERENCE

ANNEX 2: KICK OFF WORKSHOP SLIDES

ANNEX 3: HEXAGON SLIDES

ANNEX 4: COMPANY QUESTIONNAIRE

ANNEX 5: RESOURCE PERSON QUESTIONNAIRE

ANNEX 6: REA FINDINGS :UNISAN

ANNEX 7: REA FINDINGS :CATANAUAN

ANNEX 8: REA FINDINGS : MULANAY

ANNEX 9: REA FINDINGS :SAN NARCISO

ANNEX 10: INTERVIEWS OUTSIDE OF REA

ANNEX 11: SUMMARY OF FINDINGS FOR FOUR AREAS

ANNEX 12: GENERAL TRENDS: PROVINCIAL AND REGIONAL LEVEL

ANNEX 13: SUMMARY OF INSIGHTS FROM PERSONS MET OUTSIDE OF REA SURVEY