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**FINAL REPORT**

**REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED)  
PROJECT, PHASE I**

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Under Delivery Order No. 14  
Indefinite Quantity Contract No. AID 492-0419-1-00-0136-00

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**USAID/Philippines**

**SGV  
CONSULTING**

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January 3, 1995

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Through: Mr. Brad P. Wallach  
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Gentlemen:

We are pleased to submit our Final Report on the End-of-Project Evaluation of the Regional Enterprise Development (RED) Project, Phase I in accordance with Delivery Order No. 14 of Indefinite Quantity Contract AID492-0419-I-00-0136-00 between USAID and SGV. This report has gone through the review processes with USAID and PCCI officials before its finalization.

We appreciate this opportunity to be of service to this worthwhile project.

Very truly yours,

SGV & Co.

By 

RENE R. FUENTES  
Head, Specialty Consulting Div.

TAM ✓

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**REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I**

**EXECUTIVE SUMMARY**

**I. OBJECTIVE**

The main objective of the end-of-project (EOP) evaluation of the Regional Enterprise Development Project, Phase I (RED) is to assess the project performance during the pilot phase.

**II. HIGHLIGHTS OF EVALUATION FINDINGS AND RECOMMENDATIONS**

The project evaluation findings and recommendations are presented in the following headings:

**PROJECT PERFORMANCE AND IMPACT**

In relation to the attainment of its goal, purpose and objectives, RED has performed remarkably. All key project components were accomplished, which were as follows:

- Selection of the six pilot chambers namely; Bulacan Chamber of Commerce and Industry (**BCCI**); Naga City Chamber of Commerce and Industry (**NCCCI**); Metro Bacolod Chamber of Commerce and Industry (**MBCCI**); Metro Kalibo Chamber of Commerce and Industry (**MKCCI**); Chamber of Commerce and Industry Foundation of Iligan, Inc. (**CCIFII**); and Davao City Chamber of Commerce and Industry, Inc. (**DCCCI**).
- Varying degrees of strengthening of the organizational capability of the six chambers to render expanded services to small and medium enterprises (**SMEs**).
- A total of 15 training programs were conducted participated in by a total of 582 chambers officers and members, secretariat officers and staff, entrepreneurs and managers of SMEs in the different regions. As attested by 19 SME training participants interviewed by the team, all 19 were able to apply what they learned from these seminars which enhanced their knowledge and skills in the management of their business or activities.
- Completion of the Institutional Assessment (**IA**) and Companion studies of the Philippine Chamber of Commerce and Industry (**PCCI**), including the conduct of debriefings and commencement of restructuring of organizational, human resource management (**HRM**), compensation, accounting and operational systems of PCCI.
- Completion of Davao Business Center (**DBC**) Feasibility Study, including the conduct of debriefing and modifications on the study by the DCCCI and start of actual renovation of DCCCI building to house the Center. There were continuing discussions as well on the equity plan that would ultimately launch the project.

- Completion of the study and debriefing of RED Impact Analysis and Implementation Plan which prepared the work plan and project documents, including the Cooperative Agreement, for RED Phase II.
- Acceptance of Technical Specifications and Recommendations for RED Information System, including the training and delivery of hardwares and softwares to all the six chambers and the PCCI which resulted in the computerization of the Chambers for more effective delivery of services to the SMEs.

However, the study design on the regional implications of the ASEAN Free Trade Agreement (AFTA) remains to be completed and the local tax policy study has been deferred.

The most significant impact of RED was to inspire and move all the six chambers to redouble their efforts in improving and enlarging their facilities and staffing, in increasing their membership and collection of dues, in building their organizational capabilities for expanded services and in enhancing their image in the community as a business association. As intended, the chamber members, officers, staff, and prospective members became the primary beneficiaries of RED.

## **RED PROJECT DESIGN**

The project design was found appropriate and responsive to the project purpose and goal of strengthening PCCI's capacity to render services for sustainable growth of regional enterprises. A unique character of the project design was the use and strengthening of the PCCI and local chambers as conduit or delivery system for servicing or assisting the regional SMEs.

On the basis of the planned activities of RED, the initial project duration of six months was too short because completion of some of the project components took longer time than what was originally expected.

Training designs and policy studies, particularly the IA, computer hardware and softwares. Companion Study and the Chamber Management Course (CMC) were found to be directly supportive of chamber strengthening purposes. Moreover, the DBC study was conceptually good.

## **PCCI AS PROJECT GRANTEE**

The PCCI was the appropriate project grantee and implementing agency. As the national umbrella organization of commerce and industry associations and individual member-businessmen in the Philippines, there is no other institution that can be considered in the best vantage position to guide and assist in the development of SMEs. PCCI has the most extensive network of 94 chamber-members.

PCCI is viewed by the government as the single voice of the business sector which gave PCCI some comparative advantage to advocate for policies or reforms which may have some influence on the development of SMEs. PCCI's extensive reach would have enable it to provide interventions or support services readily to the regional SMEs through its affiliated chambers.

## **PROJECT IMPLEMENTATION COMMITTEE (PIC)**

The PIC and its composition was appropriate and beneficial to the achievement of RED's objectives. The members, composed of five from the private sector, one from a development banking institution and another from a public training institution, represented a broad spectrum of interests. RED adequately and effectively engaged PIC in the implementation of project components. The PIC members were active in the setting of criteria, deliberations on project selection, and progress reporting as attested by the minutes of the PIC meetings. The evaluation team recommends that the PIC should continue to maintain its advisory/consent functions similar to its role during the first phase.

The synergy from PIC members who possessed different expertise and interests, even with their tight schedules, would definitely produce dynamism and efficiency during the course of project implementation.

## **PROJECT STAFFING AND MANAGEMENT**

There was adequate budget allocation for the full staffing of the project but the proposed staff were not all hired. The Project Manager (PM) found it difficult to recruit qualified personnel on a short-term basis. RED however recruited contractual employees as the need arose, such as need for assistants in the conduct of training activities. Even with the absence of regular staff members to support him, the PM was able to tap personnel from PCCI that provided him staff support. Moreover, most of the project management activities were done by effective coordination of existing resources and contracting jobs with consultants, thus, not necessarily requiring full staffing for project implementation.

RED was properly managed as evidenced by the completion of most of the project components. Credit should be given to the creativity and dedication of the PM.

Planning for staffing for future projects should take into account the project purposes, targets, and quantity and quality of personnel.

## **PCCI SUPPORT TO THE PROJECT**

RED did not obtain adequate support from PCCI. RED was provided by PCCI with limited access to telecommunication lines and other staff support services. The working space provided was insufficient for the project team. During the early stages of implementation, the Project Manager had to temporarily use his residence to house the project and had to advance from his own personal funds the payment of utilities and some personal services of an assistant.

From project startup to completion, firm commitment on project resources should be fully secured and made available in its entire duration.

## **USAID SUPPORT TO PROJECT IMPLEMENTATION**

The United States Agency for International Development's (USAID) project management and guidance was adequate. Project implementation was closely monitored and sufficiently guided by the officers from the Private Enterprise Support Division, Office of Investment and Enterprise Development (PESD/OIED), particularly Messrs. Brad T. Wallach and Manuel Villanueva. They were active participants in weekly project team meetings, key meetings of the PIC, debriefings conducted by consultants on policy studies, visits to chambers, planning sessions and observation of training programs. In fact, they were present during the daily meetings in July 1994 to supervise the computer procurement and its training component.

Likewise, the Office of Financial Management (OFM) and the Office of Regional procurement (ORP) provided sufficient guidance to PCCI and the PM, essentially through the PESD/OIED. The OFM discussed with project staff the USAID's financial procedures, bookkeeping/accounting system, and counterpart funding. All these support from USAID were in keeping with the Cooperative Agreement.

## **FUNDS ALLOCATION**

RED spent the money largely in pursuit of chamber capability building purpose and objectives as stated in the Cooperative Agreement.

Project disbursements for studies and training, inclusive of computer hardware and software acquisition costs, was more than 80% of the total budget of ₱220.4 million Pesos, as reflected in the proposed Fourth Budget Realignment as of October 1994.

## **PROJECT FILES AND RECORDS**

RED's financial records were adequately maintained by PCCI which kept separate financial records exclusively for RED accounts.

During the project evaluation period, the project files were not accessible to the team since the PM had recently transferred to another room in PCCI and was still organizing his files. However, the PM was able to provide the evaluation team with required financial information and project documents necessary for project evaluation.

## **CHOICE OF PILOT CHAMBERS**

The selection of two pilot chambers each from Luzon, the Visayas and Mindanao was appropriate as it provided balanced geographical representation of the Philippines. The choice of a strong and a weak chamber in each region was also appropriate since it would facilitate the assessment of the impact of project interventions to strong and weak chambers with similar features and characteristics. These features included socio-cultural attributes such as common dialects among others, for those chambers in the Visayas and Mindanao.

The process of pilot chamber selection based on the four criteria devised by the PIC was also adequate for the purpose of chamber selection. The selection process was thorough and narrowed down effectively the choice to six pilot chambers from a short list of 22 chambers, which were all visited by the RED Project Team.

### **PROJECT PERCEPTIONS BY INTEREST GROUPS**

RED was viewed positively by some interest groups in the six regions, such as local government units, local business groups, industry associations and academic institutions. For instance in Davao City, some local businessmen, industrialists and an educational institution expressed interest in investing and actively participating in the proposed business center. They projected that the DBC would play a key role in developing Davao City as a business hub not only in Mindanao but also in the East Asian Growth Area (EAGA) or the Growth Polygon. In the cities of Naga and Bacolod, the local governments and financing institutions looked at RED as a resource that could assist the Chambers in developing the target business community. In appreciation, they have expressed willingness to provide office spaces for the Chambers.

There was no deliberate and conscious effort on the part of the chambers to promote RED as a project. The promotional/outreach efforts were rather for the benefit of the chambers and subsumed RED as one of its many activities.

There were still negative feedbacks from those regional chambers that neither made it to RED nor was granted the business center study. Moreover, a pilot chamber among the six had also false expectations that RED should have provided assistance funds for the construction of its building while other chambers thought that RED should shoulder partly their administrative overhead expenses.

### **TRAINING PROGRAMS**

The training programs conducted were appropriately selected because they were arrived at after the chamber planning workshop held for the purpose of determining the training needs in the different regions. The Chamber Management and Advocacy (CMA) training opened the eyes of chamber officers and staff to the requirements and benefits of better chamber management and advocacy of policies. The Project Study Preparation (PSP) provided the tools and techniques in preparing and submitting project studies while the Project Monitoring and Evaluation (PME) provided the methods for recording and assessing project status and developments for control and improvements. Moreover, all 19 participants in the SME trainings who were interviewed by the team were able to apply what they learned from these seminars to their respective businesses.

The high level of motivation of chambers officers and staff can be attributed largely to these trainings. Both CMA and PSP provided the proper preparation for the chamber officers and staff in presenting their work plans and project proposals during the RED Phase II's semiannual Planning Workshop held in Bacolod City.

## **INSTITUTIONAL ASSESSMENT AND COMPANION STUDIES**

The IA Study on PCCI was well accepted by the PCCI Board and key officers. As a result, a Companion Study dealing with HRM and accounting systems were subsequently conducted. The Board passed a resolution accepting the recommendations of both studies which eventually became the bases for the reorganization of PCCI, the promulgation of a new compensation structure for officers and employees, and improvement of financial and operational systems.

The study methodology of holding consultations with PCCI and chamber officers and staff and donor agencies resulted into a consensus among stakeholders and thus, made the recommendations easier to implement.

### **DAVAO BUSINESS CENTER**

In general, the DBC study was premised on sound analysis except for the assumptions used in projecting the income on financial packaging and training services. Both were too optimistic and needed review to be realistic.

A plus factor for the future of the Center was the high level of optimism and commitment of the DCCCII members to make DBC succeed. There were also continuing discussions on the equity plan that would ultimately launch the project.

### **LESSONS LEARNED AND RECOMMENDATIONS FOR FUTURE PROJECT DESIGNS AND IMPLEMENTATION**

Similar projects in the future could benefit from the following lessons:

- Priority in institutional strengthening should be given to the implementing organization. A strengthened PCCI organization would be able to respond at once and to deliver more effectively services and support to the recipient Chambers which could in turn facilitate these interventions toward the sustainability of regional SMEs. Moreover, organizational capability building should be a continuing process to fill the gaps attributed to personnel turnover and changes in chamber leadership.
- The success of RED training programs could generally be attributed to the choice of participants, training design based on needs assessment, choice of resource persons, support instructional materials, choice of training venues that were conducive to learning and training subsidy. Future training programs could learn from these key success factors. However, training subsidy should gradually decline as the participants become more capable of financing their own participation.
- The cross visits and the regular interactions between the chambers have provided opportunities to share experiences, to learn and even to do business with each other.
- Some grantees found the computers very expensive. However, the provision of computers equipped with technologically-recent and sophisticated attributes accelerated the turnaround in the delivery of chamber services to SMEs.

- Since feasibility studies do not always result in positive conclusions, for relatively large projects, it would be less expensive and less time-consuming to do first a pre feasibility study. The pre-feasibility study would determine whether a project is basically viable and merits a formal, detailed study. It would also identify key areas or factors that need special attention in the full-scale project study. This may have been done in the case of the study on the viability of DBC.

### III. CONCLUSION

As a whole, RED opened the eyes of the chambers to opportunities for improving their respective organization and delivery of services. These chambers were very proud to belong to that pilot group that was blazing the trail of excellence in chamber management. This interest should be supported and heightened and RED was in that vantage position to realize it.

REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I

Main Report

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REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
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REPORT ON THE END-OF-PROJECT EVALUATION OF THE REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I
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## I. INTRODUCTION

The United States Agency for International Development (USAID) engaged Sycip Gorres Velayo and Co. (SGV & Co.) to undertake an end-of-project (EOP) evaluation of the first phase of the Regional Enterprise Development (RED) Project. RED Phase I was granted to the Philippine Chamber of Commerce and Industry (PCCI), which commenced implementation in May 1993 and would be completed in December 1994. The project goal of RED was to achieve sustainability of growth of small and medium-scale enterprises (SMEs) outside the area of Metropolitan Manila. This could be attained by strengthening PCCI's and its affiliated chambers' capacity to render effective services to regional enterprises, particularly to SMEs.

*Objectives of EOP Evaluation.* This EOP evaluation study assessed RED's performance during its pilot phase. This evaluation study determined the effectiveness of the implementation approach generally, and on a component-specific basis. It also assessed project impacts in those six selected areas of pilot chambers, as well as the effectiveness of PCCI and the USAID project management and oversight.

Moreover, this evaluation study assessed and documented factors which accounted for RED's relative successes or failures during the first phase. It analyzed both completed and unfinished project elements and activities under RED in order that the positive lessons learned would enable PCCI to pursue and replicate them in similar projects in the future. (See *Annex A* for RED's list of project components and activities.)

## II. METHODOLOGY AND SCOPE OF WORK

### A. METHODOLOGY

*Literature Review.* At the initial stage, the evaluation team conducted a thorough review of all relevant background materials concerning RED, which included the following:

1. the *Cooperative Agreement* between the USAID and PCCI;
2. available RED project files maintained at the RED Project Office in PCCI, which are mainly minutes of Project Implementation Committee (PIC) monthly meetings;
3. *Results of the Institutional Assessment (IA) Study on PCCI* by SGV & Co., dated December 1993;

4. *A Feasibility and Marketing Study for a Proposed Business Center, Davao City* (in three volumes) by Laya Manabat Salgado & Co., dated December 16, 1993;
5. *RED Impact Analysis and Implementation Plan, Final Report* by Chemonics International, dated February 14, 1994;
6. *A Report on the 19th Philippine Business Conference (PBC) and A Study Design for AFTA's Regional Implications* (Draft) by the Asian Institute of Management (AIM), dated May 15, 1994;
7. RED Cooperative Agreement for Phase Two;
8. *Financial and Human Resources Management Systems Study Debriefing for PCCI* by SGV & Co., dated September 29, 1994;
9. *Budgetary Control Systems Manual for PCCI* by SGV & Co., dated September 1994;
10. *Fund Accounting Systems Manual for PCCI* by SGV & Co., dated September 1994; and
11. *Technical Specifications and Recommendations for PCCI's RED Information Management System (IMS) and Data Network (DataNet)* by Trading Information Network (TIN) Asia, Inc., dated December 1993.

*Design of Questionnaires/Instruments.* In the preparation for on-site visits to the six pilot chambers, the evaluation team devised questionnaires or instruments in order to assess the effectiveness of the trainings and workshops conducted for the different chambers' directors and officers (see *Annex B*). These trainings/workshops were classified according to either Chamber Planning or Chamber Strengthening; the latter was further subdivided into Chamber Management and Advocacy (CMA), Project Study Preparation (PSP), and Project Monitoring and Evaluation (PME).

Moreover, part of the training component of the project was the provision of chamber services to SME entrepreneur-participants from their respective areas. Two seminars were successfully conducted on "How To Start Your Own Business" and "Effecting Business Improvement." The evaluation team also devised a questionnaire in order to effectively assess these entrepreneurship development seminars and document those responses from participants who have started to apply lessons learned from these sessions (see *Annex C*).

*Visits to Six Pilot Chambers.* The evaluation team visited all the six pilot chambers in Luzon, the Visayas and Mindanao in order to get a realistic assessment of how far RED has performed to date (see *Annex D*). This was crucial in the evaluation of RED's performance from an operational perspective, particularly in the areas of chamber staffing, organizational dynamics, record-keeping, budgeting, and inter-office and intra-office communications and coordination among PCCI, USAID, PIC members, regional chambers and project staff.

During those visits, the team interviewed individually and collectively majority of the officers and directors from all the six pilot chambers to gain first-hand information on the conduct of RED's component-activities, in the light of strengthening each chamber's capability.

*On-Site Visits and Interviews With Training Participants.* Moreover, the evaluation team visited the various locations of SMEs of entrepreneur-participants from the entrepreneurship development seminars conducted by each pilot chamber. The responses based on those interviews provided the team with objective indications whether those seminars had been actually put into use after the conduct of those sessions. Data obtained from these questionnaires on chamber planning and strengthening workshops, as well as on entrepreneurship development seminars, were tabulated and analyzed to measure their effectiveness in the attainment of RED's objectives.

*Interviews With RED Project Staff and PIC Members.* The evaluation team conducted series of individual interviews with the RED Project Manager and with some current and past voting members of the PIC. A meeting was also held with the USAID officials for initial briefings and orientation on the project.

## B. SCOPE OF WORK

*Evaluation of Training and Studies.* The evaluation team was tasked to conduct an assessment of the different project outputs of RED, which were as follows: the appropriateness of the selection of the six pilot areas; the effectiveness of the training component in chamber strengthening and SME entrepreneurship development; the feasibility of the proposed Davao Business Center (DBC); an institutional assessment of the PCCI organization, including a Companion Study on its HRM and financial systems; a study design on the regional implication of the ASEAN Free Trade Area (AFTA); and the technical specifications and recommendations on RED's procurement of computers and development of software specifically tailored for the project.

*Selection of Six Pilot Areas.* RED identified six PCCI-affiliated chambers from secondary urban centers, namely: Malolos in Bulacan, Naga City, Bacolod City, Kalibo in Aklan, Iligan City, and Davao City, as recipients of PCCI's assistance to promote local enterprise development. The selection of these six pilot chambers was based on the following criteria: (1) the quality of chamber leadership; (2) the prevalence of industry associations in the area; (3) the strength of the relationships with local government officials; and (4) the size of the base of small and medium enterprises (SMEs) in the region. This EOP study determined whether this selection process was appropriate and adequate.

*Training Component.* These six pilot chambers were provided training and workshops which included, among others: effective chamber management skills; lobbying and advocacy techniques; financial analysis; computer literacy and skills

enhancement: project study preparation; and project monitoring and evaluation. In turn, the six chambers conducted entrepreneurship development seminars to strengthen SMEs in those regions. The evaluation team assessed their immediate impacts to the recipient chambers and individuals after conducting questionnaire-surveys and on-site interviews.

***Institutional Assessment (IA) of PCCI.*** A detailed IA of PCCI was conducted by SGV & Co. which evaluated PCCI's existing management structure, current and potential donor activities in support of the Chamber operations, and the actual and perceived impacts of PCCI activities. The study recommended appropriate strategies for streamlining management and enhancing the influence of PCCI, with particular emphasis on decentralized operations and active involvement in the promotion of regional SMEs.

Moreover, SGV & Co. submitted to PCCI in September 1994 a Companion Study detailing the proposed human resources management, budgetary control and fund accounting systems which would help in the effective planning and control of the operations of PCCI. This EOP study assessed this IA, including its Companion Study, on PCCI Secretariat organization.

***Proposed Davao Business Center.*** This EOP study evaluated the commercial viability of the proposed Davao Business Center which would be implemented through a joint venture agreement with the Davao City Chamber of Commerce and Industry, Inc. (DCCCII) and private sector investors. The feasibility study on the DBC was conducted by Laya Manabat Salgado & Co.

***Policy Study on Regional Implications of AFTA.*** PCCI engaged the Asian Institute of Management (AIM) to formulate a design for a study of the regional implications of AFTA. AIM assisted PCCI in organizing the 19th Philippine Business Conference (PBC) whose theme was "*Getting Our Act Together--Towards AFTA.*" Moreover, AIM assisted in the conduct of PBC pre- and actual workshops, plenary sessions and open forum with government secretaries. This EOP study assessed whether AIM complied with the conditions explicitly stated in the scope of work agreed upon between AIM and PCCI.

***RED Impact Analysis and Implementation Plan.*** Chemonics International conducted an impact analysis and implementation plan for RED's Second Phase. The evaluation team reviewed this study and came up with its own observations.

***Technical Specifications for RED's Information Management System and Data Network.*** The six pilot chambers were given the same set of computer hardware and softwares and office equipments to further enhance their effectiveness. These computer equipments would provide PCCI access to comprehensive, computerized data base on regional SMEs. TIN Asia Inc. submitted technical specifications and recommendations to PCCI in order to assist RED with its computer hardware/software configuration needs, including training of the staff. This EOP study evaluated this technical study on RED's computer procurement, database generation and training needs.

### III. EVALUATION TEAM

The SGV Evaluation Team was composed of the following:

- ELIAS D. BANQUILLO - Evaluation Team Leader;
- TOMAS J. RANADA - Team Specialist; and
- SATURNINO H. MEJIA - Team Specialist.

### IV. ACKNOWLEDGMENT AND STUDY LIMITATIONS

This End-of-Project Evaluation of the RED Project Phase I was made possible through the support provided by the Office of Investment and Enterprise Development (OIED) of the USAID. The opinions expressed herein are those of the authors or the Evaluation Team and do not necessarily reflect the views of the USAID.

The evaluation team wishes to thank all the officers, members and staff of the PCCI, the six Chambers, the RED Project Team, the PIC and the USAID for the courtesy and cooperation they extended to us during our examination.

### V. EVALUATION FINDINGS AND ASSESSMENTS

#### 1. ACCOMPLISHMENTS AND SHORTCOMINGS OF PROJECT IMPLEMENTATION

The principal accomplishments can be summarized as follows:

- Appropriate selection of the six pilot chambers namely; Bulacan Chamber of Commerce and Industry (BCCI); Naga City Chamber of Commerce and Industry (NCCCI); Metro Bacolod Chamber of Commerce and Industry (MBCCI); Metro Kalibo Chamber of Commerce and Industry (MKCCI); Chamber of Commerce and Industry Foundation of Iligan, Inc. (CCIFII); and Davao City Chamber of Commerce and Industry, Inc. (DCCCI).
- Varying degrees of strengthening of the organizational capability of the six chambers to render expanded services to SMEs.
- Successful conduct of 15 training programs were conducted participated in by a total of 582 chambers officers and members, secretariat officers and staff, entrepreneurs and managers of SMEs in the different regions. As affirmed from a sample of 19 SME entrepreneurs interviewed by the team, all were able to apply what they learned in those seminars which enhanced their knowledge and skills in the management of their business activities.

- Completion of PCCI Institutional Assessment Study and Companion Study, including the conduct of debriefings and commencement of restructuring of organizational, human resource management (**HRM**), compensation, accounting, as well as operational systems of PCCI.
- Completion of Davao Business Center Feasibility Study, including the conduct of debriefing and modifications on the study by the DCCCI and start of actual renovation of DCCCI building to house the Center. There were continuing discussions as well on the equity plan that would ultimately launch the project.
- Completion of the study and debriefing of the RED Impact Analysis and Implementation Plan which prepared the work plan and project documents, which included the Cooperative Agreement, for RED Phase II.
- Acceptance and completion of Technical Specifications and Recommendations for RED Information System, including the training and delivery of hardwares and softwares to all the six chambers and the PCCI, which resulted in the computerization of the Chambers for more effective delivery of services to the SMEs.

Some of the shortcomings were:

- Failure of the PCCI to provide sufficient working area for the project staff particularly in the early stages of project implementation.
- Delays in the delivery of computer sets to some chambers such as in Kalibo resulting into the lowering of enthusiasm about project benefits. However, the delays were made intentional by the Project manager in order that the counterpart facilities, like the air conditioning equipment and some furnitures, for these computers were properly provided for in these chambers.
- Failure of AIM to cover sufficiently the scope of work in the AFTA study design.

Moreover, other principal accomplishments of RED may also be classified as chamber-specific. Specifically, the positive lessons for some of the chambers like BCCI and MKCCI were as follows:

- RED resulted into vigorous efforts on the part of BCCI's leadership.

- RED accelerated BCCI's acquisition and development of office facilities and services, which brought about the establishment of the Bulacan International Trade Center (BITC) showcasing the area's finest products in jewelry, bags, furnitures, among others.
- RED offered better and well-focused lines of services to BCCI's members.
- Moreover, BCCI undertook more internal strengthening measures in the chamber.
- The RED interventions, *e.g.*, training and commodity assistance, opened the eyes of BCCI to internal and external opportunities for expansion of services to SMEs, potentials for investments, and better appreciation of the fruits of their collaborative efforts.
- The seminars and exposure to other proponent chambers were very educational in terms of generating ideas for better capability-building efforts.
- The trainings had also strong impact to the participants. Among the many benefits included: commitment to chamber activities; immediate application to chamber strengthening and entrepreneurship development and improvement; and expansion in the horizon in management and business development as a result of exposure to other chambers.
- For MKCCI, training on chamber management has motivated the chamber leaders to strengthen its organization.
- Similarly for MKCCI, the trainings on project preparation and starting a business have opened the eyes of entrepreneurs to new areas for doing business.

Unfortunately, there were shortcomings as well, as follows:

- For MKCCI, chamber members expected RED to provide financial assistance, technical assistance and skills, and marketing linkage for their products. They were disappointed because these expectations were not realized.
- The evaluation team believes that the objectives, scope of activities, implementation and limitations of RED could have been explained further to prevent rising expectations which cannot be met by the project.

## 2. PROJECT DESIGN

The project had two sets of components or activities. The first set (*e.g.*, entrepreneurship training, policy studies, feasibility study of a business center) aimed to attain the project goal which is the sustainable growth of SMEs outside Metro Manila. The second set (*e.g.*, PCCI Institutional Assessment, training for chamber directors and staff, computer hardware, RED Impact Analysis) was designed to accomplish the project purpose which is to strengthen PCCI's capacity to render services to regional SMEs. Both components were complimentary in such a way that the growth and development of regional SMEs would also strengthen the chambers in their delivery of services to these SMEs.

Strengthening and using the national and the local chambers of commerce and industry as conduits and active participants in assisting regional enterprises, mostly SMEs was a relatively new approach in developing SMEs. This was the first time that the PCCI was used as an active lead agency in this approach. The idea of establishing and running a profit- and development-oriented business center for SMEs was a novel concept that will be replicated if found viable.

*On Project Timetable.* RED was originally projected to last six months as per initial implementation schedule (see *Table 1*). On the basis of these planned activities of RED, the project duration of six months was too short because completion of some of the project components took longer time than expected.

TABLE 1. RED'S PROJECTED IMPLEMENTATION SCHEDULE  
AS OF MAY 1993

ACTIVITY	COMPLETION TARGET
COOPERATIVE AGREEMENT SIGNED	MAY 1993
PROJECT MANAGER ENGAGED	MAY 1993
RECONNAISSANCE VISITS TO POTENTIAL CHAMBERS	MAY-JUNE 1993
TRAINING FOR CHAMBER STAFF	JULY-OCTOBER 1993
DATABASE GENERATION	JULY-OCTOBER 1993
INSTITUTIONAL ASSESSMENT, POLICY STUDIES, BUSINESS CENTER STUDY, RIRC* ANALYSIS	JULY-OCTOBER 1993
COMMODITY PROCUREMENT ( <i>e.g.</i> , COMPUTERS, FURNITURES)	SEPT.-OCT. 1993

\* RIRC stands for REGIONAL INFORMATION RESOURCE CENTER (which never took off the ground).

Thus, RED was not implemented as scheduled. One of the last major activities, the computer procurement, including training of staff and installation, was completed only in October 1994. But the other key activities such as the various studies and chamber training were undertaken between August 1993 to February 1994.

The lull in activities between November 1993 when the entrepreneurship training programs were finished and August-October 1994, when the computer training was conducted and the computer equipments were delivered dampened for a while the enthusiasm of some chambers. Project delays also meant that project administration costs increased.

Moreover, those project components that did not push through or were not completed as of October 1994 were the following:

- Study on the Regional Implications of AFTA (for finalization);
- Local taxation policy studies (deferred to date); and
- Regional Information Resource Center (scrapped because it was linked to another project which was not implemented.)

On the whole though, the project design was appropriate and responsive to the project objective of strengthening the capability of the PCCI and its affiliated regional chambers to render services for sustainable growth of SMEs. Training designs, computer component and policy studies, particularly the IA, Companion Study and the Chamber Management Course were found to be directly supportive of chamber strengthening purposes. Moreover, the DBC study was conceptually good. The actual schedule of completed RED's activities is listed in *Annex A*.

### **3. PCCI AS PROJECT GRANTEE**

The PCCI, as the apex organization of a nation-wide network of regional chambers of commerce and industry and industry associations, was a logical choice as project grantee and implementing agency. The PCCI is viewed by the government as the single voice of the business sector. PCCI has 94 local chambers of commerce affiliated with it. It has vice-presidents in charge of regional affairs and SMEs. It monitors development of SMEs from a national perspective. It is the base of another foreign-assisted project on chamber strengthening.

As the implementing agency, PCCI improved its relationships with the local chambers. The experience and expertise gained by PCCI in RED enabled it to expand the same assistance and services to other local chambers and more convincingly to tap various sources of funds and technical assistance. The Institutional Assessment and Companion Study served as benchmarks for PCCI in organizational restructuring and other changes in HRM and financial systems. The computer hardware and softwares

have upgraded considerably the equipment and the level of technology of the chambers for better services. The DBC study served as model for chambers which would like to follow Davao Chamber's lead in establishing a business center.

RED inspired the six local chambers to strengthen their organizations and make them more responsive to the needs of their members, specially the SMEs. Only a year after the workshop on chamber management and advocacy, there had been an increase in chamber activities. Practically all the chambers increased their memberships, added new staff, and expanded or will soon expand their office spaces and facilities.

#### 4. PROJECT IMPLEMENTATION COMMITTEE (PIC) COMPOSITION

The PIC was created to act as advisory/consent board to RED's project implementation. The PIC was composed of the following voting members, mainly representatives from the private sector:

1.	JOSE T. PARDO, CHAIRMAN	PCCI
2.	RENE FLORENCIO, VICE CHAIRMAN	PCCI
3.	AGUSTIN BENGZON, CO-VICE CHAIRMAN	PCCI
4.	ALAN ORTIZ, PH.D.	DBP/CCPAP
5.	EDUARDO ALVAREZ/HERMAN GAMBOA*	PCCI
6.	FORTUNATO DE LA PENA	UPISSI
7.	JIMMY TANG/PETER YU*	FFCCI

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\* ALTERNATE-DESIGNATE.

**DBP** - DEVELOPMENT BANK OF THE PHILIPPINES; **CCPAP** - COORDINATING COMMITTEE OF PHILIPPINE ASSISTANCE PROGRAMS; **UPISSI** - UNIVERSITY OF THE PHILIPPINES' SMALL-SCALE INDUSTRIES; **FFCCI** - FEDERATION OF FILIPINO-CHINESE CHAMBERS OF COMMERCE AND INDUSTRY.

The Committee had also non-voting members, namely, Brad Wallach and Manuel Villanueva, who were both officers from the USAID.

The PIC initially agreed to meet every other week on a Wednesday. From June 7, 1993 to March 16, 1994, the PIC was able to meet nine times. The voting members of the PIC, composed of five from the private sector, one from a development banking institution and another from a public training institution, were appropriately chosen to provide leadership in the choice and oversight of RED projects. They were representing the broad spectrum of stakeholders in the SMEs.

RED benefited from the diverse fields of interest the PIC members represented. For instance, the presence of the Director of the UPISSI in the Committee provided practical and relevant insights and directions on the conduct of trainings to be provided to the SME entrepreneurs, as well as on the type of workshops that were conducted in the

areas of chamber management and advocacy, project study preparation, and project monitoring and evaluation. Moreover, the presence of influential members of the Federation of Chinese Chambers in the PIC helped indirectly through fostering memberships from some Chinese businessmen in those pilot chambers. There was also that potential for cooperation between the Chambers and the Chinese Chambers in those regions, since not a few Chinese businessmen were already members of both chambers. The evaluation team therefore believes that PIC's linkages were fostered and exploited to benefit RED.

The PIC was specially involved in the following activities: determination of the selection criteria of the project sites, selection of the six pilot chambers, assessment and selection of some of the consultants engaged in the project.

Based on the minutes of the PIC meetings, there were occasional absences and postponements of PIC's monthly meetings. The evaluation team believes that attendance in those meetings mattered due to the high importance attached to the role of PIC as advisory to the proper implementation of RED. From an interview by the team, one PIC member noted that he was really too busy with his personal business concerns that somehow conflicted to his being active and regularly present in the PIC meetings.

The evaluation team recommends that the PIC should continue to maintain its advisory/consent functions similar to its role during the first phase. The synergy from PIC members who possessed different expertise and interests, even with their tight schedules, would definitely produce dynamism and efficiency during the course of project implementation.

## 5. PROJECT STAFFING AND MANAGEMENT

The RED Project Manager proposed during the second PIC meeting that the project staff be composed of six personnel as follows: a Project Manager, an executive assistant, a technical assistant, a secretary, a computer operator and a messenger-cum-helper. The executive assistant and secretary would be recruited immediately upon approval by the PIC. The other three would be hired when warranted. The proposed staffing was approved by the PIC subject to PCCI's recruitment policies and procedures. In the Cooperative Agreement between PCCI and USAID, RED had only a budget for the salary, benefits, travel and *per diems* of the Project Manager. However, the financial records indicated that RED provided funds for support staff at ₱172,000 as of August 31, 1994.

RED was not appropriately and adequately staffed since it did not implement the above-mentioned staffing proposal. Files were found to be not very well organized and maintained. For instance, project documentation, completion reports on the training programs, minutes of PIC and project meetings, important correspondences, project agreements with consultants, and submitted reports of consultants were not readily

accessible to the evaluation team. It should be noted though that during the project evaluation period, the files were just recently transferred from the project office to another room in PCCI, and it was not advisable for the evaluation team to access them directly as they were not yet fully organized.

Since most of the project activities were done by coordination or contracting jobs with consultants, the Project Manager felt that there was no need for a full project staffing. RED was fortunate to have recruited a dedicated Project Manager who has motivated and inspired the regional chambers to deliver their best. Even with the absence of a regular staff to support him and sufficient working space for the project, RED managed to complete and implemented most of the project components. However, the RED staffing and management example should not serve as a model for future similar projects. The risks of failure would be minimized if normal project organization standards and requirements will be observed closely.

## **6. PCCI SUPPORT TO THE PROJECT**

RED did not obtain adequate support from PCCI. RED was provided by PCCI with limited access to telecommunication lines and other staff support services. The working space provided was insufficient for the project team. During the early stages of implementation, the Project Manager had to temporarily use his residence to house the project and had to advance from his own personal funds the payment of utilities and some personal services of an assistant.

Lacking immediate and sufficient working space in PCCI, RED could not have organized its project files to the extent that the Project Manager would have implemented the project activities more efficiently. The subsequent delays in the completion of the project could have been the result of the initial lack of support from PCCI. This in turn led to more delays in the implementation of the different project components, which brought about a series of budget realignments.

While this arrangement worked out well in the end, it should not serve as an example for future projects where the Project Manager had to use his personal resources for project purposes. During the project startup, firm commitment on project resources should be fully secured and made available.

## **7. USAID SUPPORT TO PROJECT IMPLEMENTATION**

Project implementation was under close monitoring and guidance of RED Project Director and Private Enterprise Support Division, Office of Investment and Enterprise Development (**PESD/OIED**) officers. Messrs. Brad Wallach, PESD Chief, and Manuel Villanueva, PESO Project Manager, had been active participants in weekly project team meetings, key meetings of the PIC, including the debriefings conducted by Laya Manabat

Salgado & Co., SGV & Co., and Chemonics International. They were also present during the daily meetings held in July 1994 to supervise the computer procurement and its training component. The PESD/OIED officers had been in close communication with PCCI and RED Project Manager for monitoring, oversight and support.

The Office of Financial Management (OFM) and Office of Regional Procurement (ORP) had been providing sufficient guidance to PCCI and the RED staff, essentially through the PESD/OIED. Both the USAID and the PCCI visited the different chambers in the process of evaluating and deciding the selection of the six chambers that subsequently became the PCCI and the USAID recipient of donor assistance in the promotion of regional SME development. The RED Project Manager has vouched for the adequacy and effectiveness of the project management support of the USAID.

All these support from USAID were in keeping with the Cooperative Agreement.

#### 8. FUNDS ALLOCATION

Based on disbursements data as of end October 1994 under the proposed Fourth Budget Realignment, the following were spent for the different project component items (see *Table 2*):

**TABLE 2. RED'S FOURTH BUDGET REALIGNMENT  
AS OF OCTOBER 1994**

COMPONENT ITEM	EXPENSES (IN P '000)	PERCENTAGE DISTRIBUTION
I. SALARIES & BENEFITS	1,818	8.90
II. STUDIES & TRAINING	13,190	64.58
III. COMPUTER	3,669	17.92
IV. MONITORING, AUDIT & EVALUATION	250	1.22
V. ADMINISTRATIVE COST	853	4.18
VI. NATIONAL CHAMBER STRENGTHENING	653	3.20
<b>TOTAL</b>	<b>20,424</b>	<b>100.00</b>

The expenses for studies and training, plus computer costs, had combined share of 82.5% of the total RED budget of P20.4 million Pesos. This showed that the project spent the money in pursuit of project purpose, which was to strengthen PCCI's capacity to render services to regional enterprises and in accordance with chamber capability building objectives as stated in the Cooperative Agreement. The 80:20 ratio between expenditure for operation and administrative support expenses was normal for technical

assistance projects. Therefore, the funds were appropriately expended for each project component. (See *Annex E* for details on the proposed Fourth Budget Realignment.)

The evaluation team was also provided by the Project Manager with financial data on project expenses or disbursements on the different component items. Detailed information were gathered on expenses for computer, training, business center, the AFTA study and PBC workshop subcomponents and budget realignments.

However, during the performance period of the EOP evaluation, there were physical renovations that were going on in the PCCI premises and the Project Manager was moving out of his office to give way to the Project Manager. The evaluation team has accepted the explanation of the Project Manager that this situation is the reason why the files appeared to be disorganized.

Based on the project puppies that RED was intended to strengthen PCCI's capacity to render services to regional enterprises, it can be gleaned from the financial records that funds were allocated for certain components or activities that did not directly support the project's purpose. These components were as follows:

• BUSINESS CENTER FEASIBILITY STUDY	₱ 2,161,000
• POLICY STUDY ON AFTA	1,150,000
• ENTREPRENEURSHIP TRAINING	1,200,700
<b>TOTAL</b>	<b>₱ 4,511,700</b>

The business center feasibility as a study did not strengthen the concerned chamber. Its eventual usefulness would depend on the results of the study and presumed a RED Phase II to have a greater assurance of being implemented. Policy studies such as the AFTA study aimed to improve the business environment. The entrepreneurship training programs assisted directly the SMEs. Although it must be stated that the courses also enhanced the image of the chambers which helped in running the programs. All the three components were more appropriate for a RED II. Thus, the chambers would have been more strengthened if the above funds were used instead to directly assist the chambers.

## 9. PROJECT FILES AND RECORDS

The financial records were adequately maintained within the project office. RED's financial records were kept exclusively under RED's accounts, independent of the PCCI. The evaluation team was provided by the Project Manager with financial information on project expenses and disbursements of the different project component items. Detailed information were gathered on expenses for computer, trainings, business center, the AFTA study and the PBC workshop subcomponents, as well as data on RED budget realignments.

However, the project files were not very well organized and accessible to the evaluation team. During the project evaluation period, the files were just recently transferred from the project office to another room in PCCI. It was not advisable therefore for the evaluation team to access them directly as they were not yet fully organized.

## 10. CHOICE OF PILOT CHAMBERS

The criteria for the selection of the six pilot chambers reflected a geographic representation of the Philippines, which meant that two pilot areas be chosen each in Luzon, the Visayas and Mindanao. The selection process also specified one strong secondary urban center and one weak center in each area. The rationale behind including weaker, or less developed, chambers was to determine whether or not the RED model could be replicated in areas with less resources or experience in the delivery of chamber services. Moreover, this process established success among these weaker chambers more visibly after project intervention.

The selection of the six sites below (see *Table 3*) from a short list of 22 chambers of commerce and industry outside Metro Manila was based on the following criteria: (1) the quality of the chamber leadership; (2) the prevalence of industry associations in the area; (3) the strength of the relationships with local government officials; and (4) the size of the base of small and medium enterprises in the region. These criteria were found to be adequate in the selection process.

TABLE 3. SELECTED SIX PILOT CHAMBERS

	STRONG CHAMBER	WEAK CHAMBER
LUZON	NAGA CITY	MALOLOS, BULACAN
THE VISAYAS	BACOLOD CITY	KALIBO, AKLAN
MINDANAO	DAVAO CITY	ILIGAN CITY

Each of these six chosen pilot chambers possessed singular characteristics or personalities peculiar to its own. For instance, the Bulacan Chamber of Commerce and Industry (BCCI) was initially classified as a weak chamber but in a short span of time after project intervention has proved itself to be a strong contender to challenge the Naga City Chamber of Commerce and Industry (NCCCI) for that strong chamber category. BCCI has positioned itself for take-off with its Bulacan International Trade Center (BITC) which aims to link the business community of Bulacan, particularly its SMEs, to both international and domestic markets. This development could be partly attributed to RED, as well as to BCCI's strength in linkages with industry associations (*i.e.*, in the

jewelry and leather tanning industries) and in support from its local government units (LGUs).

In Luzon, NCCCI was appropriately chosen as a strong chamber mainly because of its huge membership, which stands at around 260 to date, and the prevalence of many sectoral and industry associations in the area. The chamber leased its own office (and has definite plans for expansion in the near future), was ran by close to ten full-time staff members, and furnished with three computers, four telephone lines, a facsimile machine and even a motorcycle for errands. It also derived support from the ZDH/TA Program in chamber strengthening.

The Chamber of Commerce and Industry Foundation of Iligan, Inc. (CCIFII) was adequately chosen as a weak chamber due to the presence of big industries within its city limits, like the National Steel Corporation, the Mindanao Portland Cement, among others, and the relatively low mass base of SMEs within 20 to 30 kilometer radius from the city-center. However, CCIFII's strength was in its proximate relationship with local government officials, particularly in the area of policy advocacy. It was also a recipient of other foreign assistance to strengthen the chamber.

Similarly for Metro Kalibo Chamber of Commerce and Industry (MKCCI), perceived to be the weakest chamber of them all, it was housed within the residence of its President, understaffed, and had low membership of about 47, of which only ten are considered as active members. In fact, MKCCI had not even bothered to embark on a membership campaign prior to the RED project. However, MKCCI's strength could be attributed to its close relationship with the local government officials. The relative weakness of MKCCI signified a true test whether the positive lessons that may be learned from this RED experiment could be replicated to the many underdeveloped chambers in the country.

The Metro Bacolod Chamber of Commerce and Industry (MBCCI) was chosen adequately as a strong chamber attributed to its strength in all four selection criteria, namely: very intense and devoted chamber leadership; strong presence of the sugar producers' and millers' industry associations, among others; very close affinity with and supportive relationship from the LGUs; and very active recruitment, particularly from SMEs, of more than 130 members to date. MBCCI was another recipient of the ZDH/TA Program support.

Davao City Chamber of Commerce and Industry, Inc. (DCCCII) was not only the strongest chamber among the six pilot areas but also the oldest, established in 1968. Similar to MBCCI, DCCCII was appropriately chosen because of its very strength on all four mentioned criteria. Unlike MBCCI, which was housed within its President's office and partly subsidized by it, DCCCII owned its own building with adequate full-time staff of nine to date (from only six in 1993) and with liberal furnishings not unlike a functional, privately-ran office.

## **11. RED AS PERCEIVED BY OTHER INTEREST GROUPS**

RED was viewed positively by various groups in the regions such as local government units, local businessmen, industry associations and academic institutions. In Davao City, some of the local big businessmen and academic community were interested in investing and actively participating in the proposed business center. They viewed the business center as playing a major role in further developing Davao City not only as an industrial Center in Mindanao but also in the East Asian Growth Area (EAGA) or the Growth Polygon.

In the cities of Naga and Bacolod, the local governments and financing institutions looked at RED as a resource that could assist the Chambers in developing the target business community. In appreciation, they have expressed willingness to provide office spaces for the Chambers.

There were no deliberate and conscious effort on the part of the chambers to promote RED as a project. The promotional/outreach efforts were rather for the benefit of the chambers and subsumed RED as one of its many activities.

As expected there were still negative feedbacks gathered from those regional chambers, like in General Santos City, which failed to receive RED support. Even among the six chambers selected, one chamber had great yet false expectations from RED's project components, which believed should have included provision of funds for a building and partly for administrative overhead expenses. A misperception that could be attributed to the initial project design prepared by the AYC Consultants, Inc.

## **12. ACTUAL VERSUS EXPECTED PROJECT ACCOMPLISHMENTS**

All the key project components were accomplished except the study design on the regional implications of AFTA which still has to be finalized; and the local tax policy study which is expected to be done in RED. (See *Table 4*.)

RED inspired and moved all the six chambers to redouble their efforts in improving and enlarging their facilities, in increasing their membership, in expanding their services, and in building their organization capabilities for growth.

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**TABLE 4. ACTUAL PROJECT ACCOMPLISHMENTS AND IMPACTS**

PROJECT OUTPUTS	ACTUAL STATUS	PROJECT IMPACTS
1. SELECTION OF SIX PILOT AREAS	COMPLETED	GOOD SELECTION CRITERIA ESTABLISHED
2. TRAINING/WORKSHOP		
A. CHAMBER STRENGTHENING		
1. CHAMBER MANAGEMENT & ADVOCACY	COMPLETED	MOTIVATED CHAMBER LEADERSHIP; WORK PLANS PREPARED.
2. PROJECT STUDY PREPARATION	COMPLETED	CHAMBER STAFF ACQUIRED TECHNICAL SKILLS
3. PROJECT MONITORING & EVALUATION	COMPLETED	CHAMBER STAFF ACQUIRED MONITORING AND EVALUATION SKILLS.
B. CHAMBER SERVICES (6 CHAMBERS)		
1. HOW TO START YOUR OWN BUSINESS	COMPLETED	TRAINEES MOTIVATED TO START THEIR OWN ENTERPRISES.
2. EFFECTING BUSINESS IMPROVEMENT	COMPLETED	TRAINEES LEARNED TO IMPROVE EXISTING ENTERPRISES.
3. STUDIES		
A. PCCI INSTITUTIONAL ASSESSMENT (SGV & Co.)	COMPLETED	PCCI ORGANIZATION STRENGTHENED.
B. DAVAO BUSINESS CENTER FEASIBILITY (LAYA, <i>et. al.</i> )	COMPLETED	PLANS FOR PILOT BUSINESS CENTER ESTABLISHED.
C. RED IMPACT ANALYSIS & IMPLEMENTATION PLAN (CHEMONICS INTERNATIONAL)	COMPLETED	WORK PROGRAM AND PROJECT DOCUMENTS FOR RED PHASE II DEVELOPED.
D. TECHNICAL SPECIFICATION & RECOMMENDATION FOR RED MANAGEMENT INFORMATION SYSTEM (TIN ASIA, INC.)	COMPLETED	MANAGEMENT INFORMATION SYSTEM (MIS) FOR SMES ESTABLISHED.
E. COMPANION STUDY ON PCCI (SGV & Co.)	COMPLETED	HRM AND FINANCIAL SYSTEMS FOR PCCI UNDER IMPLEMENTATION.
4. POLICY STUDIES		
A. 19TH PBC & STUDY DESIGN FOR REGIONAL IMPLICATIONS OF AFTA (AIM)	INCOMPLETE	SUBSTANTIAL INPUTS FOR PBC CONFERENCE.
B. LOCAL TAXATION POLICY (FLORES)	DEFERRED	
5. COMPUTER PROCUREMENT, TRAINING & INSTALLATION	COMPLETED	COMPUTERIZATION OF PCCI AND PILOT CHAMBERS.

### 13. TRAINING COMPONENT

The following training programs were conducted to strengthen the chambers with the following number of participants (see *Table 5*):

**TABLE 5. CHAMBER STRENGTHENING PROGRAMS**

	<b>PROGRAMS</b>	<b>NUMBER OF PARTICIPANTS</b>
1.	CHAMBER MANAGEMENT AND ADVOCACY BACOLOD CITY, OCT. 24-28, 1993	40
2.	PROJECT STUDY PREPARATION DAVAO CITY, NOV. 17-21, 1993	29
3.	PROJECT MONITORING AND EVALUATION ILIGAN CITY, DEC. 1993	36
4.	COMPUTER APPLICATIONS WESTIN PLAZA, MANILA, AUG. 8-12, 15-19, 1993	8
	<b>TOTAL</b>	<b>113</b>

As a chamber service, two entrepreneurship seminars were conducted by all the chambers in their respective areas (see *Tables 6* and *7*). As affirmed from a sample of 19 SME entrepreneurs interviewed by the team, all 19 were able to apply what they learned in those seminars which enhanced their knowledge and skills in the management of their business or activities.

**TABLE 6. HOW TO START YOUR OWN BUSINESS SEMINAR**

	<b>VENUE</b>	<b>NUMBER OF PARTICIPANTS</b>
1.	BACOLOD CITY (NOV. 23-24, 1993)	34
2.	DAVAO CITY (NOV. 18-19, 1993)	37
3.	ILIGAN CITY (OCT. 18-19, 1993)	66
4.	KALIBO, AKLAN (NOV. 26-27, 1993)	17
5.	MALOLOS, BULACAN (OCT. 14-15, 1993)	36
6.	NAGA CITY (NOV. 6-7, 1993)	56
	<b>TOTAL</b>	<b>246</b>

**TABLE 7. EFFECTING BUSINESS IMPROVEMENT SEMINAR**

	VENUE	NUMBER OF PARTICIPANTS
1.	BACOLOD CITY, NOV. 23-24, 1993	32
2.	DAVAO CITY, NOV. 18-19, 1993	50
3.	ILIGAN CITY, OCT. 18-19, 1993	34
4.	KALIBO, AKLAN, NOV. 26-27, 1993	29
5.	MALOLOS, BULACAN, OCT. 14-15, 1993	29
6.	NAGA CITY, NOV. 6-7, 1993	49
	<b>TOTAL</b>	<b>223</b>

All the courses were well attended. However, the computer training program had only eight participants because there were only eight computers available for hands-on training.

A selection of participants and chamber directors and officers were asked to rate the quality and relevance of the training programs. On the average, the participants rated the courses highly as follows (see *Table 8*):

**TABLE 8. TRAINING PROGRAMS AND AVERAGE RATING**

TRAINING PROGRAMS	RATING
CHAMBER MANAGEMENT AND ADVOCACY	1.26
PROJECT STUDY PREPARATION	1.43
PROJECT MONITORING AND EVALUATION	1.56
COMPUTER APPLICATIONS	1.50
HOW TO START YOUR OWN BUSINESS	1.60
EFFECTING BUSINESS IMPROVEMENT	2.00

NOTE THAT 1=EXCELLENT VERSUS 5=POOR.

Details of the training evaluation are presented in *Annexes F, G* and *H*. The high ratings corroborated the participants' evaluation of the programs conducted during or right after the courses. However, one PIC member who observed one training program for chamber staff felt that some participants did not need to be there. Some participants were too junior and some were not in a position to apply what they learned for chamber activities.

The training programs conducted were appropriately selected because they were arrived at after the chamber planning workshop held for the purpose of determining the training needs in the different regions. The Chamber Management and Advocacy (CMA) training opened the eyes of chamber officers and staff to the requirements and benefits

of better chamber management and advocacy of ideas. The Project Study Preparation (PSP) provided the tools and techniques in preparing and submitting project studies while the Project Monitoring and Evaluation (PME) provided the methods for recording and assessing project status and developments for control and improvements. The high level of motivation of chambers officers and staff can be attributed largely to these trainings. The CMA and PSP both provided the proper preparation for the chamber officers and staff in presenting their work plans and project proposals during the RED II Semi-Annual Planning Workshop held in Bacolod City.

#### 14. INSTITUTIONAL ASSESSMENT STUDY

SGV & Co. conducted an IA of PCCI's capability to become more proactive and responsive in pursuing the programs and activities needed for the attainment of PCCI's vision. The main objective of the study was to assess PCCI's institutional efficiency relative to its perceived role in the community and its organizational vision. Its relevance to the Project RED lies in the study's coverage of both the National Chamber and its regional operations.

The study's conclusions pointed to PCCI's demonstrated staying power historically, but it lacks the resources which hamper its current effectiveness in attaining its goals. Specifically, the IA study revealed PCCI's meager financial resources, overburdened Secretariat, diverse demands from its diffused constituencies, and competing voices make it difficult to provide the single voice of Philippine business. It was noted that SMEs have limited or no representation in the Board of Directors.

Moreover, the conclusions of the study pointed to uneven performance on the delivery of PCCI's services to members, uneven quality of locally affiliated-chambers, and PCCI's status as a convenient organization to work with. The study also brought to fore the need for a more forceful business viewpoint from PCCI in both national and local issues, as well as the importance of strong support systems in accounting, credit and collection, and human resources management.

The evaluation team believed that the study was well-researched, comprehensive and very well conceived and executed. The study's practical value had set into motion its gradual implementation within the PCCI organization (see *Annex I* for the proposed organizational chart). Moreover, the IA study on PCCI was well accepted by the PCCI Board and key officers. In fact, a follow-up companion study was conducted and the Board passed a resolution accepting the recommendations of both studies. What made the conclusions and recommendations readily acceptable, aside from being based on sound analyses, was the approach used in the study. Numerous meetings and workshops were held with past and current leaders of PCCI, secretariat staff, selected regional chambers and donor agencies. Thus, the study can be viewed as the result of a joint effort of the parties concerned.

## 15. DAVAO BUSINESS CENTER

One of the studies conducted under the RED was a project feasibility study on the proposed Davao Business Center. The company selected to conduct the study was Laya Manabat Salgado & Co.

1. The feasibility study concluded that the proposed Davao Business Center was a viable undertaking. However, a review of the Laya study indicated that the proposed Davao Business Center might not be as viable as projected.

2. The projected income from financial packaging was based on optimistic assumptions. Fifty-five financial packaging deals on the first year, or about one deal a week, would be a difficult target to attain considering the number of staff assigned, the long process normally involved in loan processing, and an uncertain success rate of completed deals.

3. Financial packaging as an income earner suffers from an inherent weakness, that is regular income would not be earned from existing clients. A financial packaging service would always have to generate new clients because it would be unlikely that an old client would need new loans again in the near future.

4. The effective demand for training programs that would charge market rates was considered very limited, specially among SMEs. Many SMEs in Davao had been attending many training programs for free or at highly subsidized fees. Many of these training programs were funded by foreign grants and featured speakers from Manila and at times foreigners.

5. The projected gross profit from training was marginal. A dip in the number of training programs or number of participants, or a slight increase in cost would render training as an unprofitable source of revenue.

6. There would be some conflict of interest if DCCCII would regularly conduct training programs under RED at subsidized rates, while the DBC would also conduct its own training programs at higher or market rates.

7. It could be observed that firms offering management or professional services were best run by professionals themselves who own and manage their own business. Consultant-client confidentiality, competitiveness, quick response to opportunities and challenges, and entrepreneurial motivation were concerns that could be readily addressed by a lean consultancy organization.

Despite the above reservations, interviews with DCCCII directors and members clearly indicated optimism about the DBC. They wanted to push through with the DBC

which they now call as the Davao International Trade and Business Center. If financial assistance from USAID would not be available, DCCCII felt they could raise the required amount from among the members, other institutions and the big businessmen from the region. *(A more elaborate discussion of the analysis of the Business Center's feasibility is presented in Annex J.)*

*An Alternative Proposal.* There are alternative ways of implementing the concept of a business center. It may be worthwhile to study the viability of a business center in Manila that will serve initially the requirements of the six chambers of RED and their members. The Manila Business Center, or more precisely, the Business Center for Regional Chambers, can be a joint project of PCCI, the regional chambers, and USAID. It will serve as the marketing, purchasing, liaison and business office in Manila for the chambers and its members. In the Laya study, marketing assistance was the number one (61% of respondents) business service needed. Procurement/bulk purchasing was deemed needed by 38%. Manila is a prime target market and major source of equipment, materials and supplies for many regional SMEs.

The effectiveness of the Center will be relatively easy to measure: increased sales from marketing assistance; and cost savings from bulk purchasing and canvassing services. The Center can also do basic research in Manila, tap Manila-based speakers and consultants for training and technical assistance programs in the regions. More firms can be expected to join the regional chambers if it will give them access to a liaison office in Manila. The Center will charge membership dues and fees for services actually rendered.

With the Center and the regional chambers and their members mutually benefiting each other, the Center can be a key component in attaining project sustainability even before RED is phased out.

## **16. LESSONS LEARNED AND RECOMMENDATIONS FOR FUTURE SIMILAR PROJECTS**

Future similar projects could benefit from the following RED's experiences:

- It is essential that priority in institutional strengthening be given to the implementing organization. A strengthened PCCI organization would be able to respond at once and to deliver more effectively services and support to the recipient Chambers which could in turn facilitate these interventions toward the sustainability of regional SMEs. Moreover, organizational capability building should be a continuing process to fill the gaps that may be caused by personnel turnover.
- The success of training programs depends largely on the choice of participants, training design based on needs assessment, choice of resource persons, support instructional materials and choice of training venue that is

conducive to learning. However, one key success factor that attracted the quality and quantity of participants was the fact that the RED training programs were subsidized.

- The cross visits and the regular interactions between the member chambers can provide opportunities to share experiences, to learn and even to do business with each other.
- Some grantees found the computers very expensive. However, the provision of computers equipped with technologically current and sophisticated attributes accelerated the turnaround in the delivery of chamber services to SMEs.
- Since feasibility studies do not always result in positive conclusions, for relatively large projects, it would be less expensive and less time-consuming to do first a pre-feasibility study. The pre-feasibility study would determine whether a project is basically viable and merits a formal, detailed study. It would also identify key areas or factors that need special attention in the full-scale project study. This may be done in the case of the study on the viability of Davao Business Center.

The overall assessment is that RED inspired the chamber leadership and triggered their enthusiasm to double their efforts in chamber activities. This resulted into an increase in the active participation of officers and Directors in chamber activities, particularly in the recruitment of new and reactivation of old members. The Project Manager was credited by BCCI for his persistence and the motivation he has provided in building cohesiveness and organizational capability of the chamber.

On the basis of RED's experience, the following observations and recommendations were offered to enhance the sustainability of future similar project:

- Guidelines on project proposals should be clear such as priorities in the different sectors and the types of projects that may be proposed by the different chambers. This would help the chambers define for themselves what to submit to RED for donor assistance and those that they can implement themselves. The guidelines should include the format to be followed and the parameters used by RED in evaluating those proposals.
- Chamber capability-building activities should continue to be assisted by RED. This would help fill the possible organizational and manpower gaps caused by turnover in chamber leadership and Secretariat officers and staff.
- The benefits projection criteria for project selection should have employment-generation component in addition to financial and/or economic benefits.

- Due to the possibility of big volume in project proposals for donor assistance and to help the RED Project Manager and National Project Implementation Committee (NPIC), the project office should have a Project Analyst to assist in project proposal evaluation.
- Policy studies should now focus on those that could directly benefit the different chambers. RED should not fund policy studies but also the follow-up activities, such as workshops and dialogues with government officials and other groups concerned with policy issues in order to assure that the recommendations of the policy studies are put into effect.
- To maintain the commitment of the chambers and help sustain their operations, the chambers should be assured of reasonable net reflows for their involvement in RED's activities meant for assistance. The net reflows should cover the salaries of staff hired for RED's activities and other related operating expenses.
- More attention should be given to weaker chambers, such as in Kalibo and Iligan City. For instance, more capability-building resources be given to them and RED should be less stringent in the application for instance of project selection criteria.
- The project should aim for benchmarks that will indicate that the selected chambers can sustain RED's activities after the project has been phased out.

*Activities That Should Be Continued.* The chamber capability-building activities should be continued in order to build a bigger base of officers and members engaged in chamber management. This strategy would help cushion the impact of turnover among chamber officers and the Secretariat due to election process, resignation, transfer or dwindling interest in chamber activities.

## 17. STUDY DESIGN ON THE REGIONAL IMPLICATION OF AFTA

The comprehensive AIM Report is broadly divided into two major sections: (1) the 19th PBC activities and (2) the study design for the AFTA's regional implications. The evaluation team believes that this voluminous material partly achieved its objectives but failed to cover sufficiently its scope of work.

The Report failed to meet its three-fold objectives, which were as follows: (1) to formulate a design for a study of the regional implications of the AFTA; (2) to identify industry directions and opportunities from the AFTA at the national levels; and (3) to

assist in consensus building among Philippine business interests by introducing a transparent process to address policy concerns related to the AFTA at the national level; this process can be later implemented at the regional level. Thus the evaluation team could not agree with AIM that many of the activities conducted by AIM were beyond what PCCI and AIM initially agreed upon.

Based on the scope of work, AIM should have assisted PCCI in organizing the 19th PBC. The PBC and the related activities were to clarify industry directions and opportunities from the AFTA at the national level. This should also serve as a major input in the design of the study on the AFTA's regional implications. More explicitly, AIM should assist in the conduct of PBC workshops, plenary sessions, open forum with government officials and pre-PBC workshops. The evaluation team believes that this component-activity was adequately achieved based on the successful conduct of the 19th PBC.

The 19th PBC marked the first instance of collaboration between the PCCI and the AIM. The AIM assisted adequately in the design of the conference, in the conceptualization of a practical framework of analysis that Philippine businesses can apply, and in the conduct of a survey about the AFTA. (The latter is not part of the scope of work agreed upon.) Moreover, the AIM assisted in the conduct and facilitation of sectoral workshops prior to the conference proper, in moderating plenary sessions, and in the facilitation of discussions during the PBC workshops.

On the other hand, the evaluation team felt that the AIM Report failed to deliver sufficiently on the second component of the scope of work, *i.e.*, for AIM to prepare an elaborate report on the design for a study on regional implications of the AFTA, which includes documentation of PBC, publication and illustrative case studies. The AIM Report provided a simplistic study design for the AFTA's regional implications bereft of the detailed mechanics and well-identified industry directions and opportunities from the AFTA that would rally behind it Philippine business interests. The portion on the study design on the regional implications of AFTA contained only 15 pages. The insufficient Report instead provided the following contents: summary results of the 19th PBC workshops and their implications to the regions; a brief report on consultation meetings with representatives from the regions; and a conceptual framework to analyze the impact of the AFTA to the region.

Moreover, it is important to note that, according to the RED Project Manager, the consulting agreement between AIM and PCCI was only prepared after the former was already doing the study. Based on the agreement, AIM would only prepare the groundwork for a policy study on the regional implications of AFTA. A study design, not the study itself, is the principal output. The focus is the implications of AFTA on the national levels; regional implications would be considered later.

From the perspective of RED, just a study design would be inadequate for its purposes. But for the purposes of the 19th Philippine Business Conference, the

involvement and output of AIM may be considered adequate. AIM also made use of the Group Support System, a software package, in the workshops to elicit responses from the participants freely, spontaneously and with anonymity and equal opportunity.

The AIM also conducted a survey questionnaire on AFTA. But its usefulness was limited relative to RED's objectives. The response rates were low. Only 114 (11.4%) of 1,000 questionnaires sent to PCCI members were returned and answered. Six hundred questionnaires were sent to foreign chambers in the Philippines and only 64 (10.7%) were returned. More than 3,000 questionnaires were sent to ASEAN chambers but the response rate was very low for statistical evaluation vis-à-vis returns from the Philippines. Many questions dealt with respondents' perceptions about AFTA which do not address directly the question: What are the regional implications of AFTA?

The outputs of AIM that could have practical value to regional enterprises were the handbook and workbook that guide companies affected by AFTA to prepare the appropriate strategies.

## 18. RED IMPACT ANALYSIS AND IMPLEMENTATION PLAN

One of the components of RED was an impact analysis and an implementation plan for RED. Phase II. Chemonics International was selected to do the impact analysis and implementation plan. The project evaluation team reviewed the Chemonics study and came up with the following observations, findings, and suggestions:

1. The Chemonics study team after briefings by USAID and PCCI reformulated the purpose statement of RED to emphasize direct benefits to SMEs, *i.e.*, *"the purpose of RED is to improve the performance of SME's outside Metro Manila, and to improve the business environment in which they operate."*

The above purpose is common to many assistance programs directed to SMEs. What gives the RED its special character is the approach of strengthening and using the national chamber system (*i.e.*, PCCI ) as a means of reaching and assisting SMEs.

2. The Chemonics study further stated that, *"an underlying objective of RED Phase II is to get as much of the project's resources as possible to SMEs, with very little spent on "institutional development" for PCCI and the local chambers. The most effective way to strengthen the chamber system is again by actually "doing" SME development while also building membership."*

The above statement implied that the project would have greater impact by providing direct assistance to SMEs and strengthening the chambers would somewhat be not productive. On the contrary, many development agencies have already realized that direct assistance to SMEs were often not cost-effective and could have only short-term effect. To be more cost-effective and exhibit a multiplier effect, development programs

have emphasized strengthening the delivery system (training institutions, consultancy groups, chambers, NGOs, development officers, etc.) of providing assistance to SMEs. After RED is phased out, the chambers would still be assisting SMEs. Any resource used to properly strengthen the chamber would have a long-term beneficial effect on SMEs. Doing things might be the best way to learn but it could be a costly exercise if one did not have the proper preparation and skills.

3. For a three year period, the target number of participants in technical and management training programs would be 1,750 in 175 courses. This would mean only 10 participants per training program. With a budget of US\$1,312,500 for training, the cost would amount to US\$750 per participant.

To have greater impact and as an indicator of its relevance, a training program should attract at least 20 participants.

4. About 200 firms were targeted to receive technical assistance (TA). This would be about 66 firms per chamber over a three-year period. With a budget of US\$634,000 for TA, this would mean an average cost of US\$3,174 per firm assisted. Two hundred firms seemed to be a reasonable and attainable target.

Since only a limited number of firms would receive technical assistance, explicit guidelines on what sectors would have priority and the preferred size of firms to be assisted should already be given out before TA proposals were prepared. To be more cost-effective, TA could focus on common problems of firms in the same sector where one consultant could already provide implementable solutions.

5. Forty policy studies were projected to be prepared with a budget of US\$320,000, or about US\$8,000 per study. One study would require an average of 53 person-days to finish.

The project might not be able to require 40 policy studies in three years. While there were many policy issues facing the local chambers, they could act on these issues within a short period of time. Many of these issues (*e.g.*, exorbitant increase in real estate taxes, prodding quick government action on inadequate or damaged infrastructure, *etc.*) would require a strong lobby and fast action/reaction rather than a formal research and study.

There were already government and private institutions regularly preparing policy studies. It would be advisable to survey initially current policy studies in order to avoid duplication and perhaps build on those previous studies. The survey could also identify the appropriate persons or institutions which would have the data bank and the track record to conduct policy studies for the local chambers.

The first policy studies could focus on local policy issues and concerns that would be common to several chambers. Aside from local policy issues, policy studies could also cover issues and concerns affecting specific industry sectors nationwide.

Instead of just funding policy studies, RED could also support follow-up activities after the studies were completed to assure that the recommended policy changes were put into effect. A consulting firm would be commissioned not only to conduct selected policy studies but also to organize dialogues with government officials and publicize its proposals.

6. RED would actively involve the six local chambers in providing training, technical assistance and policy studies that will promote the development of SMEs. However, in some respects RED did not adequately prepare the local chambers for the three key activities in RED.

RED conducted a planning workshop that addressed training needs assessment and the development, management and evaluation of training programs. If some of the local chambers could organize and conduct seminars, it was because they already possessed some experience and expertise. While the entrepreneurship training programs conducted by the UPISSI involved the local chambers, more could have been learned by the chamber staff if they had first undergone a short training of trainers course and acted as understudies in the entrepreneurship courses.

A course on project study preparation was conducted for staff and members of the local chambers. However, preparing project studies or loan packaging for enterprises is not part of TA in RED. What would be needed by chamber staff was the skill to prepare project proposals for funding.

A basic knowledge on the process of business consulting would be needed by chamber staff who would coordinate technical assistance activities. Before a consultant is tapped, the chamber staff would have to prepare the groundwork, like generate clients for TA, identify problem areas, and pre-sell the idea to prospective clients with the need for a consultant.

An appreciation course on the process and preparation policy studies would also be helpful. Senior chamber staff with some training might be able to prepare policy studies or position papers on issues that were not too complex.

## **19. TECHNICAL SPECIFICATION AND RECOMMENDATIONS FOR RED INFORMATION MANAGEMENT SYSTEM AND DATA NETWORK**

Trading Information Network (TIN) Asia, Inc. recommended to construct and manage an information database of SMEs for RED. The proposed information management system (IMS) has two components: (1) the RED-IMS using a high-end

microcomputer with high processing power, memory and storage capabilities that will gather and organize data pertaining to SME and existing markets; and (2) the **RED DataNet** using microcomputer equipped with a modem that will handle information distribution.

The evaluation team's visits to the six chambers confirmed the existence and installation of six microcomputers with software based on *Microsoft Windows* graphical user interface. The TIN Asia study proposed that ideally, two staff members of each Chamber Secretariat will be designated as RED-IMS resource persons. However, only one staff per chamber attended the computer applications seminar and the participants were required to work with their chamber for at least a year and train other staff on computer applications. Moreover, the proposed annual operating cost at ₱277,000 per one database administrator per chamber seems exorbitant. It seems unlikely that the chambers could generate this much of revenues from the RED-IMS operations to make this a sustainable service they could offer to SMEs.

The evaluation team also noted that some of the chambers would have preferred getting other equipment such as scanners, CD-ROMs and plotters.

## VI. CONCLUSION

As a whole, RED opened the eyes of the chambers to opportunities for improving their respective organization and delivery of services to SMEs. These six chambers were very proud to belong to that pilot group that was blazing the trail of excellence in chamber management. This interest should be supported and heightened and RED was in that vantage position to realize it.

REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I

List of Annexes

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## ANNEX A

<b>RED PHASE I ACTIVITIES</b> <b>May 16, 1993-October 15, 1994</b>
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	COMPLETION DATE
I. SIGNING OF AGREEMENT AND PIC ORGANIZATION	MAY-JUN. 93
II. SELECTION OF SIX PILOT AREAS (22 AREAS VISITED)	JUL.-AUG.93
III. TRAINING/WORKSHOP	
A. CHAMBER PLANNING WORKSHOP (MANILA)	SEPT. 1993
B. CHAMBER STRENGTHENING	
1. CHAMBER MANAGEMENT & ADVOCACY (BACOLOD)	OCT. 1993
2. PROJECT STUDY PREPARATION (DAVAO)	NOV. 1993
3. PROJECT MONITORING & EVALUATION (ILIGAN)	DEC. 1993
C. CHAMBER SERVICES (6 CHAMBERS)	
1. HOW TO START YOUR OWN BUSINESS SEMINAR	OCT.-NOV. 93
2. EFFECTING BUSINESS IMPROVEMENT SEMINAR	OCT.-NOV. 93
IV. STUDIES	
A. PCCI INSTITUTIONAL ANALYSIS (SGV & Co.)	AUG.-DEC. 93
B. DAVAO BUSINESS CENTER FEASIBILITY (LAYA, <i>et.al.</i> )	SEP.93-JAN.94
C. RED IMPACT ANALYSIS & IMPLEMENTATION PLAN (CHEMONICS INTERNATIONAL)	OCT.93-FEB.94
D. TECHNICAL SPECIFICATION & RECOMMENDATION FOR RED INFORMATION SYSTEM (TIN ASIA)	NOV.93-JAN.94
E. COMPANION STUDY ON PCCI (SGV & Co.)	JUL-OCT.94
V. POLICY STUDIES	
A. 19TH PBC & STUDY DESIGN-REGIONAL IMPLICATIONS OF AFTA (AIM)	OCT.93- FEB.94
VI. COMPUTER PROCUREMENT, TRAINING & INSTALLATION	APR.-OCT.94
VII. PCCI NATIONAL STRENGTHENING	OCTOBER 1994
VIII. AUDIT AND EVALUATION	SEP.-OCT. 94

SOURCE: RED PROJECT MANAGEMENT

END-OF-PROJECT EVALUATION STUDY OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I

**QUESTIONNAIRE FOR DIRECTORS/OFFICERS OF  
LOCAL CHAMBERS INVOLVED IN THE RED PROJECT**

Name of respondent: \_\_\_\_\_

Position: \_\_\_\_\_

Name of chamber: \_\_\_\_\_

Interviewer: \_\_\_\_\_ Date: \_\_\_\_\_

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1. Please rate the relevance of the following training programs conducted under the RED Project to the operations of your chamber:

a. Chamber Management and Advocacy:

Very relevant \_\_\_\_\_ Not relevant  
1            2            3            4            5

b. Project Study Preparation:

Very relevant \_\_\_\_\_ Not relevant  
1            2            3            4            5

c. Project Monitoring and Evaluation:

Very relevant \_\_\_\_\_ Not relevant  
1            2            3            4            5

d. How to Start Your Own Business:

Very relevant \_\_\_\_\_ Not relevant  
1            2            3            4            5

e. Effecting Business Improvement:

Very relevant \_\_\_\_\_ Not relevant  
1 2 3 4 5

f. Computer Applications:

Very relevant \_\_\_\_\_ Not relevant  
1 2 3 4 5

2. What other training programs do you think your chamber or its members need?

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3. What other assistance do you think your chamber or its members need?

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4. What do you think were the major problems or hitches encountered in the implementation of the RED Project?

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5. If there were major problems or hitches, how in your opinion should these problems/hitches have been avoided or resolved?

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6. Can the chamber conduct ten short (1-2 days) training programs a year? (Speakers from outside the chamber will be tapped.)

Yes: \_\_\_\_\_ No: \_\_\_\_\_ Maybe: \_\_\_\_\_ Don't know: \_\_\_\_\_

Please give the reasons or bases for your answer:

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7. Please give other comments/information:

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END-OF-PROJECT EVALUATION STUDY OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I

**QUESTIONNAIRE FOR PARTICIPANTS IN THE TRAINING PROGRAMS  
CONDUCTED UNDER THE RED PROJECT**

Name of participant: \_\_\_\_\_

Training program attended: \_\_\_\_\_

Inclusive dates: \_\_\_\_\_ Location: \_\_\_\_\_

Interviewer: \_\_\_\_\_ Date: \_\_\_\_\_

=====

1. How would you evaluate the training program as a whole?

Excellent \_\_\_\_\_ 1 \_\_\_\_\_ 2 \_\_\_\_\_ 3 \_\_\_\_\_ 4 \_\_\_\_\_ 5 \_\_\_\_\_ Poor

2. After the training program, were you able to apply what you learned?

Yes: \_\_\_\_\_ No: \_\_\_\_\_

If YES, please describe below what or how or where you were able to apply what you learned:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If NO, please give below the reasons or constraints or problems that prevented you from applying what you learned:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. What other training programs do you think will be useful to you and to your company or organization?

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4. Please give other comments or information you think are relevant:

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**RED I -- END-OF PROJECT EVALUATION  
TRAVEL SCHEDULE OF PROJECT EVALUATORS  
OCTOBER 1994**

	T	W	Th	F	S	Su	M	T	W	Th	F	S	Su	M	T	W	Th	F	S	Su	M	T	W	Th	F	S	Su		
	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30		
BACOLOD CITY	■																												
T Ranada/S Mejia																													
MALOLOS							■																						
E Banquillo/T Ranada/S Mejia																													
BACOLOD CITY											■																		
E Banquillo/T Ranada/S Mejia																													
KALIBO																					■								
E Banquillo/S Mejia																													
NAGA CITY																					■								
T Ranada																													
ILIGAN CITY																						■							
S Mejia																													
DAVAO CITY																													
E Banquillo/T Ranada																									■				

■ Travel Dates  
□ Project Team Meetings

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## PROPOSED FOURTH BUDGET REALIGNMENT

October, 1994

PIO/T No. 492-0452-3-20206

Component Item	Original Budget (000)	First Revised Budget (10/20/93)	Second Revised Budget (Feb., 1994)	Third Revised Budget Sept., 1994	Expenses To Date Sept. 30, 1994	Estimated Expenses 10/1-12/31/94	New Budget Proposed	Increase (Decrease)
<b>Salaries &amp; Benefits</b>								
Project Manager	P 414	P 620	P 736	1,098	P 1,098	P 236	P 1,334	P 236
Support Staff	0	120	136	192	192	32	224	32
Travel & Per Diem	161	268	200	200	200	60	260	60
Sub Total	P 575	P 1,008	P 1,072	1,490	P 1,490	P 328	P 1,818	P 328
<b>Studies and Training</b>								
Training	P 3,450	P 2,760	P 3,750	3,862	P 3,862	P	P 3,862	P 0
Studies	13,570	9,387	5,539	5,293	5,193	100	5,293	0
Foreign Consultants	0	4,140	3,973	4,035	2,885	1,150	4,035	0
Sub Total	P 17,020	P 16,287	P 13,262	13,190	P 11,940	P 1,250	P 13,190	P 0
<b>Computers</b>								
Hardware/ Software	P 1,150	P 1,150	P 3,139	2,950	P 2,950	P 0	P 2,950	P 0
Training/ Consulting Services			782	710	710	0	710	0
Sub Total	P 1,150	P 1,150	P 3,921	3,660	P 3,660	P 0	P 3,660	P 0
<b>Non-Federal Audit</b>	P 1,150	P 1,150	P 0	0	P 0	P 0	P 0	P 0
<b>Monitoring, Audit &amp; Evaluation</b>	0	0	1,150	900	0	250	250	(650)
<b>Admin Cost</b>	0	300	490	753	753	100	853	100
<b>National Chamber Strengthening</b>				431	0	653	653	222
<b>GRAND TOTAL</b>	P 19,895	P 19,895	P 19,895	20,424	P 17,843	P 2,581	P 20,424	P 0
			<u>865,000</u>				<u>or \$ 855,000</u>	



h. The chamber encourages us to help or support the needs of the members' industry.

i. Yes. I've performed my duties in the chamber as a technical staff with a higher level of effectiveness. The application of what I learned is dependent on the overall action plan of the chamber. Hard to specify.

j. Yes. The management style needed in different lines of business and the need of having a stronger chamber in order to help other members; how to approach persons in the government sector as well as the need of lobbying the national and local governments.

k. Yes. Whenever the member encounters any problem, for example in his membership in the chamber. I can apply to them what the trainer (Mr. Abraham) stated in his brochures.

l. By enhancing my organizational skills in my present position as community organizer/NGO worker.

m. By promoting our skills in organizing group (NGO) which is most required by my present position.

n. Some of our chamber undertakings are done and performed with ease and better efficiency because of the systematic management based on seminar applications.

If NO, please give below the reasons or constraints or problems that prevented you from applying what you learned:

3. What other training programs do you think will be useful to you and to your company or organization?

a. Middle management training is lacking. Supervisors are being brought into the organization.

b. Chamber strengthening for new set of officers.

c. How to establish joint ventures and subcontract schemes: seminar on regional development planning.

d. Fund sourcing from other countries should have been made available - the means to secure them other than just USAID.

e. Localized system of policy advocacy and chamber operations.

f. Financial management training.

g. Human resources development. Generally, local chambers have high labor turn-over. As trustees come and go, there must be a long-range HRD program.

h. Marketing training (strategy).

i. Public relations strengthening seminar.

j. Community development and effective delivery of service to the community.

k. Ones that are useful to grassroots especially when a certain area is pregnant with untapped resources and commodities.

4. Please give other comments or information you think are relevant:

a. Lack of commitment from members is a major problem to be overcome.

b. RED's help is needed by the LCCIs to source out funds to cover the administrative costs of the project. The secretariat can no longer do the RED functions over and above the other traditional chamber concerns with the same remuneration. "Nothing is for free."

c. In this seminar/training, our minds become open in making the BCCI a chamber that can help its members in the operation of their business.

d. RED is of vital importance to the enhancement of the business sector's role in community development.

e. RED is very important for business and economic development. It is very important because of the very important information given.

f. I believe that the programs/objectives of the RED project are economically beneficial to majority of the masses.

END-OF-PROJECT EVALUATION STUDY OF THE REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I
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### SUMMARY OF RESULTS OF QUESTIONNAIRE-SURVEY ON DIRECTORS/ OFFICERS OF LOCAL CHAMBERS INVOLVED IN THE RED PROJECT

1. Please rate the relevance of the following training programs conducted under the RED Project to the operations of your chamber:

a. Chamber Management and Advocacy:

Very relevant 26(87%) 3(10%) 1(3%) \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

b. Project Study Preparation:

Very relevant 22(85%) 4(15%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

c. Project Monitoring and Evaluation:

Very relevant 19(73%) 7(27%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

d. How to Start Your Own Business:

Very relevant 26(87%) 4(13%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

e. Effecting Business Improvement:

Very relevant 25(86%) 4(14%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

f. Computer Applications:

Very relevant 24(86%) 4(14%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Not relevant  
                           1                  2                  3                  4                  5

2. What other training programs do you think your chamber or its members need?

Answers to the above question include the following:

Annual chamber development workshop for new set of officers; staff development and supervisory training; needs assessment; entrepreneurship and business management seminars; productivity and quality control; value formation; organizing training and technical assistance programs; customer/member relations; new product marketing; awareness seminars on government laws, regulations, AFTA, GATT, etc.

3. What other assistance do you think your chamber or its members need?

Answers to the above question include the following:

Assistance in organizing strengthening countryside chambers of commerce; how to secure more assistance rather than just the USAID; funds for staff/project officer; linkages with other chambers in other countries; additional equipment such as plotters, digitizers, scanners; loans/access to credit; product design and packaging; update on business/market information and industry trends; export trading; setting up an efficient accounting system for the chamber; raw material sourcing

4. What do you think were the major problems or hitches encountered in the implementation of the RED Project?

Time/distance constraints; scope of area limitations should have been defined; slow/delayed reimbursements; long vacillation period and the rush in implementation; loss of momentum/enthusiasm of chambers due to delays; scheduling problems; too short a time for the training programs; problems with scheduling/communications; unattainable schedules/targets. information should be sent well in advance.

5. If there were major problems or hitches, how in your opinion, should these problems/hitches have been avoided or resolved?

Responses to the above question included the following:

More dialogues between RED and chamber proponents so that we can share our problems and difficulties. The chambers should not have been made to advance the payments; funds intended for each activity should have been released before the actual activity was undertaken. Proper coordination. Support staff and office expenses. Follow set schedules. Chambers should have been informed in advance of delays in the program. Good project benchmarks should have been included in the agreements. Problems can be avoided by early scheduling. Regular follow-up on release of funds and approval of project will avoid delays. Provide the chambers

with advances to be liquidated later. There should have been a firm program of activities and a system for fund liquidation and disbursements should have been installed prior to implementation. Send packages/information by courier not by mail.

6. Can the chamber conduct ten short (1-2 days) training programs a year? (Speakers from outside the chamber will be tapped.)

All the chambers gave a positive reply to the above question.

Reasons given for the positive response were experience in conducting seminars, availability of training staff and facilities and the existence of a demand for training.

7. Please give other comments/information:

The enthusiasm, commitment and sense of volunteerism of chamber officers and members made chamber work a lot easier. SMEs may find it difficult to raise counterpart funds. RED gave us the right push to excel in our commitment to chamber objectives. Membership development is needed. Members are very appreciative of the assistance given by RED. Too "close" monitoring of the project gives an uneasy feeling and implies distrust.

END-OF-PROJECT EVALUATION STUDY OF THE REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I
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**SUMMARY OF RESULTS OF QUESTIONNAIRE-SURVEY  
ON PARTICIPANTS IN THE TRAINING PROGRAMS  
CONDUCTED UNDER THE RED PROJECT**

**A. CHAMBER MANAGEMENT AND ADVOCACY WORKSHOP**

1. How would you evaluate the training program as a whole?

Excellent 14 (74%) 5 (26%) \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ Poor  
                   1                  2                  3                  4                  5

Rating: 1.26

2. After the training program, were you able to apply what you learned?

Yes: 19 (100%) No: 0

**B. PROJECT FEASIBILITY STUDY PREPARATION**

1. How would you evaluate the training program as a whole?

Excellent 9(64%) 4(29%) 1(7%) \_\_\_\_\_ \_\_\_\_\_ Poor  
                   1                  2                  3                  4                  5

Rating: 1.43

2. After the training program, were you able to apply what you learned?

Yes: 12 (86%) No: 2 (14%)

**C. PROJECT MONITORING AND EVALUATION**

1. How would you evaluate the training program as a whole?

Excellent 5(56%) 3(33%) 1(11%) \_\_\_\_\_ \_\_\_\_\_ Poor  
                   1                  2                  3                  4                  5

Rating: 1.56

2. After the training program, were you able to apply what you learned?

Yes: 7 (87%) No: 1 (13%)

#### D. COMPUTER TRAINING

1. How would you evaluate the training program as a whole?

Excellent   3(50%)   3(50%)   \_\_\_\_\_   \_\_\_\_\_   \_\_\_\_\_   Poor  
                  1            2            3            4            5

Rating: 1.50

2. After the training program, were you able to apply what you learned?

Yes: 4 (67%) No: 2 (33%)

#### E. EFFECTING BUSINESS IMPROVEMENT

1. How would you evaluate the training program as a whole?

Excellent   3(19%)   10(62%)   3(19%)   \_\_\_\_\_   \_\_\_\_\_   Poor  
                  1            2            3            4            5

Rating: 2.0

2. After the training program, were you able to apply what you learned?

Yes: 14 (87%) No: 2 (13%)

#### F. HOW TO START YOUR OWN BUSINESS

1. How would you evaluate the training program as a whole?

Excellent   2(40%)   3(60%)   \_\_\_\_\_   \_\_\_\_\_   \_\_\_\_\_   Poor  
                  1            2            3            4            5

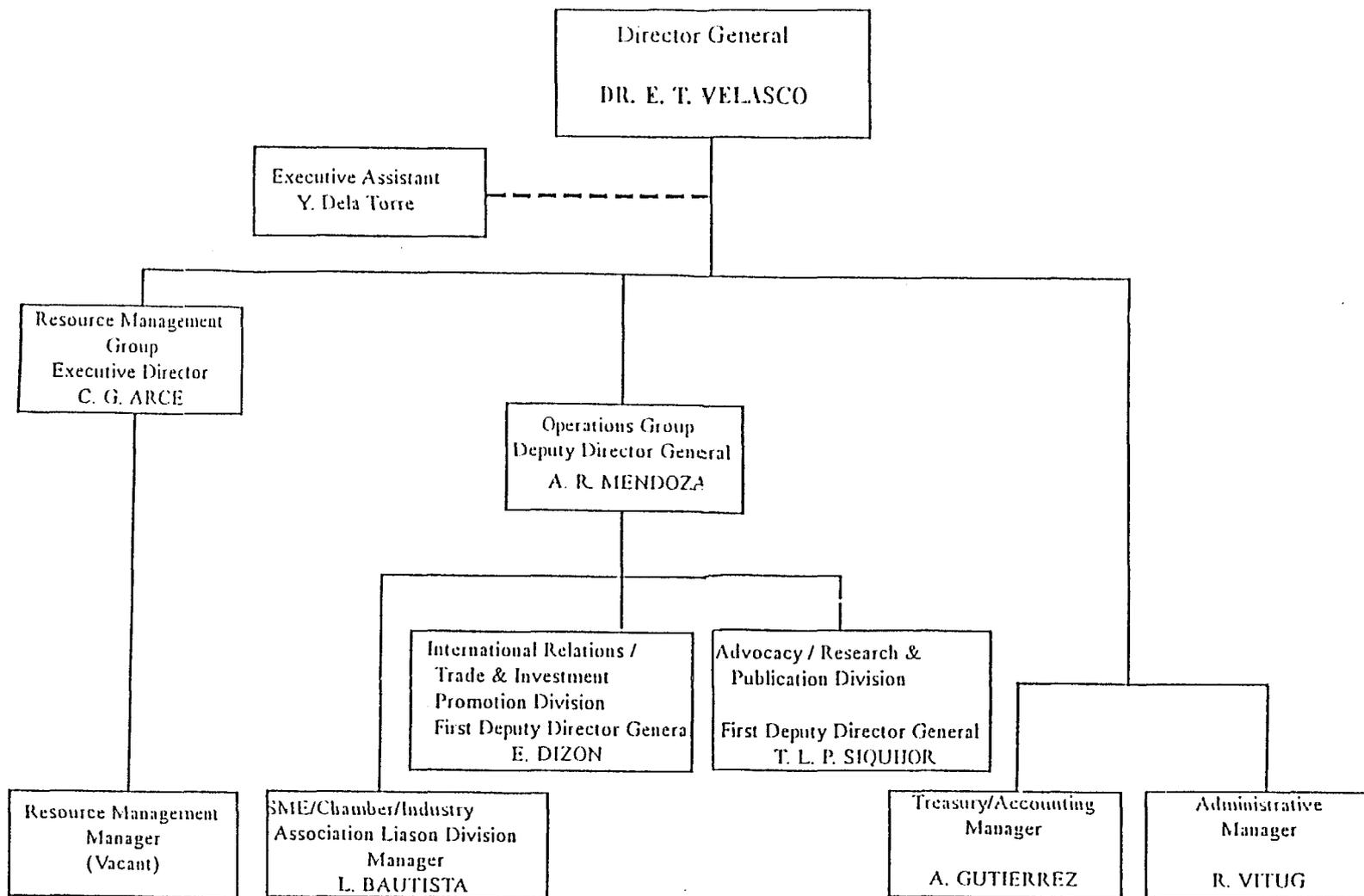
Rating: 1.6

2. After the training program, were you able to apply what you learned?

Yes: 5 (100%) No: 0

# PCCI - ORGANIZATIONAL CHART

(by Position Level)



DAVAO BUSINESS CENTER FEASIBILITY STUDY

One of the studies conducted under RED was a project feasibility study on the proposed Davao Business Center. The company selected to conduct the study was Laya Manabat Salgado & Co.

The feasibility study concluded that the proposed Davao Business Center (DBC) was a viable undertaking and will start earning profits on the second year. Principal sources of revenue would be management advisory services (*i.e.*, mainly financial packaging), training and information, office support services and logistics services. However, a closer review of the Laya study would indicate that the proposed Davao Business Center would not be as viable as projected. This conclusion was based on the following analyses and findings:

1. The main source of income of the DBC was financial packaging. For 1995, the projected revenue from financial packaging was ₱2,428,800. This was based on 4% of total financing arranged for 55 deals at an average of ₱1,100,000 per deal. The number of deals was projected to increase at 15% a year and the average amount per deal would grow by 10% a year. It was quite optimistic to assume that 55 deals a year or about one deal a week can be arranged by a professional staff of four who would also be engaged in other management advisory services. Generating a client, discussions with the client and lending institutions, research work, drafting and finalizing the financial package, appraisal and approval of the lending institution would definitely take more than a week. Moreover, not all financial packaging engagements would result in loan approval and release; thus the 4% fee would not always be collected. This would also mean that more financial packaging studies would have to be undertaken to attain the projected number of completed deals.

2. Aside from depending on successful deals to earn revenues, financial packaging as an income earner suffered from another inherent weakness: regular income would not be earned from existing clients unlike in other management advisory services such as auditing and bookkeeping. A financial packaging service would always have to generate new clients because it would be unlikely that an old client would need new loans in the near future.

3. The DBC was projected to conduct 66 training programs in 1995, the number to increase at 10% a year. This would mean an average of more than one training program a week. Conducting 66 or more training programs a year would seem to be an optimistic and unrealistic target. Promoting and marketing the training programs, recruiting participants, coordinating seminar activities, documentation and post-training activities would be heavy work load for only two full-time support staff and two contractual staff.

4. Many small and medium businesses in Davao as well as in other regions had been attending many training programs for free or at highly subsidized fees. Many of these training programs were funded by foreign grants and feature speakers from Manila and at times foreigners. A business center or any institution that would regularly offer training programs and charge high fees to earn a profit would have a hard time attracting participants. To save on costs, local speakers might be invited instead of tapping Manila-based speakers. However, local businessmen might not attend the seminars because they would feel, rightly or wrongly, that Manila-based speakers were more credible and capable than local speakers.

5. The Laya study assumed a relatively low seminar fee of ₱500 per participant (excluding meals and snacks) that would increase 10% annually. But this fee would be uncompetitive even after taking into account subsidized training fees that included meals and snacks.

6. For 1995, revenues from training were projected to reach ₱1,089,000 with a direct costs of ₱1,065,000. Thus, the gross profit from training services was a marginal ₱23,940 for 1995. Even accepting the projections and assumptions of the Laya study, a dip in the number of training programs or number of participants or a necessary increase in direct costs (such as inviting speakers from Manila) would already render training services unprofitable.

7. The DCCCII regularly conducts training programs and plans to conduct training programs under RED. It seemed quite anomalous for DCCCII to offer training programs at subsidized fees and DBC to conduct training programs at higher or market rates.

8. The Laya study made a survey of five business centers in different regions. A reading of the survey indicated that practically none can be said to be operating profitably as a business center. One, the Holy Angel University Institute of Small-Scale Industries, reported an estimated net income of ₱1M. However, 90% of its revenues came from the school canteen and garment production. Its list of expenses did not include expenses related to the operations of the school canteen and garment production. Also, the University of the Philippines - Los Banos Foundation, had revenues of ₱3.6M and ₱4M in 1991 and 1992, respectively. However, this was a special case. Many of its clientele were government and foreign institutions. It also had a pool of consultants that could be tapped on a project-to-project basis.

9. The Laya study also made a questionnaire-survey on the prospective clients of the DBC. The respondents numbering 92 were asked what specific business services were required. The services most frequently identified were marketing assistance (61%), loans/financial packaging (60%), training and seminars (57%), computer encoding (42%), feasibility study (39%), copying (38%), and procurement/bulk

purchasing (38%). But when asked whether they actually availed of the cited services, only 38 (41%) answered yes; 36 (39%) answered no; and 18 (20%) had no response.

It was interesting to note that only one respondent each mentioned availing of bulk purchasing and financial packaging. Only two had previously commissioned the preparation of a feasibility study. The gap between the perceived need for financial packaging, feasibility study preparation and bulk purchasing and the actual availing of these services might indicate an unserved need. It also implied that market development efforts must be exerted to increase demand for these services.

*Latest Developments In DBC Study.* After the Laya study was submitted, there had been presentations and discussions on the study and the proposed DBC. DCCCII asked a consultant-member to make a study and prepare new projections based on changes in the operations of the DBC. Some of the major changes were:

1. The DBC would be located on the ground floor of the DCCCII Building instead of getting another site separate from the DCCCII. However, a 100 sq. m. office space might be leased in a separate location to be accessible to clients of office services.

2. A portion of the ground floor of the DCCCII Building would also be used as a permanent exhibit area. The area would be leased to exhibitors. It would actually be a sublease since the DBC would lease the area from the DCCCII.

3. Regarding training services, the average billing (seminar fee) for 1995 had been increased to ₱750 compared to ₱550 in the Laya study. Thus, projected training revenues for 1995 increased from ₱1,089,000 to ₱1,350,000.

4. Regarding financial services, the revised study assumed only 24 deals in 1995 compared to 55 in the Laya study. The commission fee was also reduced from 4% to 3% of amount of financing arranged. Thus, projected revenues from financial packaging in 1995 decreased from ₱2,248,800 in the Laya study to only ₱720,000 in the revised study.

Interviews with DCCCII directors and members clearly indicated that they wanted to push through with the DBC which they now call as the Davao International Trade and Business Center. If financial assistance from USAID would not be available, they believed they could raise the required amount from among the members, other institutions and the big businessmen from the region.

If there was already a firm decision and consensus from the DCCCII, PCCI and USAID to establish and operate the DBC, then the challenge now is how to make the DBC a viable undertaking.

A suggested approach was to have a short testing period to determine if there was really a viable, effective demand for management advisory services and training

programs. A short-term consultant who would be based in Davao would be hired and given the necessary technical and administrative support. The consultant, after making a training needs analysis and consulting concerned groups and individuals, would prepare and develop an initial list of training programs to be conducted. The training programs preferably should not include courses that were recently offered in the area at subsidized fees. The list could include training programs similar to courses recently offered in the area that charged relatively high fees. Some training programs could feature Manila-based speakers only or local speakers only or a combination. Then after six-months, there would be actual basis for determining the profitability of conducting training programs. If the results were positive, then the technical support staff who would have served as understudies could continue the work of the consultant.

The consultant would also promote and market the management advisory services specially financial packaging. To generate clients, fora on how to borrow would be conducted. The lending institutions and industry associations would also be contacted and briefed on the management advisory services offered by the DBC. If the number of clients was big enough, financial packaging could be subcontracted to individuals with experience in preparing project studies and loan proposals.

If there were consultancy needs that required special expertise such as product design or quality control, the DBC could source the necessary consultants and earn a fee for brokering. After six months, there should already be a good basis for determining whether or no there would be a viable demand for management advisory services.

## List of Persons Interviewed for the Questionnaire-Surveys

## A. Questionnaire for Directors/Officers of local chambers involved in the RED Project:

1. Joji Ilagan-Bian, President, Davao City Chamber of Commerce and Industry, Inc. (DCCCII)
2. Jesus O. Dy, Trustee (DCCCII)
3. Nancy Pestano, Secretary General, Metro Bacolod Chamber of Commerce and Industry Inc. (MBCCII)
4. Jose Ma. M. Zayco, Vice-President for Internal Affairs, MBCCII
5. Crispin Chua, Director, MBCCII
6. Harish N. Nandwani, Vice-President for External Affairs, MBCCII
7. Remedios A. Cruz, Executive Director, Bulacan Chamber of Commerce and Industry Inc. (BCCII)
8. Rene Simbulan, President, BCCII
9. Pafnucio B. Mejia, President, Chamber of Commerce and Industry Foundation of Iligan, Inc. (CCIFII)
10. Roberto Montelibano, President, MBCCII
11. Filomeno Z. Cruz, Asst. Treasurer, BCCII
12. Danny Napalinga, Director, BCCII
13. Cesar R. Rodriguez, Director, BCCII
14. Nicolas Beda A. Priela, Jr., Vice-President for Agribusiness, Naga City Chamber of Commerce and Industry, (NCCCI)
15. Emmanuel Andal, Director, NCCCI
16. Alfonso S. Lee, Vice-President for Finance, NCCCI
17. Antonio Y. Concepcion, Past President/Reg. Governor PCCI-V, NCCCI
18. Jesus J. Hernandez, President, NCCCI
19. Johnson Cheng, Vice-President-Trade and Commerce, NCCCI
20. Manuel S. Garcia, Director- Secretary to the Board, NCCCI
21. Reuel M. Oliver, Secretary-General, NCCCI
22. Jose Noel A. Arquiza, Head, Program/Projects Division, CCIFII
23. Eutiquio C. Lagapa, Jr., Board of Trustee, CCIFII
24. Augusto Fred Floresco, Corporate Secretary, CCIFII
25. Selmar S. Maribojo, President, Metro Kalibo Chamber of Commerce and Industry Inc. (MKCCII)
26. Amado I. Kimpo, Jr., Director-Acting President, MKCCII
27. Gerwin Garcia, Director, MKCCII
28. Ramon M. Quimpo, Jr., Director, MKCCII
29. Georgyn Templonuevo, Director, MKCCII
30. Gil C. Acevedo, Treasurer, MKCCII
31. Atty. Ronquillo C. Tolentino, Board Secretary, MKCCII

B. Questionnaire for participants in the Project Monitoring and Evaluation training program:

1. Remedios A. Cruz
2. Rowena I. Repedro
3. Ma. Cecilia P. Lagaras
4. Helen C. Hernandez
5. Melinda SB. Gimal
6. Aimee Beluang
7. Nancy Pestano
8. Jesus O. Dy
9. Reuel M. Oliver

C. Questionnaire for participants in the Chamber Management and Advocacy training program:

1. Roberto Montelibano
2. Joji Ilagan Bian
3. Jesus J. Hernandez
4. Nancy Pestano
5. Renel M. Oliver
6. Rene Simbulan
7. Jesus O. Dy
8. Nicolas Beda A. Priela, Jr.
9. Filomeno Z. Cruz
10. Danilo A. Balucos
11. Cesar R. Rodriguez
12. Rowena I. Repedro
13. Nel R. Inventado
14. Modesto Mationg
15. Ralph Isidore A. Zamora
16. Alfonso S. Lee
17. Dwight A. Carbon
18. Harish N. Nandwani
19. Ariel Cervantes Sebellino

D. Questionnaire for participants in the How to Start Your Own Business training program:

1. Juan Lorenzo C. Bautista
2. Hagbong I. Dela Cruz
3. Vicente S. Amihan
4. Nicolas B. Revilla
5. Helen W. Candelaria

E. Questionnaire for participants in the Effecting Business Improvement training program:

1. Filomeno Z. Cruz
2. Remedios A. Cruz
3. Arlene J. Tolentino
4. Minda L. Alonto
5. Salvador A. Luech
6. Johnson Cheng
7. Jesus J. Hernandez
8. Sardinica A. Echalas
9. Henry Lasat
10. Roberto C. Pantin
11. Rony L. Dellena
12. Dwight A. Carbon
13. Isabelle Montelibano-Patron
14. Edilberto A. Bation
15. Belinda A. Tsai
16. Thelma Caparas

F. Questionnaire for participants in the Project Feasibility Study Preparation training program:

1. Remedios A. Cruz
2. Danny Napalinga
3. Rowena V. Cruz
4. Rene Simbulan
5. Cesar R. Rodriguez
6. Jesse S. Quimpo
7. George Herbert T. Tabares
8. Ma. Cecilia P. Lagaras
9. Melinda SB. Gimal
10. Aimee Beluang
11. Helen C. Hernandez
12. Amalia Gloria R. Rojo
13. Edilberto J. Bation
14. Roberto C. Pantin
15. Renel M. Oliver

G. Questionnaire for participants in the Computer Training programs:

1. Rowena V. Cruz
2. Danilo A. Balucos
3. Rowena I. Repedro
4. Sirikit Macas
5. Aimee Beluang
6. Amalia Gloria Ramos Rojo

REPORT ON THE  
END-OF-PROJECT EVALUATION OF THE  
REGIONAL ENTERPRISE DEVELOPMENT (RED) PROJECT, PHASE I

AID Evaluation Summary

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AID 1330-5

X-D-ABP-782-A

95634

A.I.D. EVALUATION SUMMARY - PART I

1. BEFORE FILLING OUT THIS FORM, READ THE ATTACHED INSTRUCTIONS.  
2. USE LETTER QUALITY TYPE, NOT "DOT MATRIX" TYPE.

IDENTIFICATION DATA

A. Reporting A.I.D. Unit: Mission or AID/W Office: <u>Philippines</u> (ES# _____)		B. Was Evaluation Scheduled in Current FY Annual Evaluation Plan? Yes <input type="checkbox"/> Slipped <input type="checkbox"/> Ad Hoc <input type="checkbox"/> Evaluation Plan Submission Date: FY ___ Q ___	C. Evaluation Timing Interim <input type="checkbox"/> Final <input type="checkbox"/> Ex Post <input type="checkbox"/> Other <input type="checkbox"/>
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D. Activity or Activities Evaluated (List the following information for project(s) or program(s) evaluated; if not applicable, list title and date of the evaluation report.)

Project No.	Project /Program Title	First PROAG or Equivalent (FY)	Most Recent PACD (Mo/Yr)	Planned LOP Cost (000)	Amount Obligated to Date (000)
492-0452	End-of-Project Evaluation of the Regional Enterprise Development (RED) Project Phase I.				

ACTIONS

E. Action Decisions Approved By Mission or AID/W Office Director Action(s) Required	Name of Officer Responsible for Action	Date Action to be Completed

(Attach extra sheet if necessary)

APPROVALS

F. Date Of Mission Or AID/W Office Review Of Evaluation: (Month) (Day) (Year)

G. Approvals of Evaluation Summary And Action Decisions:

	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Office Director
Name (Typed)				
Signature				
Date				

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## A.I.D. EVALUATION SUMMARY - PART II

### SUMMARY

J. Summary of Evaluation Findings, Conclusions and Recommendations (Try not to exceed the three (3) pages provided)

Address the following items:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>● Purpose of evaluation and methodology used</li> <li>● Purpose of activity(ies) evaluated</li> <li>● Findings and conclusions (relate to questions)</li> </ul> | <ul style="list-style-type: none"> <li>● Principal recommendations</li> <li>● Lessons learned</li> </ul> |
|--|--|

Mission or Office:

Philippines

Date This Summary Prepared:

January 3, 1995

Title And Date Of Full Evaluation Report:

End of Project Evaluation of Regional Enterprise Development Project - Phase I

The main purpose of end-of-project (EOP) evaluation of the Regional Enterprise Development (RED) Project, Phase I is to assess the project performance during the pilot phase. The evaluation findings will be used to determine the effectiveness of implementation approaches and assess project impacts in the pilot chambers of commerce and industry. The evaluation methodologies used were review and analysis of project documents, field visits to all the pilot chambers and interviews/discussions with sample participants in training programs. Some interest groups were likewise interviewed to gather their perceptions of RED.

The major evaluation findings and conclusions are as follows:

- o The project has performed remarkably in relation to its goal, purposes and objectives. The following key project components were completed within the project duration:
  - Selection of six pilot chambers located in Bulacan; Naga City; Bacolod City; Kalibo, Aklan; Iligan City; and Davao City.
  - Conduct of 15 training programs participated in by 582 chamber members and secretariat and managers of SMEs
  - Institutional Assessment and Companion Studies of Philippine Chamber of Commerce and Industry (PCCI) and the commencement of organizational, human resource, compensation, accounting and operational systems of PCCI.
  - Davao Business Center (DBC) Feasibility Study and the start of building renovations to house the DBC.
  - RED Impact Analysis and Implementation Plan study which became the basis for the work plan and the Cooperative Agreement for RED Phase II.
  - Acceptance of Technical Specifications and Recommendations for RED Information System, training and delivery of hardwares and softwares to PCCI and the 6 pilot chambers and the start of the computerized operations.
  
- o The project design was found appropriate and responsive to its purposes and goals. A unique character of project design was the use and strengthening of PCCI's capacity to render services for sustainable growth of SMEs. Training designs and policy study components were found directly supportive of chamber strengthening purposes.
  
- o As the national umbrella organization of commerce and industry associations and individual member-businessmen in the Philippines, PCCI is the appropriate project grantee and implementing organization. PCCI's extensive network through its affiliated members would enable it to lead the advocacy role and provide close support services to regional SMEs.
  
- o The composition of RED Project Implementation Committee (PIC) was appropriate for the attainment of RED's objectives. They were actively involved in setting project selection criteria and the corresponding deliberations and discharge of advisory/consent functions.

## S U M M A R Y (Continued)

The principal recommendations are:

- o The organization strengthening support to PCCI and local chambers should continue as conduits or delivery system for servicing and for sustainability of growth of SMEs outside Metro Manila. It is not advisable to provide direct assistance to SMEs because of administrative, monitoring and communication constraints.
- o From project startup to completion, firm commitment on project resources and support should be fully secured and made available.
- o Project fund allocation should mostly be for the attainment of project purposes while administrative costs should be kept at minimum.
- o As the succes of RED training programs has shown; the choice of participants, use of training needs assessment, selection of resource persons, development of training materials, and choice of training venues are important lessons that can be learned and considered in the future.
- o The use of higher level of management technology tools such as utilization of advanced computer hardwares and softwares should be encouraged and continue to be supported.
- o The DBC Feasibility Study would have been less expensive and time consuming if a pre-feasibility study was conducted.

As a whole, RED opened the eyes and motivated the PCCI and the pilot chambers into exploring the windows for improving their organizations and expanding their services both for chamber members and the regional SMEs. These vital positive signs should continue to be supported in the next project phase.