

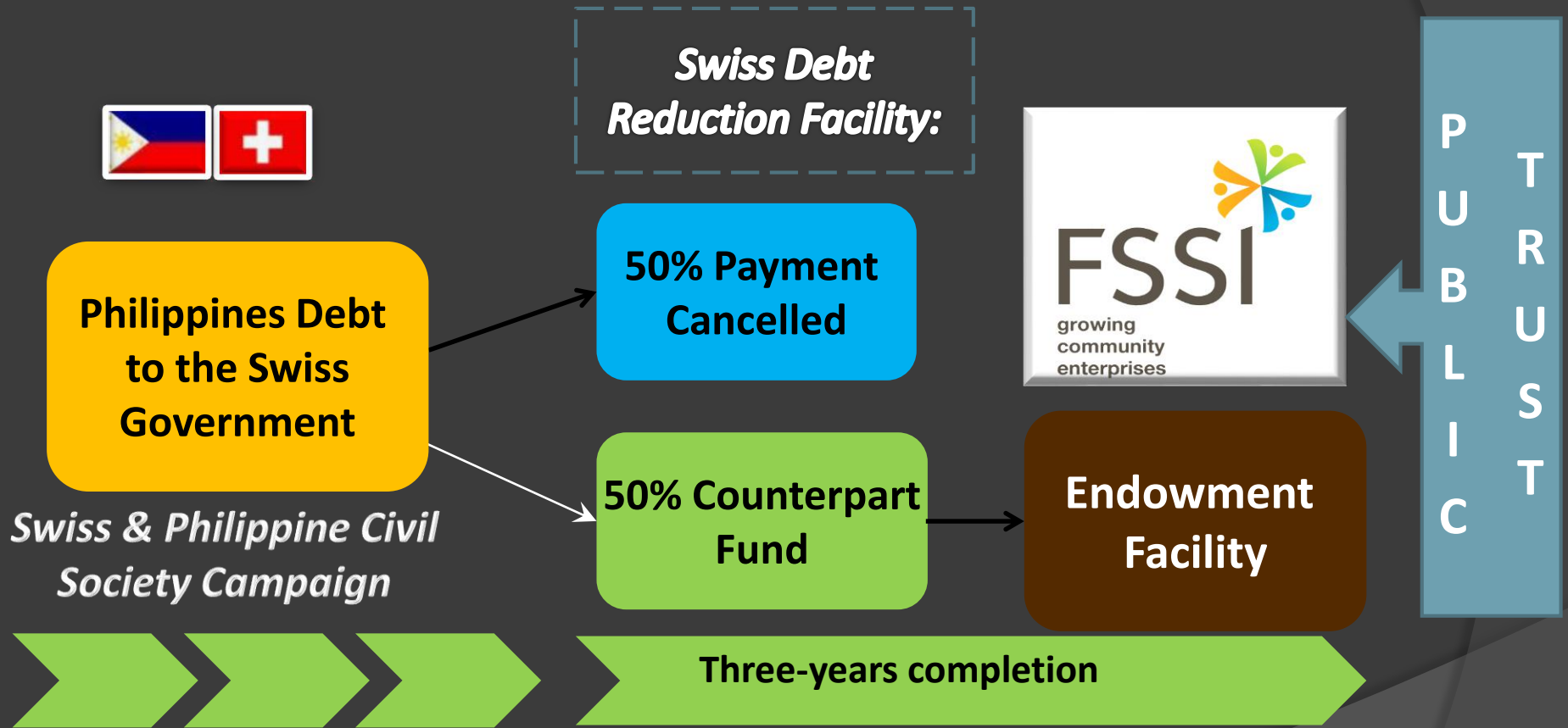


Assessing FSSI's Performance Across Two Strategic Periods

Using People, Planet and Profit Criteria



FSSI: Our Roots and Mandate



Product of a debt-for-development swap
“Development requires debt relief”

3BL “Triple Bottom Line”

Prosperity	Profitable; wealth-creating
People	Pro-poor; → Community-oriented and high participation, stakeholderhood or ownership of the marginalized sectors
Planet	Ecologically sound or regenerative

Pathways out of Poverty

PROSPERITY

**Government Policy
Macro-Economic Conditions**

Human capital
development

Physical
infrastructure
development

VOICE
Participation
in
Governance

Enterprise
Participation in the
Economy

Capital

Market

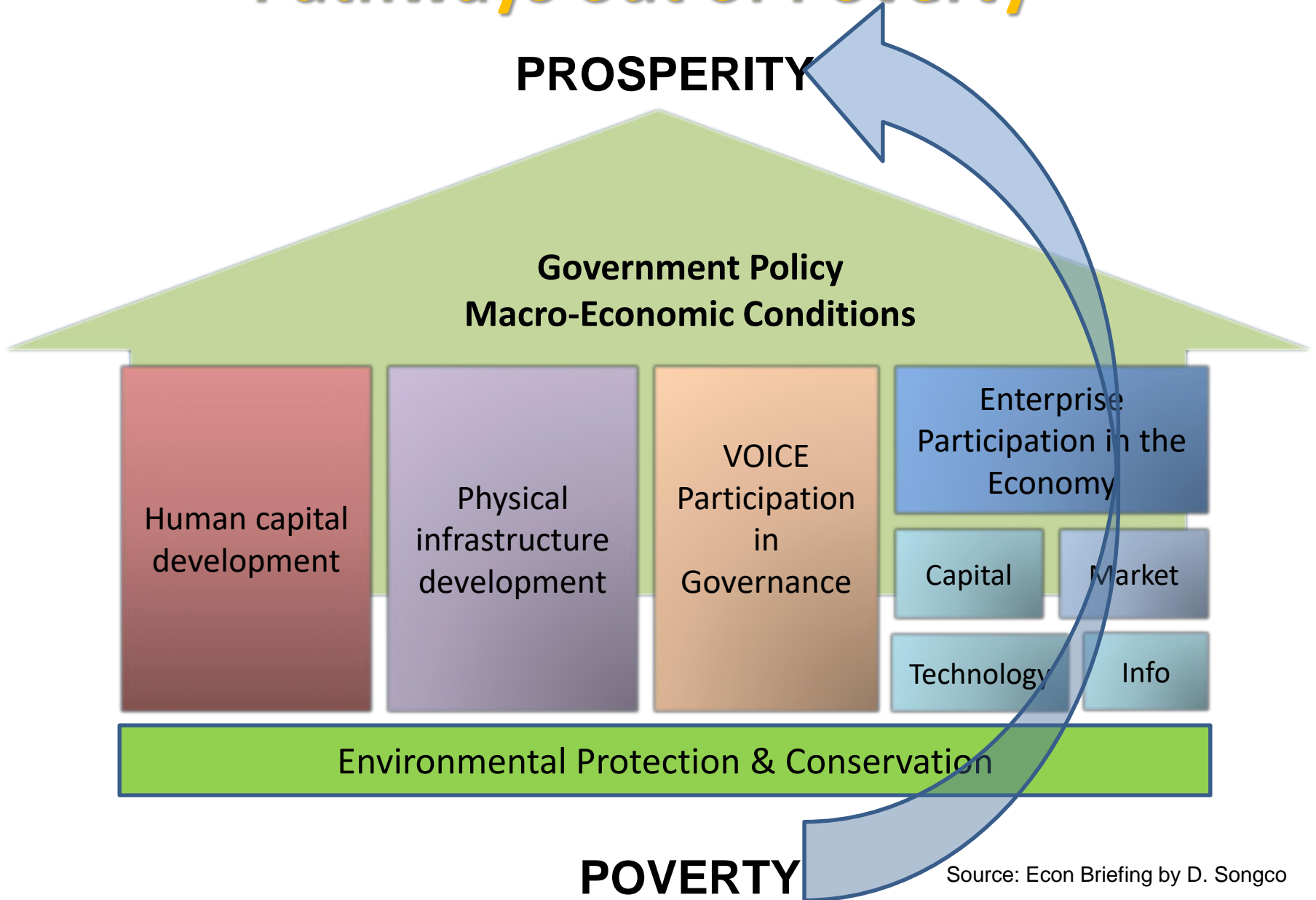
Technology

Info

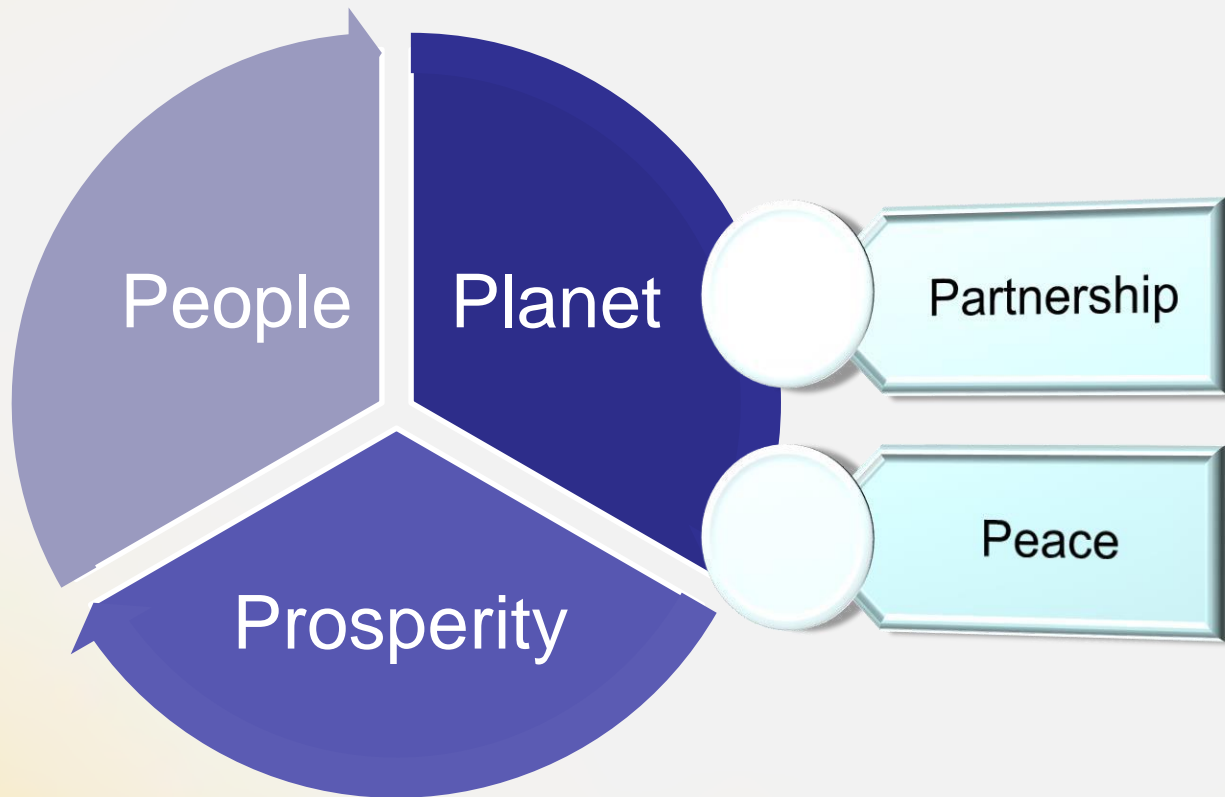
Environmental Protection & Conservation

POVERTY

Source: Econ Briefing by D. Songco



UN 2015: Sustainable Development Goals (SDGs)



17
Goals
2030

Financial instruments

- **Grants**
 - Start-up
 - Capacity building
 - Advocacy for 3BL entrepreneurship
- **Loans**
 - Type: Term Loan or Credit Line
 - Purpose
 - Enterprise
 - Start-up
 - BDS loan
 - CFI commodity loan
 - CFI microfinance
 - Bridge Financing
- Development deposits to CFIs
- Wholesale loan to secondary/tertiary coop feds
- Equity
- Fund Syndication
- Social enterprise incubation fund
- Agro-investment Fund (AIF)

Development Programs

1 Plan Period 2004-2010

- **Microfinance dev't**
- **Coco coir enterprise**
- **Sustainable waste enterprises**
- **Sustainable partnerships**
- **Sustainable civil society & start-up eco-enterprise dev't**

2 Plan Period 2011-2016

- **Social Enterprise Development**
- **Community & Area-based SE Dev't (Luzon, Visayas, Mindanao)**
- **Policy Advocacy**

Financial Services & Program Funds

Our 3BL Parameters

SOCIAL EQUITY

- Participation of the enterprising poor in SE
- ↓
- Strengthens: Community governance, management capacity & competence of members & the collective
- ↓
- Direct role of locals and sectors – women, small farmers, workers, fishers in operations/management (employment, access to capital & productive assets like savings or capital build up)
- ↓
- Control and ownership of the enterprise through equitable distribution and sharing of resources & earnings

ECOLOGICALLY SOUND

- Minimum: Environmentally benign
- ↓
- Direct engagement of cleaner and sustainable production systems
- ↓
- Safe, healthy and favorable environment
- ↓
- Enhances, protects, rehabilitates the environment

ECONOMICALLY VIABLE

- Clear and viable financial plan along commercial viability criteria
- ↓
- High potential, demand and prospect for business expansion and growth
- ↓
- Local economic value adding
- ↓
- Links-up or coordinates with the supply & value chains of other SEs and form consortia or chamber

Strategic Plan 2004-2010

Theory of Change

Banner Objective

FSSI becomes the leading organization demonstrating the eco-enterprise standard in enterprise development w/ significant impact achieved in the **subsectors** of microfinance, coco-coir & sustainable waste management, etc.

FSSI

3BL
PEOPLE
PLANET
PROFIT
 Financing

Partner-Enterprises Internal performance

LEVEL 1	START-UP STAGE - <i>Eco-Enterprise Conceptual Model Clear</i>
LEVEL 2	STRENGTHENING STAGE - <i>Operations Reflect Eco-Enterprise Agenda</i>
LEVEL 3	MAINSTREAMING STAGE - <i>Operations Demonstrated Outputs (in 3BL) that are Verifiable</i>
LEVEL 4	GROWTH STAGE - <i>Verifiable Effects (in 3BL) Achieved and Sustained</i>
LEVEL 5	MATURE STAGE - <i>Environmental and Social Positioning Has Become Source of Competitive Advantage</i>

Partner Enterprises under FSSI programs	Clientele/ Marginalized Poor
Micro finance (MEEP)	Unbanked poor Enterprising poor
Coco coir (CocoBIND)	Coconut farmers Women
Sustainable waste (SWEEP)	Organic farmers, urban poor
Sustainable partnerships (SPEED)	Urban & rural workers, artisans
Civil Society SEED (FSCS-SEED)	NGOs & PO memberships

Strategic Plan 2011-2016

Theory of Change

Banner Objective

Contribute to the sustainability of local economies and ecosystems in focus & priority areas in the Philippines

Food & derivatives
Health
Public utilities

Profit

Small farmers
Fishers
IPs
Women
Rural workers

People

Planet

Forests & protected areas
Production areas
Water resources
Air and soil
Coastal resources

Support services

- Microfinance services
- Sustainable production technologies (organic, LEISA)
- Small Enterprise Technologies
- Cooperative Dev't Services

3BL Social Enterprises

in 3BL Communities

Profitable enterprises

Local economic value-adding

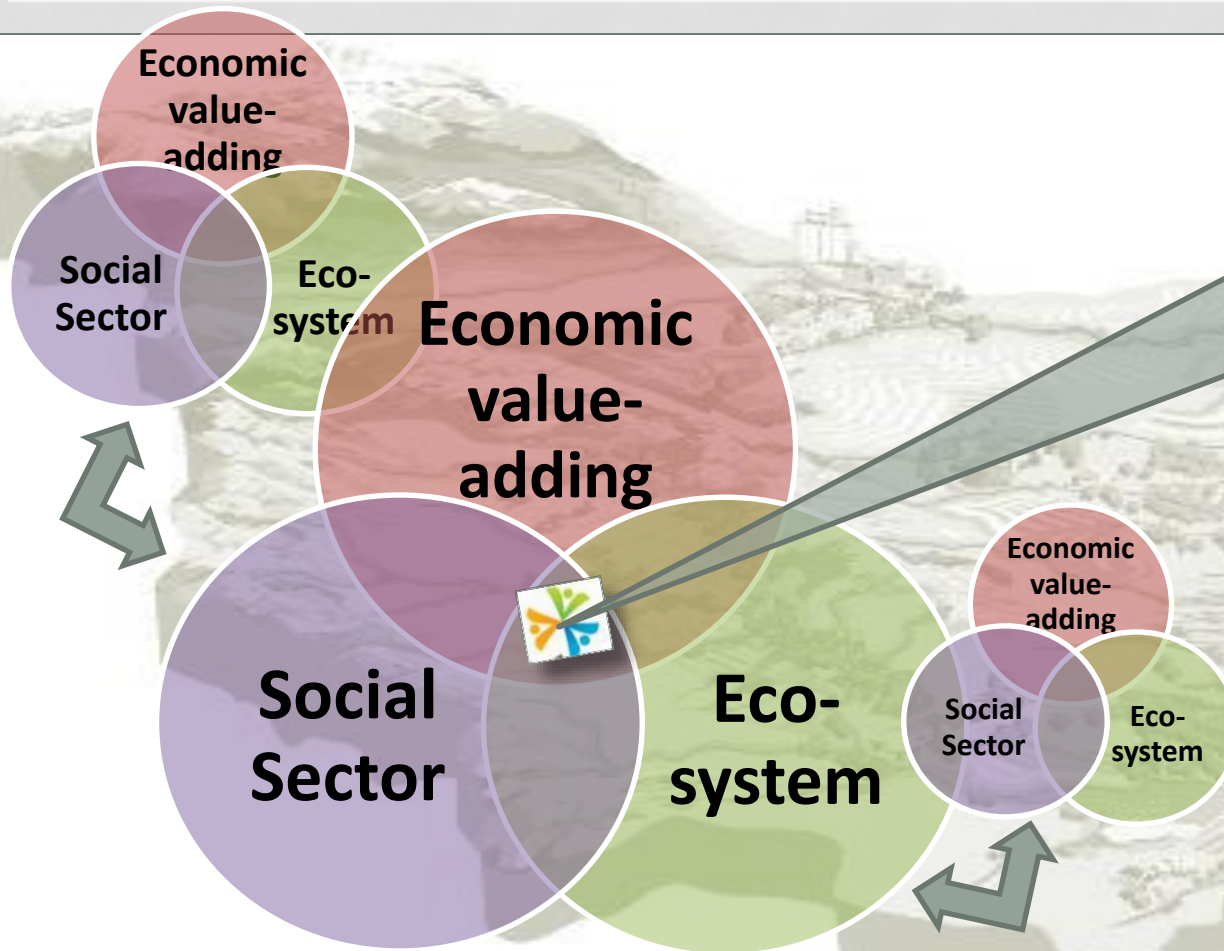
Managed & owned by the poor

Inclusive & dynamic communities

Environmentally-sound practices

Sustainable local ecosystems

FOCUS AREA WORK: 3BL SOCIAL ENTERPRISES collaborating towards 3BL COMMUNITIES



Support services:

- Financial intermediation (MF)
- Green/Organic production & processing technologies
- Small enterprise technologies & institutional collaboration
- Cooperative building & dev't services

Seven focus areas:

- Isabela
- Sorsogon
- Leyte
- Negros Occidental
- Zamboanga Sur & Norte cluster
- Bukidnon
- Palawan

Comparison of 3BL strategies between two periods

Features / Scale	2004 – 2010	2011-2016
Basic engagement	3BL enterprise proposition	3BL enterprise proposition
Program approach	Subsector (MF, coir, SW enterprise)	Area cluster: VCs-ecosystem-poor
Concentration	Nationwide, where viable	In 7 areas in Luz, Vis, Min
Other Features:	<ol style="list-style-type: none"> 1. “Greening microfinance” 2. “Sustainable partnership for eco-enterprise (SPEED)” program for enterprises not falling in specific subsectors 3. Grant fund program for start-up enterprises of CSOs/NGOs 	<ol style="list-style-type: none"> 1. Microfinance as support service & directed to the real economy (credit for agri-/crop production) instead of generic lending for petty trading 2. “Open access” – for 3BL enterprises not falling in focus areas 3. Start-up grants & SE incubation

Assessing performance: 3BL parameters & scope

1. Overall enterprise performance along 3BL:
 - Profitability
 - People (Poor)
 - Planet
2. Effect of strategic focus on partner beneficiaries:
 - a. Effect on internal enterprise stakeholders (income, participation, enterprise capacities)
 - b. Effect on outreach: people outside the enterprise, the immediate community where the enterprise operates

Period 1: Strategic Plan 2004-2010

Enterprise Performance Along 3BL

Composite 3BL Index (Profit-People-Planet)		Base line	Target	Actual	Rate	Programs
		35	100	90	90%	
LEVEL 1	START-UP STAGE - Eco-Enterprise Conceptual Model Clear	2	15	30	200%	SPEED = 10 MEEP = 8 FSCS-SEED =6 SWEEP = 4 CocoBind = 2
LEVEL 2	STRENGTHENING STAGE - Operations Reflect Eco-Enterprise Agenda	14	35	37	106%	MEEP = 15 FSCS-SEED =15 CocoBind =2 SPEED = 4 SWEEP=1
LEVEL 3	MAINSTREAMING STAGE - Operations Demonstrated Outputs (in 3BL) that are Verifiable	19	30	14	47%	MEEP = 9 SPEED = 2 COCOBIND = 2 SWEEP = 1
LEVEL 4	GROWTH STAGE - Verifiable Effects (in 3BL) Achieved and Sustained	0	15	9	60%	MEEP = 8 SWEEP = 1
LEVEL 5	MATURE STAGE - Environmental and Social Positioning Has Become Source of Competitive Advantage	0	5	0	0%	

Period 1: Strategic Plan 2004-2010

Enterprise Stakeholders & Outreach

- 1. 599,411** individuals reached through various eco-enterprises
- Internal enterprise stakeholders: **129,687** workers, suppliers, borrowers (including & mainly member-borrowers)
 - 104,149 as coop members and co-owners
 - Sustainable waste enterprises: 1,391 persons reached
- 3. 580,000** individuals reached by MFI partners through loans & savings
- Enterprise Programs Outreach: **19,411**
 - SPEED 2,228
 - FSCS-SEED 9,548
 - CocoBIND 6,520
 - SWEEP 1,115
- Approx **104,604** or **81%** (of 129,687) poor individuals participating in the FSSI supported eco-enterprises are women
 - MEEP = 88% or 96,800 women
 - FSCS-SEED = 50% or 5,059 women
 - CocoBIND = 64% of 1,880 women
 - SWEEP = 23% or 316 women
 - SPEED = 20% or 549 women

Period 1: Strategic Plan 2004-2010

Enterprise Stakeholders & Outreach

6. Total of **59,764** individuals as owning shares in the various enterprise involving 21 cooperative partners
 - MEEP = have estimated total of 55,000 regular members involving 12 primary cooperatives
 - COCOBIND = 1 coop federation involving 5 primary coops with total of 3,200 members
 - SPEED = 2 partners are primary cooperatives with total of 449 members
 - SWEEP = total of 1,115 members from 2 primary coop partners

Period 2: Strategic Plan 2011-2016

Enterprise Performance Along 3BL

No. of Partners 2010	New Partners	Total partners (139) ----- Availed of financial services (105)	Loan accounts		Profitability of Accounts with comparable baselines = 52 (Net worth and profitability)		
			Classes	No.	High	Medium	Low (-)
46	93	139		105	23	18	11
	102%	105	Outstanding	76			
		76%	Exited	21	79%		21%
			Bad Accts	8	Plus 21 partners who exited & bad accts = 81		
					62		19
					77%		23%

Period 2: Strategic Plan 2011-2016

Enterprise Performance Along 3BL

No. of Partners		Environmental Sustainability Accounts with comparable data = 54		
Partners implementing NRM and CCA		High (Expanded scope)	Medium (Sustained envi practice)	Low (Reduced scope)
138	110			
	80%			
	New partners = 28	10	22	22
		19%	41%	41%
		59%		41%
		Plus new partners w/ envi compliance at-entry (52+28 = 82)		
		60		22
		73%		27%

No. of Partners & social outreach Baseline		Social Equity, Participation, Outreach Accounts with comparable data = 76		
		High	Medium	Low
76 partners				
426,191 persons		42	27	7
Social outreach at end-of-plan		55%	36%	9%
554,410		69		
Women	Men	91%		
398,816	155,594			
72%	28%			

Period 2: Strategic Plan 2011-2016

Enterprise Stakeholders & Outreach

1. Total enterprise stakeholders:

TOTAL OUTREACH thru PARTNER SE & MFI (excluding deposit & wholesale)						
	Total	%	Microfinance	%	Enterprise	%
Coop owners	136,969	24%	133,497	97	3,472	3
Employed	2,902	1%	1,791	62	1,111	38
MFI clients: Regular & value chain (VC) financing, except coop member-clients	415,874	72%	401,566	97	14,308	3
Suppliers, subcontractors/ home-based workers	1,567	0.27%	0		1,567	
Household-level	20,454	4%	0		20,454	
TOTALS	577,766*		536,854	93%	40,912	3%

- Total outreach is 577,766 persons. Ninety-three (93%) are microfinance borrowers (which includes value chain financing, agri-credit and credit for livelihood & petty trading)

(Note: This excludes wholesale loans and deposits to secondary coop federations and community financial institutions. Including these accounts will increase outreach by about 30%)

Period 2: Strategic Plan 2011-2016

Enterprise Stakeholders & Outreach

2. Partner SEs & Gender Participation

TOTAL OUTREACH thru PARTNER SE (excluding deposit & wholesale)

Categories	Total Enterprise	Male		Female	
		No	%	No	%
Coop owners/shareholders	3,472	1,495	43%	1,977	57%
Employed	1,111	771	69%	340	31%
MFI clients in value chains, excluding coop member-clients	14,308	1,431	10%	12,877	90%
Suppliers, subcon/ home-based workers	1,567	149	10%	1,418	90%
Total persons:	20,458	3,846	19%	16,612	81%
Household-level:	20,454	-	-	-	-
TOTAL: (Persons and Household count)	40,912				

TOTAL OUTREACH thru PARTNER Microfinance Institution (MFI) (excluding deposit & wholesale)

Categories	MFI	Male		Female	
		No	%	No	%
Coop owners/shareholders	133,497	57,247	43%	76,250	57%
Employed	1,791	1,027	57%	764	43%
MFI clients, excluding coop member-clients	401,566	54,694	14%	346,872	86%
TOTAL	536,854	112,967	21%	423,887	79%

Period 2: Strategic Plan 2011-2016

SE for local economy & ecosystems development

Target	Achieved
6 focus area	7 focus areas + 5 emerging SE clusters
3BL-LED consortium	7 consortium in 6 focus areas
Value chain cooperation	Forward-backward linkages of member SE in 5 focus areas & 1 emerging SE cluster

• 21 value chains

- Luzon: dairy, rice, corn, coconut, vegetables, coffee, eco-tourism
- Visayas: eco-tourism, duck egg, dried fish, sugarcane/muscovado, cacao, seaweed, rice, vegetables
- Mindanao: livestock, vegetables, coffee, rice, cassava, corn

Supported 87 SE & community enterprises in 7 focus areas

14,179 men & 18,407 women stakeholders

Isabela	• 5,001 women, 2,430 men
Palawan	• 1,019 men & women
Sorsogon	• 100+ CCT, 93 women in Irosin, 138 COCOBIND weavers, 90% women
Babatngon	• 63 men, 119 women
La Castellana	• 486 men, 344 women
Bukidnon	• 1,045 farmers & IP
Zamboanga provinces	• 6551 men & 15,197 women (includes 300 farmers)

COMPARISON OF OUTREACH

Comparing SE Strategies: Subsector & Focus Area Approach		Period 1 2004-2010	Period 2 2010-2016*
Total Outreach		599,411	577,766
Financial Intermediation		580,000	536,854
	Microfinance (generic lending)	580,000	401,566
	Coop owners & members / microfinance institutions owners/ workers		135,288
Social Enterprise		19,411	40,912
	Microfinance for agri-enterprise (VC financing & product-based/agri-credit)		14,308
	Product/commodity-based SEs		26,604
No. of persons directly deriving income from SE MF and Enterprise		129,687	176,200
Microfinance		110,000	135,288
Enterprise		19,687	40,912
<i>*Outreach for this period does not include wholesale credit and development deposits to CFIs</i>			

1. Overall outreach are comparable for the two periods considering that the later period does not include derived outreach of development deposits and wholesale credit to large CFIs
2. In Period 1: Outreach of microfinance subsector is 97% of total outreach (compared to 93% in Period 2)
3. In Period 2, outreach from product-based SEs (including MF for VC financing & agri-credit) was 7% compared to 3% in the earlier period. (This represent 21,500 persons).

INSIGHTS

Enterprise Performance Along People-Planet-Profit

1. There was considerable development of microfinance SEs (subsector program) in the Period 1: 2004-2010
2. Composite SE index indicate that among the SE subsectors, MF enterprises improved significantly: 8 reached Growth, 9 Mainstreaming, and 15 Strengthening Stages
3. Development of value chain SEs in the agriculture sector (especially in the focus areas) was the emphasis in Period 2: 2010-2016
4. In Period 2, microfinance shifted from generic lending (for petty trading and miscellany livelihoods) to directed credit to finance commodity value chains and agri-businesses

INSIGHTS

Effect of Strategic Focus on Partner SEs and Community Outreach

1. Microfinance, Period 1's most successful subsector program, has brought credit and financial services to the erstwhile unbanked inaccessible sectors
2. Subsector approach of Period 1 resulted in the entry of civil society in SE resulting in 15 SEs (strengthening) and 6 (start-ups)
3. Period 2's main value contribution was bringing SE beyond the enterprise level, zooming out to the 3BL parameters in specific communities (piloted in 7 areas) along a diverse set of value chains and marginalized groups
4. Convergence and concentration strategy in specific communities of the marginalized enabled SE to gain ground in localities that can mature into SE consortia or local chamber of SEs or value chain cooperation among the stakeholders



THANK YOU



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