ABSTRACTS OF THE CASE STUDIES

1. BACARRA: A SLEEPY TOWN WAKES UP

The case is about the Accelerated Agriculture and Fisheries Productivity Program implemented by the Municipal government in Bacarra, Ilocos Norte, a Galing Pook Awardee for 1999. It illustrates how the program provided the beginnings of transforming Bacaraa (pop. 29,557 in year 2000) from once a sleepy agricultural town into a newly developing agri-industrial center. This process was initiated and led by former mayor Pacifico Velasco who served the municipality as local chief executive for nine years (1992 – 2001).

To address the core problem of poverty and underdevelopment, the administration of ex-mayor Velasco introduced the Accelerated Agriculture and Fisheries Productivity Program. As conceptualized, the Program had six main goals: 1) Poverty Alleviation and Social Equity; 2) Food Security; 3) Sustainable Development; 4) Empowerment of the Rural Poor; 5) Global Competitiveness; and 6) Rational Use of resources.

In order to achieve its objectives, the Program identified key result areas: 1) Crop Production; 2) Fisheries Development; 3) Livestock Development; 4) Agri-Infrastructure Support; 5) Institutional Capacity Building; and 6) Human Resource Development.

Since the start of its implementation in 1997 until year 2000, the Program has resulted to a dramatic increase in agricultural and fisheries productivity. Rice production reached an average 5.0 metric tons per hectare in year 2000 from the average produce of 3.8 MT/hectare in 1996 before the program started. Whereas before the program started in 1996, rice production covered a small 31.84% of the total area of agricultural lands with barely 2,000 farmers served, rice production covered 100% of all agricultural lands with over 6,000 farmers served by year 2000. *Tilapia* production increased to 36.2 MT involving an estimated70.8% of the town's fishers in the year 2000, from the initial production of less than one ton by a handful of fishers in 1996.

To enhance the productive capacities of the agricultural lands, the local government set up the necessary agri-infrastructure support facilities. In year 1998, the local government inaugurated the Municipal Agro-Industrial Center (MAGIC), an agro-industrial complex that housed the multi-pass rice mill, Regional Cooperative Training Center, Class "AA" Slaughterhouse, livestock auction market, fish pen for tilapia fingerlings, and the municipal nursery. An ice plant was also established.

A total of 41 enterprises and livelihood activities emerged from the program. Considered to have reached the enterprise level were those engaged in garments, crafts, welding and metal fabrication, concrete hollow block making, and the confectionery. All the rest were start-up livelihood activities that had yet to reach the enterprise level.

The existence of the enterprises and livelihood activities resulted in a decline in the unemployment rate from 33.76% in 1996 to 22.05 in 2000. Of the total employed in year 2000, the self-employed comprised the majority at 77.7%. Among others, the self-employed included the male adults, women and youth beneficiaries of the enterprise and livelihood skills trainings who had since set up their own micro-enterprises and livelihood activities. The increase in employment and livelihood opportunities arising from the livelihood and enterprise development program translated into an increase in the average annual household income from P 43,853.14 in 1996 to P 82,218.91 in 2000.

By 2000, Bacarra was also reclassified by the Department of Budget and Management as a 4th class municipality from its former 5th class status.

A relatively successful program was ascribed to strong local government support and cooperation of the rural communities who served as the program partners and beneficiaries. The mayor was characterized as a "people-oriented leader" who dialogued with his constituents on a regular basis, personally looked into their conditions, and acted on their needs swiftly. To other actors who conceptualized and operationalized key aspects of the program were the municipal agriculturist, MAO Norberto PAdron and CTEC (Community Training and Extension Coordinator) Clemente Galiza.

However, there was much room for improvement specially for the enterprise development component of the program. Majority of the so-called enterprises that emerged were at the level of livelihood activities, i.e. start-up projects for enterprise development that needed a new plan of intervention to enable them to develop into full-blown micro enterprises. A marked weakness of these livelihood interventions was their lack of financial management system. Not much attention was given to capacity building in this area and no regular audit of the enterprises had been conducted. A second phase that would build on the gains of the first four years of program implementation and address issues arising needed to be worked out.

As former Vice Mayor Velasco became mayor in 2001, he was faced with the challenge of bringing Bacarra nearer its vision of becoming an agri-industrial municipality by year 2005.

2. BOY MORALES AND PRRM

This case study present a profile of Mr. Horacio R. Morales, Jr. , or Boy Morales, President of the Philippine Rural Reconstruction Movement (PRRM) from 1986 to 1998. It is a story about his innovative leadership in repositioning a civil society organization from the margins to the forefront of development discourse and practice.

Boy Morales shows many qualities that makes him an exemplary development entrepreneur. More than being an opportunity seeker, risk taker and deal maker, "he inspires, he motivates… and he shows the way forward." He is both an inspirational and transformational leader, committed to serving the poor.

The case describes the three major areas of investment Boy Morales considered critical in sustaining PRRM's organizational transformation – achieving financial sustainability, investing in life plans of people, and a clear strategic direction with firm ideological moorings evolved from the organization's theory and practice. The latter was particularly important in inspiring people to make a difference during a period of impasse in development theory.

The case describes how Boy Morales built, grounded and inspired an innovative management team of generalists, specialists and symbolic analysts in PRRM. The case also shows that constituency management is essentially promoting a culture of participation; that constituency management is about listening and problem-solving with an organization's various stakeholders.

Boy Morales and PRRM presents a case for non-government development organizations to invest more in the market as an arena of engagement, supporting the need for innovative approaches in social entrepreneurship.

3. CCAP: FAIR TRADE IN HANDICRAFTS

Antonio R. Infante established the Community Crafts Association of the Philippines (CCAP) in 1973. It was composed of organizations that were implementing livelihood programs among poor crafts producers.

"The group liked the idea of forming an association that would provide its members with common services and pooled resources and facilities that help develop markets and implement their respective objectives oriented towards the social and economic upliftment of the poor."[1]

But while the demand in the crafts market was strong in the 1970s, it eventually declined due to competition with other countries. By the early 1990s, CCAP and not a few of its member organizations, were encountering financial difficulties. BY this time, CCAP was relying heavily on demand from Alternative Trade or Fair Trade Organizations that were in turn encountering their own marketing difficulties.

In order to survive CCAP took decisive steps to a) re-organize itself into a more efficient organization, b) develop it's producer base and c) make substantial gains in marketing its products. After sustaining losses in 1992 and 1993, CCAP was back in the black by 1994 and in succeeding years made inroads into the mainstream or commercial market. CCAP's success in expanding its market was as much the result of product development and cost reduction efforts as the development of a reliable production base.

CCAP producers became the focus of capacity building interventions to improve product quality, ensure timely deliveries and strengthen the management of producer's organizations and their resources. These interventions by the producer groups enabled their members to experience improved livelihoods and standards of living. Successful networking initiatives by CCAP also enhanced capacity building interventions for its own staff and for producers in terms of improved product development, production technology and management.

Having positive net income since 1994, CCAP's financial viability continued to improve through the years. In 1998, it experienced a peak in its turnover level, a windfall that was partly due to the appreciation of the dollar versus the peso. At the approach of the new millennium, CCAP continued to focus on making the best of a difficult situation by engaging in continuous product development, ensuring product quality, controlling cost levels, and continuing to develop the capabilities of producers, combined with resolute and professional marketing efforts.

4. GROWING COOPERATIVES IN BULACAN

[1] "Interview with CCAP President, Atty. Antonio R. Infante" Fair Trader. First Quarter 1993.

In 1986, the local government unit in Bulacan started the implementation of a cooperative development program in the province. Under the leadership of then Governor Roberto Pagdangangan, the *Kaunlaran sa Pagkakaisa* Program (KPP) was intended to spur agricultural and rural development by strengthening cooperatives and similar organizations in the province. Private sector participation in the planning, implementation and monitoring processes integral to the program were among the innovations introduced by the provincial government. Bulacan was also the pioneering LGU in setting up the Provincial Cooperatives and Enterprise Development Office (PCEDO), a unit attached directly to the Office of the Governor, as the responsibility center for the program. Through the program, a sense of ownership and self-help in local development was institutionalized among the cooperatives, as exemplified by the Angat Multi-Purpose Cooperative, Inc. and the Bulacan Federation of Credit Cooperatives. The impressive results in Bulacan merited recognition from local development and cooperative advocates around the country. By 2000, there were more than a thousand co-ops operating in the province with assets of more than P4 billion.

Parallel initiatives at the national level of government and also from NGOs affected the growth and direction of the cooperative movement in Bulacan. Among these were the enactment of the Cooperative Code of the Philippines and the law creating the Cooperative Development Authority (1990), the financing program of the Land Bank of the Philippines, the Local Government Code (1991), and the Philippine Senate's ratification of country membership in the World Trade Organization and concurrence to globalization policies (1994). By 1992, it wa observed that there were more cooperatives organized in the province than what could really be needed.

The new situation caused a review of the cooperative development program under the leadership of Governor Josefina dela Cruz who had succeeded Mr. Pagdanganan in 1998. The Cooperative Enterprise Development Fund (CEDF) was introduced as an adjustment to the KKP. Focus on the retail business was also made through the piloting of Ko-oop Marts. Aside from policy improvements, a reconsideration of the operating core of the LGU and its control system is also underway.

5. IFMA AND PARTNER BAMBOO CRAFT COMMUNITIES

The case documented the process and results of a Community-Based Training and Enterprise Development (CBTED) project of the Technical Education and Skills Development Authority (TESDA) in Iloilo, Region VI, involving multi-agency and multi-level cooperation. The story pieced together the accounts of key players: the Iloilo Furniture Manufacturers Association (IFMA), Technical Education and Skills Development Authority (TESDA), Department of Trade and Industry (DTI, local government units (LGUs) in Iloilo, and the sub-contracted bamboo craft communities. The case highlighted conflicts and convergence of interest among the actors.

The partnership between IFMA and its partner craft communities was operationalized under a Big Brother-Small Brother scheme. OFMA members, as big brothers, undertook the design and export-marketing functions. The bamboo craft communities, as small brothers, were responsible for production. The case showed how the viability of the partnership was made or unmade to a large extent by the effectiveness of the big brother in undertaking the needed design and marketing functions.

The case provided insights on how CBTED made a difference in the lives of its beneficiaries. Beyond the new skills acquired and the additional income opportunities, project influence was embodied in the new institutions created (cooperatives), the socio-economic relationship experienced (sub-contracting), and dreams generated among the small brothers. The status or stability of these institutions and relationships, and their prospects for growth as perceived by cooperators and beneficiaries were supplemented by project information and industry data. One clear factor dynamizing discussions among them was an articulated desire of the craft villages to become big brothers themselves.

TESDA managers in the area were exploring how CBTED could be improved as intervention in social entrepreneurship. There was a general consensus among them that the experience of IFMA and its partner bamboo craft villages was worth replicating but would benefit from enhancements based on lessons learned.

6. JUBOKEN: BO'S ADVENTURE IN ECO-ENTREPRENEURSHIP

Dr. Justino Arboleda, or Bo as he was popularly known, was one of the pioneers of bio-engineering (use of biodegradable materials for engineering works) in the Philippines. He earned his doctorate in Agricultural Engineering from Tokyo University in the 70s where he first got exposed to bio-engineering. He later became Dean of the Bicol University College of Agriculture in 1986 where he led the development of products that protected the environment and contributed to poverty alleviation of coconut farming communities.

Bo retired from the University and established JUBOKEN Enterprises to prove that the technology could be commercially viable. In Japanese, "JU" meant "important" and 'BOKEN' meant 'adventure'. This started Bo's 'important adventure'.

In JUBOKEN, Dr. Arboleda further developed these products. He used coconut husk – which would otherwise be waste material from copra processing – as the basic raw material. He created hand-woven geotextile nets out of coconut fiber as well as blocks and bricks made of coconut dust. JUBOKEN developed these bio-degradable materials into products that prevented soil erosion and enhanced the productivity of agricultural land.

Bo introduced many innovations to set up a scale of production that aligned the capacities of the hauling and processing equipment with the size of the coconut land supporting JUBOKEN's raw material needs. He also made improvements in the design of JUBOKEN's machines resulting to greater efficiency in the production process.

Communities directly benefited from the enterprise because two steps in the production of the geotextile nets – twining and weaving – were subcontracted to households. Incomes derived from these activities were much higher than what households normally obtained from coconut farming and copra.

JUBOKEN became what the Foundation for a Sustainable Society Inc. (FSSI) considered an "eco-enterprise" – one that was "ecologically-sound, economically viable and community oriented". With financial support from FSSI in 1998, JUBOKEN expanded its operations to serve the export and local markets.

In 2001, Bo continued to inspire innovations towards the creation of new product lines amidst critical technological and marketing management challenges faced by

JUBOKEN. Committed to give the coconut industry a new lease in life, Bo's adventure was still unfolding…..

7. LIMCOMA (A): FROM SHOVELS TO COMPUTERS

When an outbreak hit the citrus farms of Batangas in the late 1960s, several farmers shifted to raising hogs and poultry as an alternative source of income. The demand for feeds served as impetus for the organization by 77 charter members of the Lipa City Cooperative Marketing Association or LIMCOMA in 1970. With a limited capital base of P56,400, the co-op relied on the technical and financial support given by two of its pioneers in its start-up period. Using shovels, feeds were mixed in a rented rice mill and cash resources were generated by strictly enforcing cash payments from members while availing of term payments from suppliers.

The aforementioned policy enabled LIMCOMA to accumulate enough resources to buy machinery that expedited feed production and the purchase of the previously rented rice mill. As membership and sales increased, the co-op gradually opted for bank loans in financing its capital expenditure projects. By 1987, LIMCOMA had put sales branches, established warehouses and its own office building, invested in a Truck Scale, and set up a Quality Control Laboratory. Further plans for the period 1988 to 1993 had included the establishment of a breeding farm, the modernization of the feed mill, and a marketing program for members' farm products. Increased competition had compelled LIMCOMA to innovate in production by investing in a computer-aided Mechanized Feed Mill in 1991 that had cost P65 million. A Meat Processing Facility had likewise been set up. A subsequent five-year development program implemented from 1995 to 2000 resulted in the construction of a 97-foot twin silo, the launching of a rural bank, the implementation of the *paiwi* (i.e., swine dispersal) project, and the operation of a food store. All these LIMCOMA embarked on to fulfill the coop's mission of being a "full-service cooperative".

LIMCOMA's operations featured a strategy of least-cost formulation of feeds using a computer software (i.e., Brill) and continuous quality control. It was the first coop to use computer-aided feeds production technology in Southeast Asia.

Its marketing strategy had focused on developing more member-users, further expanding its sales network, and creating more usage for its products thru enhanced promotions. Over the years, LIMCOMA had diversified its product offerings into three main lines consistent with its mission: feeds, processed meat and farm products. However, feeds continued to dominate its product array. Generally, the co-op's products were positioned as medium to high priced, high quality products in the market.

The co-op recognized several challenges that it needed to face squarely: the need to overcome its marketing inadequacies, its lack of a clearly fleshed out poverty alleviation strategy, the need to maximize its use of information technology, and effectively facing increased competition from major players in the industry. With respect to the latter, a merger among coops in the industry was being considered.

8. LIMCOMA (B): MANAGING A COOP'S GROWTH

When an outbreak hit the citrus farms of Batangas in the late 1960s, several farmers shifted to raising hogs and poultry as an alternative source of income. The demand for feeds served as impetus for the organization by 77 charter members of the Lipa City

Multipurpose Cooperative Marketing Association or LIMCOMA in 1970. With a limited capital base of P56,400, the co-op relied on the technical and financial support given by two of its pioneers in its start-up period.

LIMCOMA's membership and business operations grew over time. By 2000, they had 4,827 members and 272 full time staff. Their sales had reached the billionth mark. Their organization had also evolved to include ownership of several businesses including processed meat and farm products. Of late, they had set up a rural bank.

To manage its growth, LIMCOMA introduced several innovations. These included the conduct of membership dialogues, the publication of a quarterly newsletter, the institution of projects to meet the needs of members and the re-organization of the LIMCOMA structure based on transparency and participation. The co-op's sustained social involvement had likewise necessitated the setting up of the LIMCOMA Foundation that took care of scholarship grants, medical/dental missions and other outreach activities. The establishment of a Holding Company had become an agenda to rationalize its business and non-business concerns.

As LIMCOMA achieved profitability and viability as a big coop, it faced issues concerning strategic direction, relationships with other co-operatives and internal management.

9. LIMCOMA (C) : MONEY MATTERS IN A GROWING COOP

When an outbreak hit the citrus farms of Batangas in the late 1960s, several farmers shifted to raising hogs and poultry as an alternative source of income. The demand for feeds served as impetus for the organization by 77 charter members of the Lipa City Cooperative Marketing Association or LIMCOMA in 1970. With a limited capital base of P56,400, the co-op relied on the technical and financial support given by two of its pioneers in its start-up period. Using shovels, feeds were mixed in a rented rice mill and financial resources were generated by strictly enforcing cash payments from members while availing of term payments from suppliers.

Such working capital policy enabled LIMCOMA to accumulate enough resources to buy machinery that expedited feed production and allowed the purchase of the previously rented rice mill. As membership and sales increased, the co-op gradually opted for bank debts in financing its capital expenditure projects. However, its increasing membership over the years (reaching 4,827 in 2000) and a policy of retaining 50% of members' dividends allowed a significant portion of its capital base to come from internal capitalization. Increased competition had compelled LIMCOMA to innovate in production by investing in a computer-aided Mechanized Feed Mill in 1991 costing P65 million.

When the law on tax exemptions for cooperatives was threatened, LIMCOMA set up what had become the Mayflower Agricultural Ventures Corporation, to initially undertake feed production, allowing the cooperative to register lower profit margins for retailing feeds. This lowered the tax liabilities of LIMCOMA, allowing it to continue generating surplus for its patronage refunds. Such patronage refunds had been acknowledged to be a major factor for the dramatic increase in LIMCOMA's membership over the years.

By 2000, LIMCOMA had an asset base of P519 million with a membership equity of P221 million. Its annual gross sales surpassed the billionth mark in 1999 and reached

P1.1 billion in 2000. Financial planning in the coop became more sophisticated as it grew big. On top of a constitutionally mandated Audit and Inventory Committee, 3 of its 7 working committees were responsible for ensuring a participatory and transparent financial management system. A recognized factor for their success. These 3 committees were the Finance and Budget Committee, the Bidding Committee (to oversee supplies acquisition) and the Research and Development Committee (to review capital expenditures and feed formulation).

The financial performance of LIMCOMA's business activities varied for the past five years. While feeds production had continued to be profitable, losses were incurred in the breeding farm, the *paiwi* (swine dispersal) project, the meat processing facility, and the food store. Business concerns at the Mayflower Agricultural Ventures Corporation and the LIMCOMA Rural Bank, corporations owned by LIMCOMA, had been positive although profitability and asset utilization indicators could stand further improvements.

LIMCOMAs leadership viewed the rural bank and their savings and credit program as a means of pooling savings from the members and their families from which individual and coop financial requirements could be drawn at reduced interest. By 2001, with a depositor base of 900 in a lone branch, many of its members were unable to patronize the LIMCOMA Rural Bank due to its inaccessibility relative to other banks.

LIMCOMA'S multifaceted concerns, while consistent with its mission as a full service cooperative for its members started to pose what was perceived by its leadership as a challenge to its financial objectives. In 2001, LIMCOMA's leadership was considering closing down some of the projects that were incurring losses.

10. NAGA CITY ICBTED

The Integrated Community-based Training and Enterprise Development (ICBTED) project in Naga City formally commenced in the last quarter of 1999 but built on past efforts and gains of the city government's agency partnerships. Naga City was the center of economic and cultural life in the Bicol region. The city was also the center of the Metro Naga area which extended over eight municipalities.

In order to make service provision and resource use more efficient, the city government set up partnerships with government line agencies and the private sector in pursuit of livelihood development. This was embodied in the Naga City Integrated Livelihood Masterplan (ILM). This was envisioned to increase the income of the target poor sector of the city by improving and initiating micro and small enterprises of individuals and groups as well as by synergizing local efforts for livelihood provision and employment. Major participants to the collaboration included the TESDA, DTI, NCCCI and DOLE. Since 1992, these partnerships were operationalized via a unit which graduated into the Metro Naga Public Employment Services Office (Metro PESO).

In 1999, the Metro PESO was assigned as the ICBTED center for the Metro Naga area. Its major functions were performed by its four units, namely, 1) the Community Employment Center (CEC), for employment facilitation; 2) the Manpower Training Center (MTC), for manpower upgrading; 3) the Enterprise Development Center (EDC), for livelihood enhancement; and 4) the Cooperative Development Center (CDC), for organizational development assistance to cooperatives.

Under the ILM, the priority livelihood activities and enterprises to be developed under the ICBTED were in the areas of: 1) vegetable production; 2) agricultural machines production; 3) meat processing; 4) processing of native delicacies; 5) cattle and dairy production; 6) poultry and egg production; and 7) manpower servicing, which would cut across the other six priorities.

ICBTED provided technology skills trainings for individual employment and for cooperative enterprise ventures. For cooperatives which engaged in any of the priority enterprises, the ICBTED helped organize, upskill and develop project feasibility studies and proposals. It also contributed common service facilities (CSFs) coupled with coaching sessions on the use and maintenance of such facilities. For both individuals and groups, loans were extended to provide working capital. The loans were invested mainly in trading; other purposes registered were agricultural, manufacturing, services, transportation and cooperative assistance.

CSFs varied across groups assisted. A group producing native candies and delicacies availed of food processing and cooking facilities; an agricultural cooperative whose members were into vegetable production received farm tools and implements; while an agrarian reform beneficiaries (ARB) cooperative obtained metal-crafting machines and implements for the manufacture of farm machinery and other metal-based products for farm and household use.

By 2001, ICBTED had reached around six percent (6%) of the population in each of the city's 27 barangays and 198 of the 239 city-based cooperatives. In the year 2000, a total of PhP780,000 was released to 10 cooperatives and five associations, or 1,048 direct beneficiaries. For the first two quarters of 2001, five cooperatives with an aggregate of 1,539 members availed of a total of PhP550,000. Most of the funds were sourced from the allocation of the city's local development fund for cooperatives development.

While the ICBTED had catalyzed the development of potentially profitable livelihood activities, critical areas that needed attention for the projects to become viable enterprises were: 1) product development; 2) marketin; 3) financing; 4) increased support by the city government; 5) synergy among cooperatives with similar livelihood undertakings.

Notwithstanding these concerns, TESDA was considering the replication of the ICBTED experience in other parts of the province.

11. NRBSL: BANKING WITH THE POOR

Like any other rural bank, the New Rural Bank of San Leonardo (NRBSL) was established in 1994 offering agricultural, commercial and other loans and accepting different kinds of deposit, mainly savings and time, for the public in San Leonardo Nueva Ecija. Innovative features such as affordable initial and maintaining balances for deposits, speedy processing and personal attention to clients characterized the bank's offering and delivery of products and services to gain an edge over the bigger and more established commercial and thrift banks and other financial institutions in the area.

But NRBSL was more than just a bank meant to earn profits for its owners. It was a *rural bank with a social mission.* It opened doors for financing the needs of the poor, especially the enterprising ones. It introduced the Lima Para Sa Lahat microfinance program which was largely based on the popular Grameen Bank; offered the Land Redemption Program for agrarian reform beneficiaries; eased the borrowers' burden of paying high-priced loans to the money lender through the Debt Reduction Program; and came up with many more pro-poor products.

Borrowers grew with the bank, and vice versa. As the financing needs of the enterprising poor increased, the bank enhanced its Lima Para Sa Lahat program to a second level by allowing bigger and various amounts for each of the borrowers. It also launched the Negosyante ng Bayan 1&2 programs for clients who needed amounts ranging from Php30,000 to 200,000, to as high as a million pesos. It was important though that the business of this client-group contributed to the local economy by serving the needs of the communities, and providing employment for the locals.

After seven fruitful years of rural banking, Mr. Andres G. Panganiban, President and CEO, now pondered on how to heighten (or maintain at least) its momentum on being a financially rewarding cum socially relevant rural bank for the years to come.

12. PAPER WEAVES

The case presents the evolution of the handmade paper industry in the Bicol region through the interventions of the Department of Trade and Industry (DTI), an institutional development entrepreneur. DTI, in its efforts to weave the interests of various stakeholders, employed several strategies to introduce, develop and nurture an industry that makes use of the region's abundant abaca fiber.

DTI's intervention started with the retooling of its staff, together with prospective entrepreneurs, on the basics of the handmade paper industry in the late 1980s. At that time, the industry was virtually unknown in the locality. The agency initially targeted small players such as housewives but later focused on businessmen who had the ready resources and skills in running an enterprise. These bigger players then served as models and anchors whom smaller players linked with for technology and even markets.

Collaboration and complementation among players was also promoted using the concept of "clustering", a strategy to encourage interrelated business activities to locate in a particular area thereby creating synergy.

Support strategies included networking and partnering with local government units, government agencies, academe, and non-government organizations. This was done to create a business climate conducive to the operations of new and emergent industry players.

These initiatives resulted to the establishment of several firms that were able to penetrate the export market and create jobs for local residents.

Finally, the case shows the dilemmas and constraints faced as well as the lessons learned by DTI, a national government agency with a very broad mandate, in trying to make a difference by focusing its efforts on a particular area-based industry.

13. RIVERSIDE HANDICRAFTS ASSOCIATION: GETTING A PUSH FROM FAIR TRADE

Riverside Handicrafts Association (RHA) was located in an out of the way barangay in the town of Gasan, Marinduque. The traditional handicraft in this area used to be *nito* baskets. But in the 1980s, middlemen started to commission the carving of small wooden figures from villagers. As the carving of "skeletons" became widespread, it replaced *nito* products as the customary handicraft of that area.

But, villagers found that dealing with these middlemen had its drawbacks. The rates paid to them were very low and payment for their work was often delayed.

In 1991, a group of women organized Riverside Handicrafts Association with the help of capital and some training from the Diocese of Boac. They hoped to engage in the production of carved figures and bypass the middlemen. The policy of the organization also differed from that of the middlemen in that they paid slightly better rates and were prompt in paying for labor.

In 1994, through the Diocesan network, the association was linked to the Fair Trade network. Subsequently, as part of this network, Riverside experienced high levels of demand. They also enjoyed better prices for their products and with partial pre-financing of production, better terms of payment. Through the Fair Trade network, they also received grants and other capacity-building interventions.

As the association grew and developed, benefits accrued to its members and other villagers. RHA members became better-off and the association provided work to others in the community.

From 1995 to 1997, RHA experienced a spectacular growth in sales. At its peak, this micro-enterprise in a remote barrio, with its unsophisticated methods of production, had a turnover level of PhP1,700,000. However, RHA members were anxious because since 1998, sales have declined. In 2000, turnover was as low as PhP 247,223.50.

Saffy, the organization that assisted RHA market its products believed that this was due to RHA not having any new designs and greater competition in the international market.

RHA's latest orders thru Saffy were trays, tissue boxes and hampers made of *nito*.

14. TAGBILARAN INTEGRATED BUS TERMINAL AND CENTRAL PUBLIC MARKET PROJECT

Tagbilaran City, the capital of Bohol province, was the main jump-off point to various tourist destinations of the province. It was the center of business and commerce, education, transportation and communication. In 1989, the local government of Tagbilaran City conceptualized the establishment of an Integrated Bus Terminal (IBT0 and a Central Public Market (TCCPM) as part of its efforts to develop commerce and trade in the city and to enhance the delivery of basic services through the development of new infrastructure. The IBT was expected to decongest main transport routes within the city and encourage travel and trade within the province by providing passengers a centralized terminal with comfortable facilities. The new market would meet the need for bigger and more stalls for vendors and more sanitary facilities for the comfort of vendors and marketgoers.

When the city's main market, the Agora market, burned down, the local government prioritized the establishment of the IBT and TCCPM. The feasibility studies for the two economic enterprises were completed by the local government staff, with some help from Manila-based consultants. The projects were implemented under a Build-Transfer scheme and funded through a loan with the Philippine National Bank (PNB) and later with the Development Bank of the Philippines (DBP). The IBT and TCCPM were completed in 1996 and 1998, respectively. They were supposed to kick-off the establishment of a satellite city in the Dampas-Dao district.

The 6,300 sq.m. terminal declogged the city streets and provided comfort and convenience to the passengers who traveled to and from Tagbilaran City. It was recognized as the regional and national winner of the "Healthy Bus Terminal Award" for 1998 by the Department of Health (DOH). The construction of the TCCPM enabled the local government to meet the demand of the vendors displaced by the Agora Market fire as well as other vendors to have a place to sell their produce. Vendors and marketgoers also acknowledged that it was cleaner and more comfortable than the other markets in Tagbilaran City. The TCCPM won the "Health Market Award" of the DOH in 1998 and was a national finalist of the NFA "Linis Bayan Award" in 2000. The project also had a positive impact on the livelihood of surrounding communities.

The implementation and operation of the two projects were not without problems, however. Consultations during the planning stage were limited to the members of the City Development Council and the Sangguniang Panglungsod. This resulted to various forms of resistance and patronage issues involving stakeholders who were unable to participate in the planning process.

Bus operators questioned the need for the terminal and the fees involved. Market vendors expressed objections over the location of the market. There was also the problem of lost revenue due to low occupancy rates for stalls in both the IBT and TCCPM. The low occupancy was greatly affected by the lack of patrons, which also negatively affected the income of existing vendors in the IBT and TCCPM.

The two projects were actually part of a bigger plan to create a satellite city. The satellite city was supposed to bring in more people that in turn would assure a market big enough for the business establishments to thrive. However, the other infrastructure projects that were part of the envisioned satellite city could not be implemented as yet due to lack of resources.

The local government addressed these problems through social marketing efforts for the residents to accept and patronize the IBT and TCCPM. The local government also worked with national government agencies and private investors regarding the setting up of the other infrastructure needed to complete the satellite city envisioned which would assure a market size that could sustain the growth of businesses.

The local government remained optimistic about the IBT and TCCPM asserting that what they going through were just start-up problems that would be overcome in time.

15. TESDA-CAR: CHANGING ROLES FOR BETTER IMPACT

Newly appointed Regional Director (RD) Hilario P. Martinez introduced an Analysis and Design Framework for the Organizational Development (OD) of the TESDA system which guided his intervention for TESDA in the Cordillera Administrative Region (CAR) from 1998-2001. He designed the framework based on the requirements of shifting the role of TESDA from being a direct implementor of trainings to an institution that was engaged in planning and policy development and enabling partners to undertake middle level skills development on top of direct implementation. The shift was necessitated by Republic Act 7796 which created and mandated the Technical Education and Skills Development Authority (TESDA) to ensure the provision of "relevant, accessible, high quality and efficient technical education and skills development that is in support of the development of high quality middle-level manpower."

The OD intervention initiated by RD Martinez involved 6 relevant areas of change: a shift in orientation and program focus; investing in relationship building and capacity enhancement of partners in middle level skills development; retooling, staff development and internal capacity building, reorganization towards full provincialization; the installation and implementation of office systems and policies; and physical infrastructure development.

In early 2001, RD Martinez sought the assistance of the Asian Institute of Management (AIM) to document the process and outcomes of the OD process. The case is the outcome of the documentation and research process that was undertaken.

While the TESDA-CAR staff acknowledged the "quantum changes" since 1997 when RD Martinez became the regional director of CAR, staff morale was low. While some were quick to account this to RD Martinez' management style, there were a number of factors that were verified as causing tensions between management and staff: the deployment of staff to far flung provinces, the institution and implementation of office policies related to finances and attendance, the impending disciplinary actions against staff guilty of misconduct, the inability of Provincial Directors and key regional staff to take on their leadership roles and act as an effective management team, and the inability of staff to undertake their functions and meet up to the RD's high expectations.

TESDA's partners specially among local government units and industry, unaware of the internal dynamics within the organization, shared the observation about TESDA-CAR's achievements and were pleased with the improvement of its services and its ability to reach a much wider clientele. Objectively, however, in terms of its mandate in the Cordillera Administrative Region, TESDA-CAR had a long way to go.

Even as RD Martinez recognized the progress made by the region since 1998, he pointed to the continuing dilemma of retaining staff from the institutions that were merged to form TESDA. Unable to bring in new blood into TESDA CAR to meet the requirements of its new mandate (due to the freeze in new hires in government), he felt he tried his best to invest in human resource development among the existing staff. But that could only take him and TESDA-CAR so far.

As RD Martinez was appointed Head of the Organizational Development Task Force for the whole of TESDA in 2001, he thought about how he could have done the OD process in CAR differently. He also thought about how he might address this lingering problem of the lack of fit between people and tasks in TESDA.

16. THE MICROFINACE PROGRAM OF ABS-CBN BAYAN FOUNDATION, INC.

The microfinance program of the ABS-CBN Foundation Inc (AFI) was first conceptualized and implemented in 1997. It evolved as AFI searched for a more developmental approach to its disaster relief and rehabilitation fund mobilization and intervention initiatives. AFI believed that microfinance was a tool for improving the capacity of poor Filipino families to improve the quality of life of their children.

The Bayan Microfinance Program was developed following a pilot scheme with the assistance of microfinance practitioners from a reputable Grameen Bank replicator. The first five years of implementation, from 1997-2001, were years of favorable performance. Its growth was especially felt in 1999 with the twin support of the Lopez Group in terms of financial resources and the able and dedicated officers and staff for program implementation.

As the program rapidly expanded, AFI invested in retooling and refining its operational, organizational and financial systems. The need to better manage the financial needs, organizational concerns and operating systems of AFI and its growing microfinance program led to the decision to formally spin off the ABS-CBN Bayan Microfinance Foundation in 2000. It later dropped 'microfinance' in the foundation's name to better handle its social marketing efforts.

By end 2001, 19,355 clients had been served across 71 municipalities reaching more than 80,000 children. More than Php400 million had been disbursed with Php46M in savings generated. Repayment rate stood at 98%. A number of beneficiaries had expressed the impact of Bayan Microfinance in their lives in terms of having more money for food on the table, and putting through and helping out the children in their educational needs.

Even as the microfinance program under Bayan Foundation still needed to undergo refinements, other venues evolved to address various socio-economic needs of the beneficiaries. This translated into more commitments, more responsibilities and more tasks for the staff and the Bayan Foundation as a whole. Yet microfinance alone demanded more time and resources. This was especially true in light of Bayan Foundation's commitment to contribute to the worldwide target outreach of microfinance institutions of 100 million beneficiaries by 2005. Meantime, internal control and operational issues were again emerging as critical concerns.

ABS-CBN Bayan Foundation's management pondered on its future direction. It wondered where It should bring its program in the next five years – whether it should focus on improving the outreach and efficiency of its microfinance program or focus on further developing the multifaceted set of services it has ventured on towards an integrated program to holistically improve the quality of life of its current beneficiaries and their children.

17. UNIONS FOR COMMUNITY WELFARE

The case illustrates how two development institutions, the World ORT Union (ORT) and the Provincial Government of La Union (PGLU), forged an entrepreneurial partnership to address the basic socio-economic needs of the people of La Union Province in northwestern Philippines. Using the concepts and tools of enterprise creation and development, the ORT and PGLU developed and implemented the mother-and-child care (MCC) program, which later evolved into a highly diversified entrepreneurial concern managed by a community cooperative.

The development venture was initiated in 1990, at a time La Union and the other provinces of Luzon was devastated by a strong earthquake. To operationalize the project, ORT and PGLU, together with selected communities, pooled their resources to establish daycare centers and undertake livelihood and training activities. The venture was implemented in three phases, with each phase focusing on specific thrusts. Phase I dealt on education and health while Phase II focused on livelihood and enterprise development. The learnings and gains in Phases I and II were consolidated under Phase III for dissemination to other development entities while expanding the reach of the program's services. Over a 10-year period, community organizing, service innovation, and program sustainability were continuing concerns.

The need to sustain the MCC Program gave birth to a cooperative, the ORT Community Multipurpose Cooperative (OCMC). Designed as the program's sustainability mechanism, the cooperative expanded its membership to include other community residents within La Union in addition to the MCC program staff. OCMC operated in tandem with ORT's program staff following a gradual turn-over of program assets and operating responsibilities. Under such "phase-down" scheme, the organizational capabilities of OCMC to handle the various aspects of the program were built-up. Likewise, the ORT was able to gradually reduce its investment commitment to the MCC program.

The venture program underwent several shifts pertaining to its coverage, governance and management structure, conceptual framework, resource generation, clientele, and operating focus. Cynthia Lao, the MCC's Project Manager, expressed enthusiasm over this steady process of experimenting and learning that they have gone through for ten years.

In 2001, OCMC continued to face issues of focus, sustainability, and strategic direction.