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USAID/PHILIPPINES

ENTERPRISE IN
COMMUNITY
DEVELOPMENT

PEOPLE EMPOWERMENT THROUGH
SUSTAINABLE DEVELOPMENT

ANNUAL REPORT
FY 93

INTRODUCTION

The Enterprise in Community Development (ECD) Project is a unique private sector initiative of the United States Agency for International Development (USAID) and the Government of the Philippines. Begun in 1986, it seeks to harness the vast resources of the private sector and encourage its participation in responding to the development needs of communities throughout the Philippines. Business corporations that join ECD share one-half of the total project costs with USAID. It is, however, these corporations that serve as project administrators.

To date, USAID and Philippine and American Corporations have forged 20 partnerships engaged in community outreach programs and participatory development activities. These include primary health and day care, rural water systems construction, microenterprise development, environmental rehabilitation, and vocational education. A common denominator in all these activities is community organization, capability building, and people empowerment. The results of these efforts are the extensive participation of the beneficiaries who manage, maintain and operate the many subprojects.

In the 1990s, the ECD Project continues to catalyze the expression of corporate social responsibility through sustainable community development activities.



OVC Chief, John Heard, with tribal beneficiaries in upland Davao.

**United States
Agency for International
Development**

**ECD Co-Financing Activities:
Illustrative Profiles**



September 1993

ABOITIZ AND COMPANY, INC. (ACO)
ECOSYSTEM Cebu Project

LOCATION: CEBU PROVINCE

DATE STARTED: JULY 10, 1990

COMPLETION DATE: SEPTEMBER 10, 1993 - for extension

The Enterprise in Collective System on Environment Management for the Province of Cebu (ECOSYSTEM Cebu Project) is an integrated community development program focused on environmental conservation and protection. Operating in at least one barangay in each of the 48 municipalities and four (4) cities throughout the Province of Cebu, the project advocates a participative approach to develop self reliance while promoting the practice of sound environmental and socio-economic activities.

To date, the ECOSYSTEM Cebu Project has established village associations in each of the 52 project sites, 49 of which have been registered with the Bureau of Rural Workers (BRW) and the Securities Exchange Commission (SEC). Each of the village associations have working committees on agroforestry, potable water, livelihood, information-education-communication, networking, and policy advocacy to enhance project implementation.



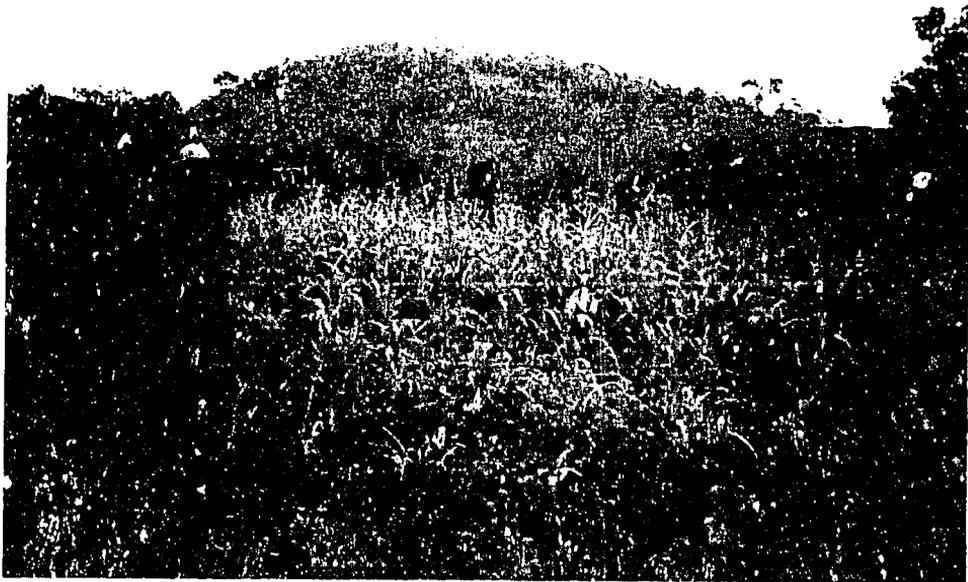
Beneficiaries of the ECOSYSTEM Project provided voluntary labor to construct a health care center.

As of mid-June 1993, 47 village associations had completed the construction of primary health stations in coordination with the Department of Health (DOH). Thirty one (31) community associations completed the construction of water systems in their respective barangay

project sites; and various species of trees (a total of 2,197,632 seedlings) were planted in an aggregate area of 1,465 hectares.

Thirty (30) village associations have ongoing income generating projects, and continue to expand their linkages with government line agencies and private resource organizations. Four (4) studies were conducted in order to develop policy advocacy. These are: Environmental Laws and Jurisprudence; the Co-management of DENR's Old Reforestation Projects by People's Organizations (POs) and Non-Governmental Organizations (NGOs); Territorial Use Rights in Fisheries; and Disease Prevalence of Children Below Five Years of Age.

Recently, the ECOSYSTEM management and staff held a visioning exercise with its beneficiaries to reaffirm the relevance of the project to the identified needs of the community. As a result, the project is now focusing on the empowerment of the beneficiaries through community organizing. ECOSYSTEM project personnel believes that this process will enable the communities to directly address issues that affect them and enable them to become better managers of their own development.



The project encourages farmers to intercrop, maximizing land use.

ANDRES SORIANO CORPORATION
Community-Based Livelihood Assistance Project



The Anunas Multi-Purpose Cooperative in Pampanga is assisted by Anscor in undertaking this handicraft project.

LOCATION: PAMPANGA AND ZAMBALES
DATE STARTED: AUGUST 17, 1992
COMPLETION DATE: AUGUST 16, 1994

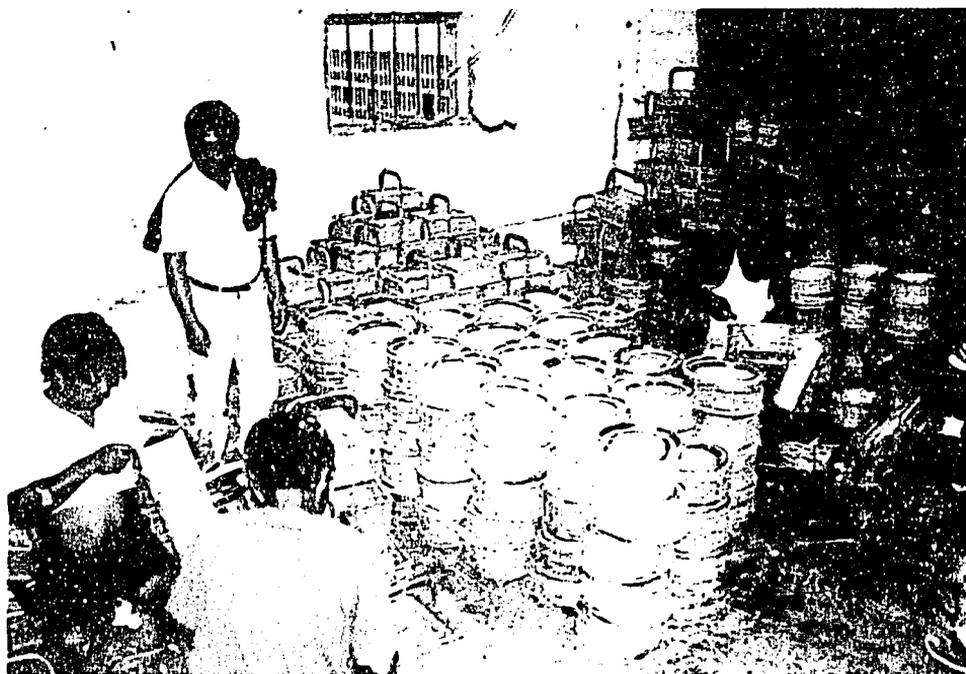
The Andres Soriano Corporation (Anscor) initiated the Community-Based Livelihood Assistance Project to respond to the urgent need of creating livelihood opportunities for people whose sources of income were destroyed by the Mt. Pinatubo eruption and the heavy ashfall and lahar flows that followed.

The objective of the project is to create employment opportunities through the establishment of five (5) cooperatives (3 in Pampanga and 2 in Zambales) in Central Luzon. The project assists these co-ops engage in micro-enterprise through six major

components, namely: organizational development, skills training, market development, capital provision, family income management, and enterprise management.

With USAID funds, ANSCOR provided these co-ops with capital, equipment, and raw materials to launch the program. At the same time, it built linkages with handicraft exporters who could supply the co-ops with job orders.

The major problem encountered by the program was establishing the viability of the microenterprise components due to high overhead costs and sagging markets. To sustain the program, the co-ops learned to manage their resources wisely. ANSCOR assisted in this process by requiring the beneficiaries to reinvest 15% of their income back into the organization thereby building up the capital of the co-ops. This procedure ensures the viability of the current project, and secures the sustainability of the entire program.



Beneficiaries are shown applying the finishing touches to hand-woven baskets before delivery.

ASIA RATTAN MANUFACTURING CO., INC.
Community Agroforestry and Microenterprise
Development Project

LOCATION: TARLAC
DATE STARTED: MAY 4, 1992
COMPLETION DATE: MAY 3, 1995

The Asia Rattan Manufacturing Co, Inc. (ARMCO) project will assist at least 375 families in the upland barangays of Capas, Tarlac whose homes, farms and livelihood were destroyed by the Mt. Pinatubo eruption.

The project will establish sustainable, community-based food production by converting 10 hectares of idle grassland into vegetable and staple food growing areas. In addition, livelihood opportunities will be generated through training and the extension of credit.



A food production area for the residents of Barangay Maruglo, Tarlac.



A water system constructed under the ARMCO project.

The project will also promote environmental rehabilitation through the planting of 10,000 trees; improve access to primary, and maternal and child health care by facilitating and supporting the visits of medical teams; and provide safe drinking water to the residents of Barangays Maruglo and Sta. Juliana through the development of potable water systems.

Community organizing, training and linkage-building activities will be implemented by ARMCO throughout the three-year project.



**BACNOTAN
CONSOLIDATED
INDUSTRIES, INC.**
BCI-Community
Development Assistance
Project

**LOCATION: NATIONWIDE
DATE STARTED:
MARCH 24, 1992
COMPLETION DATE:
MARCH 23, 1995**

Olivia Salonga, a community member, receiving a loan for a fish net project.

Bacnotan Consolidated Industries, Inc. (BCI) has formulated a program that will reach a total of 38,900 direct beneficiaries in 42 barangays, throughout six (6) geographical regions. This large scale project has three (3) major functions: BCI transforms target communities into organized associations to address the basic needs and services of each community; BCI assists selected impoverished groups in the area of income generating projects; and finally, BCI upgrades the technical and managerial skills of its project and subproject staff in the management of community development activities.

These functions are implemented by BCI, as an "Intermediary Institution", by providing subgrants to affiliated companies. BCI assists and trains the subgrantees in subproject development, management, community organizing and networking with local GO's and NGO's.

After a year of operation, seven (7) sub-grants have been extended to assist 32 communities covering four (4) regions. Two (2) health care centers have been constructed to serve 3,610 families. These centers are manned by doctors, nurses and

midwives from the Rural Health Units. Five (5) day-care centers were established with an enrollment of 180 children.

Other accomplishments to date include the installation of six (6) deep well hand pumps, and 45 low-cost toilets. Fifty (50) income generating projects managed and operated by individual cooperatives were also established.

The beneficiaries are trained and organized to sustain the specific project components past project completion. For example, there are five (5) Parents-Workers Associations that will manage the day-care centers. Emphasis on capability-building will help ensure the project's long-term sustainability.



One of five day care centers established.

BENGUET CORPORATION, INC.

Zambales Integrated Development Program

LOCATION: ZAMBALES

DATE STARTED: MAY 17, 1989

COMPLETION DATE: MAY 16, 1993 - completed

Benguet Corporation, Inc. (BC), through its implementing arm, the Jaime V. Ongpin Foundation, Inc. (JVOFI), carried out the Zambales Integrated Development Project project for the residents of Masinloc and San Marcelino. These two municipalities are mining sites of Benguet Corporation in Zambales. After the devastating eruption of Mt. Pinatubo, the project was redirected to address the need for livelihood rehabilitation. The target beneficiaries were then expanded to include the municipalities of Palauig, Candelaria, San Narciso and San Antonio in Zambales.



Community Health Center in San Marcelino, Zambales attends to health needs of surrounding barangays.



The Botica-sa-Barangay in San Salvador Island, Zambales.

Upon completion of the program in May 1993, a total of eleven (11) proponent groups, consisting of 926 members, were assisted via fourteen (14) livelihood projects. Of these, 651 beneficiaries (70%) earned a monthly wage of P3,464; an increase of 198 percent on their previous income. Nine (9) beneficiary groups generated a net income of P16,370 and established capital amounting to P65,842. Aside from employment generation, the residents of the target areas were able to access affordable primary health care from nine (9) newly constructed health centers. The new centers not only provided medical care but served as a venue for education on health, nutrition, and mother and child care.

The lessons learned upon completion of the project were:

1. Disaster management, including prevention and preparedness, is an important aspect of community development.
2. Projects must be integrated and focused on a particular community or area for a program to have a significant impact.

Although this project has been completed, BC and JVOFI remain committed to the rehabilitation and development of those affected by Mt. Pinatubo.

C. ALCANTARA AND SONS, INC.
Upland Agroforestry Development Project

LOCATION: DAVAO DEL NORTE
DATE STARTED: JULY 16, 1993
COMPLETION DATE: JULY 15, 1996

C. Alcantara and Sons, Inc. (Alsons) initiated this project to improve the socio-economic conditions of two upland communities (Tibi-Tibi and Patton) in Davao del Norte through the implementation of improved and environmentally-sound agroforestry and reforestation technologies.

This project will initially assist 60 upland farmers who are holders of Certificate of Stewardship Contracts under the Integrated Social Forestry Program of the Department of Environment and Natural Resources to reforest 120 hectares of idle land with agricultural and forestry crops. This will not only rejuvenate soil fertility but will minimize erosion as well.



AID Director Thomas W. Stukel and AID Acting Deputy Director Lisa Chiles with C. Alcantara & Sons, Inc. President Faith Alcantara at the grant signing of the Upland Agroforestry Development Project.

The project will also organize into viable community groups, upland farmers, many of whom belong to indigenous cultural communities. The project will enhance their livelihood opportunities through the provision of loans for farm inputs while conducting training on collective farming development and appropriate upland agroforestry technologies so that the beneficiaries would be able to effectively manage and obtain sustainable economic benefit from the critical resource base.

COCA-COLA BOTTLERS PHILIPPINES, INC.

Vocational/Technical Education Project

LOCATION: NATIONWIDE

DATE STARTED: JULY 20, 1989

COMPLETION DATE: SEPTEMBER 20, 1993 - for extension

The Coca Cola Bottlers Philippines, Inc. (CCBPI), with the Educational Research and Development Assistance (ERDA) Foundation as an implementor, launched, in 1989, a technical/vocational training program aimed at helping youths of high school age acquire a vocational education.

The 2,250 youths, selected from indigent families to participate in this project, now have an opportunity to complete



Students learn to operate woodworking machines through the Vocational and Technical Education Project of Coca Cola.

their high school education through vocational training. Along with the technical skills learned, the students receive leadership training and job placement assistance. At the end of school year 92'-93', 608 students graduated.

One of the problems in the implementation of this project was the difficulty of monitoring thirty-four (34) schools across the Philippines. CCBPI, however, accomplished this by tapping a network of nineteen (19) agencies affiliated with ERDA to guide and direct the project.

Upon completion of the program, 2,500 students will have graduated with vocational and technical skills enabling them to become productive members of their communities. CCBPI, along with ECD, are committed to investing in the future by funding programs in education.



Students of the Don Alejandro Roces High School in Quezon City are trained in dress-making.

DAVAO UNION CEMENT CORPORATION

Corporate Responsibility for Community Development

**LOCATION: DAVAO CITY, DAVAO DEL SUR,
DAVAO ORIENTAL**
DATE STARTED: JUNE 21, 1989
COMPLETION DATE: JUNE 20, 1993 - completed

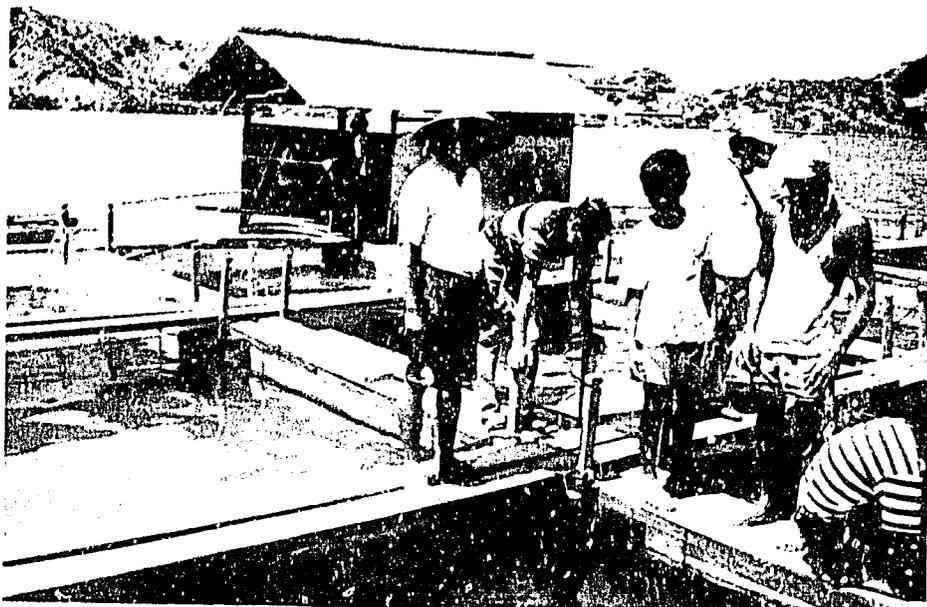
Davao Union Cement Corporation (DUCC) has been a partner of USAID in social development since 1989. DUCC's Social Development Project provided potable water, basic sanitation, day care, nutrition education and livelihood activities to improve the socio-economic conditions of targeted communities in Davao City, Davao del Sur, Davao Oriental and Davao del Norte.

Upon the project's completion, thirteen (13) potable water systems had been constructed, seven (7) day care centers had been built, and 2,050 low cost toilets had been installed. DUCC also promoted income generation through the construction of fifteen (15) floating fish cages. The overall project benefited a total of 3,525 persons including 630 pre-schoolers.



A potable water system managed by a community Water-Users Cooperative in Davao City.

DUCC considered the project's beneficiaries as partners in the process of development. Thus, they were encouraged to actively participate in the project's various activities. Currently, project components continue to be sustained by organized beneficiary groups with minimal supervision from DUCC.



Floating fish cages stocked with multiple species.

DEL MONTE PHILIPPINES, INC.
Barrio Water Systems Project

LOCATION: BUKIDNON AND CAGAYAN DE ORO
DATE STARTED: JUNE 23, 1988
COMPLETION DATE: SEPTEMBER 30, 1993

In 1988, Del Monte Philippines, Inc. (DMPI) began developing potable water systems for low-income communities in Bukidnon and Cagayan de Oro. DMPI, with assistance from the ECD Project



Canals dug by beneficiaries so that the pipeline connecting their barangay to the water source can be installed.

of USAID, has been successful in achieving its goal of providing safe drinking water to the residents of these communities.

By the end of June 1993, DMPI had constructed 11 potable water systems. These systems provide potable water to 12 barangays or a total of 13,006 households. A key element in the successful implementation of this project was the involvement of the beneficiaries in the various stages of implementation. They initially provided labor during the construction phase and were later formally organized into community-based water associations. These associations are now responsible for setting and collecting users' fees to cover the cost of system maintenance and repair, thus assuring the project's sustainability.

DMPI was also able to tap the resources of elected officials and local government units. In many instances, the government provided skilled labor and technical assistance as well as materials for the water systems that greatly contributed to the viability of the project.



Spring box in Barangay Lupiagan constructed by Del Monte to supply the town of Sumilao with potable water.

The Del Monte experience demonstrates that infrastructure projects in the barangays can be successfully undertaken and completed if the private sector, the local government and the people pool their scarce resources together to achieve a common end.

DOLE PHILIPPINES, INC.
Sarangani Bay Marine &
Inland Resource Conservation Project

LOCATION: GENERAL SANTOS, SOUTH COTABATO

DATE STARTED: OCTOBER 24, 1989

COMPLETION DATE: OCTOBER 23, 1993

Dolefil, for the last four years, in partnership with USAID, has assisted in the preservation of Sarangani Bay, one of the richest fishing grounds in the country and the primary livelihood source of over 25,000 municipal fishermen in neighboring villages.

Over the years, harmful fishing methods, overfishing, pollution and the destruction of the coral reefs and plant life have marred the ecological balance of the bay. This project is a comprehensive effort to construct and submerge artificial reefs, propagate mangroves, analyze water conditions, and train the Sarangani residents on environmentally-sound fishing and sea-farming methods.



Beneficiaries submerging artificial reefs made of bamboo and coconut leaves.

Dolefil worked with the communities, helping them organize and empower themselves in terms of gaining access to resources vital to their livelihood, while existing in harmony with the environment. After three (3) years, 10 community-based organizations comprising of over 420 fishermen were established. These organizations were responsible for the planting of 44,000 mangrove and 63,000 forest tree seedlings, covering an area of 13.5 hectares. A total of 2,087 artificial reefs and 58 "payaos" (fish-attracting devices) were also constructed and submerged off the coast of Sarangani Bay to promote the rehabilitation of damaged coral reefs.



Beneficiaries are encouraged to reforest coastal areas with mangroves.

In this year alone, 70 hectares of mangrove and forest trees were planted to prevent further erosion or "over siltation" of the sea. In this regard, Dolefil continues to closely monitor the environmental status of the Sarangani Bay through a process of water analysis.

Upon completion of the project, the organized communities are expected to be self-reliant and capable of executing sustainable, environmentally-sound livelihood practices. Moreover, 10% of the earnings from the organizations' income-generating activities are reinvested back into environmental projects to ensure sustainability.

MARSMAN ESTATE PLANTATION, INC.

Tibal-og Waterworks Expansion Project

LOCATION: DAVAO DEL NORTE

DATE STARTED: SEPTEMBER 16, 1991

COMPLETION DATE: DECEMBER 31, 1993

Initiated on September 16, 1991, the Tibal-og Waterworks Expansion Project is the second Marsman Estate Plantation venture with USAID's ECD Project. The expansion project is aimed at providing potable water to the residents of Tibal-og, Sto. Tomas, Davao del Norte. The P3.5 million project is expected to benefit 800 households by December 1993.

To date, excavation of 8,980 meters of pipe trenches were completed along with a 220-foot gravel-packed well. The water pump installed is capable of generating 300 gallons of water per minute. Water meters were also installed for over 500 beneficiary families.

In implementing this project, Marsman was successful in tapping the resources of various local government units. Pre-engineering



The availability of safe drinking water assures children of a healthy future.

activities were performed by the Provincial Engineering Office, training and education on health and sanitation were conducted by the provincial government, and the local Department of Health (DOH). The municipal mayor also joined the partnership by supplying the land used for the pump site.



Over 8,000 meters of pipe trenches were dug for this project.

The beneficiary residents of Tibal-og were educated on the importance of safe drinking water as a means of reducing mortality and morbidity associated with water-borne diseases. As a result, target beneficiaries offered their time and energy in the continuing task of digging canals for water pipes reaching the beneficiaries' homes.

Through their continuing involvement in community development, the project staff of Marsman learned a few general rules:

1. Close coordination with other local organizations helps in achieving project goals.
2. Educating the beneficiaries on the project, using local examples to highlight the detrimental effects of unsafe drinking water, is the most effective means of emphasizing the importance of the project.

MONDRAGON INTERNATIONAL PHILIPPINES, INC.

**Mondragon Urban Community
Development Assistance Project**

LOCATION: METRO MANILA

DATE STARTED: NOVEMBER 27, 1992

COMPLETION DATE: NOVEMBER 26, 1995

The Mondragon Urban Community Development Assistance Project (MUCDAP) is a three-year project co-financed by Mondragon International Philippines, Inc. and USAID. The project covers nine areas within Metro Manila: three (3) in Paranaque; two (2) in Mandaluyong; two (2) in Quezon City; one (1) in Pateros; and one (1) in Kalookan City. The project enhances the capability of existing area-based organizations that have benefitted from the Community Mortgage Program (CMP) of the Philippine Government by establishing and facilitating community development programs for their members and the larger community.

Mondragon will train over 180 leaders and key members of the area-based organizations in project management. The project will also construct basic social service facilities such as multi-purpose centers, drainage canals, and potable water systems. It will also assist in the identification and development of income-generating activities through skills training and the provision of credit. The program will benefit over 270 families.



Drainage canal in Novaliches constructed under the social infrastructure component.

MUCDAP was launched in November of 1992, and since then Mondragon has closely coordinated with the area-based organizations in order to conceptualize and implement projects. Among the initial accomplishments were a baseline survey of the beneficiaries, the development of a credit manual and the establishment of a monitoring plan that will ensure project sustainability. Development of social infrastructure was assisted by the construction of a drainage system in Sitio Libis, Bagbaguin, Kalookan City.

MUCDAP's initial success is evident from a number of key indicators: the fostering of greater cooperation among the residents, manifested by their willingness to contribute their labor to community projects; the mobilization of the associations to act on issues that affect them through negotiations and compromise; and the working coalition of Mondragon, the local government and the community. Through this project, Mondragon is providing a means for the beneficiaries to actively participate in their own community development.



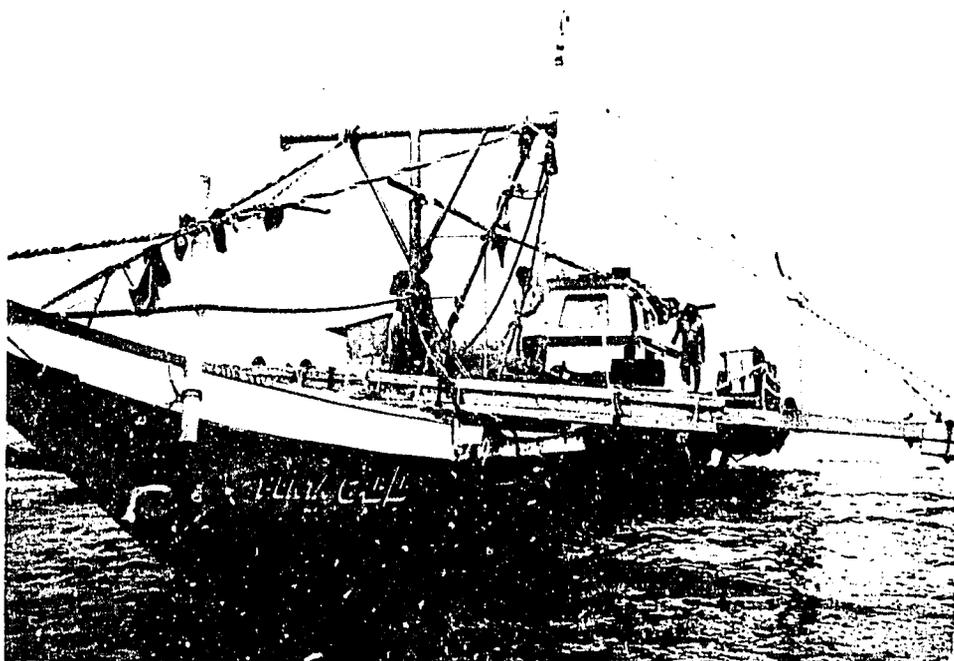
Residents of Sitio Joan of Arc attend a seminar on forming cooperatives.

VICTORIAS MILLING COMPANY, INC.
Socio-Economic Development Assistance Project II

LOCATION: NEGROS OCCIDENTAL
DATE STARTED: AUGUST 26, 1991
COMPLETION DATE: AUGUST 25, 1994

Victorias Milling Company, Inc.'s corporate social responsibility is manifested in its partnership with USAID. The Socio-Economic Development Assistance Project II (SEDAP II) is an integrated development project that involves the establishment of income-generating activities, and the provision of basic services to 43,200 families in northern Negros Occidental. The target beneficiaries are the displaced sugar workers and marginal fishermen.

Activities under the basic services component include the construction of barangay health stations, community day care centers, and potable water handpumps. Barangay health workers,



Beneficiaries of the cooperative fishing project are given the chance to become progressive.

day care workers, and water technicians are given training in organizational and financial management, and specialized technical training to ensure that these activities can be sustained beyond project completion. To date, eight (8) barangay health stations and six (6) day care centers have been constructed, and 47 potable water handpumps have been installed.

Income-generating activities include the provision of credit for cooperative fishing, farming, microenterprise, and integrated farming. Credit assistance has been extended to at least 20 cooperative groups. Prior to the release of loan funds, beneficiary cooperatives are provided with training in organizational, behavioral, managerial, marketing and financial management skills to enhance their capability to manage the project.

VMC also provides subgrants to NGOs and people's organizations in northern Negros. Through the subgranting activity, VMC aims to develop the institutional capability of local NGOs and people's organizations to successfully implement and effectively manage their own community development activities. Subgrant agreements have been signed with the Silay & E.B. Magalona Foundation, Inc. (SIMAG), the Northern Negros Community Development Foundation, Inc. (NNCDFI), and the Julio & Florentina Ledesma Foundation, Inc. (JFLFI) for similar activities.



Barangay health stations provide community residents with access to medical care at minimal cost.

VMC's accomplishments in the SEDAP II project have been substantial and the beneficiary communities are now beginning to realize that their future success lies in their own hands.

VITARICH CORPORATION
Vitarich Resource Enrichment Advocacy for the
Community and the Home Project



Ten day care centers will be constructed in needy areas of Bulacan province.

LOCATION: BULACAN

DATE STARTED: APRIL 29, 1993

COMPLETION DATE: APRIL 28, 1996

Vitarich, through this three year project, will improve the socio-economic conditions of ten (10) depressed barangays in

Bulacan province. The project will establish basic social service facilities such as day care centers and potable water systems, help the target barangays form community organizations, acquire vocational and management skills, and finance the livelihood activities of individuals and community groups.

This undertaking will benefit 5,464 individuals residing in the target barangays. The beneficiaries consist mainly of out-of-school youths, unemployed women, farmers and rural workers facing economic hardship.

The main focus of Vitarich is to ensure the sustainability of these community development activities. To accomplish this, Vitarich plans to initiate networks with local service agencies, local government units and line agencies, and other NGOs. Vitarich believes that linkages with other resource agencies coupled with a strong community organization is the key to sustained community development. It will support and maintain this project beyond the three-year project life.



Loans from Vitarich will enable vegetable farmers in Bulacan to increase their productivity.