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# USAID'S Growth with Equity in Mindanao (GEM-3) Program

## GEM 3 Quarterly Report July 1, 2009 to September 30, 2009



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**October 2009**

**Submitted to:**

**United States Agency for  
International Development/Philippines**  
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and Governance  
Manila, Philippines

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ENGINEERS • PLANNERS • SCIENTISTS • ECONOMISTS

October 9, 2009

Mr. Robert Barnes  
Cognizant Technical Officer for the GEM 3 Program  
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**Subject: USAID Contract No. 492-C-00-08-00001-00  
Growth with Equity in Mindanao 3 (GEM 3) Program  
Quarterly Performance Report (July 1, 2009 – September 30, 2009)**

Dear Mr. Barnes:

In accordance with Section F.6 of our contract, Reports and Deliverables or Outputs, and the requirements set forth in AIDAR clause 752.242-70, Periodic Progress Reports (Oct. 2007), we are pleased to submit a CD copy and two hard copies of our Quarterly Performance Report for the period July 1 through September 30, 2009.

The report addresses the following areas:

- (a) Performance objectives/expected outputs for the quarter
- (b) Summary of major accomplishments during the quarter as well as unexpected or unplanned outcomes/activities during the quarter
- (c) Outstanding issues and implementation problems and options for resolving these issues and problems
- (d) Planned performance objectives for the next quarter
- (e) FY 09 OP targets and accomplishments
- (f) An administrative report covering expenditures by contract line item and status of funds to date and
- (g) Participant Training

Should you have any questions or comments regarding this report, please feel free to contact this office. Thank you and best regards.

Very truly yours,  
THE LOUIS BERGER GROUP, INC.

CHARLES E. FEIBEL  
Chief of Party

cc: The Contracting Officer, USAID/Philippines

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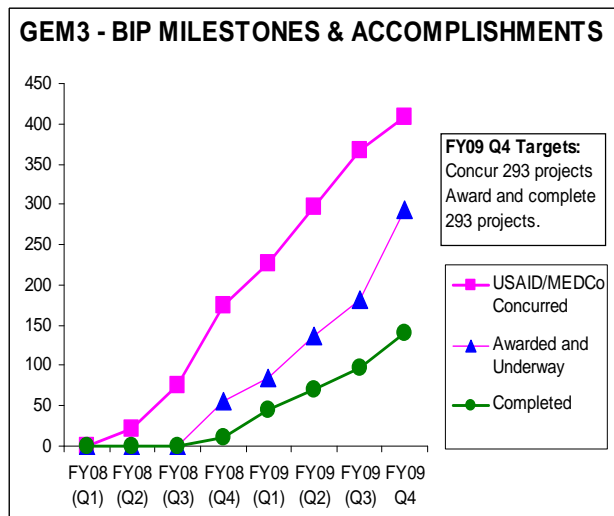
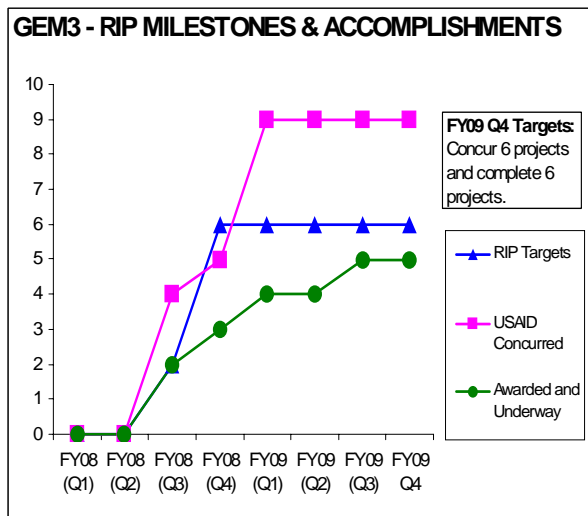
Selected News Clippings: July 1, 2009 – September 30, 2009

**1.0 Infrastructure Development**

GEM-3 will design and construct up to 1,000 Barangay Infrastructure Projects (BIPs) such as community water systems, warehouses, solar dryers, boat landings, barangay bridges, market centers, and farm-to-market roads, and up to 20 Regional Impact Projects (RIPs) including bridge and roadway upgrades. These projects will be located predominantly in the Autonomous Region in Muslim Mindanao (ARMM) and other conflict-affected areas of Mindanao (CAAM), and will be undertaken in partnership with national government agencies, the ARMM regional government, provincial and local governments, community groups, and cooperatives. The per-project cost of Barangay Infrastructure Projects will range from \$5,000 to \$50,000. The cost of Regional Impact Projects, which are larger and designed to help accelerate regional economic growth, will range from over \$50,000 to \$1 million, although some RIPs may exceed \$1 million.

**1.1 Performance objectives/expected outputs for 4th Qtr. FY09:**

Below are graphs showing targets and accomplishments through the end of the reporting period for the BIP and RIP infrastructure components.



USAID/MEDCo have provided preliminary concurrence for 9 RIPs versus the targeted 6 RIPs, based on the 2<sup>nd</sup> year work plan. The 9 RIPs include the four initial RIPS (the Jolo Water System Improvements, the Jolo Airport Runway Improvement and the Sanga-Sanga Airport Runway Improvements, and the Tawi-Tawi Bridge-Road Partnership (Sanga-Sanga Road Improvements), and 5 additional RIPs, including the Ladia Road upgrading subproject in Sultan Kudarat (Maguindanao Province), the Ngan Overflow Bridge subproject in Compostela Valley (a reclassified BIP subproject – Concurrence #119 - that exceeded the maximum \$50,000 eligible BIP cost), and 3 Basilan Bridge upgrades along the Basilan Circumferential Road (Lunot, Busay, and Bañas Bridges). It should be noted that the Lunot bridge was dropped after concurrence was received, primarily due to funding limitations. Thus, implementation is proceeding on 8 RIPs only.

Construction of all four initial RIPs was to have been completed before the end of the quarter, but only the Sanga-Sanga Airport Runway Improvements were completed. Construction is still on-going on the other three subprojects due to various subcontractor delays and force majeure events. Those three subprojects, will be completed before the end of the next quarter.

Four additional RIPs are in various stages of implementation as described below:

- Ngan Overflow Bridge (R-09) – Construction on the subproject started July 29, 2009, and good progress is being made. Construction completion is expected before the subcontract completion date of Oct. 18, 2009.
- Ladia Road Upgrading subproject (R-05) - The design is completed and negotiations of the counterpart contribution and MOU are on-going. Subproject construction is expected to be underway in the next quarter.
- Bañas (R-06) and Busay (R-07) Basilan Bridges – The plans and specifications for the two bridges (box culvert designs), were approved by DPWH on July 15, 2009. The IFBs for both subprojects were issued on August 6, 2009, with a closing date for both on September 17, 2009. Evaluation of bids is on-going. The MOU for both subprojects is expected to be signed by end of September 2009.

To date, USAID and MEDCo concurrence has been received for 409 BIPs, excluding 12 cancelled BIPs previously concurred with. Three-Hundred Seven subprojects have been approved for bidding, of which 293 subproject subcontracts have been awarded.

One-Hundred and Forty subprojects have been completed, with 4 more subprojects substantially completed (rectification of punchlists is ongoing), and 2 subcontracts completed with pending completion of counterpart activities. Construction is ongoing or about to start on 147 projects, for a total of 293 awarded subprojects. Implementation problems causing delays continue on some subprojects, including delays in delivery of counterpart contributions, inadequate equipment and staffing by subcontractors, and bad weather. Ten subprojects have critical delays and technical issues which have required suspensions or deferment of work.

**The following provides a discussion of performance objectives and outputs that were to have been completed per GEM's FY09 2<sup>nd</sup> Yr. work plan.**

#### 1.1.1 General:

- Preparation and submittal of Monthly Infrastructure Progress reports – a contract requirement. Reports are due the 10th of the following month, thus the Monthly Report for September 2009, along with the FY09 4th Qtr. Report, is due on October 10, 2009.

#### 1.1.2 Barangay Infrastructure Projects (BIPs):

- Submit requests for USAID/MEDCo preliminary concurrence for a cumulative 452 BIPs by the end of FY09.
- Award Subcontracts in excess of a cumulative 300 BIPs.
- Make adequate progress towards a planned completion of a total of 293 BIPs by the end of FY09.

- Continue to identify and validate future BIP projects for USAID and MEDCo approval, including the conduct of provincial consultations and community meetings and one-on-one meetings with eligible LGUs in anticipation of additional funds becoming available.

#### 1.1.3 Regional Impact Projects (RIPs):

- Construction completion of the four initial RIPS: Jolo Water System Improvements, Sanga-Sanga Airport Runway Improvements, Jolo Airport Runway Improvements and the Sanga-Sanga Road component of the Tawi-Tawi Bridge/Road Partnership Project.
- Construction on-going on two additional RIP subcontracts by the end of the reporting period.
- Subject to the availability of funds, design and finalize bid packages for three RIP subprojects in Central Mindanao by the end of the reporting period.

#### 1.1.4 Beneficial Use Monitoring (BUM):

- Follow-up on status and remedial actions of 'red' and 'yellow' GEM-2 BIPs, and conduct first-time visits of GEM-3 BIPs and re-visits of GEM-2 BIPs.
- Complete first-time visits to 3 GEM-2 RIPs during the reporting period.
- Submittal of monthly BUM summary reports from July through September 2009. The September Report is due the last week of October 2009.

### **1.2 Summary of major accomplishments during the quarter as well as unexpected or unplanned outcomes/activities during the quarter:**

Major outcomes achieved during the quarter are described briefly below:

#### 1.2.1 General:

- As required by the contract, GEM submitted Monthly Infrastructure Progress reports for July and August 2009, by the 10<sup>th</sup> of the following month. The September 2009 report is due on October 10, 2009.

#### 1.2.2 BIPs:

- GEM has submitted and received USAID/MEDCo preliminary concurrence for a cumulative total of 409 BIPs. The total number excludes 12 previously concurred BIPs which have been dropped by GEM due to design issues or counterpart non-compliance with contribution commitments, plus the re-classification of the Ngan Overflow Bridge (R-09) subproject in Compostela Valley from a BIP to a RIP due to costs. Design and pre-engineering activities are on hold for 19 projects due to technical and institutional issues.
- The designs for 318 BIPs have been completed, along with the completion of counterpart negotiations, project packaging. Three hundred and sixteen subprojects have been submitted to USAID for approval to Bid and 307 have been approved.
- By the end of the reporting period, One-Hundred and Forty subprojects were completed, with 4 more subprojects substantially completed (rectification of punchlists is ongoing), and

2 subcontracts completed with pending completion of counterpart activities, out of the 293 subprojects that are awarded and underway. Counterpart failure to meet commitments, inadequate equipment of subcontractors and bad weather slowed subproject construction, including temporary suspension of 8 on-going construction subprojects, and potential cancellation of two awarded subprojects (B-0170 Magutay Barangay Bridge, and B-0099 Sultan Naga Dimaporo Trading Center).

- A cumulative total of 379 BIP Environmental Screening Reports (ESRs) have been submitted for USAID approval. USAID has approved 375 of the ESRs, with the rest pending approval.
- The following Figure and Tables showing progress to date.

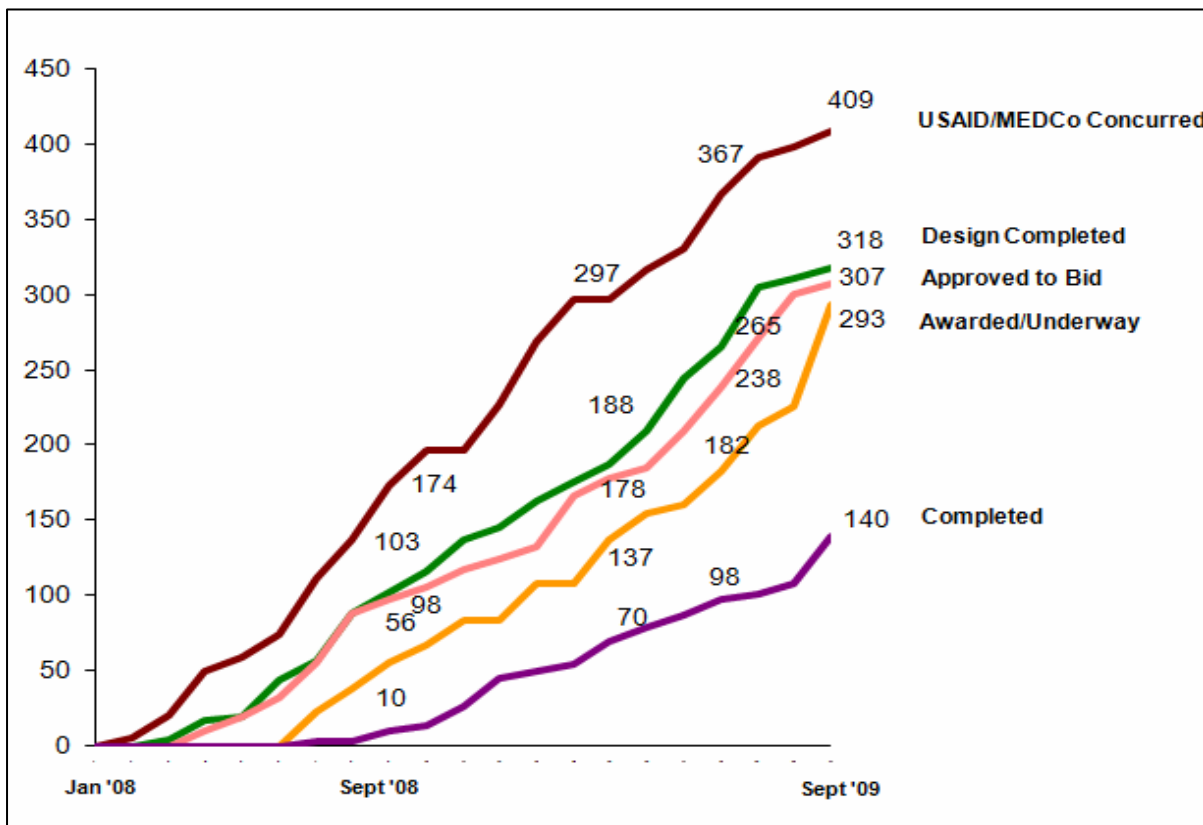
Figure 1.1 - BIP Accomplishments, as of 4<sup>th</sup> Qtr. of FY09.

Table 1.1 - BIP Accomplishments vs Milestones, as of 4<sup>th</sup> Qtr. of FY09.

Table 1.2 - BIPs Awarded (Cumulative), as of September 30, 2009

Table 1.3 – BIPs Completed, as of September 30, 2009

**FIGURE 1.1**  
**4th Qtr. FY09**  
**BIP Accomplishments**



**TABLE 1.1**  
**4th Qtr. FY09**  
**BIP Cumulative Accomplishments Vs. Milestones**

Task		FY 2009, 4th Quarter		
		Jul '09	Aug '09	Sep '09
USAID/MEDCo Concurred	Milestone*	392	422	452
	Actual	392	399	409
	Total Submitted	392	399	409
USAID Approved to Bid	Milestone*	300	323	346
	Actual	271	300	307
	Total Submitted	300	300	316
USAID Approved to Award	Milestone	248	293	293
	Actual	213	226	293
	Total Submitted	213	257	293
Total # of Projects Completed	Milestone	243	268	293
	Actual	101	109	140
* Includes Year 3 targets				

**TABLE 1.2**  
**BIPs Awarded (Cumulative), as of September 30, 2009**

Types of Projects	No. of Projects	Lengths (in km)/ Area (in sq.m.)	No. of Beneficiaries
Roads	6	6.23	15,782
Boat Landing	19	0.81	85,084
Water System	4	not applicable	12,711
Pedestrian Footbridge	35	2.32	196,764
Barangay Bridge/Overflow Bridge	79	1.20	262,689
Drainage	7	1.72	28,814
Irrigation	3	not applicable	11,327
Others (handpumps, electrification etc.)	2	168	325
Grains Warehouse/Grains Warehouse & Solar Dryer	0	0	-
Seaweed Warehouse & Solar Dryer	0	0	-
Seaweed Solar Dryer	6	786	606
Grains Solar Dryer	91	26,410	8,244
Trading Center	41	5,178	305,486
<b>TOTAL</b>	<b>293</b>		<b>927,832</b>



**TABLE 1.3**  
**BIPs Completed, as of September 30, 2009**

<b>Types of Projects</b>	<b>No. of Projects</b>	<b>Lengths (in km)/ Area (in sq.m.)</b>	<b>No. of Beneficiaries</b>
Roads	2	1.82	9,598
Boat Landing	5	0.10	32,184
Water System	1	not applicable	1,500
Pedestrian Footbridge	16	0.98	93,977
Barangay Bridge/Overflow Bridge	23	0.35	84,601
Drainage	7	1.72	28,814
Irrigation	2	not applicable	11,176
Others (handpumps, electrification etc.)	2	168	325
Grains Warehouse/Grains Warehouse & Solar Dryer	0	0	-
Seaweed Warehouse & Solar Dryer	0	0	-
Seaweed Solar Dryer	5	636	554
Grains Solar Dryer	54	15,270	5,005
Trading Center	23	2,700	190,694
<b>TOTAL</b>	<b>140</b>		<b>458,428</b>

### 1.2.3 RIPs:

#### General

- USAID approved a competitive award to RANO's Construction and Supply for the Ngan Overflow Bridge subproject in Compostela Valley. A Notice to Proceed was issued on July 21, 2009. Construction is ahead of schedule and is expected to be completed before the subcontract termination date of October 18, 2009.
- The MOU for the Basilan Busay and Bañas Bridges is being finalized, concurrently with the issuance of IFBs for the two Basilan bridges, receipt of bids, and submittal of a request for USAID approval. Evaluation of bids is on-going.
- GEM received USAID COTR concurrence to proceed with the Ladia Road subproject in August 2009, and GEM began counterpart negotiations in September 2009. Meanwhile, the plans and specifications for the road were completed and are being used in the negotiations which were still on-going by the end of the quarter.
- GEM Construction on the Sanga-Sanga Airport Runway Improvement subproject was completed, accepted and turned over to DOTC/CAAP on September 23, 2009, and opened to air traffic on September 25, 2009. While the GEM runway improvements have been completed, the counterpart activities will continue through 2011.

- GEM construction work continued on the other three initial RIPs - the Jolo Water System Improvement Project, the Jolo Airport Runway Improvement Project, and the Tawi-Tawi Bridge/Road Partnership Project (Sanga-Sanga Road Component). Below are summaries of the status of these four initial RIPs, including counterpart activities.
- Preliminary assessments of possible Central Mindanao RIP subprojects continue.

### **1.2.3.1 Jolo Water Supply Improvement Subproject**

#### Project Data:

- Original Subcontract Signed: September 30, 2008
- Subcontractor: Mamsar Construction and Industrial Corporation
- Original Contract Price: Php 23,800,000.00
- Revised Contract Price: Php 29,561,119.34 (pending estimated reduction of Php2,405,416 and expected revised contract Price of Php27,155,703)
- Subcontractor Start Date: November 03, 2008
- Revised Completion Date: October 19, 2009

#### Environmental:

- ECC issued by DENR: August 29, 2008
- ESR approved by USAID: September 5, 2009

#### Progress:

- Scheduled Progress: 89%
- Actual Progress: 87%

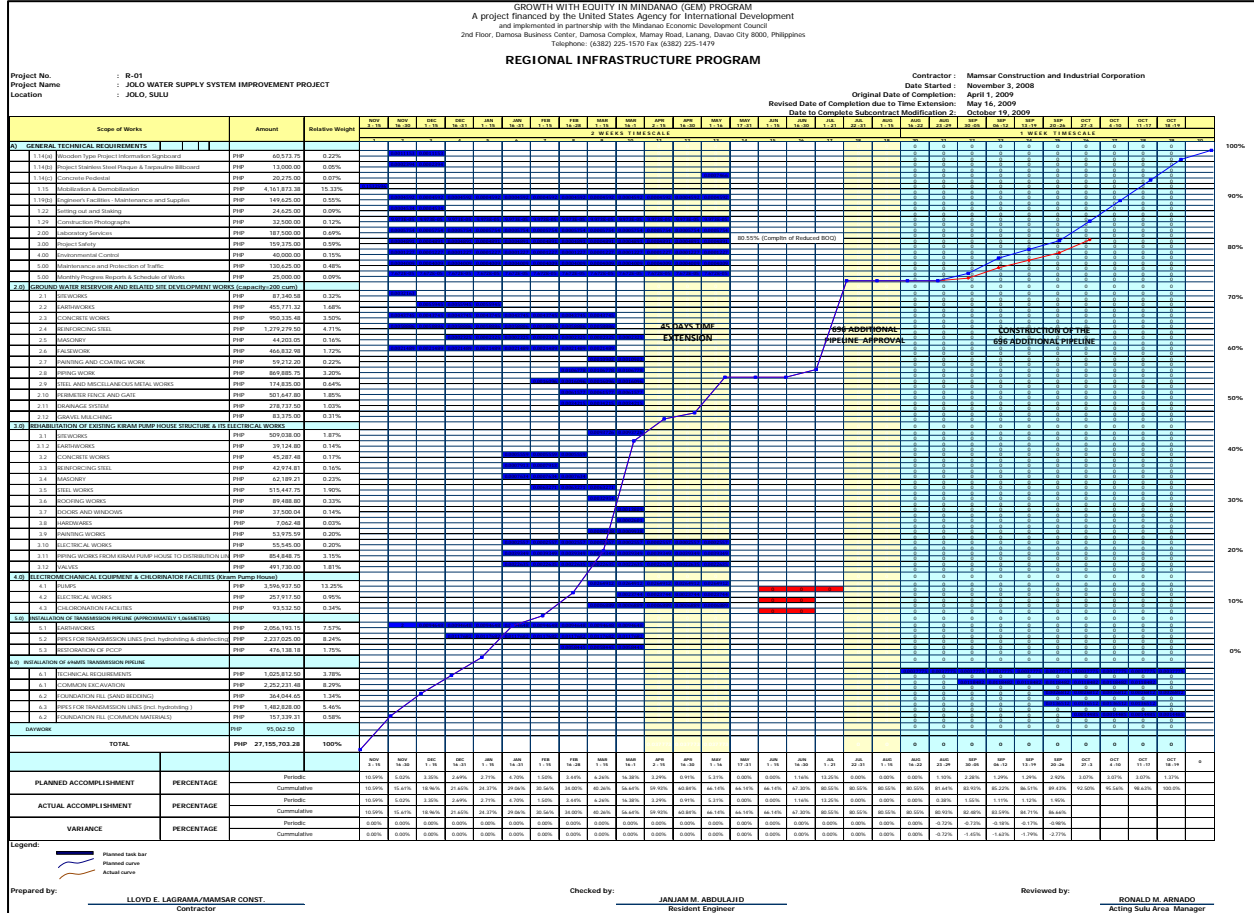
During the quarter, all work under the original subcontract was completed and partially turned over to the counterpart except for the pump house/pumps, which are expected to be officially accepted/turned over the LWUA in early October. On August 15, 2009, the Mamsar subcontract was amended to include an additional 696 meters of transmission pipeline to meet objectives.

Liquidated Damages were imposed on the subcontractor starting on May 17, 2009 and ended with the issuance of the 696m pipeline amendment. Excavation work is on-going on the 696m pipeline work, and pipe installation began towards the end of September 2009.

#### Counterpart:

- The laying of the 4" diameter G.I. pipe by the JMWD-LWUA to connect the pipeline from Indanan Road to Kamahardikaan Village is on going. To date, installation of 420 meters of pipeline has been completed.
- JMWD-LWUA completed the 200mm-diameter PVC transmission pipeline from Kiram Spring to GEM transmission line, and the 200mm-diameter PVC pipe from GEM concrete reservoir to the existing 150mm JMWD distribution line.
- JMWD-LWUA conducted a market survey in the Kamahardikaan Village where about 186 prospective households have expressed interest to connect to the water system. JMWD plans to use the Km 4 service area (within Barangay Tagbak in Indanan including the Kamahardikaan Village) as a model sub-system for efficiency and good service. JMWD will replicate their experience in Km 4 to other service areas of the water district.

Below is the S-Curve of scheduled versus actual progress by the end of September 2009.



1.2.3.2 Jolo Airport Runway Improvement Subproject

Project Data

- Subproject Signed: September 8, 2008
- Subcontractor: C.S. Santiago Construction Corporation Inc.
- Notice to Proceed: September 29, 2008
- Revised Contracted Completion Date: October 12, 2009

Environmental

- ESR approved by USAID – May 30, 2008
- ECC issued by DENR: September 29, 2008

Progress

- Scheduled Progress: 82%
- Actual Progress: 78%
- Delay: 4%

During the quarter, the PCCP work on Segment 1 was the remaining principal work to complete the project. The subcontractor generally made good progress on the Segment 1 PCCP work during August and early September. Financial issues, however, towards the end of the quarter has delayed delivery of coarse and fine aggregates, and bad weather delayed delivery of concrete joint steel rods. Intermittent rainfall also impacted progress of work. A force majeure subcontract extension is approved through October 12, 2009.

Counterpart:

- DOTC Counterpart Facilities:

Runway shoulder grade correction/runway strip grading, drainage and fencing under 2009 DOTC Budget amounting to PhP43 Million - The final winning bidder is Unitech Construction. Contract preparation is on-going. The Notice to Proceed is expected to be issued in October 2009.

Additional Construction of Facilities to be undertaken under the 2010 DOTC Budget amounting to PhP 61.5 Million include a Perimeter Fence (PhP5 million), the Apron/Taxiway (PhP20 million), a Vehicle Parking Area (PhP5 million), Lot acquisition (PhP1.5 million) and the Passenger Terminal Building (PhP30 million). Budget hearing in the Philippine Congress is on-going for proposed budgets of agencies including DOTC.

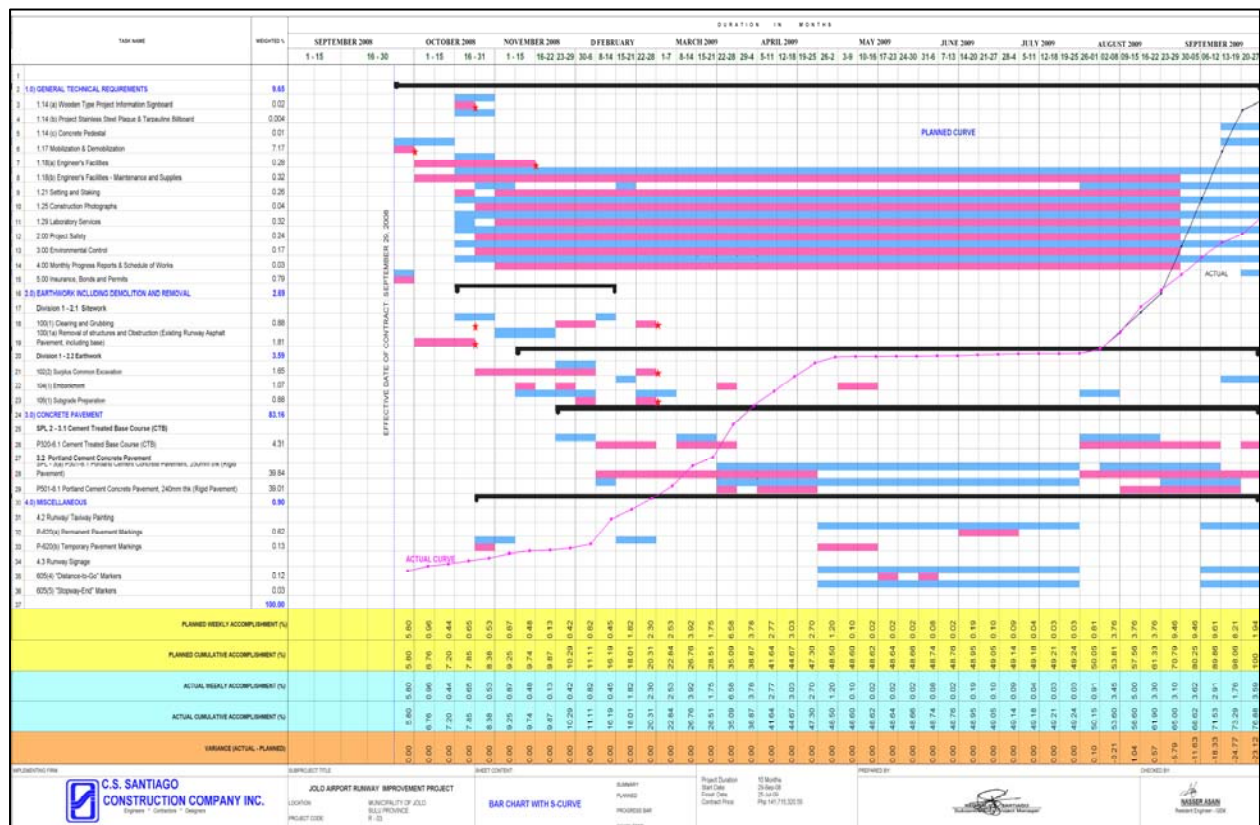
- Relocation of Military Facilities and Civilian Families from the Runway Strip - Governor Sakur Tan of the Sulu Provincial Government and the Secretary of DOTC both signed the MOA and the Program of Work (POW). The Governor will manage the relocation, funded by DOTC. On August 15, 2009 DOTC sent a letter to Governor Sakur Tan requesting the Provincial Government to liquidate PhP1.4 million which was reportedly used for the Maimbung Wharf improvement (under the administration of former Governor, and now Congressman Jikiri) which was released in 2001, before DOTC can release the funds for the relocation. Governor Tan sent a reply stating that the Province did not receive these funds based on the COA Audit Reports and had not been recorded in the Provincial books. The Provincial Government will request DOTC Accounting for guidance to address the issue.
- Relocation of Philippine Air Force Facilities from the Runway Strip – The CAAP agreed to the originally proposed relocation site (a private lot adjacent to the unutilized old passenger terminal building near the Marine camp), for the affected facilities of the Philippine Air Force (PAF). The site is consistent with the recommendations of the approved Jolo Airport Master Plan. CAAP is requesting confirmation of the elevation of the proposed site to regulate the height of the structures that will be constructed to assure that airport airspace safety will not be affected. However, in a July 21, 2009 meeting of the province's working group with PAF (also attended by GEM staff and CAAP personnel), PAF officials suggested a new relocation site near the present CAAP office (near GEM temfacil). PAF claims that the new site is better and more secure than the original site. There are, however, issues with the new site, such as costly relocation of permanent (concrete) and temporary houses (wooden) in the area, complicated and higher-value lot acquisition, and the newly-conceived Jolo Airport Master Plan does not recommend the new relocation site for the PAF. On September 1, 2009, PAF sent an official request to Governor Tan for the relocation of their building to the proposed new site. DOTC has no available additional budget for the relocation of PAF facilities. A high-level meeting with DOTC, OPAMIN, MEDCo, DND and Provincial Governor is being proposed to resolve the matter.

- Jolo Airport Pre-Feasibility Study and Master Plan – Schema Consult, together with DOTC officials, presented the Pre-Feasibility Study and Master Plan to the Sulu stakeholders on August 18, 2009 at the Provincial Capitol. Comments from the stakeholders included: immediate improvement of the airport drainage system in a manner that will not exacerbate the flooding problem of the municipality of Jolo; immediate installation of necessary air navigational and CFR facilities so that major airlines will use the Jolo Airport immediately after the runway improvements; and, relocation of civilian families. These inputs were noted by DOTC and its consultant.
- Crash, Fire and Rescue facilities - As the responsible agency for these facilities, CAAP's Aeronautical Development and Management Service has proposed to purchase a Rapid Intervention Vehicle with a 6,000 liter capacity in its 2010 budget. The existing non-functional fire truck in Jolo is included in the rehabilitation program for the 2010 budget. There is an issue related to this, however, because DBM's current procedure requires that all government-owned corporations, including CAAP, to finance their capital projects and equipment using their own generated funds and not from the GAA. Currently, CAAP does not have its own fund for capital projects. A possible alternative track is to request the budget from the discretionary fund of the Office of the President.

An alternative solution is for CAAP to transfer to Jolo “second-hand” equipment that could now be available from the recently-upgraded airports such as the airports in Bacolod and in Iloilo.

These issues will be discussed in the proposed high-level meeting among DOTC, DND, OPAMIN, MEDCo and Governor Tan.

Below is an S-Curve of scheduled versus actual progress by the end of September 2009. A revised S-Curve for the extension through October 12, 2009 is pending submission by subcontractor.



### 1.2.3.3 Sanga-Sanga Airport Runway Improvement Subproject

#### Project Data:

- Subcontract Signed: August 19, 2008
- Subcontractor: HR Construction Corporation
- NTP: September 25, 2009
- Final Revised Contract Completion Date: August 18, 2009 (due to force majeure)

#### Environmental

- ESR approved by USAID: July 10, 2008
- ECC issued by DENR: August 29, 2008

#### Progress

- Scheduled Progress: 100%
- Actual Progress: 100%

The subproject was completed and turned over to the DOTC/CAAP on September 23, 2009. The completed airport runway was opened to air traffic on September 25, 2008, with a NOTAM effectivity of September 28, 2009.

The subcontractor was not able to complete the subproject on the revised completion date of August 18, 2009 due to the required repair of cracks on a number of new runway concrete blocks, of which 16 blocks required full removal and replacement. Liquidated damages are being imposed on the subcontract from August 19, 2009 though completion of demobilization.

#### Counterpart:

- DOTC Counterpart Facilities:

Runway shoulder grade correction/runway strip grading, drainage and fencing (DOTC section) under 2009 DOTC Budget amounting to PhP43 Million - DOTC opened the bids on June 18, 2009 and the winning bidder is Unitech. Unitech is awaiting the issuance of Notice to Proceed which is anticipated to happen in a few weeks.

New passenger terminal building worth PhP9.5million – The detailed engineering design and Program of Work were completed. The total project cost to complete the project is about PhP30 million which is more than the available budget. Upon advice of Congressman Nur Jaafar, representative of Tawi-Tawi in the House of Representatives, DOTC will proceed with the bidding and additional fund will be requested for next year with the support of the congressman.

Additional Construction of Facilities to be undertaken under the 2010 DOTC Budget amounting to PhP68 Million include completion of remaining section of Perimeter Fence (PhP10 million), a Vehicle Parking Area (PhP10 million), runway widening/preparation for 45-m ultimate width (PhP45 million) and rehabilitation of fire station building (PhP3 million). Budget hearing in the Philippine Congress is on-going for proposed budgets of agencies including DOTC.

- Perimeter fence section under the Provincial Government – GEM assisted the Provincial Government in preparing the Memorandum of Agreement (MOA) between the Province and DOTC for the construction of a PHP5 million section of the perimeter fence. The MOA signed by the Governor and received by DOTC, was issued a Certificate of Availability of Funds on June 30, 2009 by DOTC Accounting. The Provincial Government submitted to DOTC on September 22, 2009 the Program of Work and other required supporting documents to the MOA. DOTC-PMS is routing the MOA for the signature of the concerned officials.
- Crash, Fire and Rescue facilities – As the responsible agency for these facilities, CAAP's Aeronautical Development and Management Service has proposed to purchase a Rapid Intervention Vehicle with a capacity of 6,000 liters in its 2010 budget. There is an issue related to this, however, because DBM's current procedure requires that all government-owned corporations, including CAAP, to finance their capital projects and equipment using their own generated funds and not from the GAA. Currently, CAAP does not have its own fund for capital projects. A possible alternative track is to request the budget from the discretionary fund of the Office of the President.

An alternative action is for CAAP to transfer "second-hand" equipment that could now be available from the recently-upgraded airports such as the airports in Bacolod and in Iloilo. DOTC Undersecretary Anali Lontoc will also try to make arrangements with CAAP on the needed fire truck, including possible transfer of a "second-hand" unit that is available in Manila. Governor Sahali is also exploring the possibility for the Provincial Government to buy "second-hand" fire truck.

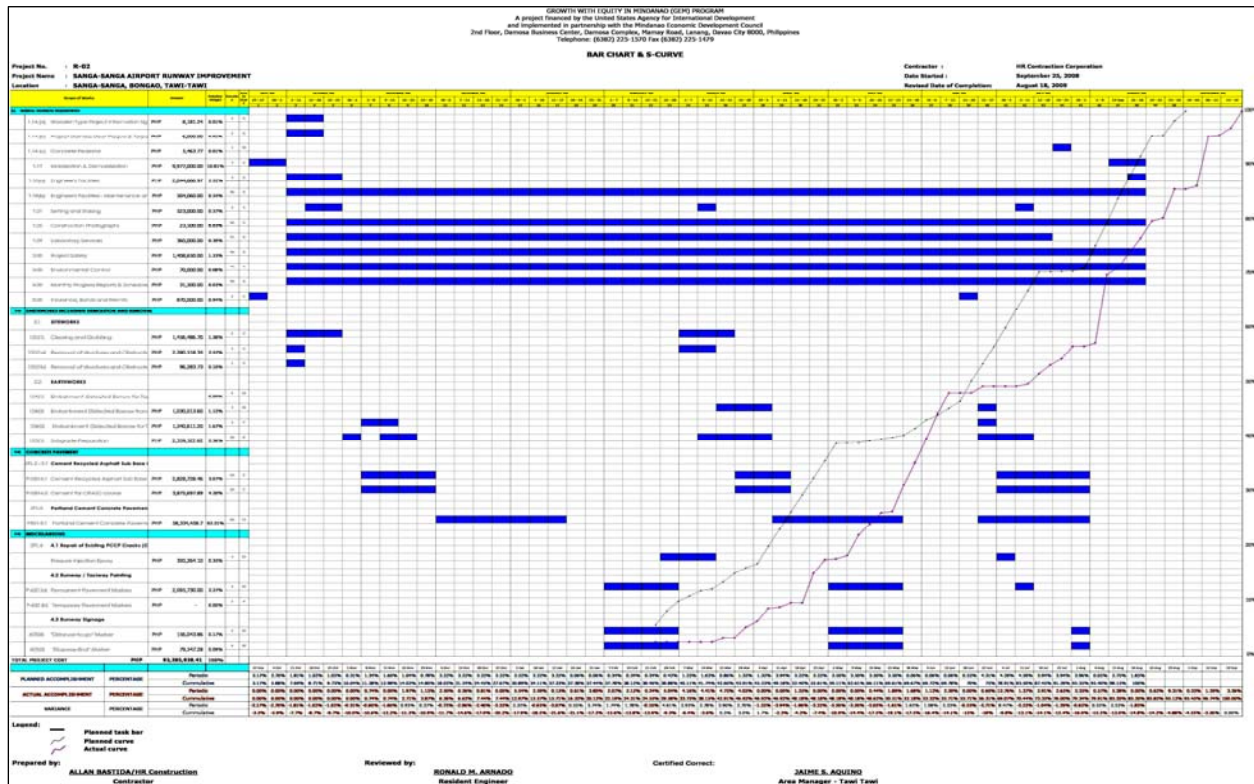
These issues will be discussed in the proposed high-level meeting among DOTC, DND, OPAMIN, MEDCo and Governor Sahali.

- Interested Airline Operator – Representatives from Philippine Airlines (PAL) participated in an August 17, 2009 physical completion ceremony of Bongao Airport runway, and at the same time a conducted technical inspection of the airport and a meeting with the local business community. PAL is awaiting final declared safety zone distances of the airport as well as completion of the CFR facilities. PAL expressed an interest to donate equipment and minor facilities for the Flight Service Station. Also, Cebu Pacific submitted its technical assessment report which includes recommendations for additional facilities and safety measures at the airport.
- On the 19 lots with original checks for runway ROW – DOTC's original checks became invalid as it expired on June 15, 2009 without being received by the landowners. Re-constituted vouchers are being routed for the approval of DOTC officials and approved in early part of August. The COA of DOTC sent the documents to COA Tawi-Tawi for the pre-audit and validation of land titles. DOTC is preparing an MOA with the Provincial Government of Tawi-Tawi to transfer the funds to the Province on behalf of the land owners. Director General Ciron of CAAP, who attended the August 17, 2009 completion ceremony, committed to follow-up the release of the payments with the DOTC Secretary.
- On the 20 remaining lots for runway ROW (19 lots uncontested and 1 lot or Lot 73 has two contesting owners) – All Deeds of Absolute Sale (DOAS) for the 20 lots were revised due to change in names of the land titles and misspellings. These were approved by DOTC Legal and Undersecretary Dorotheo Reyes. Vouchers are being routed for the approval of concerned DOTC officials. One landowner, who was found by DOTC without a land title, is

currently securing the land title from DENR-ARMM. DOTC will defer processing the voucher of the said lot. Recently, DOTC Accounting requested landowners to update the tax declarations, which caused the delay of the check release. This will also be covered in the MOA with the Provincial Government.

- Payment of real property tax – The total amount due, including arrears, is around Php1.8 million, but the high assessment value of some lots is being questioned by the land owners. Tax amnesty from the Municipal Government was granted and a copy was sent by Governor Sahali to DOTC.

Below is an S-Curve of scheduled versus actual progress by the end of September 2009.



### 1.2.3.4 Tawi-Tawi Bridge-Road Partnership Subproject

Project Data:

- Subcontract Signed: November 13, 2009
- Subcontractor: HR Construction Corporation (HRCC)
- NTP: November 28, 2009
- Original Contracted Completion Date: September 24, 2009
- Revised Completion Date: October 27, 2009 (33 day extension due to force majeure rain delays and landowner work stoppages due to ROW issues )

Environmental

- ECC issued by DENR: August 07, 2008
- EA approved by USAID: October 31, 2008



Progress:

- Scheduled Progress: 78%
- Actual Progress: 34%
- Delay: 44%

The subproject has incurred a slippage of 44% due primarily to the lack of equipment and continued breakdown of equipment. Most of the equipment was deployed on the airport project until late August 2009. GEM insisted that replacement of poorly-operating equipment was needed in order to make up for past construction delays.

GEM issued a Show Cause Notice to the subcontractor on September 18, 2009, requiring the subcontractor to explain the reason for the delays. After a subsequent exchange of letters with the subcontractor, GEM received assurances of deployment of additional equipment to assure completion of the subproject as soon as possible, although by late September 2009, GEM was looking at the option to rent and provide equipment for the subproject directly on behalf of the subcontractor, to force the provision of adequate equipment on the job to complete the subproject as soon as possible.

Meanwhile, the subcontractor requested a subcontract time extension due to past force majeure events, but GEM granted the subcontractor only a 33-day extension, through October 27, 2009, due to rain delays and stoppages of work due to interference and stoppage of work by landowners complaining about ROW payments and other issues. Considering the substantial amount of work remaining to be completed, the subcontractor will be completing the subproject beyond the subcontract completion date with the application of liquidating damages.

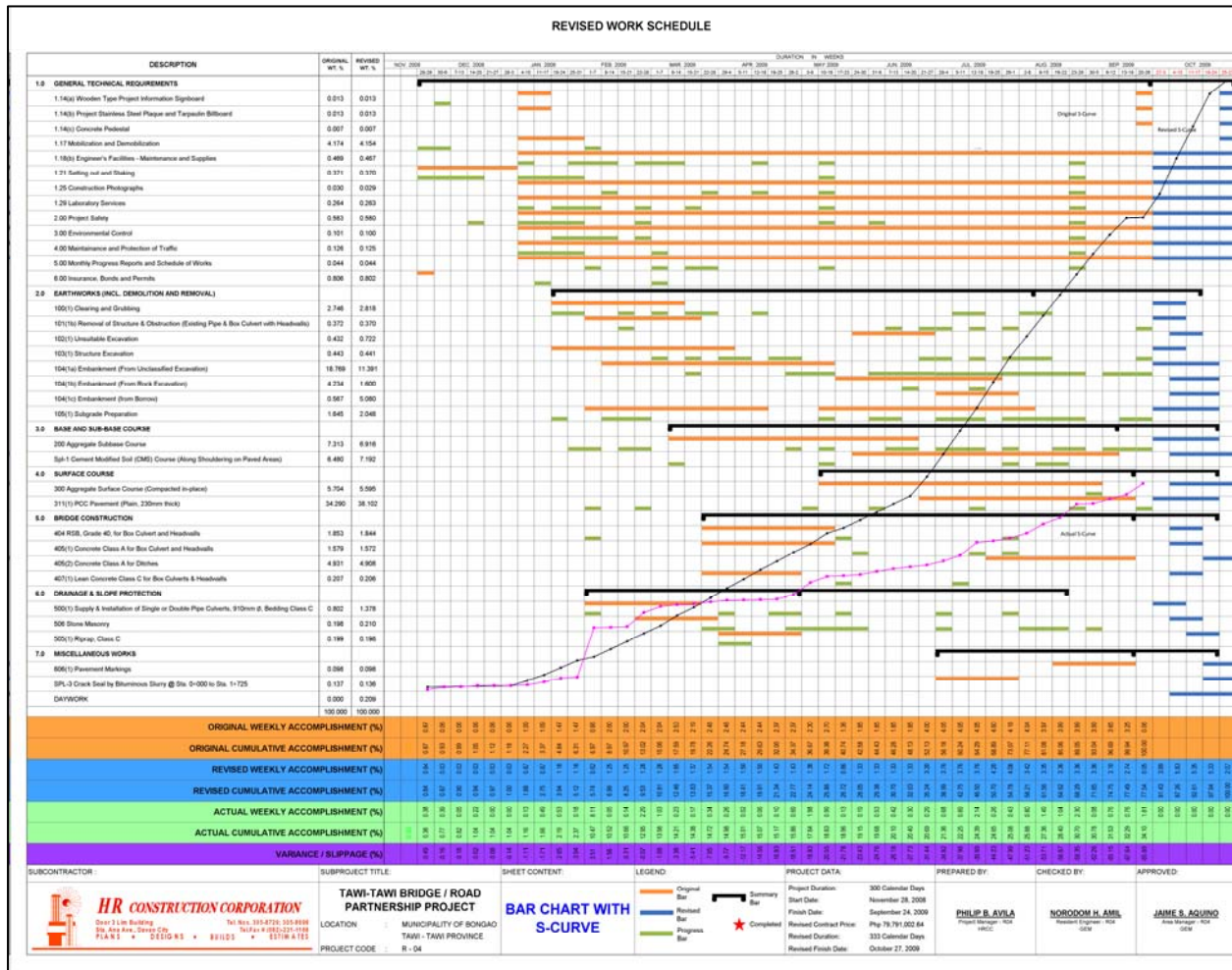
Counterpart:

- Construction of bridges – The Notice to Proceed was issued to JD Legaspi Construction on July 17, 2009. The scope of work includes construction and installation of 3 bridge superstructures, 2 piers using bored piles foundation, 3 piers in spread footing foundation and 6 abutments in spread footing for a contract duration of 720 calendar days (about 2 years). As of September 25, 2009, the actual accomplishment is 2.154% and behind schedule by -6.318%. The contractor completed construction of bunk house and installed the project's sign board. The contractor has mobilized some equipment through lease arrangements with the Provincial Government. GEM requested DPWH-9 to remind the contractor to coordinate with GEM field engineers to conduct a joint survey to make sure that GEM's road project will tie-in with the third bridge of DPWH.
- Construction schedule of bridges – In a meeting between Usec. Virgillo Leyretana and DPWH Usec. Bashir Rasuman during the Mindanao Super Region forum, DPWH committed to complete the bridges in "early" 2010, but this "statement" can't be taken seriously. DPWH-9 Assistant Director (Engr. Madsmo), who was recently designated as the over-all director for the project, confirmed the 720-day construction period and agreed that construction activities would be complicated because of tidal actions in the strait and marshy condition where the abutments will be constructed.
- Budget shortfall of the bridges – DPWH's 2009 budget amounts to PhP100 Million which is not enough to fully complete the bridges. DPWH Programming included the balance of an additional PhP97 Million in the proposed 2009 budget. Budget hearing in the Philippine Congress is ongoing for the proposed budgets of agencies including DPWH. The additional

budget will be used to construct the bridges' road links which are targeted to be implemented next year and simultaneous with the bridges package.

- Road Right-of-Way–Tawi-Tawi Provincial Government through Governor Sahali and Karungdong Barangay Chairman took the responsibility in negotiating and settling the ROW issue with the affected lot owners on the Sanga-Sanga Road. However, considering the GEM sub-contractor was having periodic problems with stoppages of work on construction due to landowners' interference, the Governor suggested that the subcontractor hire logistic support personnel to more quickly and efficiently coordinate ROW problems with his office. It is anticipated that Governor Sahali will also assist in the negotiation and settlement of ROW in the construction of the bridges.

Below is an S-Curve of scheduled versus actual progress by the end of September 2009.



### 1.2.4 BUM:

- Three hundred five BIPs were revisited for the period (July to September 2009), focusing on projects that were last visited more than a year ago, as well as BIPs visited for the first time, which were completed starting in October 2008 under GEM-3. Ten GEM-2 RIPs were also revisited from July through September 2009. Meetings were conducted with Provincial,

Municipal and Barangay Government officials to emphasize the importance of proper operation and maintenance to sustain long-term beneficial use of completed projects. Thus far, 907 projects out of 948 completed BIPs, and 37 of 40 completed RIPs, have been visited. There were 7 BIP subprojects and 3 RIP subprojects under GEM-2 that could not be visited due to local security problems. During the quarter, efforts of the BUM Team were focused on the GEM-2 BIPs that were not visited more than one year ago and those that were recently completed under GEM-3.

- Prepared and submitted monthly BUM summary reports for July 2009 and August 2009. The September 2009 Report is due the last week of October 2009.

### **1.3 Outstanding issues and implementation problems and options for resolving these issues and problems.**

The following factors have significantly affected progress in achieving both BIP and RIP annual targets by the end of this quarter and fiscal year. There was a large number of kidnapping in Basilan and Sulu (including three Red Cross workers) resulting in numerous clashes intended to capture the kidnapers and rescue the hostages which in turn led to bombings and attacks in retaliation by the Abu Sayaf and other kidnapers. Also, an all-out war between the GOP and the MILF in Western, Central and Southern Mindanao, that continued thru most of this year, limited the areas in which GEM could safely work. When the fighting died down in certain areas, potential local construction subcontractors were hesitant to bid for projects in these areas. Generally, in Central and Western Mindanao, an inordinate number of BIP projects had to be re-bid due to lone bidders or no bidders due to the security situation. More recently, there has been an over-abundance of local government contracts due to the election next year and subcontractors prefer to bid on these projects rather than on GEM projects because of GEM's stricter quality control and documentation requirements. To increase the number of bidders, GEM continues to have meetings with potential subcontractors in the different areas to promote GEM's procurement opportunities and enhance competition. Also, significant GEM infrastructure staff resources were required to respond to and investigate issues related to the USAID RIG audit from the beginning of the contract through the current quarter. An island-wide power failure, of over a month, delayed projects in Tawi-Tawi. Finally, over the last few months, there was no USAID Contracts Officer in the Mission leading to longer than normal turn-around times for approvals to bid and award subcontracts.

Notwithstanding the challenges, GEM was able to complete the award (but not the targeted construction) of the 293 targeted subprojects by the end of the quarter. Most of the targeted 293 subprojects will be completed during the next quarter.

Other implementation problems, specific to BIP and RIP implementation, and strategies intended to resolve these problems are described briefly below.

#### **1.3.1 BIP Implementation**

As noted above, good progress was made over the last quarter in completing designs and submittals to USAID for bidding and in awarding subproject subcontracts inspite of the headwinds.

Another cause of delays in BIP implementation resulted from non-compliance by LGUs on counterpart commitments, inadequate subcontractor equipment and workers and bad weather. GEM is continuing to address the delays due to LGU counterpart issues by requiring

certification of LGU counterpart prior to the start of subprojects, getting LGUs to procure counterpart materials as soon as GEM obtains approval to bid, combining complimentary projects that can be part of the counterpart contributions, and obtaining assistance from MEDCo to deal with counterpart issues.

GEM field staff and the GEM Contracts Office also work closely with and regularly meet subcontractors, having problems with providing adequate equipment and manpower, to urge them to improve and show them how they can improve their performance, and to advise them of the potential termination of their subcontracts. The latter action usually produces positive results.

### 1.3.2 Jolo Airport Runway Improvement subproject

The Jolo Airport subproject completion date was extended twice during the quarter due to force majeure delays. Meanwhile, the subcontractor has been making every effort to complete the project, now scheduled for late October. Progress was substantially delayed due to security, which did not allow the subcontractor to work after 3PM. It should be noted that an Improvised Explosion Device was found in the project site and clashes occurred within five kilometers of the project site. With some improvement in the security environment, the subcontractor is now working day and night to catch up and complete the work per the new schedule.

### 1.3.3 Jolo Water Supply Improvement Subproject

During the latter part of the previous quarter through the middle of the current quarter, Mamsar, due to security concerns, delayed acceptance of an amendment for the construction of an additional 696m of transmission pipeline required under the subproject to complete the last unforeseen water supply line gap from Kiram Spring to the GEM reservoir. Earlier, LUWA had told GEM that this pipe was already in place. Mamsar eventually agreed to the amendment and the subproject completion date was amended on August 15, 2009 to extend completion to October 19, 2009 and included the construction of the additional 696m of transmission pipeline. All work under the original subcontract was completed during the quarter, with acceptance of all work except the pump house and pumps. LWUA raised issues relating to the capacity of a 40HP pump which was installed by GEM, but after a thorough joint review and on-site inspection, GEM expects LWUA to sign the final inspection and acceptance form in early October 2009.

### 1.3.4 Tawi-Tawi Bridge/Road Partnership Subproject

While the subcontractor made some improvement in progress from the previous period as a result of completion of the Sanga-Sanga airport runway improvement subproject, which allowed them to move equipment to this project, the subcontractor continued to have problems with the breakdown of equipment. GEM held periodic meetings with the subcontractor exhorting him to provide additional equipment to complete the work in a timely manner, but with little effect. On September 17, 2009, the GEM Contracts Manager sent a letter to the subcontractor, HRCC, demanding an explanation for the continued delays and inaction. The subcontractor responded with complaints about landowner problems and GEM design changes, but these issues raised had, in fact, little to do with HRCC's overall lack of progress and lack of operable equipment. While HRCC has made a commitment to replace and/or add equipment for the subproject by the first week of October 2009, GEM is contacting potential equipment owners in Zamboanga City to rent equipment on behalf of HRCC in the event HRCC does not show serious

improvement. Meanwhile, the subcontract has been extended to October 27, 2009 due to force majeure related to landowner ROW problems and rain delays.

The subcontractor has been periodically delayed and feels threatened as landowners interfere with construction due to the lack of ROW payments by the Provincial government and other complaints. The Governor has asked that the subcontractor provide logistical support to facilitate the Governor's corrective action quickly and effectively to deal with the ad hoc site interference of landowners. GEM plans to amend the subcontract for the subcontractor to add some logistic staff to coordinate more closely with the Governor's office so the Provincial government can handle the problems immediately as events occur sporadically along the project route.

#### **1.4 Planned performance objectives for the next quarter:**

Performance objectives to be met during the next quarter include the following:

##### 1.4.1 BIPs:

- Completion and turn-over of a cumulative total of 293 BIPs, with an estimated 42 additional projects awarded.
- Selection, validation and submittals to USAID for preliminary concurrence will continue towards a cumulative target of 539 BIPs by the end of December 2009.
- Six BIP boat landings in Liguasan Marsh will be submitted to USAID for concurrence.
- BIPs that have been turned over and have maintenance issues will be targeted for re-visits. LGU proponents will continue to be urged to provide proper maintenance and budgets for maintenance. Newly completed BIPs will be visited two times (before the end of the 6<sup>th</sup> month and the 11<sup>th</sup> month after the project acceptance and turn-over) during the one-year warranty period and defects to be validated for reporting to GEM Contracts Team so that subcontractor's will be officially be notified to rectify the defects.

##### 1.4.2 RIPs:

- Construction will be completed on Jolo Water System Improvements, the Jolo Airport Runway Improvements, and the GEM 9.3km Sanga-Sanga Road improvements of the Tawi-Tawi Bridge/road Partnership subproject.
- Completion and turnover of the Ngan Overflow Bridge subproject.
- The construction of the Basilan Busay and Bañas Bridges, and Ladia Rd., will be underway.
- Three additional RIPs in Central Mindanao will be submitted to USAID for concurrence, and design work will be completed and submitted to USAID for approval to bid before the end of December 2009

##### 1.4.3 BUM:

- Conduct first-time visits to completed and turned-over GEM-3 BIPs and remaining GEM-2 BIPs and RIPs (assuming no problem on local security especially in Basilan, Sulu and Tawi-

Tawi and site accessibility). Continue revisits to BIPs taking note of economic impacts and emphasizing O & M responsibilities including remedial actions, if any, to LGU officials.

- Conduct revisits to “red” and “yellow” projects, with focused efforts by the “Maintenance Task Group” to convince LGUs to provide specific remedial actions and budgets (target of 3 to 5 “red” or “yellow” projects becoming green per month).

### 1.5 Attainment of Operational Plan (OP) Targets

Below is a table showing 4th Qtr. FY09 GEM Infrastructure OP Targets and Accomplishments.

**FY 2009 OP Targets and Accomplishments**

OP Indicators		GEM FY 09 Workplan Targets	COMPLETED				Actual TOTAL FY 09
			Qtr 1	Qtr 2	Qtr 3	Qtr 4*	
			Oct 08- Dec-08	Jan -09 - Mar 09	Apr 09 - Jun 09	July 09 - Sep 09	
1	No. of people with access to improved drinking water as a result of USG assistance	70,000	-	1,500	-	70,000	71,500
4	Kilometers of transportation infra constructed or repaired through USG assistance	18**	0.4	1.3	1.5	3.5	6.7
5	Total public and private \$ leveraged with USG support for transportation infra projects	\$2,001,705	\$94,993	\$136,795	\$178,583	\$2,146,599	\$2,556,970
6	Number of people benefiting from USG-sponsored transportation infrastructure projects	520,000	25,662	55,820	91,968	554,241	727,691
	Male	260,000	12,854	24,733	48,627	279,998	366,212
	Female	260,000	12,808	31,087	43,341	274,243	361,479
8	Number of vulnerable households benefiting directly from USG assistance	18,550	18,897	2,711	4,191	25,759	51,558
9**	Number of producers associations, water users associations, trade and business organizations, and community-based organizations receiving USG assistance	102	32	13	16	28	89

Notes:

\* Q4 - Includes 1 RIP project: Sanga Sanga Airport Improvement and Jolo Water Supply System Upgrading Project

\*\* Many road projects are still under construction due to delays in subcontract award and construction caused by the conflict between the GOP and the MILF.

\*\*\* Number of Cooperatives/Communities provided with post harvest facilities (grains solar dryers, trading centers, production facilities and water systems)

## **2. Business Development**

Business Development activities in GEM 3 include four subcomponents focused on accelerating economic growth: (1) Business Support Organization (BSO) Development; (2) Targeted Commodity Expansion Project (TCEP), with focus on High-Value Horticulture (HVH), and Sustainable Aquaculture and Fisheries Efforts (SAFE); (3) Exploratory Investments, in the key industries of business process outsourcing (BPO) and tourism, as well as assistance to improve the community outreach activities of selected responsible mining firms; and (4) activities supporting Former Combatant Reintegration (FCR). Each component is implemented to achieve the following overall Business Development objectives:

1. Tripling Mindanao's international exports and domestic out-shipments, in volume and value, of designated priority fruit, vegetable and high-value aquaculture commodities;
2. Initiating the focused expansion of target commodity production through enhanced value chains;
3. Facilitating the continuous supply of raw materials by Mindanao producers, including former combatants, to processors and buyers;
4. Attracting new private sector investments in value-added processing;
5. Assisting in the promotion of good quality products in key international markets; and
6. Creating a business environment supportive of sustainable peace and development in conflict-affected areas in Mindanao.

### **Targeted Commodity Expansion Project (TCEP)**

**TCEP–High-Value Horticulture (TCEP-HVH).** The TCEP HVH Team, building on the significant increases achieved under GEM 2 in local out-shipment and foreign exports of selected fruit and vegetable products, seeks to triple the shipment of these commodities from Mindanao producers, particularly producers in conflict-affected areas, to major domestic markets and important foreign markets. HVH also seeks to bring about the substantial expansion of key support facilities, such as warehouses, cold chain systems and Vapor Heat Treatment/Hot Water Treatment (VHT/HWT) plants, required for the improved handling and transport of good quality fruit and vegetable products to local and export markets.

**TCEP–Sustainable Aquaculture and Fisheries Efforts (TCEP-SAFE).** The SAFE project was initiated in March 2003 to help assure that the harvests of marine resources do not exceed sustainable levels and that the fisheries sector provides an optimal, long-term contribution to economic development. SAFE initially focused on three subsectors: the commercial tuna industry, high-value aquaculture, and the seaweed industry. The commercial sardine industry was incorporated into the program in late 2005.

The general objective of SAFE is to triple foreign exports and domestic out-shipments of selected aquatic products. The aquatic products selected as target commodities are canned sardines, grouper and abalone. In addition, a reduced program of assistance has been given to the canned tuna and dried seaweed sectors to maintain or increase the export volume and value of these commodities. In order to achieve this objective, the value chain of each selected commodity has been assessed to determine which interventions along the value chain would be the most effective in helping to increase exports and out-shipments. For high-value aquaculture, the focus has been on development of hatcheries, as well as training of growers. Assistance to the sardine industry has stressed improved fish handling to improve quality and export market identification.

## **Exploratory Investments in Key Industries: Business Process Outsourcing (BPO), Tourism, and Mining (Focusing on Improving the Community Outreach Activities of Selected Responsible Mining Firms)**

Investment has traditionally flowed to relatively developed, conflict-free areas of Mindanao. To help ensure that the benefits of economic growth are more equitably distributed, GEM's Business Development exploratory initiatives are focused on jump-starting investment in BPO and Tourism in less developed, conflict-affected areas, in order to generate employment in new potentially high growth sectors and help increase business activity in these areas. GEM activities enhancing the outreach programs of mining companies operating in Mindanao are aimed at encouraging good "corporate citizenship" in mining operations which may help accelerate investment in responsible mining.

### **Former Combatant Reintegration (FCR)**

Over 8,400 former MNLF combatants engaged in the production and sale of higher-value commodities benefited from technical assistance provided during GEM 2.

Under GEM 3, 50 communities of these former combatants will be provided post-harvest facilities to enhance their production and make it more profitable. In addition, fifty communities with significant numbers of former combatants are being assisted to produce high value commodities in the Sulu Archipelago. Fifty similar communities are currently being assisted in Central Mindanao.

FCR activities are also preparatory to the LEAP-MILF component of GEM 3 that will be implemented as soon as the peace agreement between the Government of the Philippines and the Moro Islamic Liberation Front is signed.

### **Business Support Organization (BSO) Development**

Key Business Support Organizations (BSOs) in Mindanao, such as producer and industry associations, chambers of commerce, and business councils are being provided assistance under GEM 3 to create network of sustainable business organizations that can provide useful services to their members, increase productivity and improve the business environment, and accelerate economic growth and help consolidate peace. One of the principal activities of the GEM Program is the strengthening of these BSOs' abilities to enhance economic opportunities in conflict-affected areas of Mindanao. BSO Development activities are closely integrated with other GEM components including Education and Workforce Preparation, and Infrastructure development.

#### **2.1 Performance objectives/expected outputs for 4th Quarter FY 2009**

##### **2.1.1 Targeted Commodity Expansion Project (TCEP).**

Target: Tripling (measured by both volume and value) of foreign export and domestic out-shipment to Philippine markets outside Mindanao of GEM "targeted commodities."

###### **2.1.1.1 Export Market Development:**



- Monitor sales generated during trade shows and as a result of direct market referral efforts, and the progress of the HACCP Certification project;
- Intensify networking and market linkages with local consolidators for them to serve as market conduits of Mindanao food suppliers to export markets;
- Prepare Mindanao participation in two international events (Hong Kong Food Expo 2009, Anuga 2009) and in a Philippines-led international event (International Food and Beverage Exhibition);
- Continue providing direct market referrals of potential international buyers through an email campaign, handling of inbound buyer inquiries, and use of direct marketing campaign tools through a GEM-assisted BPO;
- Intensify market information campaign via email and online dissemination;
- Maintain database of business service providers (shipping lines, certifying bodies, food testing centers, freight forwarders) for direct referral to exporters;
- Prepare list of Mindanao food exporters in coordination with relevant government agencies to facilitate the printing of the Mindanao Food Exporters Directory; and
- Collaborate with government and private partners to implement market development and promotion activities such as participation in trade events, market exchanges, export competitiveness including marketing assistance to halal-certified Mindanao companies.

#### 2.1.1.2 Domestic out-shipments:

##### Fruit:

- Continue/expand fruit supply linkages to major fruit buyers/consolidators for out-shipment (ANI, Cebu consolidators, Manila wholesalers);
- Assist Northern Mindanao fruit growers in expanding the out-shipment of various fruit to Cebu (Big Island/Sumilao Group, Lala Calamansi Group, BIDA, GNMIDF);
- Assist new Mindanao processors in strengthening linkages with local fruit growers/suppliers (Linkage/Jentec, Soyuz, FruitGems, Profoods, Amley, etc.);
- Assist new processors in accessing/expanding markets through linkages and promotional activities (Soyuz, KLT, MAGIRCO); and
- Assist growers in expanding production/supply base for other fruit for processing (passion fruit, pineapple, papaya, guava, calamansi, etc.).

##### Vegetables and Other High-Value Horticulture:

- Provide assistance to NorMinVeggies in implementing a rainshelter project;
- Continue technical assistance to NorMinVeggies in implementing the vegetable trading and marketing project funded by Philam Foundation, and doing groundwork for its second phase;
- Assist the Davao Norte Vegetable Council in implementing the vegetable enhancement program funded by the Department of Agriculture (DA) and in expanding out-shipments to Eastern Visayas;
- Assist South Cotabato vegetable growers in expanding their supply of sweet pepper and other vegetables to tuna canneries and in developing linkages to Eastern Visayas markets;
- Expand vegetable commodity clusters in Northern Mindanao, Central Mindanao and Davao; and
- Establish high-value vegetable production trials in Central Mindanao (Maguindanao).

#### 2.1.1.3 Sustainable Aquaculture and Fisheries Effort:

- Conduct at least three training workshops for grow-out operations;
- Establish and operate abalone culture module;
- Develop proposal and implement grouper grow-out module;
- Implement applied research on grouper feeds;
- Conduct technical feasibility study on sea urchin production;
- Continue technical assistance to high-value hatchery operations;
- Continue technical assistance to high-value aquaculture grow-out operations;
- Continue technical advisory to HIVIC (the new aquaculture BSO); and
- Continue to provide market and product form information to sardine processing companies.

#### 2.1.1.4 Expansion of warehousing, cold storage and Vapor Heat Treatment Facilities in Mindanao

Target: Help create a sizable expansion of warehousing, cold storage and Vapor Heat Treatment (VHT) facilities for increased export and out-shipment of targeted commodities.

- Continue to monitor implementation/commercialization of DA-funded post-harvest facilities for GEM-assisted growers;
  - i. Mango hot water treatment (HWT) facility for Iligan mango growers
  - ii. Mobile reefer storage facility for NorMinVeggies
- Assist other key growers in developing project proposals for post-harvest facilities for funding by DA or LGUs; and
- Assist Mindanao VHT operators (Diamond Star and Southern Phil. Fresh Fruit Corp, or SPFFC) in establishing raw material supply links with mango growers/suppliers.

#### 2.1.1.5 Support to producers' groups:

Target: Assist 15 producer-associations (previously supported by GEM) in improving their competitiveness.

- Provide technical assistance to at least nine previously assisted producer associations in conducting events and training activities;
- Provide technical assistance to Minfruit Council, Inc., Greater Northern Mindanao Mango Industry Development Foundation, Inc. (GNMMIDFI) and Banana Industry Development Association (BIDA) of Region 10 in conducting the 2<sup>nd</sup> Minfruit Market Exchange on July 30-31, 2009, in Cagayan de Oro City;
- Provide technical assistance to the Central Mindanao Vegetable Industry Development Council (CEMVIDEC) and Vegetable Industry Council of South Cotabato (VICSCO) in the program management of the 7<sup>th</sup> National Vegetable Congress on July 14-16, 2009, in General Santos City;
- Provide technical assistance to NorMinVeggies in the preparation and finalizing of the draft program for the 2<sup>nd</sup> Mindanao Vegetable Expo, which will be held on September 7-11, 2009, in Cagayan de Oro City;
- Provide technical assistance to the Zamboanga City Fruit and Vegetable Industry Development Council in conducting the 6<sup>th</sup> Mindanao Vegetable Congress in Zamboanga City on October 6-7, 2009; and
- Provide technical assistance, particularly in program management, for the 11<sup>th</sup> National Tuna Congress on August 27-29, 2009, in General Santos City.

### **2.1.2 Exploratory Investments in key industries: BPO, tourism, and mining (focusing on improving the community outreach activities of selected responsible mining firms).**

Target: Facilitate the establishment of at least one sizable tourist resort in a previously conflict-affected area; and of at least one BPO operations facility in a conflict-affected area. These targets will be attained by the end of year 3 of the contract.

#### 2.1.2.1 Business Process Outsourcing:

- Continue to update the directory and inventory of Mindanao-based BPOs;
- Continue consultation with BPO industry stakeholders and key informants;
- Refine and develop BPO strategy/marketing action plan;
- Identify/short-list potential BPO investors and continue business matching activities as well as organizing of visits/ocular inspection to proposed locations: (1) Sutherland, (2) Medtrans in Marawi, (3) Comtech Educational Systems in Zamboanga, and (4) Calcent in Cotabato City; and
- Continue looking for targeted opportunities leading to investments, and participation of other GEM teams, and other USAID or donor agencies.

#### 2.1.2.2 Tourism:

- Assess short-listed projects (beach resort in Bongao, eco-tourism in Sarangani, and cultural tourism and hotel expansion in Marawi);
- Consult with relevant tourism officers and tourism industry associations;
- Determine feasibility of marine-related tourism activities for selected resorts; and
- In collaboration with the GEM Communications Team, generate more articles on BPO, tourism, and other Mindanao investment initiatives.

#### 2.1.2.3 Mining:

Target: Assist at least five (5) mining firms to establish and implement “community outreach” projects in their areas to showcase a responsible mining industry in Mindanao.

- Continue to generate short-list of mining firms and potential activities;
- Evaluate short-listed mining companies (Taganito Mining Corporation in Surigao del Norte, Cagdianao Mining Corporation in Dinagat Island, and Hinatuan Mining Corporation in Surigao Sur) as well as potential areas identified in the technical proposal, in South Cotabato and Zamboanga del Norte;
- Provide technical assistance in the institutionalization of the community technical working group (CTWG) of Taganito Mining Corporation; and
- Initiate an assessment of mining companies’ existing community outreach programs in order to develop best practices, effective approaches, etc.

### **2.1.3 Former Combatant Reintegration.**

#### 2.1.3.1 Support to producer groups of former MNLF combatants in Sulu Archipelago communities:

Target: Assist 50 communities of former MNLF combatants in fifty (50) barangays of the Sulu Archipelago produce higher valued commodities.

- 2 abalone and marine fish production activities, in Brgy. Kanibongan, Lantawan, Basilan, and in Brgy. Tandu, Panglima Sugala, Tawi-Tawi;
- 1 fish production activity under existing GEM solar dryer in Brgy. Capual, Omar, Sulu;
- 1 abalone production activity in Brgy. Balimbing, Panglima Sugala, Tawi-Tawi;
- 1 live fish transport facility in Brgy. Capual, Omar, Sulu;
- 1 rubber plantation demonstration farm in Brgy. Parangan, Panglima Sugala, Tawi-Tawi;
- 1 cardava banana production activity in Brgy. Talipao Proper, Sulu;
- 2 marine fish production activities in Brgy. Marang-Marang, Languyan, Tawi-Tawi, and in Brgy. Samal, Maluso, Basilan;
- 2 rubber production activities in Brgy. Pamaulin, Lantawan, and in Brgy. Upper Sinangkapan, Akbar, both in Basilan; and
- 1 vegetable production activity in Brgy. Sanga-Sanga, Bongao, Tawi-Tawi.

#### 2.1.3.2 Support to producer groups of former MNLF combatants in Central Mindanao communities

Target: Assist 50 communities of former MNLF combatants in 50 barangays in Central Mindanao produce higher value commodities.

- 1 high-value fruit production activity in Brgy. Lunen, Tupi, South Cotabato;
- 2 passion fruit production activities in Brgy. Lower Pangli, Pantao Ragat, and in Brgy. Sta. Cruz, Matungao, both in Lanao del Norte;
- 1 vegetable production activity in Brgy. Bulit, Datu Montawal, Maguindanao;
- 1 tilapia production activity in Brgy. Kibayao, Carmen, North Cotabato;
- 1 catfish and tilapia production expansion in Brgy. Kibines, Carmen, North Cotabato;
- 1 rubber plantation demonstration farm in Brgy. Tambad, Carmen, North Cotabato;
- 1 rubber production activity in Brgy. Makir, Datu Odin Sinsuat, Maguindanao; and
- 1 marine fish production activity in Brgy. Kawas, Alabel, Sarangani.

#### 2.1.3.3 Pre/Post-harvest Facilities for Former MNLF Combatants

Target: Provide fifty (50) suitable communities of former MNLF combatants with pre- and post-harvest facilities for profitable farming/fishing.

- 1 seaweed solar dryer in Brgy. Bangas, Panglima Tahil, Sulu;
- 1 banana consolidation facility in Brgy. Manili, Carmen, North Cotabato;
- 1 banana consolidation facility and trading post in Brgy. Lumatil, Maasim, Sarangani;
- 1 banana chip consolidation and processing facility in Brgy. Baluntay, Alabel, Sarangani;
- 2 multi-commodity consolidation facilities in Brgy. Manarapan, Carmen, North Cotabato, and in Brgy. Palian, Tupi, South Cotabato;
- 1 grains solar dryer in Brgy. Kitulaan, Carmen, North Cotabato;
- 1 live fish transport facility in Brgy. Kawas, Alabel, Sarangani; and
- 1 dried fish consolidation and trading facility in Brgy. Tamontaka, Cotabato City.

### 2.1.4 Business Support Organization (BSO) Development.

#### 2.1.4.1 Support to new chambers of commerce:

Target: Identify and provide institutional development support to at least six (6) chambers of commerce which have not previously received GEM assistance, in conflict-affected areas.

- Continue to provide technical assistance in formulating a Chamber Policy Agenda, to the chambers of commerce of Pagadian, Iranon, Surigao, Maranaw, Metro Kidapawan, and Sarangani;
- Provide technical assistance to Pagadian Chamber in conducting the Zamboanga Peninsula Business Conference (ZAMPENBIZCON) on July 9-11, 2009;
- Continue to provide technical assistance through business training and related seminars to the chambers of Pagadian, Iranon, Surigao, Maranaw, Metro Kidapawan, and Sarangani;
- Assist the Sarangani chamber in conducting (1) a Strategic Planning and Financial Preparation Workshop and (2) USWAG Sarangani Business Month in July 2009;
- Provide technical assistance to the Maranaw Chamber of Commerce and Industry in conducting the 7<sup>th</sup> ARMM Business Congress;
- Provide technical assistance to the Metro Kidapawan chamber in (1) organizing the Carmen and Tulunan Chambers of Commerce and (2) conducting the Timpupo Festival in August 2009;
- Provide technical assistance to the Iranon Chamber in conducting the Ramadhan Fair in September 2009; and
- Conduct training on BSO-PMO Initiated Capability-Building.

#### 2.1.4.2 Support to previously-assisted (GEM-2) chambers of commerce:

Target: Identify six (6) previously-assisted (GEM-2) chambers of commerce and assist them to succeed in their efforts to advocate improved LGU performance and in assisting local schools to improve the quality of education offered.

- Develop proposals and establish co-funding arrangements, and implement chambers' advocacy activities in support of their LGUs' revenue generation efforts;
- Develop proposals and establish co-funding arrangements for commodity support;
- Continue providing institutional strengthening support to partner chambers;
- Oversee implementation of communications plan/public information campaign led by target chambers of commerce;
- Manage and facilitate the signing of Tripartite Memoranda of Understanding by the chambers of Tawi-Tawi and Muslim Kutawato, with their respective local government units and the National Computer Center;
- Continue to provide oversight review in the implementation of the Information System Strategic Plan of three selected chambers (Sulu, Autonomous Basilan, Metro Cotabato); and in the submission of the ISSP by Cotabato City;
- Facilitate issuance of initial draft of legislative agenda or proposed ordinances needed to enhance the institutionalization of business permit processing and real property tax systems for each of the target LGUs;
- Complete generation of baseline revenue data target of LGUs, and conduct analysis of 2005-2007 collection and projected collection for 2008-2010;
- Finalize training design on Linux, PHP and MySQL software for the system administrators;
- Conduct at least one technical training session for system administrators and system users to be attended by at least five representatives of target LGUs;
- Installation of electronic Business Permit Processing and Licensing System (eBPLS) and electronic Real Property Tax System (eRPTS);
- Oversee chambers' initiatives in reviewing LGUs' manual recording systems for business permits processing and real properties for each target LGU;

- Oversee implementation of improvements to the LGUs' manual processing procedures for business permits and licenses; and
- Conduct progressive identification and complementation of LGU revenue generation activities with other USAID programs.

#### 2.1.4.3 Support to Event-specific BSOs:

Target: Work with approximately twenty (20) BSOs in implementing strategic "events" contributing to business growth in their areas or sectors.

- Continue technical assistance to the Mindanao Business Council and the CARAGA Chamber of Mines in conducting top-level Mindanao mining policy roundtables with executives of key government departments and agencies;
- Provide technical assistance to the South Cotabato Chamber of Commerce and PCCI in conducting the 18<sup>th</sup> Mindanao Business Conference in Koronadal City on September 17-18, 2009;
- Provide technical assistance to the Iligan Chamber of Commerce in conducting its Direction Setting and Strategic Planning Workshop; and
- Provide technical assistance to the Mindanao Trade Exposition (MTE) Foundation, Inc. in conducting the MTE 2009 on August 14-16, 2009, at the Central Bank Convention Hall, Davao City.

#### 2.1.4.4 Support to key sector BSOs (ICT, Tourism and Aqua):

Target: Provide institutional development support to five (5) BSOs, working in the tourism, business process outsourcing (BPO), and aquaculture sectors, which have good potential for contributing substantially to the growth of these sectors,

- Provide technical assistance in the organization of private sector-led tourism councils in Marawi and Tawi-Tawi;
- Initiate one major tourism event in Western Mindanao;
- Initiate assistance in the formation of the Western Mindanao Sardine Processors Association (canned and bottled sardines processors);
- Assist the Iligan ICT Council in conducting a performance review;
- Conduct a strategic planning workshop and needs assessment for the Marawi City Tourism Council on June 30, 2009;
- Initiate institutional development assistance to the Northern and Western Mindanao High Value Aquaculture Industry Convenors' Group (HIVIC) Inc.;
- Provide technical assistance to HIVIC in conducting the 1<sup>st</sup> Mindanao High Value Aquaculture Industry Congress in October 15-16, 2009 in Ozamiz City;
- Conduct training on BSO-PMO Initiated Capability-Building for HIVIC; and
- Provide technical assistance to technical training, seminars and policy consultations of HIVIC.

#### 2.1.5 Other Opportunities

- Assess emerging industry and market developments and identify new commodities/industries for possible international export and domestic out-shipment opportunities; and
- Initiate action plan for centers of excellence with the Workforce Preparation Team, following USAID concurrence.

## **2.2 Summary of FY 2009 major accomplishments and unexpected or unplanned outcomes/activities.**

### **2.2.1 Targeted Commodity Expansion Project (TCEP).**

Target: Tripling (measured by both volume and value) of foreign export and domestic out-shipment to Philippine markets outside Mindanao of GEM “targeted commodities.”

GEM’s Business Development Component includes a broad range of activities and initiatives designed, in their aggregate, to help expand selected sectors of the region’s economy, thereby helping create new jobs and increase farmer productivity and incomes.

One such initiative is the Targeted Commodity Expansion Project (TCEP), which focuses on tripling the value and volume of international exports and domestic out-shipments of selected, “targeted” commodities.

Four core activities will be implemented to achieve desired results:

- Export Market Development;
- TCEP-Fruit, Vegetables and Other High-Value Horticulture (HVH)
- TCEP-Sustainable Aquaculture and Fisheries Efforts (SAFE); and
- Expansion of warehousing, cold storage and VHT facilities in Mindanao.

GEM is attaining this objective in progressive increments (Annex 2-1), with higher values and volumes targeted during each year of the program. This objective is related closely to the BSO objective of strengthening the capacity of producers’ associations and to help in the significant expansion of warehousing, cold storage and VHT facilities in Mindanao—infrastructure that is essential to realizing the expansion of international export and domestic out-shipped volumes and values.

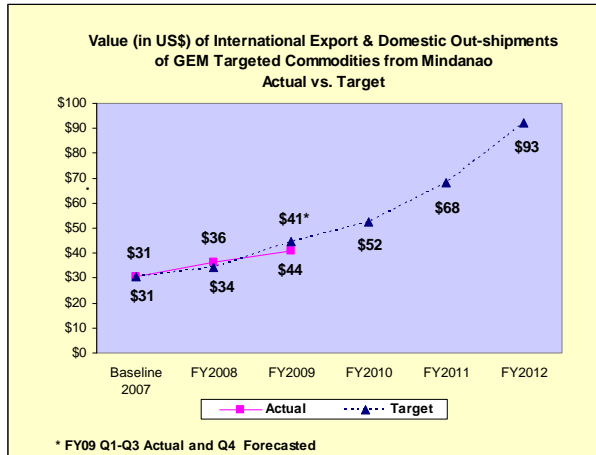
Results of assistance to targeted commodity sectors:

**Monitoring export and domestic out-shipment commodity performance.** GEM is helping smallhold growers, producer groups, cooperatives, and Mindanao firms engaged in the production and selling of fruit, vegetable, and aquaculture commodities improve productivity and overall competitiveness of their products and to expand the volume and value of out-shipment of GEM targeted commodities to new and lucrative markets. To determine the efficacy of efforts implemented by GEM and its development partners, a baseline on the volume and value of each targeted commodity was established in 2007 and monitored annually to determine export and domestic out-shipment performance. This also allows GEM to confirm if the targeted tripling of volume and value of out-shipments has been met.

In FY 2008, the total export and domestic out-shipment value of GEM targeted commodities from Mindanao was \$36 million (Figure 2.1), exceeding the target of \$34 million for the same year by 6%.

Since there is a lag time for these statistics to become available, at this time the reported data include a projection for the last quarter for FY 2009<sup>1</sup>. Therefore, the value of out-shipment for FY 2009 (\$41 million), as shown in Figure 2.1, is provisional as of this reporting period. GEM expects to have actual export and out-shipment data by the end of second semester of FY 2010.

**Figure 2.1**

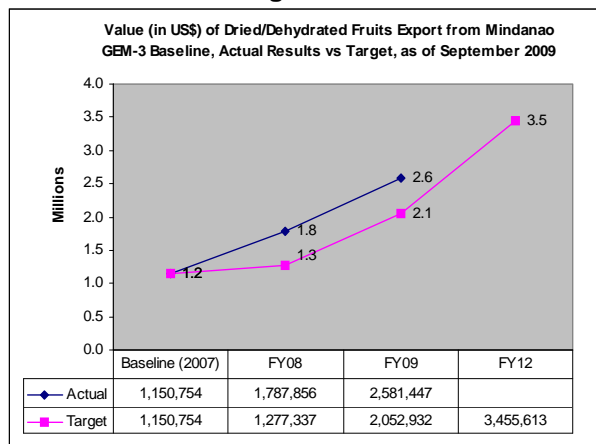


In FY 2009, the following targeted commodity groups registered positive growth in terms of their value of exports over the 12-month period: dried/dehydrated fruit<sup>2</sup> (44%); aquaculture (32%); sardines (7%); fruit juice/puree (76%<sup>3</sup>); and frozen fruit (143%).

Moreover, priority commodities such as other tropical fruit juices, dried pineapple, and frozen banana have already reached the contractual target of tripled value of exports, but this needs to be sustained until 2012. Most, if not all, of the GEM-assisted exhibitors in trade fairs were Mindanao suppliers/exporters of these commodities. Figures 2.2 to 2.8 indicate the actual value

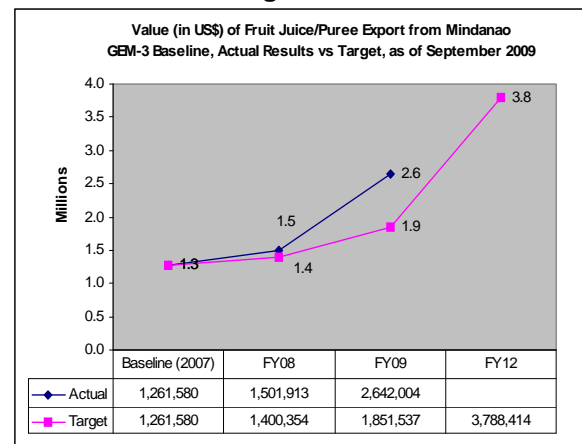
of export of the various commodity groups. Similar graphical presentations with targeted value of exports of each commodity for the five-year period is attached as Annex 2-2 to 2-4.

**Figure 2.2**



Value of export of dried fruit has increased by 44% in 2009, 29% higher than had been targeted.

**Figure 2.3**



Value of exports of fruit juice/puree (other than Dole and Del Monte fruit juice and puree) increased by 76% in 2009, 53% higher than had been targeted.

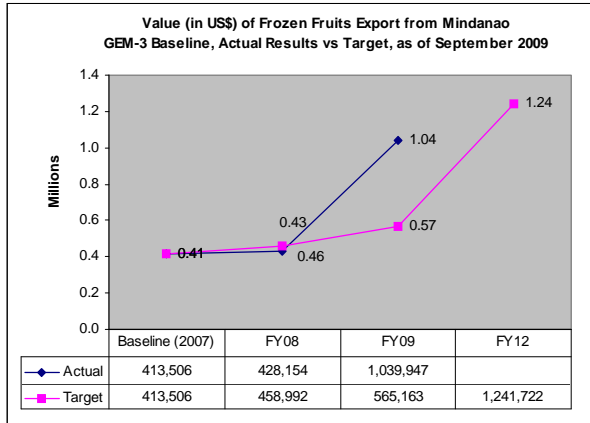
<sup>1</sup> Official data on volume and value of domestic export out-shipments obtained from key government agencies, such as the Bureau of Customs (BoC) and National Statistics Office (NSO) and trade/industry informants are usually made available 4-6 months after the GEM quarterly reporting period. For this reason GEM current quarter figures must rely on projections, necessitating re-computation on subsequent GEM reports, including OEDG Performance Indicators, to reflect actual figures.

<sup>2</sup> Dried/Dehydrated Fruit is comprised of Dried Mango, Dried Papaya, and Dried Pineapple.

<sup>3</sup> Excludes Dole/Del Monte mango juice and mango puree

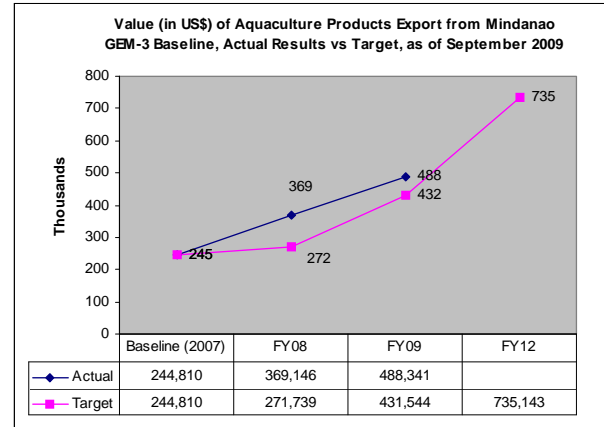


**Figure 2.4**



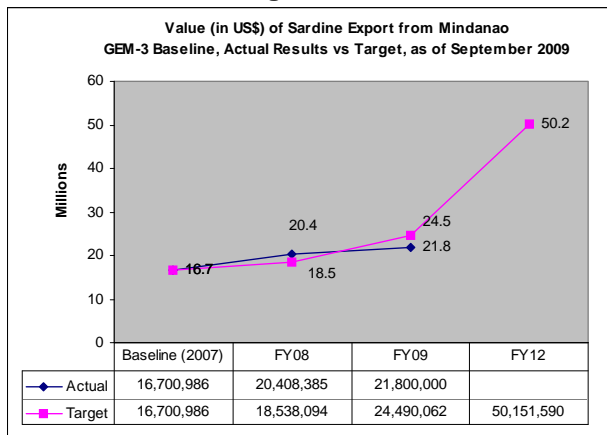
Value of exports of frozen fruit (frozen mango and frozen banana) increased by 143% in 2009, 108% higher than targeted. Frozen banana shipped to Korea, USA, Canada and Saudi Arabia accounted for the bulk of exports in 2008.

**Figure 2.5**



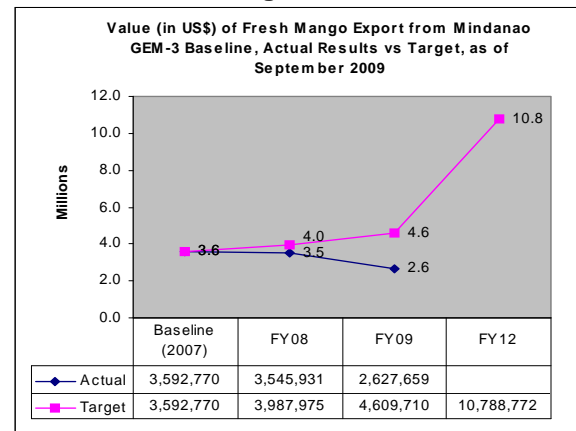
Value of exports of aquaculture increased by 32% in 2009, 11% higher than targeted.

**Figure 2.6**



Value of sardine exports in 2008 increased by 7% in 2009. Lower by 12% than the target.

**Figure 2.7**



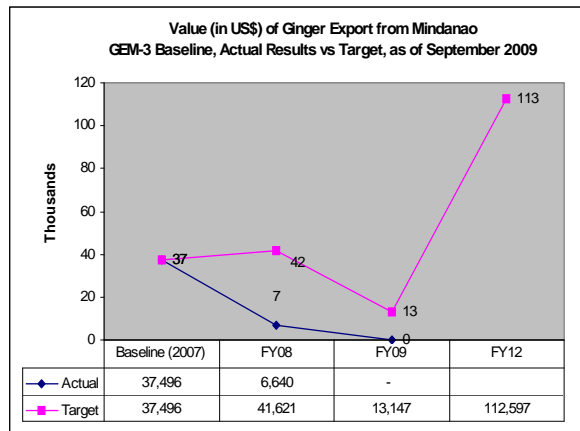
Value of exports of fresh mangoes, which had been targeted to increase by 30% in 2009, declined by 26%

**Value of exports of fresh mango decreased in 2009.** Mindanao fresh mango exports (Figure 2.7) experienced a substantial decline the past year due to lower production of export-quality mangoes resulting from erratic weather conditions, particularly in major production areas like the Davao and SOCSKSARGEN regions. Mango is a weather-sensitive crop. Excessive rainfall in 2008 and early 2009 severely affected production output as well as overall fruit quality, thereby reducing the volume of good-quality fresh mangoes acceptable to major export markets like Japan and South Korea. The tightening of food safety and quarantine requirements, specifically Japan's lowering of allowable pesticide residue levels in fresh mango, have also prevented Mindanao exporters and VHT operators from expanding the volume of fresh mango exports. To help address this problem, GEM conducted training on Good Agricultural Practices (GAP), focusing on the improved application of agro-chemicals in

mango production, to enable Mindanao growers to comply with internationally-accepted food safety and quarantine standards. GEM also continued to assist Mindanao mango exporters and VHT operators Diamond Star and Southern Philippines Fresh Fruit Corporation (SPFFC) in sourcing good-quality mango from key growers and suppliers, and provided them guidance in developing a suppliers' accreditation system.

**No export figures recorded for ginger in FY 2009.** The domestic supply of ginger in 2008 was considered tight, which pushed average wholesale prices to historical peaks (PhP 80-100 per kilo). This prompted most growers in Maguindanao and Lanao, including GEM TCEP-assisted growers in Upi (Maguindanao), to divert their production to the local retail market. As a result, GEM's efforts to promote the production of young ginger for the export market, through a Davao-based buyer-processor, did not take off as targeted. Given this development, GEM has refocused its ginger production efforts to concentrate on possible new export outlets through market linkages with a major Middle East exporter (Abbar-Zainy) and facilitating out-shipments to key domestic markets like Cebu.

**Figure 2.8**



No actual export figures available for Ginger in 2009, but based on targets, exports were expected to increase by 98%.

**Results of assistance to key firms:**

In addition to providing support to commodity sectors to increase outshipments and exports, usually through producer associations, GEM also provides support directly to a number of firms and producer groups potentially able to increase exports and outshipments. Value chain analysis is used both to determine where (in production, logistics, processing, etc.) interventions are most needed and also to identify individual firms or groups that can support further development of the value chain or benefit from its improvement.

**GEM value-chain approach to strategic intervention in international export and domestic out-shipment of targeted commodities.** To enable Mindanao producers expand foreign exports and domestic out-shipments to existing markets, and to identify new, potentially lucrative markets, GEM analyzes value chains to determine key points that require intervention. This allows GEM to develop appropriate strategies and activities that assist producers in increasing productivity and the competitiveness of their products, leading to increased market access and rural incomes. These activities includes participation in consultation/fora with business groups, key marketing events, market introductions and referrals through e-mail, and reconnaissance of key demand markets. They also include organizing visits to processing plants and production sites by smallhold growers and producer groups with the capacity to consolidate their production volumes and meet market requirements.

GEM intervention focused on helping established Mindanao fruit processors like Profood International Corporation, TNFC, KF Nutri-Foods International Inc., and Amley Food Corporation access additional raw material by introducing these firms to prospective suppliers and fruit growers associations. GEM also conducted a series of quality improvement training

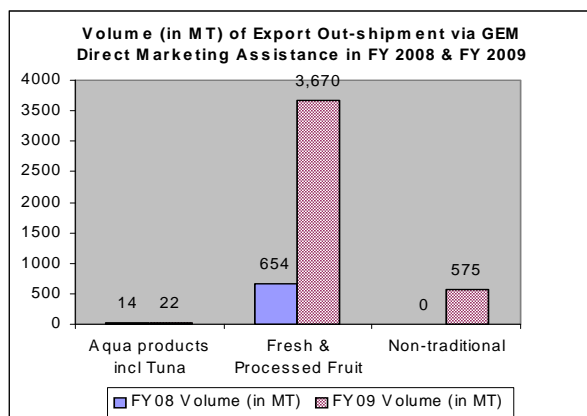
sessions for mango, papaya, passion fruit and other tropical fruit for major fruit grower groups in South Cotabato, North Cotabato, Sarangani, Davao and Northern Mindanao. These quality improvement training sessions helped growers to increase productivity and enhance the quality of their produce, enabling them to meet the volume and quality requirements of major processors. GEM also helped newly established processors like Linkage Food Ventures (Davao) and FruitGems Agricultural Corporation (Agusan Norte) by linking them to fruit suppliers and growers in Mindanao, and to promote and market their products in major national and international trade events.

Table 2.1 below presents the recorded volume and value of foreign export and domestic market out-shipments accomplished through GEM’s direct marketing assistance to Mindanao food companies, smallhold growers and producer groups. Through the interventions described in the previous paragraph, as of September 2009, GEM helped facilitate the sale of over \$8.7 million worth of fresh and processed fruit products, vegetables, aqua/mariculture, and non-traditional commodities to international export and domestic markets outside of Mindanao. The total value of these shipments registered a growth rate of 471% over a 12-month period. A graphical presentation (Figure 2.9 and 2.10) shows the total volume and value of international exports shipped in FY 2008 and 2009 per commodity group: aquaculture products (including canned tuna products), fresh and processed fruit products, canned sardines, and non-traditional products like desiccated coconut. Within a two-year period, processed fruit products have been consistent bestsellers. A similar presentation shows domestic out-shipments (Figure 2.11 and 2.12) of fresh fruit, vegetable, and aquaculture products (mostly tiger and green grouper). As more of the negotiated sales are completed and as shipments from previous agreements continue, the value and volume of transactions from these past sales agreements are expected to grow further. Details of these transactions can be viewed in Annexes 2-5 and 2-6.

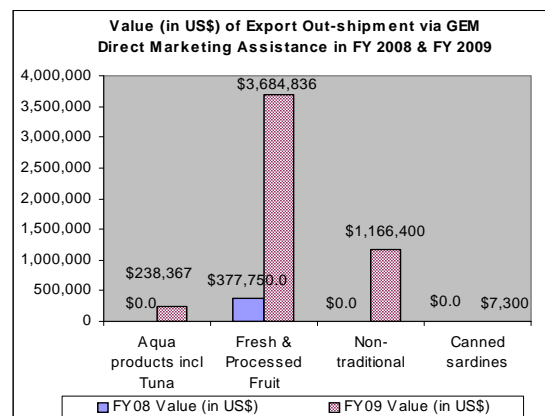
**Table 2.1**

Total Volume and Value of Export and Domestic Out-shipments via GEM Direct Marketing Assistance As of September 2009								
Out-shipment Destination	FY 2008		FY - 2009		FY 2008 & FY 2009 Total		Volume	Value
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	% Growth relative to FY08	% Growth relative to FY09
Domestic Markets	2,500	923,799	8,061	2,715,266	10,561	3,639,065	222	194
Export Markets	668	377,750	3,599	4,719,153	4,267	5,096,903	439	1,149
<b>Total</b>	<b>3,168</b>	<b>1,301,549</b>	<b>11,660</b>	<b>7,434,419</b>	<b>14,828</b>	<b>8,735,968</b>	<b>268</b>	<b>471</b>

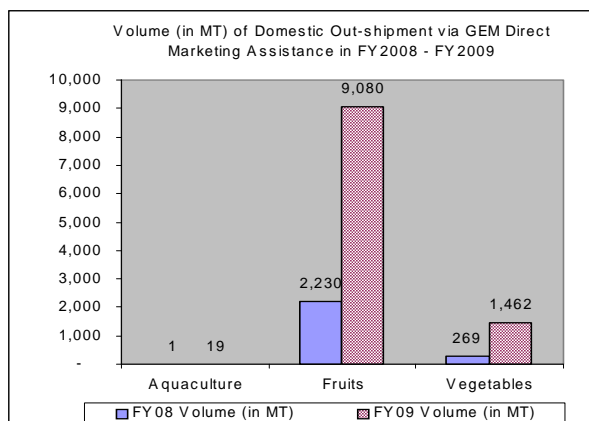
**Figure 2.9**



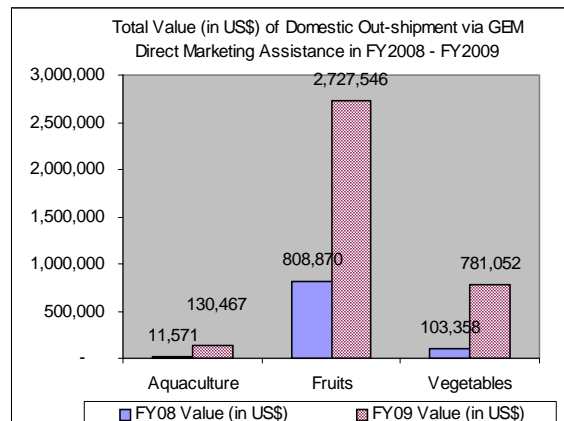
**Figure 2.10**



**Figure 2.11**



**Figure 2.12**



### 2.2.1.1 Export Market Development:

Since the inception of GEM-3, GEM has helped to develop, and provide technical and/or co-funding support to activities that assist Mindanao companies to promote their products to new markets. These activities include: participation in trade fairs; organizing meetings between Mindanao food exporters and potential buyers; referring international buyers to Mindanao food producers and vice versa; conducting market information campaigns; and collaborating with government and private sector partners to provide technical and funding support. These activities are also designed to generate sales through direct booked orders and/or negotiated sales of Mindanao food commodities.

By helping these companies to expand their network of buyers, GEM is enabling them to serve as vital conduits for the sale of agricultural products produced by smallhold growers, consolidators, and individual growers based in key production areas in Mindanao. Their improved access to raw and processed materials enables these firms to meet the volume requirements of export markets.

The table below presents the volume and value of actual (cash) sales, and booked sales and sales under negotiation<sup>4</sup> generated from trade events attended by Mindanao food suppliers with the support of GEM. It should be noted that most international export sales that GEM directly facilitated resulted from trade fairs.

<sup>4</sup> Actual Sales refers to sales with cash receipts. Booked Orders are orders with purchase orders/ pro-forma invoices issued to the buyers. Sales under Negotiation refer to sales with a clear possibility of consummation within six months to a year.

**Table 2.2**

Sales Generated to date by GEM-assisted Mindanao Food companies During their Participation in Local and International Trade Shows				
Trade Event	Actual (Cash) Sales		Booked and Sales under Negotiation	
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)
1.0 Hong Kong Food Expo 2008	2,486	3,586,001	789,225	3,892,985
2.0 International Food Exhibition (Phils) 2008*	1,093	324,963	112	2,313,746
3.0 Cold Chain Association of the Philippines (CCAP) 2008 Conference*		180,979		
4.0 Philippine Food Expo 2009			67	126,429
5.0 Seoul Food & Hotel 2009	234	290,000	770	1,470,000
6.0 International Food Exhibition (Phils) 2009*	196	735,256	1,189	12,840,379
7.0 Taipei International Food Show 2009	-	-	4,402,820	6,701,596
8.0 Hong Kong Food Expo 2009	-	-	-	1,892,450
Total	4,009	5,117,199	5,194,183	29,237,585

\* Figures include out-shipment to domestic markets

Export market development highlights during the quarter:

- **Mindanao producers expanding exports to international markets.**

**Mindanao producers meet global buyers at local and international events.** GEM co-funded the participation of selected Mindanao food suppliers at two major trade events: (1) Taipei International Food Show, held in Taiwan, China on June 23-26, 2009<sup>5</sup>; and (2) the Hong Kong Food Expo 2009, held at the Hong Kong Exhibition and Convention Center on August 13-15, 2009. GEM-assisted firms generated a total of \$8.6 million in booked and sales under

negotiation from these events. These firms are involved in the production and export of banana chips, dried fruit and tropical fruit juices, frozen tuna, and desiccated coconut.

**Exports of Frozen Banana to South Korea Increasing.** As a result of GEM's support to SAGREX's extensive market promotion activities during its participation at the Seoul Food and Hotel in May 2009, SAGREX is increasing its shipment of frozen fresh (saba) banana products to Bio Balance, a food distributor in South Korea where SAGREX's fancy banana variants gained popularity among food caterers and retail outlets. Bio Balance monthly supply requirement from SAGREX started at 40MT/month (\$360,000/yr) in August 2009 and is expected to increase to 80MT/month (\$720,000/yr) by August 2010.

- **Export Competitiveness Enhancement Efforts.**

**GEM-assisted Mindanao food companies completed undergo audit for HACCP certification.** GEM support to expand exports and domestic out-shipments includes assistance in helping selected Mindanao companies, with the potential to significantly increase or initiate exports, to acquire HACCP Certification so they can comply with quality standards set by major foreign buyers and importers. HACCP (Hazard Analysis Critical Control Point) certification is a basic requirement in most foreign markets, as a systematic preventive approach to food safety and quality. The assistance involves 2 phases. The first phase is the engagement of a food audit consultant who helps prepare the Mindanao

<sup>5</sup> The Taipei International Food Show was not included in the previous quarter report due to the delay of official data and figures necessary for the completion of the final post-activity report.

Companies/processors to be HACCP compliant and the second phase is the actual food audit of a 3rd party Certifying Body. Four companies are expected to acquire the HACCP Certification/Accreditation by the end of the year which will significantly improve their export competitiveness and sales. The activity also enable newly certified firms to improve their facilities, increase investment effectively and be able to take advantage of new export opportunities. Additional selected firms will be assisted to obtain HACCP certification over the next three years.

- **Enhanced export promotion through Internet marketing.**

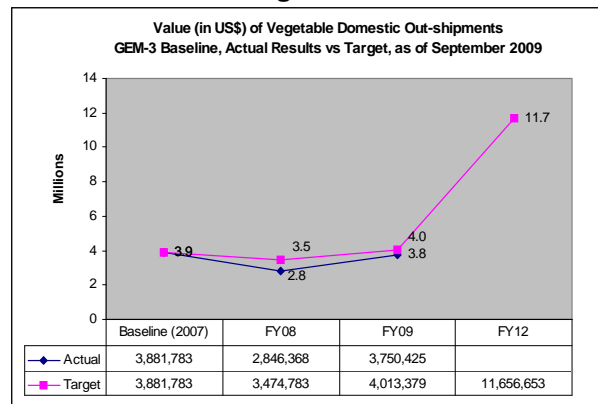
**Basic Training on Internet Marketing through Search Engine Optimization (SEO).** To help Mindanao food suppliers expand the customer and sales base of Mindanao food exporters, GEM conducted a “Basic Training on Internet Marketing through Search Engine Optimization (SEO)”. It aimed to help company representatives handling sales and marketing operations learn to use Internet marketing through SEO that will enable them to get their product and services information ranked on the first page of Internet search engines, for an enhanced marketing presence on the Web. A total of sixteen (16) Mindanao food suppliers, which are currently exporting targeted GEM commodities, attended the training sessions held in Davao City, Cagayan de Oro City, General Santos City and Makati City on July 31, August 4, 6, and 13, respectively.

2.2.1.2 Domestic out-shipments:

GEM provides technical support to various smallhold grower groups in negotiating regular supply arrangements with food processors, exporters, supermarket concessionaires, and traders or consolidators for institutional markets within and outside of Mindanao.

In this fiscal year, out-shipment to vegetables markets in Visayas and Luzon are 32% higher than in 2008 but 7% lower than targeted for 2009 (Figure 2.13). The shortfall may be attributed to a significant decline in the production of higher-priced semi-temperate vegetable varieties in Bukidnon and Misamis Oriental resulting from poor weather conditions particularly during the early part of the year. To compensate for the decline in semi-temperate varieties, GEM-assisted growers from Northern Mindanao and Davao Regions to increase out-shipment of lower-priced tropical varieties to key markets in the Visayas. To date, major grower-associations like the Northern Mindanao Vegetable Producers Association in Cagayan de Oro, Davao Norte Vegetable Industry Council and the Vegetable Industry Council of South Cotabato are shipping out about 70MT (from 52MT in 2007) of assorted vegetables to key markets in Luzon and Visayas weekly.

**Figure 2.13**



Value of Domestic Out-shipment for Vegetables has increased by 32% in 2009. Lower by 7% from what was targeted.

Fruit likewise registered positive growth in this fiscal year. The 12% increase from FY 2008 (Figure 2.14) however is lower by 5% than target mainly due to lower fresh mango out-shipments resulting from poor mango harvests in key production areas. Lakatan banana shipments mostly to Metro Manila remain strong while North Cotabato growers and shippers are beginning to send significant volumes of bananas to Cebu through the Cagayan de Oro port.

Domestic out-shipment highlights during the quarter:

- **Mindanao raw material producers increase sales to major food processors.**

**North Cotabato Cooperative Expanding Banana Chip Processing Operations.**

The Magpet Agro-Industrial Cooperative (MAGIRCO), a co-op based in the municipality of Magpet in North Cotabato province, has expanded its first-fry banana chip processing operations with the help of expanded supply links to two major banana chip exporters, KF Nutri-Foods and Prime Fruit. GEM assisted the cooperative in establishing supply agreements with these two banana chip exporters, which also received GEM co-funding support in export market promotion. Having established links with these exporters, MAGIRCO has supplied these firms about 35 metric tons (MT) of first-fry banana chips monthly since March 2009, with an estimated cumulative value of about \$170,000. To help the cooperative in its operations, GEM conducted a seminar on Food Safety and Good Manufacturing Practices (GMP) for its employees and supervisors. To enhance its raw material supply, GEM introduced the cooperative to prospective suppliers of cardava banana from North Cotabato including former MNLF combatants, and provided training on cardava banana quality improvement to its existing grower-suppliers.

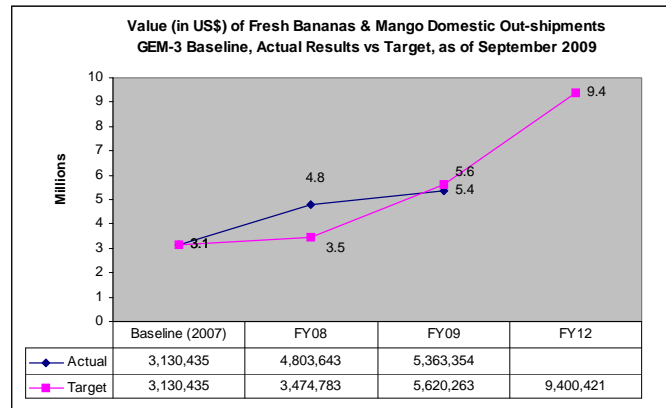


MAGIRCO banana chips processing plant in Magpet, North Cotabato, reports brisk sales of its first-fry banana chips to processed fruit exporters in Mindanao

- **Fruit and vegetable shipments to institutional buyers in Luzon and Visayas expanded.**

**Honeydew Melon Production Trial in Opol, Misamis Oriental.** Bettina Farms, a member-grower of the GEM-assisted BSO NorMinVeggies, and cooperator for the Honeydew Melon Production Trial, has harvested a total of 1,722 kilograms of honeydew melons in four batches since it established a demonstration plot in late April 2009. The melons, which were planted with technical supervision from both GEM and Harbest Agribusiness Corporation, are of superior quality compared to other melons on the market, and were sold to high-end markets in Cebu through supermarket concessionaire UBM Corporation, at a wholesale buying price of Php80/kilogram, when the buying price for other suppliers of melons was Php25-35/kilogram. The production trials successfully demonstrated that applying the knowledge provided through

**Figure 2.14**



Value of Domestic Out-shipment for Fresh Bananas & Mango via RORO and other improved logistic system has increased by 12% in 2009, lower by 5% from what was targeted.

GEM-assisted technical training, and investing in new technology and inputs, help to increase yield and decrease production costs. Following the production trials, Bettina Farms is now set to undertake commercial scale production of honeydew and cantaloupe melons, targeting the Cebu market.



**NorMinVeggies Rainshelter Project for Vegetable Production Expansion.** GEM provided technical support to the Northern Mindanao Vegetable Producers Association (NorminVeggies), in the preparation of its rainshelter project proposal for DA funding. DA approved and released PhP3 million to finance the construction of 14 rainshelter units (1,000 square meters each). Construction has begun in seven vegetable production sites in Bukidnon. Once installed, the rainshelters will cover over 1.4 hectares for growing high-value vegetable crops like broccoli, lettuce, onion and sweet pepper. The rainshelters will ensure a consistent supply of good quality fresh vegetables for out-shipment to institutional markets in Visayas and Metro Manila, such as like Jollibee Foods, Kentucky Fried Chicken, and Dole. To date, weekly vegetable out-shipment from the NorMinVeggies Vegetable Consolidation Center in Cagayan de Oro has increased from 52 MT in 2007 to 70 MT in 2009.

#### 2.2.1.3 Sustainable Aquaculture & Fisheries Efforts (SAFE):

The goal of the GEM-3 Sustainable Aquaculture & Fisheries Efforts (SAFE) is to provide support to the Mindanao fisheries and aquaculture sectors to help them assure sustainability of the sectors and optimize their contributions to the local economy. The objective of GEM-3 SAFE is to triple exports and domestic out-shipments of selected aquatic products. In order to achieve this objective, the value chain of each selected commodity has been assessed to determine which interventions along the value chain would be the most effective in helping to increase exports and out-shipments.

The aquatic products selected as target commodities are canned sardines, grouper and abalone. A lower level of assistance has been given to the canned tuna and dried seaweed sectors to maintain or increase the export volume and value of these commodities.

The target for each selected seafood, the status of exports/out-shipments at the end of fiscal year 2, and the activities undertaken to reach that target, are presented below.

##### Canned Sardine:

The 2008 exports of canned sardines increased 16% by volume and 22% in value over 2007 exports. This is 39% of the 2012 target. The major constraint to expanding sardine exports (while maintaining domestic supplies) is the size of the natural population of sardines, which is thought to be at maximum sustainable yield in the Sulu Sea. The major intervention in the "inputs" section of the value chain was the introduction of better handling technology (fish pumps and improved fish holds) to increase the shelf life of raw sardines, thus allowing the fishing boats to expand to new fishing grounds and unutilized populations of sardines. Trials of the new technology were successfully conducted by Mega Fishing Corporation in 2008-2009, extending shelf life (and range) by six days, and producing a far superior canned sardine product. A documentary is being prepared showing the technology, and it is expected that at least three other companies will adopt the technology in 2009-2010, allowing them to meet the stringent market requirements of importing countries.



A related intervention was the implementation of a Quality Enhancement Program that included provision of technical inputs on improvement of fish handling, temperature maintenance, and other food safety (SSOP/GMP) practices introduced which helped lead (along with marketing assistance) to an increase in export volume and value in 2008, and contributed to the increase in domestic outshipments discussed below.

**Table 2.3**

Canned Sardines Out-shipment Performance to Export and Domestic Markets Actual vs. Target								
Market Destination	2007 Baseline		2008 Actual		2009 Estimates		2012 Targets	
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)
Exports	11,200	16.7 M	13,000	20.4 M	14,000	21.8 M	33,600	50.1 M

The second activity undertaken by GEM is to identify new major export market opportunities, sharing this information with exporting companies, and assisting the companies in promoting their products at selected trade shows. An upsurge in exports is forecast for FY 2010 and 2011 based on the investments of two canneries in fish pumps and renovation of fish holds, and interest expressed by two additional canners to follow suit.

Domestic out-shipments increased by 20% in 2008 over 2007. Industry attributes this to an expansion in cannery capacity resulting in a higher percentage of total landings being purchased by the canneries. According to SOPHIL, the sardine industry fishing association, catch in 2008 were about the same as in 2007. Domestic sales in early 2009 have declined by an estimated 10% due to the economic downturn and are not expected to recover for the rest of the year, in favor of export sales.

Canned Sardine highlights during this quarter:

**New Export markets for Canned Sardines Identified.** GEM analyzed the 1998-2007 global canned sardine trade data of United Nations/Food & Agricultural Organization and determined that total supply of canned sardines has decreased since raw sardines are being diverted to bluefin tuna farms as feed. Five key importing countries are being targeted as potential markets for Philippine canned sardines. Russia, for example, reported a decrease in sardine imports from nearly 100,000 MT in 1998 to only 27,000 MT in 2007.

**GEM assistance prompts more canneries to go global.** GEM met with the presidents and/or general managers of four Zamboanga City sardine canneries to share the canned sardine trade information and to determine future export plans of these companies. Mega Fishing and Permex are currently the only companies exporting canned sardines and both companies would like to significantly expand exports. Universal Canning is currently investing in fish pumps and improving their carrier fish holds in preparation for entering the export market. Century Foods, which previously stated no interest in export markets, is now developing an export plan. All four companies have verbally indicated that the information and advice received from GEM over the past three years have influenced their decisions to enter (or expand) the export market.

**Video Documentary on New Handling Technology.** GEM's SAFE staff, in collaboration with the Communications Team, has developed an arrangement with Mega Fishing to cooperate in the preparation of two videos: a Mega Fishing promotional film and a generic documentary on improved sardine handling in the Philippine sardine industry. Mega Fishing will pay for the cost

of shooting on-board and dockside footage of its new handling techniques, and other costs associated with the preparation of its promotional video. Mega Fishing will make the raw footage available to GEM for preparation of the generic documentary. GEM, for its part, will pay for preparation of five graphic and animation segments to be used in both videos. Co-funding support has been approved by USAID and a media company has been contracted by GEM to prepare the documentary, which will be shown at trade shows as a generic promotional and to Philippine fishing companies as an educational tool.

#### High-Value Aquaculture Commodities:

Combined exports of abalone and grouper grew by 230% from 2007 to 2008, and are expected to further increase in 2009. The 2008 export figure is 114% of GEM's end-of-project target, with abalone exceeding the target and grouper attaining >90% of the target. Domestic out-shipments have also increased by 12 MT (11%). Exports prior to 2007 were all from capture fisheries, driven by increased demand from China, resulting in the depletion of natural stocks and a flat or downward trend from 2003 to 2006. The increase in grouper exports in 2007 coincides with the initial implementation of GEM's training of more than 1,680 MNLFG growers on high-value grouper production and GEM co-funding support on fish cage installation and importation and distribution of more than 34,000 humpback and tiger grouper juveniles.

**Table 2.4**

Abalone and Grouper Out-shipment Performance from Mindanao to Export Markets								
Actual vs. Target								
Commodity	2007 Baseline		2008 (Actual)		2009 (Estimates)*		2012 Target	
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)
Abalone	11	30,345	57	178,297	60*	187,681	33	91,123
Grouper	33	142,816	89	158,118	90*	300,660 <sup>2</sup>	98	428,864
Total	44	173,161	146	336,415	150	488,341	131	519,987

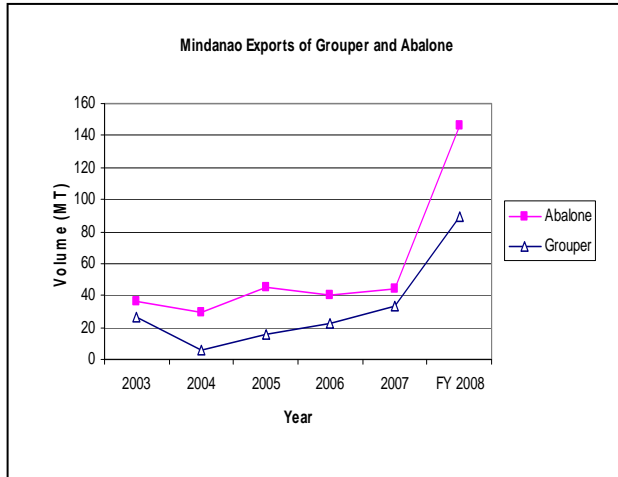
\* Estimated from Mindanao production data for 2009

<sup>2</sup>Value based on average actual and current prices of grouper products (live, fresh/frozen)

Abalone and Grouper Out-shipment Performance from Mindanao to Domestic Markets								
Actual vs. Target								
Commodity	2007 Baseline		2008 (Actual)		2009 (Estimates)*		2012 Target	
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)
Abalone & Grouper	113	285,890	125	658,952	125	658,952	335	858,502

\*Data for 2008 used due to incomplete LGU data

**Figure 2.14**



The upward trend in 2007-08 reflects the replacement of capture fish and abalone with cultured products. The rise can be attributed in part to GEM's work on training growers and assisting them in sourcing of grouper and abalone juveniles from hatcheries outside Mindanao for their operations. For this year, a total of 700 growers have been trained in HVA production. As the established high-value hatcheries move into full production in late 2009-early 2010, grouper and abalone production will jump significantly.

Hatcheries play a critical role as the primary sustainable source of juveniles for growers. GEM's value-chain analysis of the High-Value Aquaculture Industry showed the lack of available seedstock as a major constraint in the expansion of grow-out operations. Thus, SAFE has continued to provide technical assistance to the Tawi-Tawi High-Value Multi-species Hatchery (established with USAID assistance) and to the Misamis Occidental Aquamarine Park (MOAP) Grouper Hatchery (GEM provided grouper fry for the nursery). In addition to the two established hatcheries, at least two more high-value hatcheries are needed to adequately provide for Mindanao's seedstock requirements, and getting these hatcheries in place is a priority of GEM.

#### Grouper:

Grouper exports increased by 170% from 2007 to 2008 as more aquaculture grow-out areas were established and market linkages made with exporters. A key factor in the increased production of grouper (aside from GEM training activities and other forms of technical assistance) was the improved availability of grouper fingerlings that GEM helped provide from non-Mindanao sources.

The Tawi-Tawi Hatchery started grouper production in March 2009 and has had two successful spawning runs. Production is at 2,000 fingerlings/mo, against the target of 35,000 fingerlings/mo (for the grow-out needs of 800 MNLF growers and 5 private companies). The shortfall is due to a dearth of mature spawners that are capable of laying eggs. The additional spawners brought in by GEM in the previous quarters are still awaiting full maturity. To help further increase the number of broodstock, GEM has established broodstock collection operations in Tawi-Tawi and Dipolog through small fisherfolk cooperatives trained in sustainable and selective fish trapping operations. An additional constraint of relatively low salinity tank water was mitigated by the extension of the inlet pipe, as well as relocation of the nursery cages to an area exhibiting higher salinity.

The MOAP Grouper Hatchery in Sinacaban, Misamis Occidental started operation in January 2009. To jumpstart operations, GEM assisted MOAP in the importation of 10,000 pcs. of grouper fingerlings for purposes of nursery rearing. Assistance was also provided in

broodstock procurement. MOAP has been able to successfully conduct its first spawning run of 13 Million grouper larvae this quarter<sup>6</sup>.

Abalone:

Abalone exports increased by 418% from 2007 to 2008, primarily due to the introduction of cultured abalone to the market.

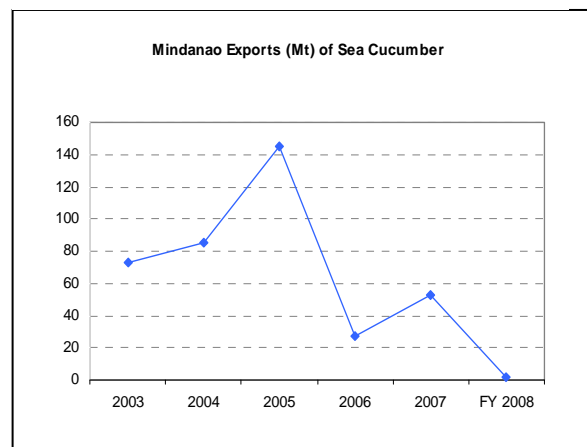
To date, GEM has assisted in the distribution of 20,000 hatchery-bred abalone spat to four MNLF growers groups and one corporate grower. Training sessions on abalone production were conducted for 300 growers belonging to six MNLF growers' groups. The technical assistance to one of the MNLF groups included the establishment of a demonstration commercial-scale module for abalone production.

Abalone spat production at the Tawi-Tawi Hatchery started in March 2009 and has been ongoing, with 13 spawning runs to date. A production of 200,000 juveniles (spat) per month is required to meet the needs of 250 MNLF growers and two private companies. The production rate is currently at 30,000 spat/mo because of high mortality from the veliger to settlement stage due to a low settlement rate. In addressing this problem, GEM identified, and the hatchery contracted, an abalone specialist to correct the low settlement and survival rates. The main problem was identified as a design defect of the abalone tanks, limiting the number of settlement plates that could be held per tank (at 100 plates per tank). Consequently, the hatchery constructed an additional 18 settlement tanks with the proper dimensions to hold the ideal 500 plates per tank. The old settlement tanks were converted into grouper larval rearing tanks (LRTs) to accommodate more spawned grouper larvae. A second problem was water salinity lower than that required for abalone. This problem has been mitigated by extending the hatchery seawater inlet pipe by 180 ft, to a depth of 12 meters. As a result, the average salinity of seawater pumped in has increased from 29ppt to 34.5 ppt, which is within the ideal range for abalone production.

Sea Cucumber:

Sea cucumber sales plummeted from 2007 to 2008, decreasing from 53 MT to 2 MT. This was caused by the depletion of natural stocks due to unregulated harvest from 2003-2005. GEM's inclusion of sea cucumber in its priority commodities involves developing an efficient and adaptable culture methodology for sea cucumber. Research is currently being conducted by Mindanao State University-TawiTawi (MSU-TT), with SAF funding, to determine best practices for sea cucumber growout. As soon as the applied research is completed, the Tawi-Tawi Hatchery will commence production of sea cucumber seedstock.

Figure 2.16



High-value aquaculture highlights during this quarter:

<sup>6</sup> Per standard survival rates from larval to metamorphosis stage, this number is expected to drop by approx. 80%, and, subsequently, another 90% up to post-larval stage.

**GEM trains more growers in High-Value Aquaculture as new potential production areas are identified.** For the quarter, 243 growers (7 growers groups in 7 training sessions) and 2 corporate growers were trained in High Value Aquaculture production. To expand production areas and further increase production, 2 new growers groups were identified for assistance and 4 new sites were evaluated for grow-out production.

**GEM Seedstock Distribution Sparks Interest in Grouper Farming.** GEM assisted in the sourcing, delivery, and stocking of more than 40,000 hatchery-bred grouper juveniles of commercially important species<sup>7</sup> to growers in Tawi-Tawi and other areas for this quarter, to provide for the grow-out requirements of 4 MNLF growers groups and 4 private growers' groups. This is projected to contribute a minimum of 20 MT to production. Training sessions on grouper production were conducted for approx. 300 growers (belonging to 6 MNLF growers' groups) and 2 corporate growers.

**Demo Farms Established for Modern Production Techniques.** Included in the technical assistance were the establishment of demonstration modules for grouper production and a grouper farm using a 100% formulated diet in test cages to demonstrate the better growth rates using aqua-feeds over the traditional "trash fish" feed.

**GEM Marketing Assistance Generates Additional Sales for Growers.** GEM assisted in the marketing and sale of 3.2 MT of live high-value grouper (worth PhP1.16 Million) this quarter, contributing to the more than 9 MT GEM-assisted sales for the fiscal year, mostly to Cebu and Manila, where a large percentage are further transported outside the country. Also this quarter, GEM facilitated separate market arrangements between Marine Dragon Exports, a live fish exporter, and 5 different growers groups in Tawi-Tawi, Sulu, Basilan, Zamboanga Sibugay, and Misamis Occidental.

#### Canned Tuna:

The volume of canned tuna exports decreased by 6.4% from 2007 to 2008, reflecting a decline in local tuna landings. However, the value of canned tuna exports increased by 37% year on year, spurred, in part, by higher cost of raw tuna. Another factor in the record export earnings is that EU countries, which pay higher prices for premium products, continued to be the main market for Philippine canned tuna (46.9% of total exports). All of the General Santos City and Zamboanga City tuna canneries are EU certified and have earned a reputation for high quality products. SAFE, in GEM-2, played a significant role in upgrading the tuna fishing and processing sectors through its Quality Enhancement Initiative leading to accreditation of Philippine tuna exports by the European Union.

**Table 2.5**

Canned Tuna Out-shipment Performance from Mindanao to Export Markets								
Actual vs. Target								
Commodity	2007 Baseline		2008 (Actual)		2009 (Estimates)		2012 Target	
	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)	Volume (MT)	Value (US\$)
Exports	107,575	224.7 M	100,619	308.7 M	<i>n.a</i>	<i>n.a</i>	107,575	224.7 M

*n.a* - not available

<sup>7</sup> *Epinephelus fuscoguttatus*, *E. akaara*, and *E. coioides*

SAFE continues to assist the tuna fishing sector in achieving sustainability, working with the SOCSKSARGEN Federation of Fishing Associations (SFFAI) and the Bureau of Fisheries & Aquatic Resources (BFAR) on resource management issues and in legally accessing the tuna resources of Pacific Island nations. SAFE played an important role in assisting SFFAI with a fishing access arrangement with Palau, which has led to several new joint venture fishing operations. SAFE assisted BFAR in negotiating a fisheries cooperation agreement with Papua New Guinea which has led to the issuance of twenty new PNG fishing licenses in 2009, and a commitment for twenty more next year.

Canned Tuna highlights during this quarter:

**GEM Assists in New Measures to Curb Overfishing.** BFAR has issued a draft administrative order regulating the use of Fish Aggregating Devices (FADs or *payaos*), based on recommendations initially made by SAFE staff. The administrative order was discussed in detail at the September meeting of the National Tuna Council, and is expected to be promulgated by year's end.

**GEM Assistance to Annual Tuna Congresses.** GEM staff assisted SFFAI in the preparation and conduct of the 11<sup>th</sup> National Tuna Congress which is discussed on page 2-26.

Seaweed Industry:

During this quarter, SAFE staff prepared a brief assessment of the seaweed industry at the request of USAID. The assessment described a downward trend in Mindanao seaweed production, and suggested causes for the decline. Despite the decline in Mindanao seaweed production, the carrageenan processing sector has maintained its output by importing dried seaweed from Indonesia.

GEM assistance to the seaweed industry has been confined to improving farming practices. MSU-TT, with GEM co-funding support, has established experimental and demonstration seaweed plots on private seaweed farms in two areas of Tawi-Tawi Province. The project will determine the most efficient farming system for seaweed, as measured by growth rate, carrageenan yield, and gel strength. The project is underway, but interim results are not yet available.

2.2.1.4 Expansion of warehousing, cold storage and Vapor Heat Treatment Facilities in Mindanao:

Target: Help create a sizable expansion of warehousing, cold storage and Vapor Heat Treatment (VHT) facilities for increased export and out-shipment of targeted commodities.

This fiscal year, GEM assisted two producer groups to acquire facilities necessary for the expansion of foreign exports and domestic out-shipment of priority commodities. GEM provided the Mango Growers Association of Iligan City (MAGIC) with the preliminary engineering design for the Hot Water Treatment (HWT) facility and co-organized the "Mango Quality Improvement Initiative, Orientation and Actual Demonstration on HWT for Mango". The DA provided PhP 750,000 to fund the fabrication of the HWT tanks and formally turned over the facility to MAGIC on February 6, 2009.

GEM also helped NorMinVeggies develop a project proposal for a mobile cold storage/reefer facility which was formally turned over by the DA to NorMinVeggies in February 2009. The

facility will extend the vegetables' shelf life, providing NorMinVeggies more trading options over a longer period. NorMinVeggies, with a membership of 200 growers, ships approximately 70 MT of high-value, semi-temperate vegetable weekly to major fastfood chains, hotels and supermarkets in Cebu and other parts of the country.

GEM continues to assist both MAGIC and NorMinVeggies in linking up with fruit and vegetable consolidators, in order to maximize the use of the HWT facilities.

#### 2.2.1.5 Support to producers' groups:

Target: Assist 15 producer-associations, previously supported by GEM, in improving their competitiveness.

**Table 2.6**

Status of Contractual Targets - Producer Associations As of September 2009		
Business Support Organizations	Target	FY08 + Results to Date (As of Sept. '09)
Producer Associations	15	14*

\* Assistance ongoing

- Producer associations improve competitiveness through key events.** GEM is assisting 14 major producer associations strengthen the fruit, vegetable, aquaculture and fishery industries through the expansion of stakeholder networks and through an events-based strategy for dealing with common issues and concerns. Industry events also serve to promote best practices in agricultural production, farm planting and management, packaging and handling, and logistics; and provide opportunities for business matching leading to new supply arrangements and resulting in continuing increases in the domestic out-shipment and export of GEM targeted commodities. GEM technical support, in addition to co-funding activities, includes event design, stakeholder mobilization, secretariat support, meeting facilitation, and managing the conference resolutions development process, as needed.



*Left:* The new set of PVIDB officers during the 7<sup>th</sup> National Vegetable Congress held in General Santos City on July 14-16, 2009. *Right:* Signing of a Marketing Agreement during the 2<sup>nd</sup> Minfruit Market Encounter in Cagayan de Oro on July 30-31, 2009.

Highlights during this quarter:

**7<sup>th</sup> National Vegetable Congress, July 14-16, 2009.** The Central Mindanao Vegetable Industry Development Council (CEMVIDC), a GEM-assisted producer association in the vegetable industry, took the lead in organizing the 7<sup>th</sup> National Vegetable Congress. More than 500 participants attended the annual event, which also featured a farm tour and trade exhibit.

GEM provided co-funding support and technical assistance in designing the event, managed the program flow, and helped convene the leaders of various regional vegetable groups to participate in the restructuring and reorganization of the Philippine Vegetable Industry Development Board (PVIDB) with three Mindanao vegetable producers' representatives being elected as officers of the newly-reorganized board. PVIDB, the umbrella organization of all

vegetable industry stakeholders nationwide, was organized in 2003 but had been inactive since 2006. Its reactivation is expected to strengthen the vegetable industry in Mindanao as well as the rest of the country.

**2<sup>ND</sup> Minfruit Market Encounter, July 30-31, 2009.** GEM provided technical and co-funding support to BSO-assisted Minfruit Council during its conduct of the 2nd Minfruit Market Encounter. More than 150 participants attended, mostly growers from all over Mindanao, as well as 12 fruit buyers. The value of transactions exchanged during the business matching session is estimated at \$108,654 and is expected to benefit groups of smallhold growers in Lanao del Norte, Bukidnon and North Cotabato including two former MNLF groups assisted by GEM in Lanao Norte: Bangsamoro Women's MPC in Matungao, and Lower Pangi Farmers Association in Pantao Ragat. This activity established continuing linkages with new buyers so sales will increase over time from these transactions..

**11<sup>th</sup> National Tuna Congress, August 27-29, 2009.** The SOCSARGEN Federation of Fishing and Allied Industries, Inc (SFFAI), with GEM co-funding and technical support, organized the 11<sup>th</sup> National Tuna Congress. The event featured a trade exhibit with more than 60 exhibitors offering updated technologies, services and products for fisheries and allied industries. More than 300 participants, including foreign dignitaries from Palau, Papua New Guinea, and Indonesia, attended the event, held simultaneously with the city's week-long Tuna Festival. The event focused on SFFAI's continued advocacy of sustainable measures to ensure the appropriate management of tuna resources, including expanding industry cooperation towards responsible fisheries, and devising new regulations to curb illegal and unregulated fishing and over-fishing. GEM's continued technical support to SFFAI enabled the latter to play a critical role, along with Philippine government agencies, in the Western and Central Pacific Fisheries Commission, a treaty-based organization aimed at conserving and managing tuna and other highly migratory fish stocks. The conference culminated with eight policy resolutions (Annex 2-7) being presented to Senator Loren Legarda, Chairman of the Senate Committee of Agriculture and Food.

**2<sup>nd</sup> Mindanao Vegetable Expo, September 7-11, 2009.** The Northern Mindanao Vegetable Producers Association (NorMinVeggies), with GEM support, organized the 2<sup>nd</sup> Mindanao Vegetable Expo, with 20 exhibitors participating. Forty-eight vegetable growers attended the technical training session facilitated by NorMinVeggies, titled "High-Value Vegetables: Post-harvest, Packing and Marketing." The event also featured a vegetable culinary contest participated in by Rural Improvement Club members and high school students from various municipalities in Northern Mindanao. Similar to the 2<sup>nd</sup> Minfruit Market Encounter, this activity established continuing market linkages to buyers.

- **Skills enhancement training to increase production and out-shipment of high quality fruit, vegetables and aquaculture commodities**

To equip growers with improved technical skills crucial to the expansion of their production and out-shipment marketing and sales. GEM organized training sessions, workshops and conferences for various producer groups in Mindanao on new pre- and post-harvest technologies; produce quality improvement; commodity clustering; and on accessing new markets and marketing trends for fruit, vegetable and aquaculture.

This fiscal year, in collaboration with various producer groups and local government units in Mindanao, GEM conducted eight major conferences (including two market encounters) and 45 technical training sessions focused on enhancing the production efficiency of more than 5,515



smallhold growers and agricultural technicians engaged in the production and marketing of various commodities. A list of GEM-assisted commodity-related training activities and major events in FY 2009 is attached as Annex 2-8.

Since the inception of GEM-3, more than 13,396 smallhold growers, business persons, industry stakeholders, government representatives have attended GEM-initiated/assisted training activities and events. GEM has conducted 56 business skills enhancement training workshops with chambers of commerce, business councils attended by more than 4,447 business persons and industry stakeholders; 39 training sessions on fruit production; 48 on vegetable production; 36 on high-value aquaculture; and 6 training sessions on seaweed.

Highlights during this quarter:

**GEM conducted conferences and technical training sessions.** During this quarter, in collaboration with various producer groups and LGUs in Mindanao, GEM conducted four major conferences (including one fruit marketing encounter) and seven technical training sessions focused on enhancing the technical skills of more than 1,445 smallhold growers engaged in the production of various commodities.

**2.2.2 Exploratory Investments in key industries: help jump-start investment in business process outsourcing (BPO) and tourism, and help to improve community outreach activities of selected responsible mining firms:**

Target: Facilitate the establishment of at least one BPO operations facility in a conflict-affected area; and of at least one sizable tourist resort in a previously conflict-affected area. These targets will be attained by the end of FY 2010.

GEM's long-term objective is to help accelerate private investment in each of these emerging job-creating sectors with the expectation that these investment initiatives, if successful, will expand and be widely replicated over time.

**Table 2.7**

Exploratory Investment in Key Industries As of September 2009		
Business Development Components	Target	Results to Date (As of Sept. '09)
Business Process Outsourcing	1	3
Tourist Resort/Facility	1	0
Help improve the community outreach activities of selected responsible mining firms	5*	1*

\*Activity initiated

**2.2.2.1 Business Process Outsourcing:**

To bring about the establishment of commercial BPO operations sites and job creation in CAAM, GEM assists BPO firms or investors located outside CAAM to enter into contracts or subcontractual arrangements with CAAM partners.

In fiscal year 2009, GEM assisted two Davao City-based BPO firms in establishing virtual (or satellite) facilities in CAAM. (HP) Outsourcing Philippines established, in May 2009, a virtual facility in Iligan City, in partnership with the Development Center of the Mindanao State

University-Iligan Institute of Technology (MSU-IIT), employing selected graduates and local information technology (IT) workers for HP's web design, animation, and transcription service operations. The other BPO firm is Philippine Global Outsourcing which, in August 2009, entered into a contract with JCourse Technology in Cotabato (see *below*) due to GEM assistance.

In September 2009, also with GEM assistance, a Zamboanga-based BPO firm, acquired its first client through a marketing agreement with a Davao-based BPO company.

GEM assistance to these three BPO facilities has resulted to date in the establishment of 108 BPO "seats" (individual work stations which can each be used for three shifts per 24-hour cycle).

GEM continues its analysis of potential sites, local investment codes and local ICT infrastructure capabilities, and continues to seek out potential BPO investors or clients. GEM also continues to provide technical support to local ICT councils and BPO associations engaged in raising awareness of BPO investment opportunities in Mindanao and to bring about the establishment of BPO operations facilities in CAAM.

Highlights during this quarter:

**Second GEM-assisted virtual BPO office installed in Cotabato City.**

GEM helped draft a Memorandum of Agreement signed between Philippine Global Outsourcing (PGO), a Davao-based BPO firm, and JCourse Technology, a technical vocational school in Cotabato City which specializes in architectural and engineering design. The agreement stipulated the installation of a virtual office by PGO in the JCourse school. PGO also hired 10 JCourse graduates to work on architectural and engineering design projects for PGO clients.



The PGO office in Cotabato City is the second BPO virtual facility established in CAAM with GEM assistance, which included providing PGO with technical information.

**GEM initiated first direct offshore (overseas) account for Zamboanga-based BPO.** GEM helped draft a marketing partnership agreement signed this quarter between e.AXS Communications, Inc., a Zamboanga-based BPO firm that had been recently established but had no clients, and Next BPO Solutions, Inc., a BPO firm based in Davao City (which has its head office located in Rhode Island, USA). Under the agreement, Next BPO Solutions, which provides customized outsourcing solutions to overseas clients, will refer offshore clients to e.AXS on a commission basis. Five call center agents have been hired through this agreement established in September 2009. Approximately fifty more agents are expected to be hired as operations expand.

2.2.2.2 Tourism:

GEM is working with tourism councils and provincial governments in key tourism sites to gather and share information that will lead to the establishment of at least one "sizable tourist resort in a previously conflict-affected area."

In FY 2009, GEM assessed possible dive sites in Tawi-Tawi for tourism investment promotion in the first/second quarter of FY 2010. Other activities include developing tourism investment and promotional activities in Marawi City and Sarangani provinces.

The GEM Business Development and Communication teams collaborated to produce press releases on BPO, tourism and other investment-related initiatives of GEM.

Highlights during this quarter:

**Sarangani province tourism investment potential explored.** GEM introduced a resort owner and LGU representatives to a Chiang Mai-based adventure/tour company representative on an exploratory mission, to assess tourism investment opportunities in Sarangani province.

### 2.2.2.3 Mining:

Target: Assist at least five (5) mining firms to establish and implement “community outreach” projects in their areas to showcase a responsible mining industry in Mindanao.

In line with its objective to establish socially responsible, productive “community outreach programs” by mining companies that benefit their host communities, GEM engaged in activities aimed at strengthening the collaborative efforts of mining companies, host communities and other industry stakeholders in the Caraga Region to help develop sustainable and self-reliant mining communities.



*Top, left:* Discussion on Mindanao Mining Policy Issues, March 19, 2009. *Top, right:* Taganito Mining SDMP Performance Review Workshop, October 28, 2008. *Bottom, left:* 5<sup>th</sup> CARAGA Mining Summit, April 23-24, 2009. *Bottom, right:* Strategic Direction Setting with mining companies, May 21-22, 2009.

GEM’s Business Development Team also assisted the Workforce Preparation and Governance Team in initiating the involvement of the Chamber of Mines in identifying colleges and universities with strong mining engineering programs, for inclusion in Investments in Vocational/Elementary/Secondary/Tertiary Studies (INVESTS), a GEM scholarship project.

Highlights during this quarter:

**Guidelines are formulated for composition of technical working groups implementing mining community outreach programs.** GEM assisted Taganito Mindano Corporation, a mining firm in Surigao del Norte, Caraga region, in formulating guidelines for the broad-based composition of community technical working groups (CTWGs) overseeing the Social Development Management Programs (SDMPs) of mining companies for mining host communities. These guidelines are aimed at ensuring broader representation in decision-making with regard to, and implementation of, SDMPs. The CTWG, according to the guidelines, would include public officials of the host mining communities, local NGOs, and representatives of the mining companies. GEM also worked with Taganito Mining in formulating eligibility and evaluation procedures for the disbursement of SDMP grants/loans. Taganito Mining has formally adopted these guidelines as well as the eligibility and evaluation procedures for its own CTWG and SDMP implementation.

**Taganito proposes CTWG and SDMP guidelines to serve as a good practices model for other CTWGs.** With GEM assistance, Taganito Mining has formally proposed to the Mines and Geosciences Bureau (MGB) and the Caraga Chamber of Mines, that these agencies

promote the adoption of these guidelines and eligibility and evaluation procedures by other mining CTWGs in Caraga, for their respective SDMPs.

**Host mining communities assisted in setting up business enterprise venue.** GEM assisted the barangay local governments of Taganito, Hayanggabon and Orbiztondo, in Claver, Surigao del Norte, in creating a business plan for an Integrated Economic Center (IEC). The IEC will be used as the venue for local enterprise development activities to be initiated or implemented by the CTWG of Taganito Mining.

**2.2.3 Former Combatant Reintegration**

In FY 2009, GEM assisted 50 producer groups of former MNLF combatants in the Sulu Archipelago produce higher valued commodities, and initiated 20 similar activities in Central Mindanao. Twenty-eight post-harvest facilities, either now completed or currently undergoing construction, were also established in communities of former MNLF combatants. A detailed report on the status of projects is attached as Annex 2-9 to 2-11.

2.2.3.1 Support to producer groups of former MNLF combatants in Sulu Archipelago:

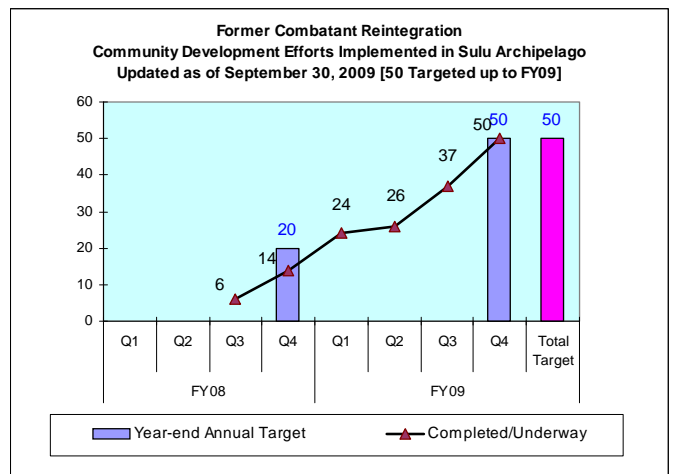
Target: Assist fifty (50) suitable communities of former MNLF combatants to produce higher valued commodities in the Sulu Archipelago.

Since the inception of GEM-3, FCR activities were implemented in the Sulu Archipelago:

- 34 MNLF cooperatives in the provinces of Basilan, Sulu, and Tawi-Tawi were assisted by GEM in producing and selling new high-value agriculture and aquaculture commodities. (Fifty such activities in the Sulu Archipelago were targeted for end of FY 2009.)
- 16 cooperatives in the same geographic area were assisted in initiating the production of high-value agriculture and aquaculture commodities.
- With GEM technical assistance and inputs, 1,604 co-op members began producing high-value commodities.
- 1,627 co-op members were trained in the production and marketing of high-value agricultural commodities.

Figure 2.17

Community Development Efforts -Sulu Archipelago	
As of September 30, 2009	
50	Target [up to FY09]
34	Community Development Activities completed
	26 GEM-funded
	8 GEM co-funded with other donors
16	Underway
	10 GEM-funded
	6 GEM co-funded with other donors



2.2.3.2 Support to producer groups of former MNLF combatants in Central Mindanao:

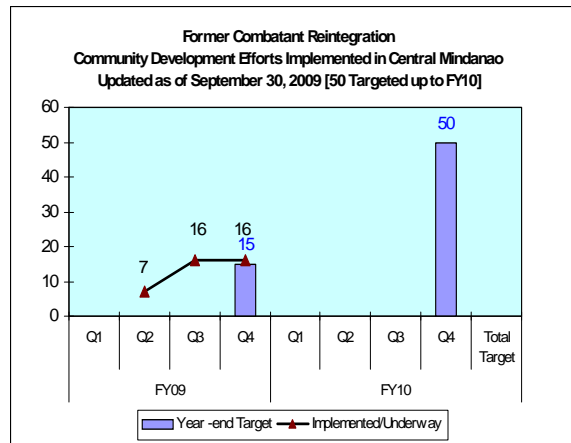
Target: Assist fifty (50) communities of former MNLF combatants in Central Mindanao to produce higher valued commodities.

Since the inception of GEM-3, the following FCR activities were implemented in Central Mindanao:

- GEM assistance to six MNLF cooperatives in producing and selling high-value agricultural and aquaculture commodities has been fully implemented, and similar assistance to 10 other co-ops is ongoing. (Fifty such activities in Central Mindanao were targeted for end of FY 2010.)
- These co-ops are in communities in, or close to, critical areas such as the Liguasan Marsh.
- As a result of GEM assistance, 335 co-op members in these communities are now producing high-value agriculture and aquaculture commodities.
- 513 have been trained in production and marketing of various high value agriculture and aquaculture commodities

Figure 2.18

Community Development Efforts in Central Mindanao As of September 30, 2009		
50	Target [up to FY10]	
6	Community Development Activities Completed	
	6 GEM-funded	
	0 GEM co-funded with other donors	
	10	Community Development Activities implementation underway
		9 GEM-funded
		1 GEM co-funded with other donors
16	Community Development Activities completed and underway	
34	Community Development Activities yet to be implemented	

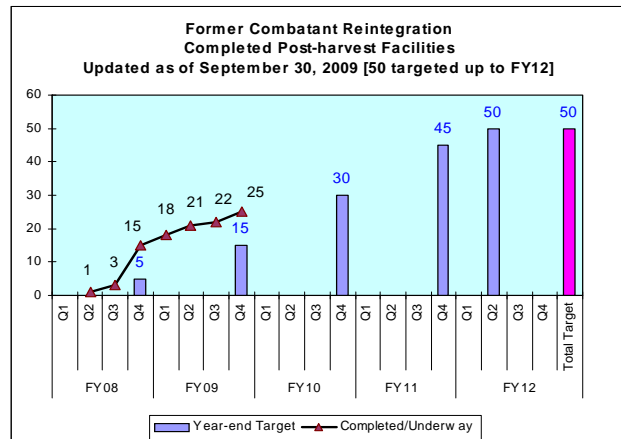


2.2.3.3. FCR Pre/Post-harvest facilities:

Target: Provide fifty (50) suitable communities of former MNLF combatants with pre- and post-harvest facilities for profitable farming/fishing.

Figure 2.19

Post-harvest Facilities As of September 30, 2009		
50	Target [up to FY12]	
19	Post-harvest facilities completed	
	14 TCEP-BIP Collaboration	
	5 GEM co-funded with other donors	
	6	Underway
		2 TCEP-BIP Collaboration
4	GEM co-funded with other donors	
25	Post-harvest facilities for MNLF communities completed/underway	
25	Post-harvest facilities for implementation	



Since the inception of GEM-3, the following FCR post-harvest facilities and activities were implemented in the Sulu Archipelago and Central Mindanao:

- 19 post-harvest facilities completed, benefiting 1,281 community members engaged in producing and selling of agriculture and aquaculture commodities.
- 482 trained in agriculture and aquaculture production, post-harvest handling, and the operation and maintenance of post-harvest facilities

#### **2.2.4 Business Support Organization (BSO) Development:**

The main objective of the Business Support Organization (BSO) Development sub-component of GEM is to assist in the establishment of effective BSOs that provide useful services for their members, and to provide selective technical and financial assistance to improve the organizational capacity of existing BSOs. The aim of this capacity-building assistance is to strengthen each BSO's self-sufficiency and ability to provide services to its members. A list of GEM-3 assisted BSOs is attached as Annex 2-12.

##### **2.2.4.1 Support to new chambers of commerce:**

Target: Identify and provide institutional development support to at least six (6) chambers of commerce in conflict-affected areas which have not previously received GEM assistance.

In FY 2009, GEM initiated its assistance to three additional new chambers of commerce (the Maranaw, Sarangani, and Metro Kidapawan chambers), which brings the total number of chambers receiving GEM institutional development support to six (the initial three were the chambers of Pagadian, Iranon and Surigao). GEM support has focused on developing the internal capabilities of each chamber, thereby strengthening the chamber's ability to serve as an effective advocate for business growth in its community.

Highlights during this quarter:

**Maranaw, Sarangani, and Metro Kidapawan chambers hold performance review and planning sessions.** Each chamber, with GEM technical support, held a workshop to: (a) review its previous performance as an organization; (b) set directives for improvement of services to its members; and (c) develop action plans aimed at enhancing its sustainability and ability to provide services to members. A table on each chamber's FY 2009 Workplan and Target Results is attached as Annex 2-13.

##### **Management training conducted for selected Mindanao chambers, September 1-2, 2009.**

In partnership with the Cagayan de Oro chamber, GEM organized and conducted training on chamber management, board governance and investment promotion for chamber executives and management staff. The session was attended by 12 Mindanao chambers, including the six new chambers of commerce (see above) being provided institutional development assistance by GEM. The training provided successful models and strategies implemented by the Cagayan de Oro chamber in the areas of institutional and financial sustainability (including revenue generation), membership development, policy advocacy and project networking.

#### 2.2.4.2 Support to previously-assisted (GEM-2) chambers of commerce:

Target: Identify six (6) previously-assisted (GEM-2) chambers of commerce deemed most likely to succeed in their efforts to advocate improved LGU performance and to assist local schools to improve the quality of education services.

In FY 2009, GEM provided technical support to the Muslim Chamber of Commerce and Industry of Kutawato (based in Parang, Maguindanao) and Chamber of Commerce of Iligan to strengthen these chambers' efficacy in advocating improved governance, particularly in local government revenue generation. These two BSOs, along with the chambers of Sulu, Tawi-Tawi, Metro Cotabato, and Autonomous Basilan, constitute the six previously-assisted chambers selected for GEM support under this target. A table indicating each chamber's FY 2009 accomplishments and expected deliverables is attached as Annex 2-14a.

With technical support from these chambers, LGU revenue generation is expected to increase over the next two years. Baseline data have been gathered, and already improvement in revenue collections and/or number of business permits issued have been noted in LGUs which have partnered with GEM chambers: Cotabato City (18% increase in number of permits issued, and 11% increase in revenue collected over a 12-month period) and Parang (number of permits issued up by 14% over 2007 figures of 795). The details are in Annex 2-14b.

In FY 2008 and 2009 GEM helped draft and negotiate a tripartite memoranda of undertaking (TMOUs) between individual chambers, their partner-LGUs, and the National Computer Center (NCC), for the computerization of these LGUs' real property tax and business licensing systems. Cotabato City, Jolo (in Sulu) and Lamitan (in Basilan) are the LGUs which have signed TMOUs with chambers and the NCC. Under the TMOU, the NCC provides free software to the LGU worth more than PhP9 million to run its business permit, real property and treasury operations. GEM and the LGU will share the costs of training the system users and IT professionals engaged by the LGU.



The BPLS software provided by NCC has been installed in the cities of Cotabato, Jolo, and Lamitan, and in Zamboanga del Sur's Dumingag municipality (a partner of the GEM-REAP subcomponent).

GEM further strengthened the capability of key chambers to implement joint projects with LGUs on revenue generation enhancement, by providing training to the BSOs on electronic Business Permit & Licensing System (eBPLS), and through workshops designed to help these BSOs clearly define their objectives, success indicators and milestones for enhancing revenue generation. Workshops were held in FY 2009 for the Metro Cotabato chamber, Muslim Kutawato chamber, Sulu chamber, and Autonomous Basilan chamber.

With GEM assistance, the chambers also helped their partner-LGUs in raising public awareness of local revenue generation; establishing business permit desks in LGU offices; and streamlining manual procedures for business permit processing.

GEM has worked closely with other USAID-funded programs, such as the Asia Foundation (TAF), which are also engaged in helping LGUs enhance revenue generation. In the case of

the Bongao, Jolo and Lamitan LGUs, GEM consulted regularly with TAF to ensure that GEM and TAF activities complement each other.

Highlights during this quarter:

**BPLS procedural reforms proposed by Lamitan Technical Working Group.** Based on a blueprint provided by the Autonomous Basilan chamber, Mayor Roderick Furigay of Lamitan issued an executive order mandating the simplification of BPLS procedures and creating an Oversight Committee and the Technical Working Group for BPLS implementation. The TWG, working with GEM and TAF, has made recommendations for streamlining the BPLS process, a number of which are already being implemented. Cotabato City has also signed a similar executive order, upon the recommendation of the Metro Cotabato Chamber.

**Business Forum on Iligan City Investment Code IRR Amendments, July 1, 2009.** GEM provided technical and co-funding support to the Chamber of Commerce and Industry Foundation of Iligan, Inc. (CCIFII) to hold a forum on Iligan City Investment's Code IRR Amendments. The event was aimed at engaging business groups in investment promotion and in identifying private-sector advocacy issues. The forum's 35 participants included officers and members of CCIFII, the Iligan Bay Chamber of Commerce and the Filipino-Chinese Chamber of Commerce, and a representative for local shippers.

**Initial support provided to Iligan Chamber.** GEM has arranged for the Chamber of Commerce and Industry Foundation of Iligan City to work with the Lanao del Norte municipality of Balo-i as its partner-LGU. GEM has also initiated discussions with GTZ, the German government development agency, to serve as a prospective partner in providing revenue generation enhancement assistance in eBPLS to this LGU, since NCC does not operate in this locality.

#### 2.2.4.3 Support to Event-specific BSOs:

Target: Work with approximately twenty (20) BSOs in implementing strategic "events" important to the growth of business in their areas or sectors.

In FY 2009, GEM identified and provided technical assistance to seven BSOs in the planning and implementation of events important to the growth of business in their areas or sectors. A total of 13 BSOs have been assisted under this initiative since the inception of GEM 3.

Highlights during this quarter:

**18<sup>th</sup> Mindanao Business Conference, September 17-18, 2009, Koronadal City.** The South Cotabato Chamber of Commerce and Industry Foundation was assisted by GEM in managing the policy recommendation development process of the Mindanao Business Conference and in the design and facilitation of the pre-event policy forum sessions. This year's conference drew more than 600 participants. The event was held during South Cotabato Business Week (September 14-18), and





highlighted the investment potential of the SOCCSKSARGEN area and the host city. The conference culminated with a formal presentation of the 2009 Mindanao Business Policy Agenda. A listing of the policy recommendations is attached as Annex 2-7.

This year's "MinBizCon" resulted in business agreements totaling PhP628 million. These agreements were primarily in agriculture production (barako coffee, moringa, cardava banana, and freshwater shrimp). The conference's trade exhibit generated total sales of PhP26 million.

**BPO Roadshow and Forum in Cotabato City, August 18-19, 2009.** GEM provided support to the ICT Solutions Association of Region 12 (ISA-12), and ISA-12 Cotabato City Chapter, in organizing the Roadshow. The event supported the development of ICT in Region 12 through the sharing of BPO-related business opportunities and the strengthening of local ICT organizations in Region 12. More than 140 participants attended the event.

**Mindanao Trade Exposition 2009, August 14-16, 2009.** The Mindanao Trade Expo Foundation, Inc., with GEM support, organized and held the MTE 2009 at the Central Bank Convention Hall in Davao City. About 130 exhibitors participated. MTE 2009 also featured an exporters' forum, co-organized with the Philippine Exporters Confederation Inc. of Region 11.

The four-day exhibit/selling period of MTE 2009 generated total sales of PhP 42 million, including booked orders and sales under negotiation.

**7<sup>th</sup> ARMM Business Congress, Marawi City, August 5-6.** The ARMM Business Council, with GEM support, co-organized the 7<sup>th</sup> ARMM Business Congress in collaboration with the Maranaw Chamber of Commerce. The event was attended by key businessmen in the ARMM region. The event focused on providing a better understanding of doing business in the ARMM and on encouraging investors to put up businesses in the region.

**5<sup>th</sup> Zamboanga Peninsula Business Conference, July 8-11, 2009.** The Pagadian Chamber of Commerce and Industry hosted the event at the Liga ng Mga Barangay Convention Center. This year's conference drew 153 private sector and government representatives from the three provinces of the Zamboanga peninsula and the island-provinces of Sulu, Tawi-Tawi, and Basilan. Delegations from Misamis Occidental Province and from the cities of Isabela, Dipolog, Dapitan, and Ozamiz also attended. The "ZAMPENBIZCON" plenary sessions focused on private-public collaboration in business and investment promotion, tourism and agri-aqua agricultural development. GEM provided technical and co-funding support to the chamber for this event.

**Metro Kidapawan Chamber Inauguration of the Cotabato Business and Investment Center, July 14, 2009.** The Metro Kidapawan Chamber of Commerce and Industry Foundation, Inc. (MKCCIFI) launched the Cotabato Business and Investment Center in Kidapawan City last July 14, 2009. The Center was established by MKCCIFI in partnership with the Cotabato Provincial Government to serve as a venue for business-related activities aimed at promoting investment.

#### 2.2.4.4 Support to key sector BSOs (ICT, Tourism and Aqua):

Target: Provide institutional development support to five (5) BSOs in the tourism, business process outsourcing (BPO), and aquaculture sectors, which have good potential for making substantial contributions to the growth of their sectors.

In FY 2009, GEM assisted three BSOs in the tourism, BPO and aquaculture sectors:

**Marawi City Tourism Council.** The Marawi City Tourism Council has 20 members, more than half of whom are from the private sector. It was institutionalized March 1, 2009. GEM provided assistance in internal capability-building and direction setting.

**Iligan Information and Communications Technology Council (IICTC/Iligan eCouncil).** GEM assisted the council, composed of more than 40 institutional members involved in the information and communication technology (ICT) industry, in hosting a national summit of ICT Councils in November 2008. To build up the capability of the Council to draw BPO investment to Iligan City and other parts of CAAM, GEM provided technical support for a direction setting and needs assessment workshop for the Council in March 2009.

**Northern and Western Mindanao High Value Aquaculture Industry Convenors Group (HIVIC).** The group was formally organized in April 2009 with GEM assistance. The members include hatchery and grow-out operators, aquaculture corporations and cooperatives, aquaculture marine park operators, and technology/support services providers. GEM has assisted HIVIC in strategic planning and in drafting its vision and mission statements, articles of incorporation and by-laws.

GEM also provided technical and co-funding support to two convenor activities in the BPO and aquaculture sectors: The 1<sup>st</sup> National Summit of Information Communication and Technology (ICT) Councils, held in Iligan City on November 25-26, 2008, hosted by the Iligan ICT Council; and preparations for the 1<sup>st</sup> Mindanao High Value Aquaculture Industry Congress to be held in October 2009 in Ozamis City, organized by HIVIC.

Highlights during this quarter:

**ICT Solutions Association of Region 12 (ISA-12) planning session, August 19, 2009.** GEM assisted the Cotabato City Chapter of ISA-12 in formulating its vision/mission statements and 2009 milestones, during the needs assessment and strategic planning workshop held in Cotabato City. The group assessed its organizational capabilities and identified specific strategies for making Cotabato City a key provider of outsourcing services in Central Mindanao.

**Iligan BPO Business Forum, July 8, 2009.** The Iligan ICT Council, with GEM technical and co-funding support, organized and held the forum in Iligan City. The event focused on capability building and talent development through the sharing of solutions and industry best practices. Forty-eight industry representatives from the non-voice outsourcing sector attended. The event included a business matching session, a tour of the MSU-IIT/Hubport Development Center, and lectures by senior executives from BPO firms Concentrix, Cyber City and Hubport Philippines.

**Marawi City Tourism Council planning workshop, June 30, 2009.** *(Not covered in previous quarterly report.)* The Council, with GEM technical and co-funding support, held the Marawi City workshop in order to develop a two-year strategic plan. The workshop focused on business support services, membership development, policy advocacy, and the development of the Council's management team.

### **2.3 Outstanding issues and implementation problems, and options for resolving these issues and problems.**

Conflict in central and western Mindanao continued to heighten negative perceptions of risk in all of Mindanao, both as an investment destination and as a supplier of commodities. The global financial crisis combined with negative security perceptions created significant headwinds for GEM work on TCEP, SAFE, BPO and Tourism. The security situation also delayed support in many areas under the FCR component. Other implementation constraints and actions taken are listed below.

- Due to security risks, the GEM Business Development Team experienced delays in laying the groundwork for the establishment of a tourist resort in a previously-conflict affected area in Mindanao, targeted for completion by FY 2010.
- Value of exports of fresh mango declined by 26% in FY 2009 due to low production of export-quality mangoes resulting from erratic weather conditions. The tightening of food safety and quarantine requirements, specifically in Japan also prevented Mindanao exporters and VHT operators to expand the volume of fresh mango exports. To help address this concern, GEM conducted technical training activities focused on judicious application of agro-chemicals in mango production. GEM also continued to help mango exporters in sourcing good-quality mango and provided guidance in developing a supplier's accreditation system.
- There was no actual export figure on ginger for 2009. Average wholesale prices for domestic supply of ginger also increased which prompted most growers to divert their production to supply local retail market. As a result, GEM's efforts to promote production of young ginger for export market, through a Davao-based buyer-processor, did not take-off as targeted. GEM has refocused its efforts for finger to explore other export outlet through market linkages with a Middle East exporter and facilitating out-shipments to key domestic markets like Cebu.
- Sea cucumber sales plummeted from 53MT to 2MT in 2008 due to depletion of natural stocks caused by unregulated harvest from 2003-2005. GEM is working with the Mindanao State University in Tawi-Tawi conduct an applied research on efficient and adaptable culture methodology for sea cucumber which, when completed, will commence production of sea cucumber stock utilizing the Tawi-Tawi Hatchery facilities.
- The HWT facility turned-over by the DA to the Mango Growers of Iligan City (MAGIC) in February 2009 is not yet operational. Iligan LGU's funding for the proposed packing house and consolidation facility (where the HWT will be housed) was approved for 2010. Implementation is expected to commence by 1<sup>st</sup> or 2<sup>nd</sup> quarter next year
- A delay was encountered in the implementation of the LGU revenue generation enhancement initiative of the Tawi-Tawi Chamber due to: (1) concerns on the part of Bongao LGU on the possible redundancy of its existing cooperation agreement with TAF for computerizing the LGU's business licensing system, which were resolved after several meetings with the project partners, including TAF; and (2) deferment in the hiring of a Project Officer by the Tawi-Tawi Chamber due to the delayed participation of the Bongao

## **2.4 Planned performance objectives/expected results for the first quarter of FY 2010.**

### **2.4.1 Targeted Commodity Expansion Project (TCEP).**

Target: Tripling (measured by both volume and value) of foreign export and out-shipment to Philippine markets outside of Mindanao, of GEM “targeted commodities”

#### 2.4.1.1 Export Market Development:

- Assist Mindanao exhibitors in Anuga 2009 food expo;
- Generate approval of USAID to support participation of Mindanao food companies in IFEX Philippines 2010, GulfFood 2010, Foodex Japan 2010, Brussels Seafood Show 2010 and Philippine Food Expo 2010;
- Generate confirmation of target Mindanao food suppliers to participate in three international trade events and one locally-led international trade event;
- Prepare co-funding approval request for two international trade events (Gulffood 2010 and Foodex Japan 2010), and two local trade events (Philippine Food Expo 2010 and IFEX 2010);
- Expand list of Mindanao food suppliers for the Mindanao Exporters' Directory, for direct market linkages to local and foreign buyers;
- Awarding of HACCP certificates to the four GEM-assisted Mindanao companies (Amley, Boom Marine, KF Nutrifoods and Sagrex);
- Identify at least five Mindanao companies for the second batch aiming for HACCP accreditation/certification. Prepare co-funding proposal for second batch;
- Work on Halal accreditation arrangements for at least 2-4 additional Mindanao companies;
- Continue market information campaign via email campaign and online dissemination;
- Prepare market profiles of key export markets of GEM commodities;
- Continue direct market referral of potential international buyers to Mindanao food suppliers and vice versa;
- Continue networking and market linkages with local consolidators to serve as market conduits of Mindanao food suppliers to export markets;
- Collaborate with government and private partners to implement market development and promotion activities such as participation in trade events, market exchanges, export competitiveness, among others;
- Continue updating database of business service providers (shipping lines, certifying bodies, food testing centers, freight forwarders) for direct referral to exporters; and
- Monitor results of training in Internet Marketing through Search Engine Optimization (SEO) in terms of sales generated by the participating companies

#### 2.4.1.2 Domestic out-shipments:

Fruit:

- Continue and expand fruit supply linkage to major fruit buyers and consolidators for out-shipment to local markets;
- Assist selected fruit grower associations and groups to undertake direct marketing and retailing of their produce in strategic demand centers like Metro Manila and Cebu;

- Facilitate direct supply linkages between Central and Southern Mindanao fruit growers and major export buyers and processors;
- Continue to provide assistance to newly established fruit processing facilities (MAGIRCO, Soyuz, Linkage Foods, Sagrex Foods, etc.) through raw materials sourcing and market promotion;
- Assist fruit growers from Northern Mindanao and Central Mindanao in developing market linkages and retail outlets in other major demand centers in Visayas (Bohol, Negros and Panay); and
- Continue to provide assistance to growers in key areas to expand production base of other fruit crops needed in processing and/or out shipment (passion fruit, calamansi, pineapple, and papaya).

#### Vegetables and Other High Value Horticulture:

- Continue providing technical advice to the Northern Mindanao Vegetable Producers Association (NorMinVeggies) in expanding its vegetable trading and marketing operations at the NorMinVeggies Consolidation Center;
- Assist NorMinVeggies in expanding market linkages with key institutional buyers in Visayas and Metro Manila, for supplying semi-temperate and tropical vegetables;
- Continue technical assistance to NorMinVeggies and other key producer associations expanding vegetable production through the use of rain shelters and other appropriate production technologies;
- Continue assistance to vegetable growers in SOCSKSARGEN and Davao to maximize the supply of assorted vegetables to major food processors like GenTuna;
- Provide technical assistance to emerging vegetable production areas in CARAGA through quality improvement and commodity clustering training;
- Continue technical assistance through quality improvement training and commodity clustering to vegetable growers in key production areas (Bukidnon, Misamis Oriental, Davao Region, South Cotabato, Maguindanao/ARMM); and
- Provide technical assistance in the commercial scale production of other high-value horticulture crops like melons, for possible out-shipment to Cebu and other markets.

#### 2.4.1.3 Sustainable Aquaculture and Fisheries Efforts:

- Develop, reproduce, and distribute grouper production manual for producer associations;
- Conduct three training workshops for grouper farmers;
- Provide technical assistance to trap fishermen who will provide grouper broodstock for hatcheries;
- Provide one abalone production module for MNLF group;
- Conduct two site surveys for prospective hatchery operators;
- Continue to coordinate sea cucumber grow-out applied research (MSU-TT);
- Complete documentary video on sardine handling technology;
- Continue to provide market information to canned sardine exporters;
- Prepare pre-feasibility study of seaweed pre-processing facility;
- Continue to coordinate operation of seaweed demo farm in Tawi-Tawi; and
- Assist SFFAI and the national government, through DA-BFAR, in addressing tuna management issues to be raised at meetings of the Western and Central Pacific Fisheries Commission.

#### 2.4.1.4 Expansion of warehousing, cold storage and Vapor Heat Treatment Facilities in Mindanao:

Target: Help create a sizable expansion of warehousing, cold storage and vapor heat treatment (VHT) facilities for increased export and out-shipment of targeted commodities.

- Assist NorMinVeggies in operationalizing its mobile reefer storage facility through training in operations and maintenance, and possible marketing of facility to potential users;
- Provide assistance in the commercial operation at least one (1) BIP-funded commodity packing and consolidation center (Lala Calamansi Consolidation Center);
- Propose at least one (1) fruit or vegetable packing and trading center for possible implementation under the GEM TCEP or BIP component; and
- Continue to provide support to new VHT operators Diamond Star and Southern Philippines Fresh Fruit Corporation (SPFFC) in maximizing utilization of its facilities through access to raw materials and market promotion.

#### 2.4.1.5 Support to producers' groups:

Target: Assist 15 producer-associations (previously supported by GEM) to improve competitiveness.

- Identify one (1) additional previously-assisted producer-BSO not yet assisted under GEM-3;
- Provide technical assistance to at least nine (9) previously-assisted producer associations in conducting events and training;
- Provide technical assistance to Minfruit Council, Inc., in the preparation and conduct of the 7th Mindanao Fruit Industry Conference, tentatively scheduled in November 2009, in Davao City;
- Provide technical assistance to Sarangani Fruit Farmers Association, Inc. in hosting the 3<sup>rd</sup> Minfruit Market Encounter, tentatively set in March 2009, in General Santos City; and
- Continue assistance to CEMVIDEC, through the PVIDB, on the updates and status of the 6<sup>th</sup> National Vegetable Congress resolutions which will be incorporated in the 7<sup>th</sup> NVC resolutions.

#### **2.4.2 Exploratory Investments in key industries: BPO, tourism, and mining (focusing on improving the “community outreach” activities of selected responsible mining firms).**

Target: Facilitate the establishment of at least one (1) sizable tourist resort in a previously conflict-affected area; and of at least one (1) BPO operations facility in a conflict-affected area. These targets will be attained by the end of year 3 of the contract.

##### 2.4.2.1 Business Process Outsourcing:

- Assist in developing a medical transcription sub-contractual arrangement for Buklod Inc. in Marawi, through the GEM-assisted partnership between Iligan-based Eminent Transcription and Hubport (HP) Outsourcing Philippines;
- Arrange benchmarking activities for Cotabato-based BPO firm Inforama Solutions and Iligan-based Regence Enterprise, with major BPO firms in Davao City, on October 22-23;

- Continue previous efforts to organize business visits/ocular inspection to the following proposed BPO partners and locations in CAAM: (1) Medtrans in Marawi, (2) Comptech Educational System in Zamboanga, and (3) Calcent in Cotabato City;
- Initiate identification process for one (1) possible offshore (overseas) BPO locator (i.e. Dubai for Engineering Design and Back Office; Australia for Call Centers; and India for subcontracting Call Center and Medical Transcription);
- Develop Public-Private-Academe partnership between Inforama Solution and Notre Dame University in Cotabato
- Provide basic BPO orientation and facilitate transition management to GEM-assisted BPOs in CAAM
- Continue consultations with BPO industry stakeholder and key informants: (1) Mindanao ICT Task Force Technical Working Group meeting, Cagayan de Oro Cit, October 1, 2009; (2) BPO Forum in November, 2009 to be organized by the Sultan Kudarat ICT Council; and (3) International BPO Summit to be conducted by the National ICT Association of the Philippines on November 3-5, 2009, in Pampanga;
- Continue to update the inventory of Mindanao-based BPOs and periodically update the BPO industry baseline and investment profiles of Zamboanga, Iligan, Marawi, General Santos and Cotabato City (during this quarter, the team will focus on gathering data on existing internet providers' bandwidth distribution per region); and
- Continue looking for targeted opportunities leading to investments, participation of other GEM teams, and other USAID programs or donor agencies.

#### 2.4.2.2 Tourism:

- Identify at least one (1) potential investors group for any of the short-listed projects: beach resort in Bongao, eco-tourism in Sarangani, and cultural tourism and hotel expansion in Marawi;
- Consult with tourism industry associations and other stakeholders;
- Determine feasibility of marine-related tourism activities for selected resorts; and
- In collaboration with the GEM Communications Team, generate more articles on BPO, tourism and other investment-related initiatives of GEM.

#### 2.4.2.3 Community outreach in Mining:

Target: Assist at least five (5) mining firms to establish and implement "community outreach" projects in their areas to showcase a responsible mining industry in Mindanao.

- Conduct a study tour of GEM-assisted projects engaged in vegetable and fruit production for mining firms' Community Technical Working Groups (CTWGs), to help these CTWGs in developing their own capacity-building programs for enterprise development in host mining communities.
- Assist in conducting Policy Forums on Government Taxation, to be held in the provinces of Surigao del Sur and Agusan del Sur.
- Assist in the development of Taganito Mining's CTWG 2010 Annual Work Plan

### **2.4.3 Former Combatant Reintegration.**

2.4.3.1 Support producer groups of former MNLF combatants in Sulu Archipelago produce higher valued commodities.

Target: Assist fifty (50) communities of former MNLF combatants in the Sulu Archipelago produce higher valued commodities.

Target has been met for Sulu Archipelago areas. However, the FCR Team will periodically conduct project site evaluation to monitor the progress of production and marketing in Sulu Archipelago:

- Milkfish, prawn, tilapia, and catfish production
- Rubber plantation and production of rubber coagulum
- High-value vegetable and cassava production
- Live fish transport facility
- Abalone and marine fish production
- Integrated rice and fish production
- Cardaba banana production
- Gracillaria production
- Poultry production

2.4.3.2 Support producer groups of former MNLF combatants in Central Mindanao to produce high valued commodities:

Target: Assist fifty (50) groups in Central Mindanao produce and sell higher valued commodities.

- 1 vegetable production activity in Brgy. Bulit, Datu Montawal, Maguindanao
- 3 tilapia production activities in Brgy. Kibayao, Carmen; and barangays Balatican and Butuan Village, Pikit, in North Cotabato
- 1 catfish and tilapia production activities in Brgy. Kibines, Carmen, North Cotabato
- 2 rubber production activities in Brgy. Makir, Datu Odin Sinsuat, Maguindanao; and in Brgy. Kibayao, Carmen, North Cotabato
- 1 cardaba and coconut production activity in Brgy. Pagangan, Aleosan, North Cotabato
- 6 cardava production activities in barangays Manarapan, Kitulaan, Liliongan, Sitio 29, and Nalapaan in the municipality of Carmen; and in Brgy. Kidama, municipality of Matalam, North Cotabato

2.4.3.3 FCR Pre/Post-harvest Facilities:

Target: Provide 50 former MNLF combatant communities with pre- and post harvest facilities for profitable farming/fishing. Proposed projects and location for the next quarter are as follows:

- 1 seaweed Solar Dryer in Brgy. Bangas, Panglima Tahil, Sulu
- 1 banana consolidation and processing facility in Brgy. Baluntay, Alabel, Sarangani
- 6 multi-commodity consolidation facilities in barangays Manarapan, Carmen, and Pagangan, Aleosan, in North Cotabato; Brgy. Lutayan, Mamali, and Brgy. Bual, Isulan, in Sultan Kudarat; and in the municipality of T'boli, South Cotabato
- 1 dried fish consolidation and trading facility in Brgy. Tamontaka, Cotabato City

#### **2.4.4 Business Support Organization (BSO) Development.**

2.4.4.1 Support to new chambers of commerce:



Target: Identify and provide institutional development support to at least six (6) chambers of commerce in conflict-affected areas which have not previously received GEM assistance.

- Continue technical assistance in finalizing and updating the Chamber Policy Agenda (Pagadian, Iranon, Surigao, Maranaw, Metro Kidapawan, and Sarangani Chambers), with the expected output to consist of resolutions/agreements with concerned LGU and national government agencies;
- Provide technical assistance in conducting business training and seminars (Pagadian, Iranon, Surigao, Maranaw, Metro Kidapawan, and Sarangani Chambers); and
- Conduct capability-building training in events organizing, policy research and the formulation of policy agenda, and project development and packaging, among others;
- Conduct Team Building and Board Governance and Internal Strengthening Training for new chamber officers and staff;
- Provide technical assistance in the publication/printing of membership directories/profiles;
- Assist the Metro Kidapawan Chamber in strengthening the Carmen, Tulunan, and Greater Midsayap chambers of commerce; and
- Provide technical assistance to the Surigao Chamber in holding the 1<sup>st</sup> CARAGA Expatriate Investment and Tourism Conference in October.

#### 2.4.4.2 Support to previously-assisted (GEM 2) chambers of commerce:

Target: Identify six (6) previously-assisted (GEM-2) chambers of commerce deemed most likely to succeed in their advocacy efforts to improve LGU performance and in assisting local schools to improve the quality of education offered.

- Develop proposals and establish co-funding arrangements, and implement chambers' advocacy activities in support of their LGUs' revenue generation efforts;
- Develop proposals and establish co-funding arrangements for commodity support;
- Continue providing institutional strengthening support to partner chambers;
- Oversee implementation of communications plans/public information campaigns led by target chambers of commerce;
- Facilitate signing of TMOUs by the Chambers of Tawi-Tawi and Muslim Kutawato, with their respective local government units, and National Computer Center;
- Facilitate signing of cooperation agreement between the Iligan chamber, municipality of Balo-i, and German development agency GTZ;
- Conduct research on Adopt-an-LGU project, prepare proposals, and enroll at least one partner LGU;
- Initiate updating and improvement of one partner-LGU website;
- Submission of Bongao, Parang and Cotabato Information System Strategic Plans (ISSPs) to NCC, and the corresponding plan of Balo-i to GTZ;
- Continue to provide oversight review in the implementation of the ISSPs of Lamitan; Jolo (after NCC approval of final version), Bongao, Parang, Cotabato City and Balo-i;
- Issuance of initial draft of legislative agenda or proposed ordinances needed for the enhancement and institutionalization of the Business Permit Processing and Real Property Tax systems in each of the target LGUs;
- Complete the generation of baseline indicators by new LGUs, and improve monitoring and reporting procedures for all LGUs;
- Conduct at least one (1) training activity on Linux, PHP and MySql for all LGU IT staff;
- Install electronic Business Permit Processing and Licensing System (sBPLS) in four (4) LGUs and electronic Real Property Tax System (eRPTS) in all LGUs;

- Oversee chambers' initiatives in reviewing LGU manual recording systems for Business Permit Processing and Real Property Taxation for each target LGU;
- Finalize flowcharts of all LGUs' existing procedures and provide the TWGs with inputs on improving manual procedures;
- Oversee implementation of improvements to the LGUs' BPLS manual processing procedures;
- Progressive identification and complementation of LGU revenue generation activities with other USAID programs;
- Continue working with LGU partners of the GEM governance team; and
- Continue working the GEM education team on chambers involved in the INVEST project.

#### 2.4.4.3 Support to Event-specific BSOs:

Target: work with approximately twenty (20) BSOs in implementing strategic "events" important to the growth of business in their areas of sectors.

- Continue technical assistance to CARAGA Chamber of Mines in the follow thru of Mining Policy Agenda;
- Continued technical assistance to the Mindanao Halal Technical Working Group; and
- Technical assistance to Oro Chamber in the conduct of Oro Best Trade Exposition on October 8-10, 2009

#### 2.4.4.4 Support to key sector BSOs (ICT, Tourism and Aqua):

Target: Provide institutional development support to five (5) BSOs working in the tourism, business process outsourcing (BPO), and aquaculture sectors, which have good potential for contributing substantially to the growth of their sectors.

- Provide institutional development to Marawi City Tourism Council and Tawi-Tawi Tourism Council, leading to the packaging of investment proposals and investors servicing and facilitation;
- Continue technical assistance to ICT Council of Iligan and National ICT Conference of the Philippines, specific to the establishment of call centers and expansion of the BPO industry in Lanao Sur, Lanao Norte, Cotabato, and the Zamboanga Peninsula;
- Provide technical assistance in conducting the 1<sup>st</sup> Mindanao High Value Aquaculture Industry Congress in November 2009;
- Provide technical assistance to the Mindanao ICT Task Force Technical Working Group led by MEDCO in conducting an ICT Infrastructure Meeting and Planning Workshop

## 2.5 Attainment of Operational Plan (OP) Targets

### FY 2009 OP Targets and Accomplishments

OP Indicators		GEM FY 09 Workplan Targets	COMPLETED				Actual TOTAL FY 09
			Qtr 1	Qtr 2	Qtr 3	Qtr 4*	
			Oct 08- Dec-08	Jan -09 - Mar 09	Apr 09 - Jun 09	July 09 - Sep 09	
7	% change in value of intra-regional exports of targeted agricultural commodities as a result of USG assistance. <sup>1/</sup>	28%					12%
8	Number of vulnerable households benefiting directly from USG assistance. <sup>2/</sup>	950	377	406	450	269	1,502
	Male		329	300	250	233	1,112
	Female		48	106	200	36	390
9	Number of producers associations, water users associations, trade and business organizations, and community-based organizations receiving USG assistance.	31	-	17 <sup>3/</sup>	-	9 <sup>4/</sup>	26
10	Number of individuals who have received USG-supported short-term agri-sector productivity training (M/F). <sup>5/</sup>	1,042	603	999	1,900	2,013	5,515
	Male		461	726	1,144	1,355	3,686
	Female		142	273	756	658	1,829
11	Number of new members in private business associations as a result of a USG assistance.	20	-	-	-	44 <sup>6/</sup>	44
12	Number of business associations and trade unions that are at least 50% self-funded as a result of USG assistance.	2	-	-	-	-	-

**Notes:**

<sup>1/</sup> OPI#7 is defined as % change in value from end of FY 2008 - end of FY 2009 of the combined total of Mindanao exports to Asian Regions and Mindanao out-shipments to the rest of the Philippines of targeted agri/aquaculture commodities. Note: FY09 4th QTR data is forecasted.

<sup>2/</sup> Beneficiaries located in ARMM & CAAM. Each community member/training participant represents 1 household in ARMM

<sup>3/</sup> BSO: 3 new, 2 previously-assisted, 0 event-specific BSO, 9 producer groups, 3 key investment sector groups= 17

<sup>4/</sup> BSO: 2 previously-assisted, 7 event-specific BSO = 9 BSOs

<sup>5/</sup> Training/workshops for fruits, vegetables and aquaculture

<sup>6/</sup> In FY09: Additional members generated by the following chambers of commerce: Surigao -6, Pagadian - 36, Iranon - 2 = Total 44

### **3.0 Workforce Preparation**

The Workforce Preparation component of GEM-3 includes five sub-components:

**Computer Literacy and Internet Connection (CLIC)** that provides computers and high speed internet connections to schools in GEM's target areas, and subsumes four "variants" as follows:

- "Standard CLIC," which will, over the course of GEM 3, provide computers and internet connections to up to 200 high schools in conflict-affected areas;
- "Computers only CLIC," which will provide additional computers to up to 200 high schools that have previously received CLIC "packages";
- "Internet only CLIC," which will provide high speed internet connections to up to 200 high schools that have received computers from the GRP or other donors;
- "Teacher CLIC," which will provide two computers, high speed internet connections and teacher training to up to 300 elementary schools in conflict-affected areas.

**Education Awareness Support Effort (EASE)**, which will provide education matching grants to the PTAs of up to 1,000 elementary or high schools in conflict-affected areas;

**Job Enabling English Proficiency (JEEP) Project**, which will assist up to twenty colleges and universities in Mindanao to augment English language instruction programs, thus assuring that selected graduating students have sufficient ability in the language to compete successfully for employment in those areas that require high degrees of English proficiency as a condition of employment.

**Investments in Vocational, Elementary, Secondary and Tertiary Studies (INVESTS)**, which will provide up to 150 secondary, vocational, elementary and college/university students with financial support required for them to take advantage of desirable, employment-related training opportunities or to remain in school;

**Productive Internships in Dynamic Enterprises (PRIDE)**, which will provide up to twenty-five recent college graduates per year with 3-5 month internships in national or international corporations;

#### **3.1 Performance objectives/expected outputs for the quarter**

The performance objectives and outcomes for the fiscal year, relative to each of the initiatives delineated are presented below:

##### **3.1.1 Computer Literacy and Internet Connection (CLIC)**

General:

**Resolve connection, hardware and software issues at GEM 2 partner schools, as identified by the Beneficial Use Monitoring (BUM) Team** – During the quarter, CLIC

technical specialists visited 33 schools bringing the total number of schools visited during the fiscal year to 499. The number of schools with connection, hardware and software problems has been reduced every month.

**Provide continuous technical support to CLIC schools through the *CLIC Technical Forum***, which enables laboratory managers at CLIC schools to interact directly with CLIC technical specialists. The forum *has been utilized, during the quarter, by 409 CLIC partner schools*, thus enabling laboratory managers to resolve problems quickly and obviating, in most cases, the need for immediate visitation by a CLIC technical specialist.

*Standard CLIC:*

According to GEM's approved Annual Work Plan, 110 standard CLIC schools should have been completed by the end of September, 2009. CLIC has completed 98 installations to date—and 28 during the quarter. *GEM is still waiting for USAID approval of the SAF for the final twelve schools.*

Monthly emails and “status checks” of all partner schools – Monthly emails are sent by the CLIC Manager to all schools, and the number of responses per month has increased since the last quarter, with approximately 65% of all partner schools responding. The percentage of “connected” schools is significantly greater than 65% since not all “connected” schools respond every month.

*Teacher CLIC:*

According to GEM's Annual Work Plan 50 “Teacher-CLIC” installations should have been completed by the end of September, 2009. Teacher-CLIC “packages” have been provided to fifty-five elementary schools thus exceeding slightly the annual target. .

Monthly emails and “status checks” have been sent to all of the Teacher CLIC schools, and all schools have responded.

*Computers Only CLIC:*

According to GEM's approved Annual Work Plan, 30 schools should have been provided with additional PCs by September, 2009. To date, 34 schools have been provided with an additional two to four computers, thus slightly exceeding the annual target. Computers were provided only to CLIC partner schools that have maintained their internet connections and computers in satisfactory operating condition. The new computers provided by CLIC were connected to the internet utilizing the original CLIC connections.

*Internet Only CLIC:*

According to GEM's Annual Work Plan, by the end of September, 2009, 30 internet connections should have been provided to schools that have received computers—but no internet connections—from other donors. Two schools received such connections during the quarter, and for the fiscal year, 18 schools have been provided with internet connections. Per GEM's discussions during the quarter with USAID, schools lacking internet connections and located in GEM's target areas are situated in remote areas where the only feasible means of establishing internet connections is through satellite.

Given the high one-time cost of establishing satellite connections, USAID and GEM agreed that no additional schools beyond the 18 that have received connections will be identified.

### 3.1.2 Education Awareness Support Effort (EASE)

Objectives for the quarter, and accomplishments related to the objectives, are described below:

- Submit fifteen SAF funding approval requests – *seventy requests for approval were submitted during the quarter;*
- Sign Letters of Undertaking (LOU) for fifteen matching grants – *Letters of undertaking were signed for eighty-eight (88) matching grants;*
- Collect cost-share documents for twenty-five Matching Grant schools – *Documentation was collected from one hundred two (102) schools;*
- Procure materials to implement thirty-five matching grants – *Procurements were undertaken for one hundred two (102) school;*
- Delivery and complete implementation of twenty-seven matching grants – *Seventy-seven (77) matching grants were completed during the quarter.*

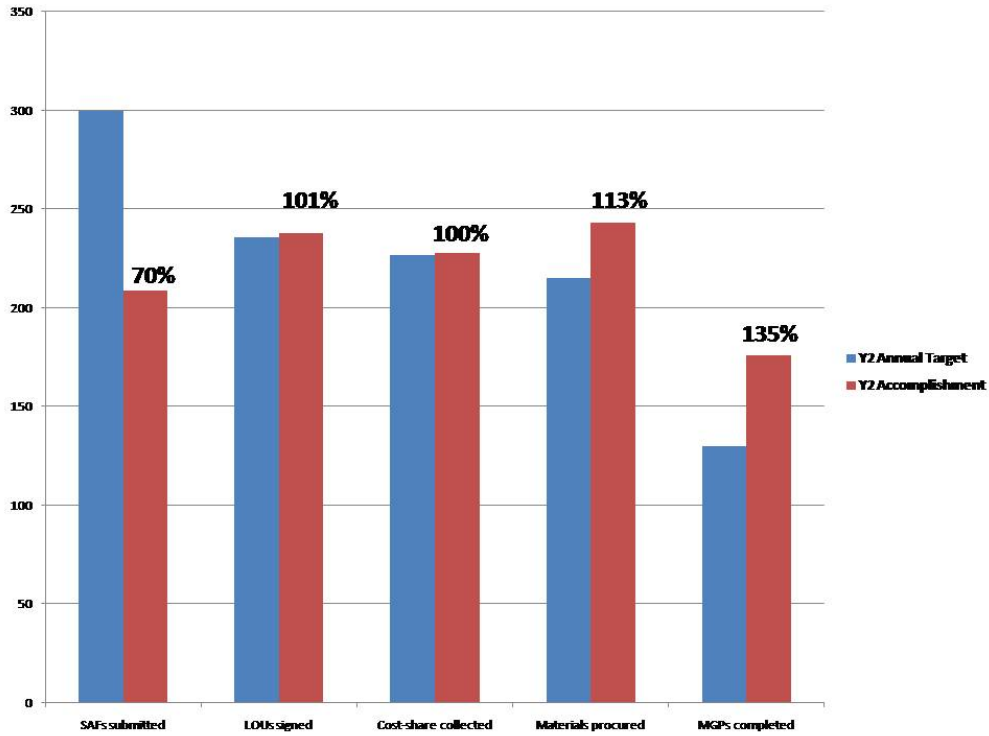
Targets for the fiscal year were as delineated below:

- Submit three hundred SAF funding approval requests;
- Sign Letters of Undertaking (LOU) for two hundred thirty-six matching grants
- Collect cost-share documents for two hundred twenty-seven Matching Grant schools;
- Procure materials to implement two hundred fifteen matching grants;
- Delivery and complete implementation of one hundred thirty matching grants.

EASE outcomes for the fiscal year are presented in the following table and in the bar graph presented below:

	Y2 Annual Target	Y2 Accomplishment
SAFs submitted	300	209
LOUs signed	236	238
Cost-share collected	227	228
Materials procured	215	243
MGPs completed	130	176

**SUMMARY of Year 2 Targets VS Year 2 Accomplishments EASE**



**3.1.3 Job Enabling English Proficiency (JEEP) Project**

**Enroll approximately 2,500 students in JEEP–Start courses at the universities -**  
 The total current total enrollment in JEEP for the first semester that it has been offered is 2,202, as illustrated in the table presented below.

Name of School	No. of Students
1. Western Mindanao State University (WMSU)	324
2. Zamboanga State College of Marine Science and Technology (ZSCMST)	459
3. Bukidnon State University (BSU)	513
4. Capitol University (CU)	484
5. Mindanao State University (MSU) - Marawi	227
6. MSU-Iligan Institute of Technology (IIT)	195
<b>TOTAL</b>	<b>2202</b>

**Administer baseline standardized tests to sample of JEEP and non-JEEP students**

– A total of 250 JEEP students and 100 non-JEEP students will take the TOEIC exam from September 28 to October 2. The contract to administer the exam was awarded to Interactive Language Solutions (ILS), a Manila-based provider.

**Develop student profile/enrollment data reports for submission to USAID.** –

Enrolment data reports have been regularly reported to USAID. Additional data needed for student profiles are being updated and incorporated in the Records Manager of each school.

**Negotiating and signing memoranda of understanding with at least seven, and up to eight additional partner colleges or universities in Mindanao** –

Seven additional colleges (4 public and 3 private colleges) have agreed to implement JEEP by November. The colleges that have agreed to date are delineated below:

1. Davao Merchant Marine Academy (DMMA) College of Southern Philippines (private) in Davao City
2. University of Mindanao (UM) in Davao City
3. University of Southern Mindanao (USM) in Kabacan, North Cotabato
4. St. Joseph Institute of Technology (SJIT) in Butuan
5. Mindanao University of Science and Technology (MUST) in Cagayan de Oro City
6. Central Mindanao State University in Bukidnon
7. Misamis Oriental State College of Agriculture and Technology in Misamis Oriental

Draft Memoranda of Understanding covering the implementation of JEEP have been sent to each school, and discussed and clarified. MOUs will be signed subsequent to USAID approval of the SAF Request.

**Presentations to Presidents, senior administrators, deans and other faculty at each of eight colleges and/or universities** –

Presentations have been made to each of the five universities mentioned above, and to the following colleges:

1. Notre Dame of Marbel University (NDMU) in Koronadal
2. MSU-Gen. Santos in Gen. Santos
3. University of Southeastern Philippines (USEP) in Davao City
4. Liceo de Cagayan University in Cagayan de Oro
5. Father Saturnino Urios University in Butuan City
6. Misamis Oriental State College of Agriculture and Technology in Misamis Oriental
7. Central Mindanao University in Bukidnon

**Develop procurement inputs requisite to the purchase of computers and software for new JEEP laboratories** –

Procurement requirements for computers and software for seven confirmed colleges have been submitted to the Contracts Office for bidding. The deadline for the submission of bids from prospective suppliers is the first week of October.



**Submission of SAF requests to support up to seven new partner colleges to USAID** A SAF Request for seven partner colleges will be submitted to USAID and to MEDCo at the beginning of the next quarter.

**Recruiting the team of researchers and development specialists who will help to develop inputs for JEEP – Accelerate and producing draft course outlines and descriptions of JEEP Accelerate courses. This target includes three subordinate outcomes:**

1. Develop scopes of work for each position – Scopes of Work have been developed;
2. Identify individuals and secure USAID permission to retain as consultants – Five of the six consultants were identified. During GEM's internal employment history/credentials verification process however, three prospective consultants were dropped or withdrew voluntarily. Only two consultants—both from the Maritime sector—have been verified, and a request for approval has been submitted to USAID. The remaining four consultants will be identified at the beginning of the next quarter.
3. Develop draft course outlines and syllabi. – This task has been postponed until the first month of the next quarter.

Sorayda Adiong was appointed JEEP Administrator, and commenced work in early August, joining Dr. Melanie Arcillas and JEEP Advisor Kerry O'Sullivan. JEEP Technical Assistant Michelle Golajer's contract will end this quarter and recruitment for a replacement is ongoing.

The team prepared plans, procedures, and instruments to monitor and evaluate the program once implemented. Priorities include the monitoring of compliance, and an evaluation of the quality of teaching.

Throughout the quarter, the JEEP team, ILS and computer suppliers maintained the efficiency of the JEEP laboratories of the six Block1 colleges. Regular calls and maintenance checks (remote and onsite) were conducted.

Monitoring and evaluation visits were conducted at each of the current six partner colleges, and prolonged "feedback" meetings were held with college and university presidents, senior administrators, Jeep Coordinators and teachers.

Throughout the quarter, JEEP redesigned, produced and distributed promotional materials, and brochures, including tarpaulin posters and signs.

#### 3.1.4 Investments in Vocational, Elementary, Secondary, and Tertiary Studies (INVESTS)

The performance objectives and outcomes for the quarter and for the year are presented below:

During the quarter, Identify ten students to receive scholarships for pursuit of Mining Engineering degrees at University of the Philippines Diliman, Cebu Institute of Technology or Palawan State University and award scholarships;

During the fiscal year, provide financial support to 105 students.

Submit SAFs to USAID for the award of vocational and/or tertiary scholarships for up to fifty-four additional students; and

Continue to identify additional potential opportunities and submit to USAID for comment.

### 3.1.5 Productive Internships in Dynamic Enterprises (PRIDE)

**Finalize and sign MOAs with confirmed private sector PRIDE partners** - Draft partnership agreements with all partner companies are being finalized and the formal signing will take place during the official launch of PRIDE scheduled tentatively for November.

**Recruit companies which have intern requests appropriate to the current available supply of graduates i.e. business administration/management graduates** - PRIDE is currently in discussions with Jollibee and Unilever for possible deployment of business administration/management interns to their companies. However, Unilever's intern requests may only come in the first quarter of Jan. 2010, and Microsoft Philippines has agreed to take in management/marketing graduates as interns. However, deployment will be in Dec. 2009 / Jan. 2010.

**Recruit 30 graduates for enrolment into the PRIDE internships** - Recruitment of graduates has been on-going to fill up the current intern requests of partner companies. However, it has been difficult to fill current intern requests since the skills needed are specialized, primarily within the fields engineering, pharmacy, biology, and architecture. To date, 88 recent graduates have been invited to participate in the program.

**Generate and place regular newspaper ads/press releases regarding current PRIDE intern vacancies** - An ad was placed in a national newspaper last 13 September 2009.

**Identify and visit appropriate review centers** - This objective was not met due to lack of manpower. However since additional GEM staff have recently been assigned to assist in PRIDE, the objective will be met during the next quarter. PRIDE posters—which have been approved by USAID—will be placed in selected review centers.

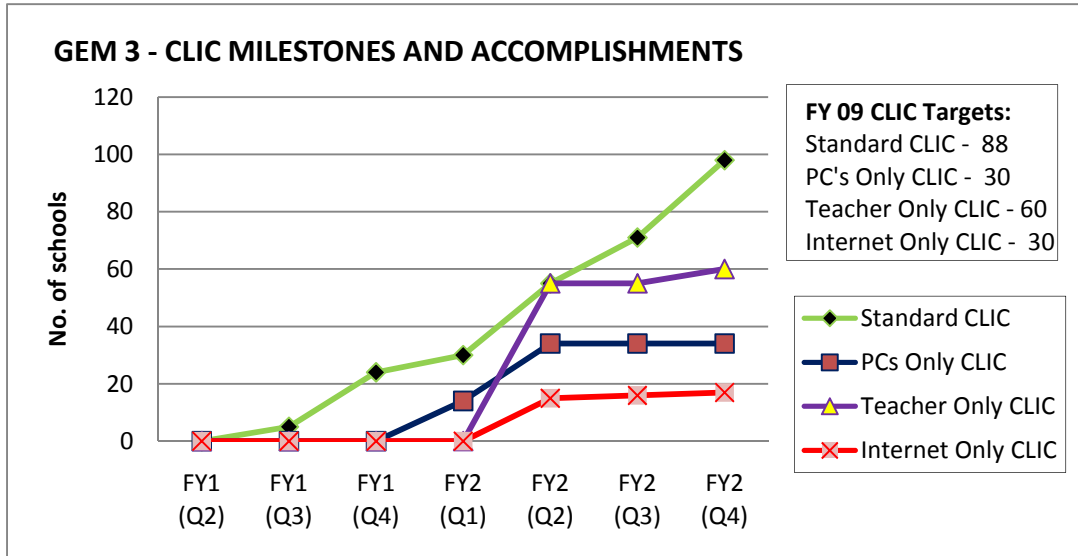
**Present an overview of PRIDE to appropriate committees of the American Chamber of Commerce, the Makati Business Club and other appropriate national and international Business support organizations.** – PRIDE staff has met with the Executive Director of AMCHAM, who has scheduled PRIDE presentations to appropriate AmCham sub-committees. The presentations will be conducted at the beginning of next quarter. In addition, the PRIDE program was presented to the Mindanao Chamber Presidents during the last month of the quarter.

**Deploy up to twenty-five additional interns** - Currently, there are three interns deployed to KFC Philippines, and two interns have been deployed to Interphil Laboratories in early October. Three additional interns will be deployed to Globe Telecom in October.

### 3.2 Summary of Major Accomplishments during the quarter and unexpected or Planned outcomes/activities during the quarter

#### 3.2.1 CLIC

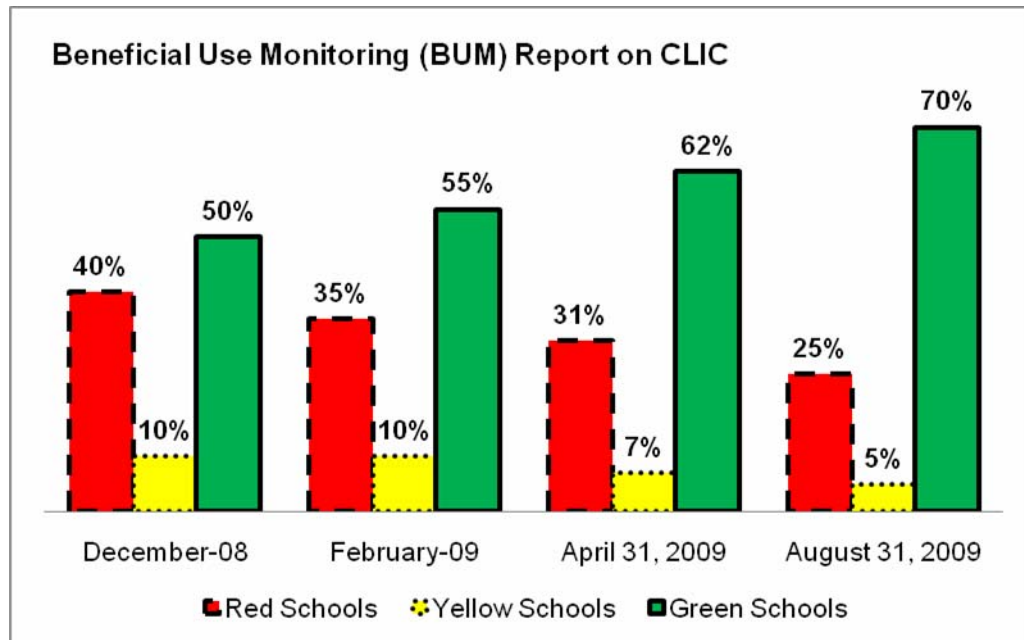
The quarter-by-quarter and cumulative accomplishments of CLIC—for each CLIC variant—are summarized on the graph that follows.



- Installed computers and internet in 28 new CLIC partner schools under variant “Standard CLIC”;
- Installed internet in 2 new CLIC partner school under variant “Internet Only CLIC”;
- Installed computers in 5 new CLIC partner school under variant “Teacher Only CLIC”;
- Visited 102 GEM 2 CLIC-assisted schools identified mostly as “red” or “yellow” in BUM reports;
- Continued conducting site visits and validation of counterpart requirements;
- Monitored performance of new and GEM 2 CLIC-assisted schools, both through site visits and via the *CLIC Technical Forum*, which is available, via the internet, to all CLIC laboratory managers, school/PTCA officials, PC suppliers and Internet Service Providers.
- Though there are no “sustainability” targets in the GEM work plan, the CLIC team has established the objective of maintaining the network at a “readiness” level of 90% or above. This means that at any given time, no more than 10% of the CLIC schools will be offline. Activities pertaining to the maintenance and sustainability of the network are ongoing, and include the following:
  - Visits to “red” and “yellow” schools identified by the Beneficial Use Monitoring (BUM) team** - To date, CLIC technical specialists have made site visits to 499 schools visited by BUM. Additional schools are being visited every week. *The visits made to date have resulted in reductions of schools categorized as “red,” from 35% to 25%, and “yellow,” 10% to 5%.* Most schools are classified

as “red” due to the cessation of commercial activities by several internet service providers in the area (DC tech, AZCom and Horizon). GEM is assisting each of these schools to transition to another provider, and the transition will be largely completed by the first quarter of FY3. Once the “migration” is complete, the percentage of “red” schools will fall dramatically. Each month these numbers improve.

- ii. The progress made throughout the year is illustrated on the bar chart presented below.



“Red” schools are those with no Internet connections.

“Yellow” schools may be so categorized because of either slow or intermittent Internet connections and/or the presence of two or more non-functioning computers.

“Green” schools are those with fully functional Internet connections and fully functional computers.

### 3.2.2 EASE

EASE accomplishments for the quarter and the fiscal year are summarized in section 3.1.2 above. In addition, in partnership with the Children International Foundation of the United States, EASE conducted a Book Turn-over of some 36,000 American text books in Science, English and Mathematics to fifty (50) EASE-assisted schools in General Santos City, Sultan Kudarat and Sarangani.

### 3.2.3 JEEP

- JEEP – Start is being implemented at six universities and colleges in Mindanao;
- Seven additional JEEP partners have been identified, and will begin implementing JEEP – Start during the beginning of the second semester of the academic year;

- TOEIC tests have been administered to a stratified random sample of 350 JEEP and non-JEEP students;
- Four resource consultants to aid in the preparation of JEEP – Accelerate courses have been identified;

#### 3.2.4 INVESTS

- A presentation on INVESTS to the Mindanao-based chamber presidents was made during the Chamber Presidents' Forum at the Mindanao Business Conference in Koronadal, South Cotabato. As a result of the presentation, a number of chamber presidents expressed interest and support of the program. Opportunities arising from this presentation will be presented to USAID during the next quarter;
- Visits to introduce INVESTS were made to seven colleges and universities in Zamboanga and the Marawi area;
- Fifteen students, including two women, are enrolled as full-time students in programs leading to the degree of Bachelor of Science in Mining Engineering. The institutions at which they are studying are as follows: six at the Cebu Institute of Technology (CIT) and eight at the Palawan State University (PSU) and one at the University of the Philippines Diliman. Costs pertaining to one CIT students are being shared by Tribal Mining Corporation in South Cotabato.
- Two secondary students are continuing their studies at the Talayan National High School. INVESTS shares the expenses with the school's PTA.
- School fees and other school-related costs of fifteen high school students at the MSU Maguindanao Integrated Science High School are being met equally by INVESTS and the PTA.
- Enhanced skill training is being provided to twenty-two vocational trainers from the Mahardika Institute of Technology (MIT) in Bongao. The initiative is being co-funded with the Tawi-Tawi Chamber of Commerce and Industry.
- Over the course of the fiscal year, INVESTS has provided support to fifty-one students.

#### 3.2.5 PRIDE

- PRIDE has negotiated partnerships with eight companies: KFC Philippines, Interphil Laboratories, JG Summit, Architects Inc., Globe Telecom, Microsoft Philippines, SM Investments and recently, CISCO Systems.
- PRIDE has invited approximately 30 more graduates to apply for the program, and had conducted initial interviews and testing for these graduates. Twelve applicants are being assessed for four intern positions.
- Two interns were deployed during September to Interphil Laboratories and another three interns are scheduled to begin internships at Globe Telecom in late October.

- KFC Philippines has informed GEM-PRIDE that it will accept additional interns beginning in January, 2010.
- Due to transition and organizational restructuring, Microsoft Philippines has informed GEM that it will be unable to accept interns until January 2010.
- PRIDE has fourteen “open” requests for interns: Interphil -4, Globe Telecom-3, and SM Investments-7. The skills being requested are technical and therefore present a challenge.
- The request from JG Summit, for three interns, will not be filled this year as GEM was not able to identify appropriate applicants in time to meet an April 20, 2009 deadline. JG Summit will open its doors again to interns in January-April 2010.
- On behalf of PRIDE, GEM staff visited 11 universities to present the PRIDE program and to request a list of recent graduates. Most of the schools provided a list of their 2009 graduates, but unfortunately no contact information was available for the majority of the graduates.

### **3.3 Outstanding Issues and Implementation Problems and Options for Resolving these Problems and Issues**

#### **3.3.1 CLIC**

- DC Tech, one of the larger ISPs utilized by CLIC during GEM 2 and at the beginning of GEM 3, ceased operations in some key areas of CLIC operations. This commercial decision effectively terminated the internet connections of over 100 CLIC schools that had historically relied on the company as an Internet Service Provider (ISP).

GEM staff has worked in close collaboration with the schools and with alternative service providers to re-establish internet connections as quickly as possible. In the future, the affected schools will be served either by We Are IT—in the case of remote schools requiring satellite-based connections—or SMART telecommunications, in the case of schools in urban or peri-urban areas.

The “one-time” installation costs associated with satellite-based internet connections are significantly higher than the costs of establishing DSL or microwave-based connections. Many of the affected schools could not have afforded the cost of the transition to the WeAreIT provider without assistance. Therefore, with concurrence from USAID, schools were encouraged to apply for education matching grants from the EASE project, to defray half of the approximately Php55, 000 installation cost. To date applications from approximately half of the affected schools have been approved by USAID.

- AZ Communications, another ISP utilized extensively during GEM 2, has recently upgraded its technology, to the extent that schools historically served by this ISP would be required to upgrade the original equipment resulting, in turn, in a dramatic increase monthly internet fees. Because of the sharply increased cost, most of these schools did not renew their contracts with AZ Communications and received assistance from GEM staff in identifying less expensive alternatives.

To provide such assistance, CLIC staff conducted a series of meetings with school representatives. Many of these schools are located in remote areas requiring satellite-based connections. As described above, these schools were also encouraged, with concurrence from USAID, to apply for education matching grants from the EASE Project. *To date, the applications of 29 of these schools have been approved by USAID.*

- Over the past two years, the number of ISPs serving CLIC's target areas has shrunk to two: Smart wireless broadband, which provides microwave-based services, but only in urban and peri-urban areas and We Are It, which provides VSAT-based internet connections. As indicated earlier however, the "one-time" installation cost of the VSAT-based connections is high, though the connections are extremely reliable.

As a consequence of the paucity of ISPs, CLIC installation schedules have become overly dependent on the availability of equipment and field staff of these two providers. GEM remains constantly vigilant in its search for additional ISPs in its target areas however, and, since Globe has recently decided to expand its areas of microwave-based coverage, the situation may improve during the next fiscal year.

- The turnover of trained CLIC laboratory managers continued to be high. Typically, laboratory managers who have received training from GEM are replaced by individuals with little or no skills in network operations and maintenance. The lack of unskilled personnel results in increased downtime for individual schools. GEM has attempted to counter this problem by training a minimum of two teachers at each school, in the expectation that both people are not likely to be replaced at the same time, and by encouraging—through monthly emails, text messages and site visits—the increased utilization of the CLIC Technical Forum. Though these actions have yielded positive results, the need for continuous training will not diminish. Thus, during the next fiscal year CLIC will continue its current monthly practice of identifying changes in the status of laboratory managers and promptly scheduling training for all new managers.
- The network of CLIC partner schools expands month-to-month, and now consists of 864 schools throughout conflict-affected areas of Mindanao. Sustaining the network—in terms of computer operability and internet connections—has become a continuous challenge, and the CLIC team—through on-site visits, training of lab managers and constant monitoring has taken the necessary steps to rectify problems at individual schools and to reduce the incidence of recurrent problems.

### 3.3.2 EASE

- Due to security concerns, a travel ban was imposed in Basilan and Sulu Provinces. Many of the schools scheduled for delivery, signing of letters of undertaking and/or the signing and collection of cost-share documents are located in these areas. *These activities will be resumed once the travel ban is lifted.*
- There have been some delays in the installation of MGPs for internet migration due to the lack of equipment. – *Installation will be completed once the equipment arrives.*

### 3.3.3 JEEP

Since JEEP is a new and complex project that demands reasonably extensive adaptation of current practice on the part of the partner institutions, the implementation of the program has presented various challenges at the partner colleges.

At most of the state-owned partner colleges, “electives,” or optional courses are not offered. Thus, for the most part, all students enrolled within a given course of study—such as nursing, or civil engineering or HRM—must enroll in the same courses. At many colleges then, JEEP is the first “elective” course ever offered, and the concept of non-required coursework in which students may choose whether or not to enroll is novel, and perceived by administrators at some colleges somewhat threatening to historic patterns.

Based on “lessons learned” during initial implementation, JEEP staff has begun to anticipate these problems, and to discuss these subjects and others during continuous dialogue with JEEP teachers and school administrators thus hoping to ameliorate the severity of the problems as and if they occur.

The major implementation issues broken down into generic areas are as follows:

*Integration and institutionalization:*

- JEEP is currently “bolted on” as an adjunct to other curricular requirements – and school administrators have/are debating how best to integrate it into the curriculum. In collaboration with JEEP staff, problems associated with integration are being overcome;
- Three colleges: Capitol, Bukidnon State University and ZSCMST have presented JEEP to their boards of directors, received approval to offer the course, and are offering JEEP as a 6 unit (credit) subject requiring six hours a week.
- The problem has been recognized by the other three colleges: WMSU, MSU – Marawi and MSU IIT, each of which has prepared proposals to be brought before their boards of directors prior to the beginning of the second semester.
- Since the curriculum is already “full” of required subjects, all colleges are keeping the labs open 6-7 days a week and 10-13 hours per day. **Late classes report full attendance.** This strategy appears to be effective, as quick checks of the records manager indicate that students are receiving the required 6 hours of instruction per week.
- Since integration appears to be a common and recurrent issue, we’ve incorporated the subject into discussions with prospective partner colleges and have requested that each school explain to us how it plans to integrate JEEP from the first day of the implementation.

*Standards and screening:*

- JEEP has established standards for entrée into the project as follows: Nursing, 1.5 and above; BPO 1.2 and above; HRM, 1.0 and above, and Maritime, .7 and above.
- Pre-test scores were supplemented by responses to a simple questionnaire prepared by GEM’s consultant, Kerry O’Sullivan, and analyzed by JEEP teachers and coordinators.



- Application of the “score” standards varies, to a large extent with the exception of nursing, for which scores have been applied with reasonable consistency. Colleges contend, almost uniformly, that they have to consider the following:
  - i. Most students come from public colleges in Mindanao, with an insufficient grounding in English, thus the mandated scores may be too high;
  - ii. Some—and the teachers would argue many—students’ scores did not reflect their abilities since students were confused by the new hardware and software, and thus either could not complete the tests and/or utilized the space bar inappropriately prompting a disproportionately high number of incorrect answers. To lessen the probability that students’ scores are affected negatively because of unfamiliarity with the software and hardware, *GEM has recommended to all new partner schools that students be given 30-40 minutes to familiarize themselves with theses prior to taking the placement examinations.*
  - iii. Aside from nurses, who must cope with firm international criteria imposed by the use of IELTS and TOEFL, the criteria for English proficiency are neither uniform nor standardized for other students.
  - iv. Teachers utilized their assessment of students’ English in many cases where they felt the pre-test did not present an accurate reflection of students’ proficiency.
- Many colleges have established a “two tiered” program: those meeting/exceeding GEM-imposed entry requirements are tracked separately and get “prime time” lab slots, and students failing to meet the standards are assigned to off-hours classes/lab times.

*The “required/elective – credit/no-credit” issue:*

- Within many, if not most state-funded colleges in Mindanao, there is no such thing as an “elective” course. *That is, within given curricula—nursing, HRM, etc.—all courses are required, and students move in lockstep through the courses.* The curriculum is rigid.
- “Optional” courses carry no credits (units) and thus students are apt to approach them less seriously, and to attend more erratically. *Faculties believe that to ensure the requisite 6 hours per week exposure, JEEP must be offered for credit.*
- Offering a course for credit requires board of directors’ approval, which does not appear to be a problem. *However, it also means that the course then becomes “required” for all students within a given course of study.* If the course is required, then it must be open to all students—within a given year, and a given program—which may put us again back to a two-tiered system at some colleges. *From the standpoint of tracking students’ proficiency gains, this will not present a problem as the results of each such group will be analyzed separately.*
- Tracking and reporting on students within a two-tiered system is not a problem, given the data available through the records manager.
- ILS has no problems generating reports to GEM segregated by tier.

*Lab fees/financial issues:*

- All colleges are collecting lab fees, which vary from Php750 to Php1, 500 per semester, depending on the costs that individual colleges are amortizing.
- Students at MSU – Marawi and WMSU pay tuition ranging from Php30-Php50 per credit hour—with 26 credits taken during a typical semester—so the cost of JEEP for some students is higher than their tuition for all other course combined. This is allegedly a significant problem for some students.
- Potential solutions discussed by some colleges include: charging those who can pay slightly higher rates to provide sufficient funds to allow for scholarships or partial scholarships for those who cannot pay; subsidizing some of the lab fees from school operating funds; “selling” adult English literacy courses to community residents during the summer break. Issues pertaining to fees will be resolved by the beginning of the second semester, and the solutions adopted will be reported by GEM in the next Quarterly Report.

*Support from CHED:*

- CHED will likely be an enthusiastic supporter of the project, since it fits in with an emerging English language, student-center programmatic approach that CHED is trying to articulate and advocate;
- If CHED becomes an enthusiastic supporter, it *may*:
  - i. Allocate additional paid faculty slots to partner colleges, which will ease the financial strain of adding “dedicated” JEEP instructors;
  - ii. Grant blanket authorization to the program, thus automatically granting permission for colleges to offer JEEP as a credit-generating course.

### 3.3.4 INVESTS

- During the quarter some difficulties in the disbursement of funds to recipients were encountered, especially in the case of the Mining Engineering students who, because of bank procedures, were unable to open accounts within the predicted timeframe. This problem has been resolved and will not recur.
- Mining Engineering Scholarship recipients are enrolled in schools outside of Mindanao, which complicates *in situ* monitoring. However, GEM has established strong relationships with the Registrar’s office at each school and has arranged to receive special progress reports on each student at the beginning of the next quarter. Per GEM’s arrangement with the schools, INVESTS will also receive copies of the students’ transcripts prior to the beginning of the next semester.
- Some of the Mining Engineering students experienced initial adjustment problems, since for many, this was their first experience in living away from their homes and families. Close telephone contact however, has been maintained with each student, and all students remain in place and appear to have adjusted well to their new surroundings.

### 3.3.5 PRIDE

- Significant difficulty was encountered in trying to recruit sufficient numbers of students to meet outstanding requests. Difficulties are attributed to the following factors:
  - i. Intern recruitment was initiated too close to the end of the semester. Thus, in the future, recruitment will be continuous, with a “special” emphasis on school visits 2-3 months prior to the conclusion of the second semester.
  - ii. PRIDE received insufficient publicity on the university and college campuses. To overcome this problem, PRIDE has developed special recruitment posters that are being placed on the bulletin boards and appropriate departmental offices of selected universities. USAID has approved the poster, and GEM field offices are assisting in placing the materials.
  - iii. The requests emanating from some partners—such as KFC, InterPhil and J.G. Summit—called for highly specialized skill sets that were difficult to fulfill. PRIDE is now recruiting additional companies—such as Globe, Microsoft and Intel—whose requests call for more general skill sets.
- The global recession has had dramatic effects on large multinational and national companies in the Philippines, many of which were reluctant to accept interns during periods of severe cutbacks in their permanent workforce. Several companies, including Microsoft, Intel and Cisco Systems delayed initiating internship partnerships with PRIDE for one to two quarters, thus curtailing the number of interns deployed during the fiscal year.
- *Since applicants are typically identified in small batches, it is difficult to schedule testing and interview sessions – for companies requiring such extensive participation – and to remain cost efficient. Thus, applicants may lose interest due to the waiting period or GEM may be unable to fill the company’s requests on time. GEM’s strategy for overcoming this problem is twofold: first, GEM will recruit companies that do not require extensive examinations and interviews. For those companies insisting on this degree of involvement in the selection of interns, we propose to conduct testing and interview sessions quickly, though number of applicants may be small and to fund travel expenses of applicants to and from testing and interview venues if necessary.*

## 3.4 Planned Performance Objectives for the Next Quarter

### 3.4.1 CLIC

- Install “standard” CLIC “packages” in 26 new partner schools.
- Complete visits to at least 100 CLIC schools identified mostly as “yellow” or “red” in the BUM report and rectify outstanding problems at a minimum in 75% of these schools, and reduce the total number of “red” schools to no more than 10%.
- Provide intensive training in network management, network operations and troubleshooting to at least 100 new managers of CLIC laboratories.

- Provide 2 day basic training (to be done by CLIC technical specialists) in network management, network operations and basic troubleshooting to at least 100 old and new managers of CLIC laboratories;

*As concurred with USAID, "standard" CLIC will cease to provide services to new partner schools at the end of the second quarter of fiscal year 2010, by which time the project will have established a network of slightly over 900 partner schools throughout conflict-affected areas of Mindanao. By the end of June, 2010, CLIC will have provided—since its inception—computers and internet connections to approximately 92% of the schools in its addressable universe. The small number of schools remaining are either too small to ensure sustainability of the internet connections and computers and/or do not have access to stable, reliable electrical power. All other CLIC variants will be discontinued at the end of this fiscal year.*

CLIC will however, continue to provide monitoring, technical support and training to the established network of schools throughout the remaining duration of GEM 3.

#### 3.4.2 EASE

- Submit ten SAF funding approval requests;
- Sign Letter of Understanding (LOU) for ten matching grants;
- Collect cost-share documents for thirty-five MG schools;
- Procure materials to implement fifty matching grants;
- Deliver and complete implementation of fifty matching grants.

#### 3.4.3 JEEP

- Overseeing and monitoring the full-scale implementation of JEEP Start at each of six partner colleges under Block1;
- Overseeing the implementation of JEEP at seven new partner colleges;
- Begin development of all JEEP Accelerate courses;
- Maintain enrollment of approximately 2,000 students in JEEP – Start courses at the universities who started in the June-July 2009 under Block1;
- Develop student profile/enrollment data reports for submission to USAID;
- Negotiating and signing memoranda of understanding with at least six, and up to seven additional partner colleges or universities in Mindanao;
- Submission of SAF requests to support up to seven new partner colleges to USAID;
- Recruiting the team of researchers and development specialists who will help to develop inputs for JEEP – Accelerate and producing draft course outlines and descriptions of JEEP Accelerate courses;

- Identify four more individuals (2 for BPO and 2 for HRM) and secure USAID permission to retain as consultants and begin working with six JEEP-Accelerate research consultants;
- Develop draft course outlines and syllabi for JEEP Accelerate
- Hire JEEP Project Manager;
- Initiate procurement of all hardware and software for 7 new labs;
- Identify all teachers to be trained and schedule training for October; and
- Continue monitoring visits.

#### 3.4.4 INVESTS

- Submit SAFs to USAID for the award of vocational, elementary, secondary and/or tertiary scholarships for up to twenty-five additional students;
- Host and official INVESTS Launch in Manila in Oct/Nov 2009;
- Identify three additional scholarship categories—such as “animation,” “network mechanics and maintenance,” and “underwater welding,”—that will attract support from INVESTS;
- Identify additional partner organizations;
- Prepare/review scholarship proposals;
- Publicize programs at appropriate Mindanao Universities;
- Identify additional Mining Engineering scholars.

#### 3.4.5 PRIDE

- Finalize and sign MOAs with all confirmed private sector PRIDE partners through an official launch of the program
- Recruit an additional 5 companies
- Recruit additional 25 graduates to apply for the PRIDE internships
- Visit universities in Zamboanga
- Revisit MSU in Marawi, Iligan and General Santos to get list of graduating students in Oct 2009
- Come out with 1-2 newspaper ads/press releases regarding current PRIDE intern vacancies
- Deploy up to twenty additional interns by end of Dec. 2009

### 3.5 Attainment of Operational Plan (OP) Targets

#### FY 2009 OP Targets and Accomplishments

OP Indicators		GEM FY 09 Workplan Targets	COMPLETED				Actual TOTAL FY 09
			Qtr 1	Qtr 2	Qtr 3	Qtr 4*	
			Oct 08- Dec-08	Jan -09 - Mar 09	Apr 09 - Jun 09	July 09 -Sep 09	
2	No. of people with access to internet service as a result of USG assistance	160,000	30,701	110,153	10,858	29,686	181,398
3	Total public and private \$ leveraged by USG for communications projects	\$ 800,000	\$257,809	\$ 292,752	\$ 93,837	\$204,872	\$ 949,270
8	Number of vulnerable households benefiting directly from USG assistance.*		55,316	118,692	34,933	58,556	267,497
9	Number of producers associations, water users associations, trade and business organizations, and community-based organizations receiving USG assistance.**		62	133	55	113	363

Notes:

\*Improvement to education through assistance provided under CLIC, EASE, and JEEP projects. 1 student = 1 household.

\*\*No. of school PTAs assisted by CLIC, and EASE projects. 1 school = 1 PTA.

#### 4.0 Governance Improvement

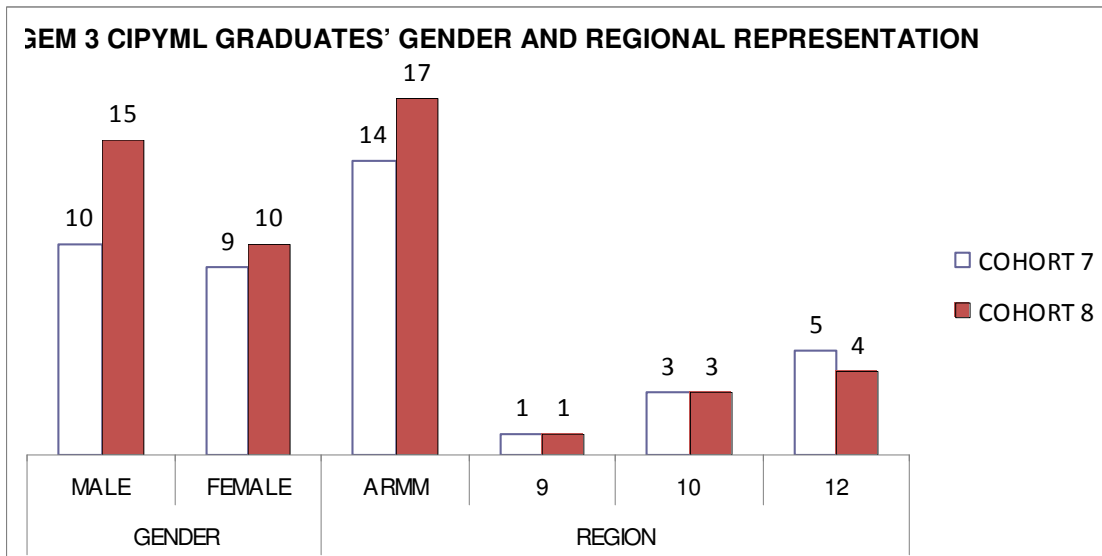
Governance activities during the quarter concentrated heavily on the completion of the technical assistance for the 5<sup>th</sup> and 6<sup>th</sup> LGUs that enrolled in the Revenue Enhancement and Progress (REAP) Project, and on analyses of the Statements of Income and Expenditures, Socio-Economic Profiles, and Annual Investment Programs of the additional three LGUs that applied for inclusion in the REAP Project.

Efforts also focused on the recruitment and selection of the interns that will comprise the 9<sup>th</sup> cohort of the Congressional Internship Program for Young Muslim Leaders (CIPYML), the hiring of a new CIPYML Program Coordinator, preparations for the “CIPYML Reunion,” and coordination with program partners for the activities of the 9<sup>th</sup> cycle of CIPYML.

##### *CIPYML Objectives and Beneficiaries*

Through the internships and more formal academic exposure that it offers, CIPYML is designed to help create a nucleus of young professionals from “underserved” communities in conflict affected regions of Mindanao committed to the establishment and development of democratic institutions. To achieve this objective, CIPYML recruits college graduates, all under the age of thirty, from conflict-affected areas of Mindanao. Typical intern cohorts include approximately equal numbers of men and women, representing a wide range of professions, interests and career objectives.

As indicated below, the ninth iteration of CIPYML—which began during GEM 2—was initiated during the quarter. To date, 168 interns, from various areas of Mindanao have “graduated” from the program, including 44 in GEM 3 as summarized in the figure and table presented below.



<b>GEM 3 CIPYML GRADUATES PER GENDER AND REGIONAL REPRESENTATION</b>						
COHORT	GENDER		REGION			
	MALE	FEMALE	ARMM	9	10	12
COHORT 7	10	9	14	1	3	5
COHORT 8	15	10	17	1	3	4

*Revenue Enhancement and Progress (REAP) Project Objectives and Beneficiaries*

Throughout the Philippines, approximately 90% of the revenues expended by local governments derive from the national government through Internal Revenue Allotments (IRA). In most cases, funds received are insufficient to provide a minimally acceptable standard of services from the local governments.

The Local Government Code of the Philippines however, gives local government units—particularly cities and municipalities—broad latitude in the imposition and collection of local revenue sources including property and business taxes. The major objective of REAP is to work with up to ten local governments from conflict-affected areas, on the development and implementation of aggressive local revenue enhancement plans, that will result in significant increases in locally-generated revenues which will be expended to improve specific, predetermined local services.

REAP is an incentive-based project, that provides local governments with “rewards” for the achievement of key milestones. Unlike most other projects of this nature, technical assistance is quite limited (“TA-lite”). Initial milestones—such as the revision of local revenue codes and the generation of plans for enhanced revenue collections—are non-financial. Achievement of these milestones precipitate the award, by GEM, of small incentives—referred to in the project as “teaser incentives—that enhance the capacity of the local governments to implement revenue generation plans. Such incentives include, for example, two to three computers and software to facilitate updating of tax revenue data bases. REAP also provides very limited short-term technical assistance to the local government units, that facilitates the latter’s capacity to design viable revenue enhancement plans, update tax maps, and to revise local tax codes.

Major incentives, in the form of physical infrastructure, are provided to local governments once predetermined, significant revenue targets have been achieved.

**4.1 Performance objectives/expected outputs for the quarter**

Governance activities for the fourth quarter focused on critical work plan tasks. Specific activities relating to each sub-program area are summarized below:

**4.1.1 Revenue Enhancement and Progress (REAP) Project for selected LGUs:**

Under the REAP Project, ten LGUs in the ARMM and CAAM will be provided assistance to realize sizeable and sustainable increases in the collection of local revenues, including real property taxes, business taxes, and other fees and charges. In year one, four LGUs in the ARMM and CAAM have received assistance under the project, and are now implementing fiscal revenue measures designed to improve and increase collection of local revenues.



The objectives for this quarter, and the accomplishments related to the objectives are described below:

- Monitor performance of the first four enrolled LGUs and provide additional assistance when needed;
- Award the second set of “teaser incentives” to the first four enrolled LGUs upon achievement of the required milestones;
- Identify additional LGUs.

Targets for the fiscal year are delineated below:

- Assess the willingness of additional potential partner LGUs to participate in the program;
- Select five additional partner LGUs;
- Assist new partner LGUs to prepare Revenue Generation Action Plans;
- Secure USAID approval for the additional LGUs;
- Sign MOUs with new partner LGUs;
- Monitor the performance of the enrolled LGUs.

#### 4.1.2 Congressional Internship Program for Young Muslim Leaders (CIPYML)

Objectives for this quarter and the accomplishments related to the objectives are described below:

- Implement the activities described in the approved SAF for the 9<sup>th</sup> CIPYML program cycle;
- Monitor program implementation and provide support to program partners when needed;

#### 4.1.3 “Other” Governance Activities

- Continue providing services as required to MEDCo in its role as Secretariat for the Mindanao Working Group

GEM provides assistance to the Mindanao Economic Development Council in its capacity as Secretariat to the Mindanao Working Group which is a sub group of the Philippines Development Forum—a group of all donor and multilateral institutions working in the Philippines. The MWG’s primary activities have been focused on the creation of a common Monitoring and Evaluation Framework to be followed by all project implementers in Mindanao, and on the formulation of a “Mindanao 2020 Peace and Development Framework Plan.” Mindanao 2020 is intended to serve as a guide to all program implementers in Mindanao thus helping Mindanao to achieve its development vision by the year 2020.

GEM’s assistance in this area included analyses of plans and procedures developed by the MWG, and suggestions for the improvement of the draft documents.

In addition to the direct technical assistance provided by Governance staff, GEM also continues to pay—with USAID concurrence—the full salary and related expenses of a MEDCo staff member assigned to monitor the implementation of selected USAID sub-projects in Mindanao under the Mindanao Peace and Development Initiatives for which MEDCo is the oversight agency. To facilitate such efforts, GEM also provides a vehicle, a driver, and all vehicle maintenance expenses to MEDCo.

**4.2 Summary of major accomplishments during the quarter as well as unexpected or unplanned outcomes/activities during the quarter**

**4.2.1 Revenue Enhancement and Progress (REAP) Project**

Performance during the quarter can be categorized into three areas: 1) activities and accomplishments related to the first four enrolled REAP LGU; 2) activities and accomplishments related to the additional two enrolled LGUs; and 3) activities related to additional LGUs to be enrolled in the project.

*Activities and accomplishments related to the first four enrolled LGUs*

- The first four LGUs enrolled in REAP are Buug in Zamboanga Sibugay, Molave and Dumingag in Zamboanga del Sur, and Lamitan in Basilan.
- Four LGUs (Buug in Zamboanga Sibugay, Molave and Dumingag in Zamboanga del Sur and Lamitan in Basilan) started implementing their Revenue Generation Action Plans starting in January, 2009. .
- Based on their six months’ revenue collection performance, all the enrolled LGUs achieved moderate to significant increases in local revenue collection as follows:

<i>LGU</i>	<i>1<sup>st</sup> Sem ‘08</i>	<i>1<sup>st</sup> Sem ‘09</i>	<i>% Increase</i>	<i>Target Increase</i>
<i>Buug</i>	<i>Php 7.27 M</i>	<i>Php 7.81 M</i>	<i>7.4%</i>	<i>61.4%</i>
<i>Dumingag</i>	<i>Php 3.55 M</i>	<i>Php 6.91 M</i>	<i>74%</i>	<i>70%</i>
<i>Lamitan</i>	<i>Php 6.13 M</i>	<i>Php 7.50 M</i>	<i>22.2%</i>	<i>71.1%</i>
<i>Molave</i>	<i>Php 11.38 M</i>	<i>Php 16.40 M</i>	<i>44%</i>	<i>66.3%</i>

- Based on the six month’s accomplishment, Dumingag met its target of a gross increase of 70% in local revenues. This can be attributed to the strong commitment of the elected officials—led by the Municipal Mayor—to intensify revenue collection efforts. To reach the barangays, the municipality made use of “trisikads”, the vehicle used in the barangays to post tax campaign materials. In addition, tax collectors went to the barangays to collect taxes due, instead of waiting for taxpayers to go to the municipality to pay their taxes.
- Molave’s six months’ performance figures indicate that the municipality will meet its target increase of 66.3% by year end.

- Molave’s Local Revenue Code and Market Code were approved by the Sangguniang Panlalawigan of Zamboanga del Sur. This approval will trigger the release of the second set of “teaser incentives” for Molave, with incentives consisting of a photocopier and a conference room sound system for the Sangguniang Pambayan.
- Lamitan’s revenue performance also showed that it may be able to meet its target of a 71.1% increase due to increased revenues of local enterprises.
- A Tax Mapping Training/Workshop was conducted for Lamitan in an effort to assist the municipality’s desire to update and complete its tax mapping records. The officers and staff of the Office of the Assessor of Lamintan learned appropriate strategies for preparing accurate tax maps with due consideration to security concerns. The strategies include: securing the support of the barangay officials who can serve as security during tax mapping operations; inviting the barangay officials and tax payers at the barangay hall to conduct the validation exercises; and comparing valuation with similarly situated properties in the neighboring municipalities.

*Activities and accomplishments relative to the second set of REAP LGUs*

- The second set of REAP LGUs are Upi and Datu Paglas in Maguindanao Province.
- Technical Assistance to help Upi and Datu Paglas—both of which are located in Maguindanao—prepare Revenue Generation Action Plans, through a training/workshop, was completed. After the training/workshop, the participants became aware that fees pertaining to Mayor’s Permits, Business Taxes, and Market Stall rentals can be collected at the same time. Participants also better understood that fees and charges should be based on the principle of “cost recovery.”
- Technical assistance to review the Local Revenue Codes of Datu Paglas and Upi through a Revenue Code/Market Code Clinic was provided. The LGUs were taught that receipts from economic enterprises should be based on the principle of “cost recovery.” The LGUs were also taught to make their Revenue Codes and Market Codes more “user-friendly” to facilitate collection.

*Activities and accomplishments related to potential REAP LGUs*

- As a result of the meeting with the LGUs in Sarangani, three LGUs from the province have applied for inclusion in the program. These are the Municipalities of Alabel, Kiamba, and Malapatan, all in Sarangani Province. Based on evaluation of the relevant documents, Alabel will be recommended for inclusion in the program. Kiamba’s documents are being evaluated.
- After receiving Malapatan’s request for inclusion and while the documents were being completed, its Municipal Mayor died of cardiac arrest. GEM was assured however, that a new letter of interest will be sent by the Vice-Mayor, who was sworn in as the new Mayor. The Sanggunian Bayan resolution authorizing the new Mayor to enrol in the REAP Project will be sent at the same time.

Accomplishments for the fiscal year

The overall accomplishments relative to REAP for the entire fiscal year are summarized below:

- Completed technical assistance on the preparation/revision of the Local Revenue Code and preparation of a Market Code for the first four REAP LGUs: Buug in Zamboanga Sibugay, Molave and Dumingag in Zamboanga del Sur, and Lamitan in Basilan. Lamitan was assisted in preparing two sets of Revenue and Market Codes; one for a Municipality in case the Supreme Court decided that Lamitan should be reverted to the status of a Municipality (which was the case), and one for a City in the event that the Supreme Court reconsiders its decision reverting Lamitan's status to that of a Municipality.
- Awarded the first set of "teaser" incentives to the four LGUs upon achievement of the agreed milestones, that included: approval of the Revenue Generation Action Plan and the allocation of an implementation budget by the Sanggunian Bayan.
- Provided additional training on Tax Mapping for the personnel of the Assessor's Office of Lamitan to help the municipality update and complete its tax maps.
- Provided technical assistance through a training/workshop on the preparation of a Local Revenue Generation Action Plans, revisions/amendments to the Local Revenue Codes, and preparation of a Market Code to two additional REAP LGUs, Datu Paglas and Upi in Maguindanao. Together with the officials of the two LGUs, each section of the Local Revenue Codes and Market Codes were reviewed, and suggestions on how to improve them were provided. The two LGUs were also taught how to capture revenues pertaining to income generated by micro enterprises in the municipality. In the case of Upi, the rates of business taxes were adjusted, and municipal impositions not covered in the Revenue Code were added. Such new revenue sources included: permit fees for excavations,; permit fees for cockpit personnel during the derby; classification of businesses by type and not by asset size; and taxes on operators of public utility vehicles. Regulatory fees and service fees were likewise adjusted based on the principle of cost recovery.
- Monitored the quarterly performance of the first four REAP LGUs. Based on the monitoring of the last two quarters, one LGU (Buug) will not meet the agreed target increase in local revenue; Lamitan may achieve its target; Molave will achieve the target increase; and Dumingag has already met its agreed increase in collection of local revenue.
- Molave has achieved the agreed milestones to trigger the release of the second set of "teaser" incentives. A SAF request will be submitted once prices for the equipment have been determined.
- Three LGUs from Sarangani Province (Alabel, Kiamba, and Malapatan) have signified their intention to enroll in REAP. The evaluation of their qualifications for participation has begun.

#### 4.2.2 Congressional Internship Program for Young Muslim Leaders

- A two-tiered selection process for the 9th cycle of the project was implemented jointly by GEM, MSU, and HOR. Of 64 applicants, 30 were selected to undergo the first phase of the program at Mindanao State University. After final selection, 25 interns were selected to continue the academic component of the program at the UP National College of Public Administration and Governance and to undergo the internship at the House of Representatives

- A two-week course on Public Policy Development and Analysis at the University of the Philippine National College of Public Administration and Governance was completed on September 4, 2009. The internship at the House of Representatives started on September 7, 2009, and is expected to end by the end of November, 2009.
- The interns were presented before the Plenary Session of the Senate of the Philippines on September 15, 2009. Lectures were also provided to the interns on government accounting rules and regulations by the Commission on Audit on September 10, 2009. They also visited the Pasay City LGU on September 18, 2009 and were shown how the LGU operates its local economic enterprises.

#### Accomplishments for the Fiscal Year

- Under the CIPYML Program, a total of 60 interns from the ARMM and CAAM should have completed the program. CIPYML outcomes for the fiscal year are presented in the following table.

	Y2 Annual Target	Y2 Accomplishment	Cum. Accomplishment (Yrs 1 and 2)
No. of interns participating	70	60	145
No. of interns completing	70	50	69

Additional accomplishments related to CIPYML are described below.

- Completed recruitment and selection for of thirty interns that for 8<sup>th</sup> iteration of the Congressional Internship Program for Young Muslim Leaders in December, 2008. On January 7, 2009, the 8<sup>th</sup> cycle of the CIPYML Program officially started at MSU Marawi. Based on the approved two-tiered selection process, twenty-five interns where selected in MSU Marawi to continue with the program in Manila on January 22, 2009. The Manila leg of the program consisted of the continuation of the academic component at the UP National College of Public Administration and Governance and the three-month internship at the House of Representatives. The interns were also brought to the Senate of the Philippines, several LGUs, and government offices where they were briefed on operations and relationships with other government agencies. For the LGU visits, the best practices in governance and enterprise development were shown to the interns, with the hope that these can be adapted or replicated in their home LGUs. The eighth iteration of CIPYML ended on May 8, 2009.
- In June, 2009, recruitment and selection for the 9<sup>th</sup> cohort of the CIPYML program began. There were 64 applicants from different provinces in the ARMM and CAAM. Of the 64, 48 were short-listed to participate in the panel interview to identify the 30 who would start with the program at the Marawi State University. On Aug. 3, 2009, thirty young Muslim graduates were selected as the 9<sup>th</sup> cohort for CIPYML. During the third week of August, a second selection process was conducted to select the top twenty-five interns who to be sent to Manila for the remaining components of the program, consisting of the internship in the House of Representatives and the the

academic component at the UP National College of Public Administration and Governance.

- From August 24 to September 4, 2009, the twenty-five interns attended lectures at the UP National College of Public Administration and Governance. The UP course on public policy analysis covers the policy analysis process and provides instruction on how to take advantages of computer resources in policy analysis. A requirement for completion of this course is the submission of a Policy Paper which each intern must present and defend before a panel of representatives from MSU, HOR, UP NCPAG, and GEM.
- From September 7 to November 26, 2009, the interns will be immersed in the HOR internship. They are assigned to work with various Committees, Departments, and Congressional Offices. They are also brought on exposure trips to the Senate of the Philippines, different government agencies, and selected LGUs.
- To date, the interns have gone to the Senate of the Philippines, the Commission on Audit, and the Pasay City LGU.
- On July 18, 2009, a CIPYML Conference was held in Davao City. It was organized by the CIPYML program partners with the help of the CIPYML graduates. The conference served as a forum to discuss how the graduates can use the skills and knowledge acquired during the program to help in the peace and development agenda of their LGUs. The graduates divided themselves into four groups and agreed on a plan of action on how they can help the government in its peace and development agenda. The Work Plan was submitted to MEDCO and HOR for monitoring.

#### 4.2.3 Other Governance Activities

Activities within this area focused, during the quarter, on the provision of services to MEDCo in two areas as described below.

In its role as Secretariat to the Mindanao Working Group

- Provided assistance in the preparation of the Mindanao 2020 Peace and Development Framework Plan. All scheduled stakeholder's consultations have been completed except the one scheduled from the ARMM due to difficulty in confirming availability of some ARMM agencies.
- Provided assistance to highlight Medco and the other Mindanao Working Group's efforts to achieve peace and development in Mindanao and the gains/results of these efforts through the Mindanao Peace and Development Communicators (MINDPeace) and Talk Mindanao.

Additional support to MEDCo

GEM's support to MEDCo is provided on an "as requested" and "as needed" basis. Since such requests cannot often be anticipated in advance, and can rarely be quantified meaningfully, no numerical targets in this area have been included in either the Life-of-Project or Annual Work Plans. Nonetheless, GEM's support to the organization throughout the fiscal year, and since the inception of GEM 3, has been substantial, and has included the following:

- Design and Implementation of the “Mindanao Development Commons,” as a key feature of the MEDCo website, which allows interested site visitors to access reports, statistics, development and demographic information on various programs, projects and populations throughout MEDCo’s areas of operations. The establishment of a Mindanao Programs and Projects database is one of the key strategies identified by the Mindanao Working Group to rationalize donor coordination and complementation in Mindanao.
- Support for the MEDCo-produced *Talk Mindanao* television program. GEM provided—with concurrence from USAID—funding for the first six episodes of the program, and, together with MEDCo’s Communications Team, identified guests and topics to be included in the program.
- Sporadic, informal collaboration and support is provided on request, to MEDCo from various senior GEM staff members. Typically such support relates to the review and/or analysis of key documents.

Accomplishments for the Fiscal Year:

The major outcomes for the fiscal year are described briefly below:

- Assisted in securing partial funding for selected activities in preparation for the development of the “Mindanao 2020 Peace and Development Framework Plan;
- Provided funding support to a series of Mindanao-wide consultations relative to the preparation of the Mindanao 2020 Peace and Development Framework Plan;
- Supported Medco’s efforts to conduct two Technical Working Group Meetings and one Full Mindanao Working Group Meeting;
- Provided assistance to the Medco to generate support from the Office of the Presidential Adviser on the Peace Process, the Department of Interior and Local Governments, and National Economic Development Authority for a MWG common M&E Framework for Mindanao.development programs.
- Assisted Medco as the Mindanao Working Group Secretariat, to organize two Technical Working Group meetings on the common “M&E Framework” and one Technical Working Group meeting to discuss preparations for the next Mindanao Working Group meeting.
- In collaboration with MEDCo’s IT staff, GEM developed the “Mindanao Development Commons,” as described above, as a key component of the MEDCo website.

#### **4.3 Outstanding issues and implementation problems and options for resolving these issues and problems:**

##### **4.3.1 Revenue Enhancement and Progress (REAP) Project**

- The declaration of the majority of the barangays in Buug, Zamboanga Sibugay that these areas should be considered part of the “Ancestral Domain,” has affected the projected real property tax collections from these areas, because real properties declared part of the Ancestral Domain are exempt from taxes. To cushion the

revenue loss ensuing from this declaration, LGU officials were advised to enhance their efforts to collect other local taxes, fees, and charges. They were also advised to improve the operation of their local economic enterprises, to enforce tax laws, and to include a representative of the Philippine National Police as a member of the Revenue Action Task Force. The latter is important, especially when closure orders must be implemented because of non-payment of taxes, or when collection efforts are focused on remote barangays.

The LGU officials were also advised to improve the relationship between the staff of the Treasurer's and Assessor's Offices with the Barangay Officials since such staff can help them enforce tax laws, identify revenue sources, and facilitate collections at the barangay level. To encourage participation of the barangay officials in the revenue generation and collection efforts of the LGU, an awards/recognition scheme was recommended that will recognize efforts of the most effective tax and fee collectors.

- A large number of small businesses in Buug was affected by the worldwide financial crisis, which resulted in the closure of several such businesses. This, in turn, affected the LGUs' collections of fees pertaining to Mayor's Permits, business taxes, and stall rentals.
- The Supreme Court decision reverting the status of Lamitan in Basilan from a City to a Municipality will have a significant impact on the collection of real property tax. Because it is now classified as a municipality, Lamitan must share its real property tax collections with the Province. This sharing scheme will adversely affect the revenues originally projected from this source. To partially compensate for the loss, Lamitan officials were advised to re-evaluate the rates and charges imposed on their economic enterprises, on the principle that economic enterprises should operate on the basis of cost recovery and not subsidies..
- GEM also provided a three-day Tax Mapping Training Workshop for the officials and staff of the Assessor's Office of Lamitan, to provide them with the skills to validate and update Lamitan's tax maps.
- The forthcoming 2010 election is making it difficult to market the REAP program to LGUs. The Mayors and other LGU officials who will seek re-election are somewhat apprehensive about collecting and/or implementing new revenue measures for fear of losing votes.
- With the increasing number of LGUs enrolled in the program and with the resignation of the REAP Coordinator, additional staff to provide support to the Governance Team will be hired.

#### 4.3.2 Congressional Internship Program for Young Muslim Leaders

The House of Representatives can accommodate only 25 interns per cohort in the new facilities reserved for the program. This limits GEM's ability to increase the size of the internship cohorts.

### **4.4 Performance Objectives for the next quarter:**

#### 4.4.1 Revenue Enhancement and Progress (REAP) Project



- Submit a SAF request to fund the direct costs of training-workshops, and to engage a resource person on LGU finance for the next set of LGUs;
- Negotiate performance targets and sign MOUs with individual LGUs;
- Continue to monitor performance and to secure quarterly collection reports from the first four enrolled LGUs;
- Prepare a SAF request for the second set of teaser incentives for Molave, Zamboanga del Sur and other LGUs assuming they achieve the agreed milestones during the quarter;
- Prepare a SAF request for the first set of teaser incentive for Upi and Datu Paglas, upon verification of their achievement of the first set of milestones;
- Award the first set of teaser incentives to Datu Paglas and Upi;
- Continue to “market” the REAP project to other LGUs in the ARMM and CAAM.

#### 4.4.2 Congressional Internship Program for Young Muslim Leaders

- Continue to monitor the 9<sup>th</sup> iteration of the program;
- Prepare for the Completion Ceremony tentatively scheduled by the end of November, 2009;
- Prepare reports and close SAF;

#### 4.4.3 Other Governance Activities

- Continue to support MEDCo in its role as Secretariat of the Mindanao Working Group.
- Continue to respond promptly to MEDCo’s requests for additional technical assistance;
- Promptly forward any MEDCo requests for additional financial assistance to USAID.

## **5.0 Other Activities**

“Other Activities” was included in GEM 3 by USAID to ensure that GEM and/or USAID had the capability to respond quickly to emerging challenges that were either undefined or unanticipated at the onset of the program. Targets and performance objectives therefore, are determined as challenges and opportunities emerge. Proposed work under “Other Activities” is usually initiated by requests from USAID and/or MEDCo, and is sometimes identified by the GEM Team.

### **5.1 Performance objectives/expected outputs for the quarter**

5.1.1 Provide support to MEDCo’s Mindanao Peace and Development Initiatives’ (MPAD) Project Monitoring Unit;

5.1.2 Establishment of “Centers of Excellence”

- Develop a concept paper on appropriate foci for “Centers of Excellence” for fruits, vegetables, and high value aquaculture;
- Identify potential Centers of Excellence in the areas delineated above;
- Submit concept paper to USAID for comment and/or approval;
- Develop specific project proposals.

5.1.3 Formulation of the *Mindanao 2020 Peace and Development Framework Plan*

- Provide logistics support to facilitate extensive consultations with key Mindanao stakeholders, whose input is essential to the preparation of the Mindanao 2020 Peace and Development Framework Plan;
- Assist Medco to identify other sources of funding for the program.

5.1.4 Expand and improve telecommunications and broadband services in unserved and underserved areas of Mindanao

- Submit project outline to USAID for approval;
- Develop project proposals;
- Submit project proposals to USAID for comment.

5.1.5 Improve Shipping Services in Mindanao and RORO ports in Western Mindanao

- Assess shipping services in Mindanao;
- Develop a plan of action on how to improve shipping services and other logistics infrastructure in Mindanao;
- Submit action plan to USAID for comment and/or approval.

## **5.2 Summary of major accomplishments during the quarter as well as unexpected or unplanned outcomes/activities during the quarter**

Many of the activities and sub-programs covered under “Other Activities” continue from initiatives proposed originally during the first fiscal year. The accomplishments of the first fiscal year, which in many cases serve as the context for the accomplishments of this quarter and this fiscal year, are presented below:

- Prepared a Draft Assessment Report on the status of shipping operations in Western Mindanao.
- Provided information and assistance to Globe telecommunications related to its efforts to establish a WiMax-based network in Zamboanga.
- Provided extensive assistance to MEDCo in designing and installing a web-enabled database function to its website (the “Mindanao Development Commons”), and provided sufficient equipment for MEDCo to manage the new function. The database allows users to access a wide range of Mindanao Development information, akin to the “Mindanao Development Commons” envisaged by USAID/Washington and the USAID/Philippines Mission.
- Assisted the Cotabato City Government in the preparation of the City Ordinance governing the use, operation, development and maintenance of the Cotabato City Mega Square; the preparation of the lease contract; and the bidding procedures for the selection of the private management operator for the facility. Provided inputs during the public hearings and City Council sessions relative to the passage of City Ordinance No. 3450 and its amendments. Assisted the Special Bids and Awards Committee for the Cotabato City Mega Square to prepare guidelines for bidding. Assisted the Cotabato City LGU to conduct a marketing campaign for the lease of the stalls of the Mega Square facility. Facilitated a long-term management agreement with a private firm to manage the Cotabato City Mega Square.

The accomplishments for this quarter, as well as those for this fiscal year are delineated below.

### *This Quarter:*

- GEM has, with USAID concurrence, continued to pay the salary and related benefits of a MEDCo staff member assigned to the MPAD project monitoring department. In addition, GEM has provided a vehicle and driver for the full-time use of MEDCo staff conducting monitoring and assessment visits to selected project sites.
- Consistent with the objectives as delineated above, GEM staff have identified potential Centers of Excellence, which include: Mindanao State University Tawi-Tawi College of Technology and Oceanography for high value aquaculture; the University of Southern Mindanao Agriculture Research Center, for fruits; and the Northern Mindanao Integrated Agricultural Research Center, for vegetables. A concept paper describing proposed projects to work with each center was submitted to USAID, which has responded with a series of comments and suggestions.

- GEM provided technical assistance to the Mindanao Federation of Shippers Associations (MINFESA), the the federation of shippers associations in Mindanao and the leading private sector group advocating reforms in shipping and the reduction of transport cost in Mindanao. GEM assisted in the preparation of the “Mindanao Strategy on Mindanao Logistics Infrastructure,” which was presented before the General Membership Meeting of the Davao Chamber of Commerce;
- GEM also provided technical assistance to MINFESA in the preparation of the paper presented to the 7<sup>th</sup> National Vegetable Congress in General Santos City in August. The paper was entitled: “Current Issues in Shipping and Logistics.”
- Technical assistance was also provided to the Davao City Chamber of Commerce and Industry relative to the preparation of the: “Mindanao International Shipping Strategy,” which was presented during the Davao Trade Exposition (DATE) 2009.
- Selected GEM staff provided briefings on the advantages of using Chassis-RoRo (Cha-Ro) facilities in Mindanao to the Philippines Port Authority, MARINA and private shippers groups. GEM also promoted the use of RORO services in Bongao, Jolo, Siasi, and Siocon to various shipping companies.
- GEM staff have advocated cost sharing for port repairs in Sulu (Siasi Port and Maimbung Wharf) and in Tawi-Tawi (Bongao Port) between the LGUs and the concerned government agencies such as DOTC and ARMM;
- Provided assistance to the Mindanao Business Conference in the formulation of the Mindanao Action Agenda, particularly on infrastructure development and shipping;
- Assisted MEDCO and the National Telecommunications Commission (NTC) to reactivate the Mindanao ICT Task Force-Technical Working Group on Infrastructure (MICTTF- TWG Infrastructure) and to develop directions for the TWG.

*This Fiscal Year:*

- Provided logistic support for the operation of MEDCo’s MPAD Project Monitoring Unit including the full salary and related benefits of a full-time staff member assigned to MPAD, and provided a dedicated vehicle and driver to facilitate monitoring and evaluation visits.
- Supported Medco in its role as the Mindanao Working Group Secretariat during the Mindanao-wide Stakeholders’ Consultation, as a preparatory step to the formulation of the Mindanao 2020 Peace and Development Framework Plan.
- Assisted MEDCo to generate interest and financial support from donors and other government agencies for the formulation of the Mindanao 2020 Peace and Development Framework Plan.
- Helped persuade Globe Telecommunication to prioritize Zamboanga City as a pilot area in Mindanao for its Wi-Max service. At Globe’s request, GEM provided substantial information on demographics, business locations, and school and

hospital locations throughout the city of Zamboanga. The U.S. Ambassador delivered the keynote address at the official launch of the WiMax facilities.

- Assisted Globe Telecom to obtain political support for the Wi-Max project from the Zamboanga City LGU, and linked Globe Telecom with potential users of the Wi-Max service, including schools, universities and businesses operating in the coverage area.
- Supported the MINFESA's advocacy for the immediate removal of the fuel surcharge on freight rates, leading to MARINA's action which resulted in the temporary reduction of bunker fuel surcharges. The shipping lines had failed to cut the bunker fuel surcharge and rate recovery adjustments despite the fall of fuel costs as pointed out by MINFESA to the Maritime Industry Authority (MARINA).
- Provided inputs and comments to JICA Consultants conducting the Mindanao Logistics Infrastructure Improvement Study. The objectives of the study are: to maximize the utilization of the Mindanao Container Terminal (MCT), located at PHIVIDEC in Northern Mindanao, and previously funded from a JBIC (now JICA) loan; to identify transport infrastructure improvement needs; and to recommend prospective ODA projects for improving the capacity of the Phividec Industrial Authority (PIA)-MCT. GEM provided inputs, data, suggestions and recommendations to the JICA Consultants. The final report will be presented during the Mindanao Logistics Conference on November 25-26, 2009.
- Promoted the use of RORO services in Bongao, Jolo, Siasi, and Siocon and Persuaded Aleson Shipping Lines to deploy RoRo vessels in Siasi. The company is using the RoRo ramp facilities for motor vehicles loaded in RO-RO vessels.
- Promoted to shippers the use of RoRo shipping and suggested the possibility of a trial run for Zamboaga- Bongao using the RO-RO ramp facilities at the Bongao Port.
- Monitored the cargo and RoRo traffic movements in western Mindanao for use in advocating for RO-RO shipping in the area.
- Advocated a cost sharing arrangement between the LGU and the concerned government agencies (DOTC and ARMM) for port repairs. GEM discussed with Dir. Patdu of DOTC the repair requirements of Bongao Port and other ports in ARMM, particularly those included by President Arroyo under the "Strong Republic Nautical Highway Program" of the national government. The proposal is under consideration by DOTC and is subject to the availability of funds. MEDCo also followed-up the proposal to DOTC.
- Provided assistance to the Mindanao Business Conference (MINBIZCON) in the formulation of the Mindanao Action Agenda, particularly the infrastructure, shipping and ICT components of the agenda. The action agenda was submitted to the concerned government agencies and organizations.
- Assisted MEDCo and the National Telecommunications Commission to reactivate the Mindanao ICT Task Force-Technical Working Group on Infrastructure and to generate directions for the TWG. GEM helped reconvene the 32<sup>nd</sup> Meeting of the

MICTF TWG-Infrastructure and facilitated the discussions and the preparation of the next steps for the TWG to address the ICT infrastructure needs of Mindanao.

- Prepared a database of the ICT Infrastructure in Mindanao in terms of local exchange, broadband services, cellular coverage, and bandwidth capacity. This will be useful in developing the broadband map of Mindanao and crafting policy on universal access.

### **5.3 Outstanding issues and implementation problems and options for resolving these issues and problems:**

None to report.

### **5.4 Performance Objectives for the next quarter:**

- Provide continuing assistance to Medco's MPAD Project Monitoring Unit;
- Provide technical assistance to the Mindanao Logistics Conference (MINLOGCON), including pre-conference consultations, and develop resolutions for improving the logistics infrastructure of Mindanao. MINLOGCON is being organized by MINFESA through the Northern Mindanao Shippers Association (NORMINSA), PCCI- Northern Mindanao, Philexport Region 10, DTI-10 and GEM ;
- Demonstrate improved and more efficient port operations in Mindanao with emphasis on RORO shipping in Western Mindanao;
- Identify and assess initiatives of other donors and agencies and explore areas of complementarity with GEM components and/or initiatives.
- Develop a strategy and action plan to ensure that required improvements and repairs to the Siasi and Maimbung Ports are being undertaken ;
- Continue collection of data on ports in the ARMM and CAAM;
- Continue to collect information on current and new initiatives in shipping and logistics infrastructure;
- Continue to collect information on the broadband facilities in Mindanao and help prepare a broadband map;
- Assist MEDCo in promoting strategies for improvements to MICTF TWG-Infrastructure, particularly regarding universal access and the reliability of the infrastructure;
- Further develop proposals for Centers of Excellence (CoE) for Marine, Fruits and Vegetables in Mindanao and develop action plans, and respond to USAID's comments and suggestions on the proposal submitted on this topic by GEM; Consult with stakeholders to determine if "CoE" can efficiently address their needs; Identify action plans to meet the most critical needs; and Refine and submit project proposals to USAID for comment.

## **6.0 Support Activities**

### **6.1 Facilitation Services**

GEM provides a range of support services to other USAID projects and activities, for the U.S. Embassy and the Philippine Government.

During the quarter, GEM provided assistance to 11 official visits of USG officials, including U.S. Ambassador Kristie A. Kenney, the new Deputy Chief of Mission Leslie Bassett, USAID Mission Director Jon Lindborg, GRP officials and other visitors to various USAID/USG-supported projects and other activities in Mindanao (see table 5.1). For these visits GEM usually prepared scene setters and schedules, provided logistical and security arrangements, arranged media coverage, arranged meetings with local businesspeople and government officials, arranged travel and hotel accommodation and/or prepared talking points for resource/guest speakers.

On July 24<sup>th</sup>, USAID Economic Growth Advisor Robert Barnes briefed the new U.S. Deputy Chief of Mission, Leslie Bassett, on GEM's activities in Mindanao at the GEM office in Zamboanga City. GEM also provided vehicle support for the DCM's visits to other USAID Program activities in the city.

Also in July, Ambassador Kenney visited the project management office of the GEM program and participated in a conference/workshop of the Congressional Internship for Young Muslim Leaders (CIPYML) graduates at the Marco Polo Hotel in Davao City.

One of the highlights of the Ambassador's visits this quarter was the launching of WiMAX in Zamboanga City. Together with Atty. Rodolfo A. Salalima, President of the Philippine Chamber of Telecommunications Operators, Inc. and Chief Legal Counsel, Senior Advisor and Spokesperson of Globe Telecom, Inc. as well as Zamboanga City Mayor Celso Lobregat, U.S. Ambassador Kristie A. Kenney spoke to students of the Don Pablo Memorial High School via a live video feed through WiMAX, officially launching WiMAX's first commercial connection in Mindanao.

Another important event was the U.S. Ambassador's inauguration of the runway at the Sanga-Sanga Airport in Tawi-Tawi on August 17<sup>th</sup>. She was joined by Usec. Virgilio Leyretana of the Mindanao Economic Development Council, General Ruben Ciron of the Civil Aviation Authority of the Philippines, Tawi-Tawi Governor Sadikul Sahali, Bongao Mayor Albert Que, Westmincom Commander Major General Ben Dolorfino, USAID Mission Director Jon Lindborg and other USAID and GEM colleagues.

In September, U.S. Ambassador Kristie A. Kenney participated in the Opening Ceremonies of the Mindanao Business Conference in Koronadal City, South Cotabato. She also turned over a barangay bridge in Brgy. Bololmala, Tupi, South Cotabato.

Mr. Robert Barnes, also inaugurated USAID-GEM's first completed infrastructure project in Compostela Valley with Governor Arthur Uy and MEDCo Executive Director Janet Lopez.

To date, GEM 3 has facilitated 98 visits of USG, USAID and GRP officials. This quarter, GEM also provided briefings and logistical assistance to other U.S. Embassy and USAID personnel.

GEM's activities in this area are summarized in the following table.

**Table 5.1  
( Visits/Activities July 1, 2009 – September 30, 2009 )**

<b>NO.</b>	<b>DATE</b>	<b>PLACE</b>	<b>VISITOR</b>	<b>ACTIVITIES</b>
1	July 6, 2009	Zamboanga City	U.S. Ambassador KRISTIES A. KENNEY	<ol style="list-style-type: none"> <li>1. Camp Navarro Visit JSOTF breakfast</li> <li>2. Attend the Commercial WiMax Service Launch</li> <li>3. Tugbungan Footbridge Turn-over Ceremony</li> <li>4. Radio Mindanao Interview – DXRZ Radyo Agong</li> <li>5. American Corner Visit, Ateneo de Zamboanga</li> <li>6. Courtesy Call on President of Ateneo de Zamboanga</li> <li>7. JEEP Project Launch – Western Mindanao State University</li> </ol>
2	July 17-18, 2009	Davao City	U.S. Ambassador KRISTIES A. KENNEY	<ol style="list-style-type: none"> <li>1. Attend get-together event with the GEM Program Staff</li> <li>2. Sutherland Global Service Facility Tour</li> <li>3. Congressional Internship Program for Young Muslim Leaders (CIPYML) “Graduates” Conference</li> <li>4. Pull Aside Press interview.</li> <li>5. Live Radio interview Hit Radio 100.3 (Call in)</li> <li>6. American Corner Visit and meeting with Mindanao Bloggers (Ateneo de Davao University)</li> <li>7. MGen Ferrer EASTMINCOM Commander</li> </ol>
3	July 17-18, 2010	Davao City	USAID, PRM Staff : Myra Emata Stokes Teret Calabia Ken Miller	<ol style="list-style-type: none"> <li>1. Meetings with EcoGov and DCCCI</li> <li>2. Visit to a Midwife Clinic</li> <li>3. GEM Briefing</li> <li>4. Attend get-together with Ambassador Kenney at the GEM Office</li> <li>5. Attend CIPYML Conference</li> </ol>
4	July 24, 2009	Zamboanga City	U.S. DCM, Leslie Bassett	<ol style="list-style-type: none"> <li>1. Visit Camp Navarro, SouthCom</li> <li>2. GEM Briefing</li> <li>3. Visit the EQUALLs Book Warehouse,</li> <li>4. Visit Allied Learning Center and Community &amp; Learning Center</li> <li>5. Visit to the Yakan Village</li> <li>6. Lunch Meeting with Mayor Lobregat</li> </ol>



5	July 27, 2009	Zamboanga City	Martha Buckley, PAS	Logistical Arrangements for visit to American Corner.
6	August 17, 2009	Bongao, Tawi-Tawi and Jolo, Sulu	U.S. Ambassador KRISTIE A. KENNEY	<ol style="list-style-type: none"> <li>1. Visit to Jolo Airport Improvement for a Project Briefing</li> <li>2. Address Teachers at Inaugural Book Fair for Tawi Tawi and Sulu</li> <li>3. Attend the Inauguration of Provincial Area Coordination Center</li> <li>4. Attend the Fire Station Inauguration</li> <li>5. Lunch Meeting with TF COMET officers and Break at Camp Bautista</li> <li>6. Attend the Sanga-Sanga Airport Runway Turnover</li> <li>7. Participate in the Ceremonial Abalone Sale with MNLF Growers</li> </ol>
7	August 18, 2009	Zamboanga City	U.S. Senator Bill NELSON	Logistical Arrangements for visit to USAID Projects and Courtesy Call on Mayor Lobregat
8	August 27-28, 2010	General Santos City	U.S. Economic Counselor BRIAN DOHERTY	<ol style="list-style-type: none"> <li>1. Courtesy Call on Vice Mayor Florentina Congson</li> <li>2. Meeting with officers of the General Santos City Chamber of Commerce</li> <li>3. Meeting with officers of the SOCKSARGEN Fishing Federation and Allied Industries Inc.</li> <li>4. Meeting with Gov. Miguel Dominguez</li> <li>5. Plant Tour of the Alsons Aquaculture Corporation Facility</li> <li>6. Attend the Induction of new set of SFFSAll Officers</li> <li>7. Attend the EASE Book Distribution Event at MSU-CETD</li> <li>8. Attend the Opening of the Tuna Congress and deliver a speech</li> <li>9. Radio Interview at RMN Radio Station</li> <li>10. Attend a Welcome Dinner hosted by the General Santos City Government</li> <li>11. Tour of Fish Port Facility in General Santos City</li> </ol>
9	September 3, 2009	Compostela Valley	JANET LOPOZ, MEDCo Executive Director ROBERT BARNES, Economic Advisor USAID OEDG	1. Attend the Turn-over Ceremony of Sta. Maria Footbridge in Ngan, Compostela Valley
10	September 3-5, 2009	Tagum City and Davao City	ROLF ANDERSON, USAID OEE	<ol style="list-style-type: none"> <li>1. Attend Strategic Planning Board of Trustees Meeting of the Philippine Tropical Forest Conservation Foundation</li> <li>2. Meeting with Councilor Avila</li> <li>3. Visit to Malagos Garden - PEF Eagle Center</li> </ol>

11	September 17, 2009	Koronadal City	U.S. Ambassador KRISTIE A. KENNEY	<ol style="list-style-type: none"> <li>1. Attend the Turn-over Ceremony of Bololmala Bridge in Tupi, South Cotabato</li> <li>2. Meet with the beneficiaries of the project of USAID Office of Health</li> <li>3. Attend the 18th Mindanao Business Conference</li> </ol>
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GEM also shares information and guidance regarding the security situation in various areas in Mindanao to staff of USAID and other USAID-supported projects as well as other foreign donors through an email-based "listserve". Security reports are produced on a bi-monthly basis and provide information and guidance on trouble spots to avoid, possible emerging threats, preferred routes to take when traveling, etc. **In GEM 3, we have sent out about 40 security advisories to the "listserve".**

## 6.2 Communications and Information

During the quarter, GEM generated 43 press releases comprised of news and feature articles and photos with captions. A total of **486** placements were generated, including **170** in local/ provincial newspapers, **119** in national newspapers, **10** in international publications, and **187** on the web as reflected in the following table (Table 1).

**Table 1 (quarterly)  
GEM-Produced Releases and Placements (FY 2009)**

	Oct-Dec 2008	Jan-Mar 2009	Apr-Jun 2009	*July-Sept 2009	TOTAL
GEM Produced Articles and Photo Releases	57	55	50	43	<b>205</b>
Local/ Provincial Print Placements	152	130	161	170	<b>613</b>
National Print Placements	90	92	102	119	<b>403</b>
On-Line Placements	127	154	218	187	<b>686</b>
International Placements	3	-	7	10	<b>20</b>

**Table 2 (monthly)  
GEM-Produced Releases and Placements (GEM-3)**

Output	Jan-Dec 2008	Jan 2009	Feb 2009	Mar 2009	Apr 2009	May 2009	June 2009	July 2009	Aug 2009	*Sept 2009	TOTAL
GEM Produced Articles and Photo Releases	193	18	18	19	18	14	18	14	14	15	<b>341</b>

Local/ Provincial Print Placements	376	56	44	30	53	40	68	82	46	42	<b>837</b>
National Print Placements	252	34	24	34	26	43	33	53	32	34	<b>565</b>
On-Line Placements	406	41	35	78	58	67	93	76	47	64	<b>965</b>
International Placements	3	-	-	-	2	1	4	-	-	10	<b>20</b>

From the inception of GEM 3 in January 2008, the Communications Team has generated 341 stories and photo releases about Mindanao and USAID's assistance to the region. Approximately **2,387** placements were made in local and national dailies, magazines, on-line news websites, and international publications.

### **GEM Communications Team Events Coverage and Assistance July to September 2009**

During the quarter, the GEM Communications Team covered GEM, USAID, and U.S. Embassy events, and documented VIP visits to Mindanao, as described briefly below.

#### U.S. Embassy & USAID Events/ VIP Visits

- Visit of U.S. Ambassador Kristie A. Kenney to Zamboanga City on July 6, 2009. The GEM Communications Team provided photo and video-documentation of the events and organized national and local media coverage. One news article and five photo releases were produced and dispatched to newspapers. A video clip was produced and uploaded to YouTube for public viewing. A slideshow presentation in PowerPoint format was submitted to USAID. The following events were highlighted: Launching of the Commercial WiMax Service in Zamboanga City, Tugbungan Footbridge Turn-over Ceremony, Radio Interview in DXRZ Radyo Agong, American Corner Event in Ateneo de Zamboanga, and the Launching of the Job Enabling English Proficiency (JEEP) Project at the Western Mindanao State University (WMSU).
- Visit of U.S. Ambassador Kristie A. Kenney to Davao City on July 18, 2009. The GEM Communications Team produced photo and video documentation of the events and organized national and local media coverage for the Meeting of the "Graduates" of the Congressional Internship Program for Young Muslim Leaders (CIPYML) at the Marco Polo Hotel. One news article and three photo releases were produced and dispatched to newspapers. Two video presentations were uploaded in YouTube for public viewing. A slideshow presentation in PowerPoint format was submitted to USAID.
- Visit of U.S. Ambassador Kristie A. Kenney and USAID/Philippines Mission Director Jon Lindborg to Bongao, Tawi-Tawi on August 17, 2009. The GEM Communications Team produced photo and video documentation of the event and organized national and local media coverage. One news article and four photo releases were produced and dispatched to newspapers. A video clip was produced and uploaded on YouTube for public viewing. A slideshow presentation in PowerPoint format was submitted to USAID. The following events were highlighted: Sanga-Sanga Runway

Improvement Project Turn-Over, Ceremonial Sale and Turn-Over of Abalone Juveniles by the Tawi-Tawi High-Value Multi-Species Hatchery to MNLF Growers.

- Visit of U.S. Economic Growth Counselor Brian Doherty and USAID/Philippines Economic Growth Advisor Robert Barnes to General Santos City on August 28, 2009. The GEM Communications Team provided photo and video documentation and assisted in national and local media coverage for the events on August 28. An exclusive radio interview in Radio Mindanao News Network was arranged for Brian Doherty. His visit to USAID projects in the area August 27-29 were also documented with photos. One pre-event news article on the Tuna Congress and two post-event photo releases on the Book Distribution event were produced and dispatched to newspapers. A video clip was produced and uploaded to YouTube for public viewing. A slideshow presentation in PowerPoint format was submitted to USAID. The following events were highlighted: Ceremonial Turn-Over of Donated Books under GEM's Education Awareness Support Effort (EASE), The 8<sup>th</sup> National Tuna Congress.
- Visit of USAID/Philippines Economic Growth Advisor Robert Barnes to Compostela Valley Province on September 3, 2009 for the Turn-over of the Sta. Maria Footbridge, constructed under GEM's Barangay Infrastructure Project (BIP). The GEM Communications Team produced photo documentations and organized media coverage for the event. Three photo releases were produced and dispatched to newspapers. A slideshow presentation in PowerPoint format was submitted to USAID.
- Visit of U.S. Ambassador Kristie A. Kenney to South Cotabato Province on September 17, 2009. The GEM Communications Team produced photo and video documentation of the event and organized national and local media coverage. Two news articles and seven photo releases were produced and dispatched to newspapers. A slideshow presentation in PowerPoint format was submitted to USAID. The following events were highlighted: 18th Mindanao Business Conference, Bololmala Barangay Bridge Turn-over Ceremony, USAID- Healthpro Tricycle Event.

#### GEM-Assisted & Organized Events

- 7<sup>th</sup> National Vegetable Congress at the Family Country Hotel and Convention Center, General Santos City from July 14-16, 2009. GEM organized tri-media activities in Davao City on July 8 to help promote the event. These included: A Press Conference in Marco Polo Club 888; a TV appearance on ABS-CBN's "Maayong Buntag Mindanao," and a radio interview on DXDC RMN. Two GEM partners represented the organizing committee in these media exposures: Jovic Santos, President of the Central Mindanao Vegetable Industry Development Council (CEMVIDEC) and Marcelino Remotigue, President of the Southern Philippines Vegetable Council). A pre-event news release and two post-event photo releases were produced and dispatched to newspapers. The GEM Communications Team produced photo documentation of the event.
- ARMM Business Congress in Marawi City. GEM assisted in generating publicity for the event by organizing tri-media activities in Davao City on July 29, 2009. These included the following: A Press Conference at the Marco Polo Club 888 and a TV appearance on ABS-CBN's "Maayong Buntag Mindanao." Four GEM partners represented the organizing committee during these media exposures: Datu Haron

Bandila, Chairman of the ARMM Business Council, Datu Mangondaya Solaiman, President of the Maranaw Chamber of Commerce and Industry, Sultan Maulana Gogo, Chairman of the Board of Trustees of the Maranaw Chamber of Commerce and Industry and Dr. Cairoding Riga, Lanao del Sur Provincial Planning and Development Officer. A pre-event news release was produced and dispatched to newspapers.

- The 2<sup>nd</sup> MinFruit Encounter at the Harbor Lights Hotel, Cagayan de Oro City from July 30 to 31, 2009. GEM assisted in promoting the event by arranging a TV appearance on ABS-CBN's "Pamahaw Espesyal" on July 27 for a GEM partner, Jimmy Nacua, President of the Greater Northern Mindanao Mango Industry Council and Event Chairperson. Two press releases were produced and dispatched to newspapers. The GEM Communications Team photo-documented the event.
- Mindanao Trade Exposition 2009 at the Central Bank Convention Hall in Davao City from August 14 to 16, 2009. Photo-documentation and assistance in tri-media coverage were provided by GEM. The Communications Team also helped promote the event by facilitating a press launch on June 24<sup>th</sup> and co-organizing a press conference with the Department of Trade and Industry (DTI) at the Apo View Hotel on August 13.
- The 18<sup>th</sup> Mindanao Business Conference at the FitMart Mall and Convention Center in Koronadal City from September 17 to 18, 2009. GEM designed and implemented publicity and promotions campaign for the event. Tri-media activities were conducted in Mindanao and Manila, which included press conferences at the Marco Polo Club 888 in Davao on September 9, and at the Crown Regency Hotel in Makati City on September 10. TV appearances on major networks were arranged for PCCI President Ed Lacson, PCCI Area Vice President for Mindanao Elena Haw, and Koronadal City Mayor Fernando Miguel. These included appearances on ABS-CBN's "Maayong Buntag Mindanao," GMA Davao's news programs, Mornings@ANC, NBN's "Money Matters," IBC "News Tonight," IBC Express "Balita," and S TV's "Business and Leisure." The GEM Communications Team produced photo and video documentation of the event and organized national and local media coverage. Two news articles and four photo releases were produced and dispatched to newspapers.

#### Other Communications Activities

- Photo-documentation of investment sites in Sarangani Province from July 13 to 16, 2009 in support to the projects implemented by GEM's Business Development Team. Three photo releases and a feature article were prepared for dispatch to newspapers.
- Nationwide broadcast of the GEM-assisted three-part mini-documentary series "Road to Mindanao," over ABC TV5 from July 23 to 25, 2009. This show featured USAID's assistance to the region, supported by on-camera interviews of USAID/Philippines Mission Director Jon Lindborg, GEM Staff, and GEM Partners.
- Photo-documentation of the PRIDE-Interphil Orientation in Manila on July 27, 2009
- The GEM Communications Team participated in the MEDCo-organized MINDPeace monthly meeting at the MEDCo office on September 22, 2009. The meeting was

attended by representatives of the communications departments of other foreign-funded programs in Mindanao such as BEAM, EQUALLs, and Save the Children. MINDPeace envisages itself as a venue for the sharing of best communication and information dissemination practices to intensify the effective communications about peace and development activities in Mindanao.

### **Web and Graphics Support to USAID, MEDCo, and GEM Teams July to September 2009**

The GEM Communications Team provided web and graphics support to USAID, MEDCo, and GEM Teams throughout the quarter as summarized below:

- Regular maintenance and update of the GEM website: [www.mindanao.org](http://www.mindanao.org);
- Information materials were produced, updated, and reformatted for GEM Teams. This involved the design, layout, and/or printing of GEM Success Stories, report slides and PowerPoint presentations, brochures, fact sheets, Information Kits, posters, business cards, and collaterals for key events such as streamers, signage, backdrop displays, and conference materials;
- The GEM Communications Team conceptualized and produced a "Tribute" Audio-Visual Presentation for U.S. Ambassador Kristie Kenney and USAID/Philippines Mission Director Jon Lindborg;
- The "Converging Initiatives" portion of the GEM-Mindanao map was revised for MEDCo;
- Data Management System (DMS) photo banking and archiving for GEM Teams.

## 7.0 Administrative Report

### 7.1 Financial Status of the Contract

Contract Period : January 1, 2008 through December 31, 2012  
 Reporting Period : January 1, 2008 through September 30, 2009

#### The GEM 3 Budget <sup>1</sup>

BUDGET BREAKDOWN	
Total Contract Budget (US\$)	125,972,977
Total Obligation	41,108,275
Total Expenditures to Date	24,666,845
Expenses as % of Budget	19.58%
Expenses as % of Obligation	60.00%

CONTRACT DATA	
Expenses (July 1, 2009 – September 30, 2009)	4,678,940
Cumulative Expenses to Date	24,666,845
Remaining Unexpended Balance (Budget)	101,306,132
Remaining Unexpended Balance(Obligation)	16,441,430

BREAKDOWN BY CLIN							
	CLIN 1A Non 1207 Infra	CLIN 1B 1207 Infra	CLIN 2 Business Dev	CLIN 3 Workforce Prep	CLIN 4 Gov Activities	CLIN 5 Other Activities	TOTAL
Obligated	17,364,588	10,000,000	5,384,085	5,037,300	2,347,287	975,015	41,108,275
Expenses (Jan. 1 – Sep. 30, 2009)	8,198,338	6,868,482	3,512,018	3,928,653	1,508,549	650,805	24,666,845
Expenses as % of Obligation	47.21%	68.68%	65.23%	77.99%	64.27%	66.75%	60.00%
Remaining Unexpended Balance (Obligation)	9,166,250	3,131,518	1,872,067	1,108,647	838,738	324,210	16,441,430

### 7.2 Contracts

As of September 30, 2009

#### I. INFRASTRUCTURE

##### A. BIPS:

- 409 BIPs have been concurred by AID
- 307 BIPs have been sent to AID for approval to bid

<sup>1</sup> Details of expenditures are reported monthly to USAID under a separate submission and cover titled *Invoice*.

- 307 BIPs have been approved (by AID) for bidding;
- 293 BIPs have been requested for approval to award
- 293 BIPs have been approved (by AID) for award;
- 293 BIPs subcontracts have been awarded by GEM to various subcontractors;

## **B. RIPS:**

### 1. Completed RIP Subproject:

- Sanga-Sanga Airport Runway Improvement

### 2. Construction ongoing for the following RIPS:

	<u>Subcontract Amount</u>	<u>Subcontractor</u>
• Jolo Airport Runway Improvement Project -	P141,715,320.55	CS Santiago Const.
• Jolo Water Supply System Improvement -	P 23,800,000.00	Mamsar Const.
• Tawi-Tawi Bridge/Road Partnership Project -	P 79,410,237.83	HR Const.

### 3. On-going construction for BIP Subproject – classified as RIP Subproject:

- Ngan Overflow Structure Bridge Construction - P 2,917,077.00 Rano's Const.

### 4. On-going Evaluation for the following RIPS:

- Bañas Bridge Construction
- Busay Bridge Construction

## **C. Activities for Pre-qualification**

For the third quarter, 9 additional firms were pre-qualified bringing the total number of pre-qualified or eligible bidders to 110. An orientation seminar for new pre-qualified subcontractors was held in GEM-Davao Office on August 26, 2009. The topics included bidding policies, billing facilitation, surety bond requirements, payments, termination, etc.

## **D. Activities to Enhance Competition**

To further enhance competition and to increase the number of GEM eligible bidders in Northern and Western Mindanao, plans are underway to conduct a series of orientation seminars with potential subcontractors in collaboration with the following chambers: Basilan Chambers of Commerce, Zamboanga Sibugay Chambers of Commerce, Pagadian Chambers of Commerce, Dipolog Chambers of Commerce, Iligan Chambers of Commerce and Marawi Chambers of Commerce. The proposed meetings will introduce GEM in general and will orient potential bidders on GEM procurement policies.

## **II. CLIC Procurement (July to September 2009)**

- Procurement for the delivery, installation and networking of computer packages were completed for thirty-one (31) CLIC partner elementary and high schools which are located in the provinces of North Cotabato, Lanao del Sur, Sultan Kudarat, Maguindanao, Davao del Sur, Zamboanga Sibugay, Zamboanga del Sur, Zamboanga del Norte, Compostela Valley and Lanao del Norte. More than 200 units of locally-assembled computers were procured with a total purchased price of more than 4 million pesos.



- Procurement for the provision of VSAT internet installations were completed in thirty (30) CLIC partner high schools which are located in the provinces of North Cotabato, Lanao del Sur, Sultan Kudarat, Maguindanao, Davao del Sur, Zamboanga Sibugay, Zamboanga del Sur, Zamboanga del Norte, Compostela Valley and Lanao del Norte.

### III. EASE

- EASE completed matching grant assistance (i.e. multimedia items, home economics tools, computers and accessories, science laboratory apparatus, books and general references) to 188 PTCA schools in Central, Northern and Western Mindanao. Procurement for matching grant projects of 14 recipient schools were also completed, ie. scheduled for delivery some time in October. The procurement for the remaining 68 MGPs is underway, ie. quotations are being reviewed.

### IV. JEEP

- Procurement for the conduct of TOEIC test for 250 JEEP Students and 100 non-JEEP students was completed. The contract, amounting to **Pesos 706,598**, was awarded to Interactive Language Solutions Inc on September 18, 2009. The TOEIC tests will be conducted from September 28 to October 2, 2009 in the following JEEP1 Block I schools: 1) Western Mindanao State University (WMSU) in Zamboanga City 2) Zamboanga State College of Marine Science and Technology (ZSCMST) in Zamboanga City 3) Capitol University (CU) in Cagayan de Oro City 4) Bukidnon State University (BSU) in Malaybalay, Bukidnon 5) Mindanao State University (MSU) in Marawi City; and 6) Mindanao State University-Iligan Institute of Technology (MSU-IIT) in Iligan City.
- Ongoing procurement for the delivery, installation and networking of computers for five (5) JEEP1 Block II schools: 1) University of Mindanao, Davao City 2) Davao Merchant Marine Academy, Davao City 3) Saint Joseph Institute of Technology, Butuan City 4) Mindanao University of Science & Technology, Cagayan de Oro City and 5) University of Southern Mindanao, Kabacan, North Cotabato.
- On September 15, 2009, the GEM Program issued a Request for Proposal (RFP) to Interactive Language Solutions (ILS) for the provision of Interactive Courseware for Computer-Assisted Language Instruction to five (5) JEEP1 Block II schools. ILS is the sole distributor of "DynEd English Language Multimedia Solutions," the software used by GEM for the implementation of the JEEP. The deadline for the submission of the cost proposal is September 29, 2009.

#### 7.3 Special Activities Fund

From January 1, 2008 to September 30, 2009, **\$2,729,680** of the obligated **\$4,811,214** SAF budget has been approved for **636** special activities.

## 8.0 Participant Training Report

GEM designs and implements short-term training programs that enable beneficiaries to make greater use of the physical resources that the program provides. Thus, training provided by GEM maximizes the value of such resources.

Over the course of the fiscal year, GEM designed and implemented training—some of which was provided in collaboration with various partners—to approximately 5,500 beneficiaries. In some cases—as in the case of teacher training provided through GEM’s CLIC Project—those receiving the training are responsible for training other colleagues. Thus, the total number of beneficiaries affected by some of the training programs are larger than the nucleus of people receiving training directly.

The numbers of people trained by component, are summarized in the matrix presented below.

PARTICIPANT TRAINING ANNUAL REPORT FOR FY 2009					
FY 2009 Quarter	Particulars	Business Growth & Dev't	Workforce Prep. & Gov.	Infrastructure	TOTAL
<b>First Quarter (Oct-Dec. 2008)</b>	# of Training Activities Reported/Conducted	13	1	3	17
	Male	819	77	41	937
	Female	274	78	19	371
	<b>Total # of Pax</b>	<b>1,093</b>	<b>155</b>	<b>60</b>	<b>1,308</b>
<b>Second Quarter (Jan-Mar. 2009)</b>	# of Training Activities Reported/Conducted	11	2	0	13
	Male	325	177	0	502
	Female	142	133	0	275
	<b>Total # of Pax</b>	<b>467</b>	<b>310</b>	<b>0</b>	<b>777</b>
<b>Third Quarter (Apr-Jun 2009)</b>	# of Training Activities Reported/Conducted	18	5	0	23
	Male	536	286	0	822
	Female	331	423	0	754
	<b>Total # of Pax</b>	<b>867</b>	<b>709</b>	<b>0</b>	<b>1,576</b>
<b>Fourth Quarter (Jul-Sep 2009)</b>	# of Training Activities Reported/Conducted	36	6	0	42
	Male	873	251	0	1,124
	Female	461	237	0	698
	<b>Total # of Pax</b>	<b>1,334</b>	<b>488</b>	<b>0</b>	<b>1,822</b>
<b>Total for Fiscal Year</b>	<b>Male</b>	<b>2,553</b>	<b>791</b>	<b>41</b>	
	<b>Female</b>	<b>1,208</b>	<b>871</b>	<b>19</b>	<b>5,483</b>

The training programs, designed and implemented by GEM during the fiscal year are described briefly below.

1. Incentive-based LGU Revenue Enhancement Program Start-up Training-Workshop on Local Revenue Generation for the Revenue Enhancement and Progress Project (REAP)

The training-workshop updated and expanded the Local Government Units' (LGU) knowledge and skills in revenue enhancement, as well as to establish target increase in local revenues. This activity was conducted during October 21-23, 2008 in Pagadian City.

Female: 55

Male: 47

Total Number of Participants: 102

2. Training on Banana Production

This training, which was conducted on November 12-13, 2008 in Brgy. Langpas, Indanan and Brgy. Linggisin, Talipao, Sulu, was designed to improve the cooperative members' banana production skills.

Female: 39

Male: 55

Total Number of Participants: 94

3. Revenue Enhancement and Progress Project "Writeshop" on Local Market Codes for the Revenue Enhance and Progress (REAP) Project

The Market Code writeshop was designed to help the LGUs optimize local revenues from the public market, as one of the major strategies to achieve target revenue increases in 2009. The Revenue Code writeshop also enabled REAP Project LGUs to use their updated revenue codes as springboards to achieve target revenue increases in year 2009. This activity was conducted on November 24-26, 2008 in Pagadian City.

Female: 31

Male: 23

Total Number of Participants: 54

4. Training on Marine Fish Production

The training was designed to improve the skills of cooperative members in Brgy. Muthar and Brgy. Tandu Banak, Sibutu, Tawi-Tawi on High Value Marine Fish Production. This activity was on November 26-27, 2008.

Female: 1

Male: 75

Total Number of Participants: 76

5. Writeshop to Prepare the Lamitan City Local Revenue Code for the Revenue Enhance and Progress (REAP) Project

This writeshop was dedicated to amending the city revenue code of Lamitan, thus assisting LGUs to take steps which will result in sizeable and continuing annual increases in locally-

collected revenues. This activity was conducted on November 27-28, 2008 in Lamitan, Basilan.

Female: 4

Male: 6

Total Number of Participants: 10

6. Vegetable Quality Improvement Training (South Cotabato Leg)

The Vegetable Forum, conducted in December, was designed to increase the farmers' skills in post harvest handling. Through skills enhancement, farmers will be able to retain freshness and the quality of their produce, which they can then sell at a higher value.

Female: 9

Male: 25

Total Number of Participants: 34

7. Provincial Vegetable Forum

The Vegetable Forum was designed to inform farmers about the latest vegetable production techniques and increase awareness of vegetable market trends and updates. The training conducted in December, 2008 in Nuro Upi, Shariff Kabunsuan.

Female: 74

Male: 17

Total Number of Participants: 91

8. Training on the Operation and Maintenance of a Multi-Commodity Consolidation Facility

The training informed the members of the Bakud-Mahaba Farmers Association about the benefits of appropriate handling and marketing of fresh produce. As primary users of the post-harvest facility, it is expected that the cooperative's income will improve after the transfer of the technology. This training was conducted from January 21 to 22, 2009.

Female: 20

Male: 12

Total Number of Participants: 31

9. Troubleshooting and Maintenance of Internet Connection Training with We Are IT

This 3-week training program, which was conducted in various areas in the ARMM and CAAM, was designed to improve the maintenance skills of laboratory managers, thus reducing the downtime of the systems and lessening the need for CLIC technicians' visits to the schools to address such problems. This training started in February 23, 2009 and ended on March 18, 2009.

Female: 123

Male: 162

Total Number of Participants: 285

10. Training on Gracillaria sp. Seaweed Production

The training was designed to introduce seaweed production as a viable livelihood for the members of the Tonggosong Multi-Purpose Cooperative in the municipality of Simunul, Tawi-Tawi. This training was held on March 14, 2009.

Female: 8

Male: 23

Total Number of Participants: 31

11. Training on Marine Fish Production

The training is in line with provincial government's thrust in developing the aquaculture potential of the province. Conducted in March, 2009 in Brgy. Bualo, Maimbung, Jolo, Sulu, it was designed to introduce the raising of marine fish as an income-generating activity and to increase the profitability of marine fish farms through improved production practices.

Female: 0

Male: 27

Total Number of Participants: 27

12. Training on Fresh Water Fish Production

This training was conducted due to the association's plans to revive its fish pond to increase income from freshwater fish production technology and to guide association members in their planned business endeavors. It was conducted in May, 2009 in Sitio Manggis, Brgy. Magsagao, Panglima Sugala, Tawi-Tawi.

Female: 2

Male: 35

Total Number of Participants: 37

13. Training on Vegetable Production

This training program was held from May 19-20, 2009, and was designed to introduce Vegetable Production as a sustainable livelihood for the farmers in Brgy. West Patadon, Matalam, North Cotabato, and Brgy. Malabuaya, Kabacan, North Cotabato.

Females: 48

Males: 27

Total Number of Participants:

14. Training on Vegetable Production (4)

The training program introduced vegetable production as an additional source of income and sustainable livelihood to the farmers in Sitio Baunoh, Barangay Bangkal and Sitio Amamali, Barangay Tanum, Patikul, Sulu, and in Barangay Tandubanak and Sitio Tanah Palay, Barangay Bidin, Sibutu, Tawi-Tawi. It was conducted in May, 2009 and June 7, 2009.

Female: 12  
Male: 119  
Total Number of Participants: 131

15. Local Revenue Enhancement training-Workshops for Additional Municipalities under the REAP Project

The training-workshop on June 22, 2009 was conducted as the major vehicle for delivering limited technical assistance to LGUs.

Female: 23  
Male: 9  
Total Number of Participants: 32

16. Training on Fruit Production

The training, program, which was conducted on June 25, 2009 in Brgy. Lunen, Tupi, South Cotabato, introduced fruit production as a sustainable means of livelihood.

Female: 10  
Male: 12  
Total Number of Participants: 22

17. Training on Passion Fruit Production

The training was conducted in Brgy. Sta. Crus, Matungao, and Brgy. Lower Pang, Pantao Ragat, Lanao del Norte on June 30 and July 1, 2009. It was designed to introduce Passion Fruit production as a sustainable livelihood.

Female: 30  
Male: 29  
Total Number of Participants: 59

18. Seminar/Training on Tax Mapping and Administration for Lamitan, Basilan

The training-workshop was conducted to help Lamitan officials improve revenue collection through the updating and improved administration of its tax mapping system. The training was held in Lamitan, Basilan on July 1, 2009, through the Revenue Enhancement and Progress (REAP) Project.

Female: 1  
Male: 4  
Total Number of Participants: 5

19. Training on Abalone Production

The training was designed to introduce Abalone production as an additional source of income and sustainable livelihood. Approximately 1,800 abalone spat were sold to the community by the Tawi-Tawi Hatchery at a cost of P10 per piece. These will be collectively grown by the association using abalone grow-out culture trays, which have been introduced by the GEM Program to Tawi-Tawi growers. Initial arrangements have been made for the

Tawi-Tawi Hatchery to buy back the market-size abalone for value-added processing to produce canned abalone for the China market. The training was conducted in Brgy. Belatan Halo, Panglima Sugala, Tawi-awi on July 4, 2009.

Female: 6

Male: 29

Total Number of Participants: 35

#### 20. Training on Marine Fish Production

The training, held on July 6, 2009 in Brgy. Marang-Marang, Languyan, Tawi-Tawi, July 11, 2009 in Brgy. Tongtong, Hadji Panglima Tahil, Sulu, and July 12, 2009 in Brgy. Port Holland, Zone 3, Languyan, Basilan, introduced Marine Fish Production as a sustainable livelihood to the community.

Female: 24

Male: 76

Total Number of Participants: 100

#### 21. Training on Freshwater Fish Production in Sitio Kasanyangan, Barangay Karongdong, municipality of Bongao, Tawi-Tawi

The training introduced freshwater fish production as a sustainable means of livelihood to the community of Sitio Kasanyangan, Karongdong, Bongao, Tawi-Tawi. The training was conducted on July 8, 2009.

Female: 6

Male: 19

Total Number of Participants: 25

#### 22. Training on Accounting and Bookkeeping

The training was conducted to inculcate the significance of basic accounting and bookkeeping as essential tools in formulating business and financial plans that will result in improved and effective business management. It was conducted on July 14, 2009.

Female: 13

Male: 17

Total Number of Participants: 30

#### 23. Seminar on Commercial Production of Passion Fruit

GEM partnered with Kasilak Foundation, Inc., which has a mandate to assist approximately 900 upland resource-poor farming households develop their technical skills in sustainable farming technologies and practices resulting in increased crop yield, farm productivity and income. This activity was held on July 17, 2009 in the Municipality of Maragusan, Compostela Valley Province.

Female: 14

Male: 25

Total Number of Participants: 39

#### 24. Training on Passion Fruit Production

The training, conducted on August 5, 2009, was designed to enable growers to produce and sell high value crops such as Passion Fruit. A demonstration farm and nursery was established and will be maintained by the community members of Brgy. Pangi, Matungao, Lanao del Norte for possible replication in neighboring communities.

Female: 16

Male: 34

Total Number of Participants: 50

#### 25. Training on Rubber and Vegetable Production

The training program was designed to impart knowledge about improved varieties and new production techniques of higher value vegetables. Rubber production was also introduced as since rubber represents a possible additional source of livelihood to augment farmers' income. The training was conducted in two barangays in Carmen, North Cotabato, in August, 2009.

Female: 55

Male: 62

Total Number of Participants: 117

#### 26. Training on Vegetable Production

The training program was designed to introduce skills related to the production of high value vegetables and to improve the quality of vegetables through the application of appropriate post harvest techniques. It also introduced information about improved varieties and better production and post-harvest techniques for high value vegetables. This training was conducted on August 18, 2009 in Brgy. Sanga-Sanga, Bongao, Tawi-Tawi, and August 20, 2009 in Brgy. Koronadal Proper, Polomolok, South Cotabato.

Female: 23

Male: 28

Total Number of Participants: 51

#### 27. Training on Milkfish Production

The training was designed to expand milkfish production in Brgy. Tamapalan and Brgy. Diki, in Malamawi Island, Isabela City, Basilan, thus augmenting the supply of higher-quality raw material for the community's on-going bottled milkfish project. This training was conducted from September 2 to 3, 2009.

Female: 14

Male: 49

Total Number of Participants: 63



28. Training on Banana Consolidation Facility

The activity was intended to train farmers managing and maintaining a banana consolidation facility which will be constructed through co-funding support from the GEM Program and the ACT for Peace Program. The facility is expected to increase the association's income by reducing post-harvest losses. The training was conducted on September 3, 2009 in Brgy. Manili, Carmen, North Cotabato.

Female: 11

Male: 31

Total Number of Participants: 42

29. Training on Rubber Production

This two-day training program conducted from September 7 to 8, 2009 and introduced techniques of rubber production as a sustainable source of income for the members of the community of Brgy. Pamucalin, Lantawan, Basilan.

Female: 26

Male: 47

Total Number of Participants: 73

Summary (July 1, 2009 – September 30, 2009):

Total Number of Training Activities Conducted: 42

Total Number of Female Participants: 698

Total Number of Male Participants: 1,124

Total Number of Participants: 1,822

Summary of Participant Training to date from start of GEM 3:

Total Number of Training Activities Conducted: 135

Total Number of Female Participants: 2,827

Total Number of Male Participants: 4,671

Total Number of Participants: 7,498

## 9.0 Fiscal Year 2009 OP Targets and Accomplishments

OP Indicators		GEM FY 09 Workplan Targets	Total GEM Actual FY09
1	No. of people with access to improved drinking water as a result of USG assistance	70,000	71,500
2	No. of people with access to internet service as a result of USG assistance	160,000	181,398
3	Total public and private \$ leveraged by USG for communications projects	\$ 800,000	\$ 949,270
4	Kilometers of transportation infra constructed or repaired through USG assistance	18	6.7
5	Total public and private \$ leveraged with USG support for transportation infra projects.	\$ 2,001,705	\$ 2,556,970
6	No. of people benefiting from USG-sponsored transportation infrastructure projects.	520,000	727,691
	Male	260,000	366,212
	Female	260,000	361,479
7	% change in value of intra-regional exports of targeted agricultural commodities as a result of USG assistance.	28%	12%
8	Number of vulnerable households benefiting directly from USG assistance.	19,500	320,557
9	Number of producers associations, water users associations, trade and business organizations, and community-based organizations receiving USG assistance.	133	478
10	Number of individuals who have received USG-supported short-term <b>agri-sector</b> productivity training (M/F)	1,042	5,515
	Male	833	3,686
	Female	208	1,829
11	Number of new members in private business associations as result of USG assistance.	20	44
12	Number of business associations and trade unions that are at least 50% self-funded as a result of USG assistance.	2	-

# **ANNEXES**

## ANNEX 2-1

### GEM Targeted Commodities for Export Baseline, FY 2008-2009 Results and Targets for FY 2010-2012

Targeted Export Priority Commodities	2007 Baseline		Total for FY08		Total for FY09 <sup>1</sup>		Projected Target for FY 2010		Projected Target for FY 2011		FY 2012 Target	
	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)
Fresh Fruit	1,992	3,592,770	2,307	3,545,931	1,788	2,627,659	2,503	4,467,020	3,755	6,700,530	5,913	10,788,772
Dried/Dehydrated Fruits	242	1,150,754	337	1,787,856	403	2,581,447	459	2,840,040	552	3,201,478	718	3,455,613
Fruit Juice/Puree	2,258	1,261,580	2,466	1,501,913	5,807	2,642,004	6,046	2,899,773	6,482	3,273,537	6,703	3,788,414
Frozen Fruits	204	413,506	242	428,154	676	1,039,947	773	1,181,320	927	1,233,353	606	1,241,722
Other Horticulture Products <sup>2</sup>	34	37,496	13	6,640	-	-	23	16,600	47	43,160	101	112,597
Aquaculture <sup>3</sup>	97	244,810	148	369,146	150	488,341	159	540,392	177	612,066	288	735,143
Sardines (Bottled/Club can) <sup>4</sup>	11,207	16,700,986	12,986	20,408,385	14,000	21,800,000	18,200	27,904,000	24,570	36,833,280	33,268	50,151,590
<b>Total</b>	<b>16,034</b>	<b>23,401,902</b>	<b>18,499</b>	<b>28,048,025</b>	<b>22,824</b>	<b>31,179,397</b>	<b>28,164</b>	<b>39,849,144</b>	<b>36,509</b>	<b>51,897,404</b>	<b>47,597</b>	<b>70,273,851</b>

Sources of raw data: National Statistics Office (NSO) for fresh mango, dried/dehydrated fruits, fruit juice/puree, frozen mango, fresh and processed ginger and sardines; Bureau of Customs (BOC)-District Ports of Zamboanga and Davao City for abalone, sea c

<sup>1</sup> Forecasted volume and value for the fourth quarter (except for HVA and sardines) based on average first, second and third quarters volume and value of exports

<sup>2</sup> Used 2006 export figures for baseline in lieu of 2007 figures

<sup>3</sup> Annualized FY09 estimated from Mindanao production data for 2009

<sup>4</sup> Mindanao-origin exports of sardines; Actual 1<sup>st</sup>-3<sup>rd</sup> quarter FY09 exports; Annualized FY09 sardines export estimate is based on industry estimate

### GEM Targeted Commodities for Domestic Out-shipment Baseline, FY 2008-2009 Results and Targets for FY 2010-2012

Targeted Domestic Out-shipment Commodities	2007 Baseline		Total for FY08		Total for FY09		Projected Target for FY 2010		Projected Target for FY 2011		FY 2012 Target	
	Volume (MT)	Value (USD)	Volume (MT)	Value <sup>1</sup> (USD)	Volume (MT)	Value <sup>1</sup> (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)	Volume (MT)	Value (USD)
Fresh Bananas & Mango via RoRo and other improved logistic system <sup>2</sup>	14,400	3,130,435	16,941	4,803,643	18,393	5,363,354	24,095	6,382,391	32,047	7,722,693	42,746	9,400,421
NorMinVeggies, Davao del Norte and South Cotabato groups vegetable outshipment <sup>3</sup>	2,704	3,881,783	2,078	2,846,368	4,746	3,750,425	5,600	5,400,611	6,664	7,884,893	8,027	11,656,653
High Value Aquaculture <sup>4ab</sup>	113	285,890	145	761,934	125	658,952	173	705,079	240	775,587	335	858,502
<b>Total</b>	<b>17,217</b>	<b>7,298,108</b>	<b>19,164</b>	<b>8,411,945</b>	<b>23,264</b>	<b>9,772,731</b>	<b>29,868</b>	<b>12,488,081</b>	<b>38,951</b>	<b>16,383,173</b>	<b>51,108</b>	<b>21,915,576</b>

Sources or raw data: Industry for fruits; Normin Vegetables Consolidation Center (NVCC), Davao Norte Vegetable Council and Vegetable Industry Council of South Cotabato (VICSCo) for vegetables; Office of the City Agriculturist (OCA)-Zamboanga for high valu

<sup>1</sup> Domestic outshipment values were converted using the following Php to US\$ foreign exchange rate

a. 46.14 Php to US\$ for FY 2008 (Source: Monthly Average Exchange Rate, January - December 2007, [www.nscb.gov.ph/stats/pesodollar.asp](http://www.nscb.gov.ph/stats/pesodollar.asp))

b. 48.43 P

c. 47.75 Php to US\$ for January-March 2009 (Source: Monthly Average Exchange Rate, October 2008-August 2009, [www.nscb.gov.ph/stats/pesodollar.asp](http://www.nscb.gov.ph/stats/pesodollar.asp))

d. 47.88 Php to US\$ for April-June 2009 (Source: Monthly Average Exchange Rate, October 2008-A

<sup>2</sup> Actual fruits outshipment value from October 2008-June 2009, estimated for July-September 2009 based on Oct. '08-June '09 monthly average value

<sup>3</sup> Actual vegetable outshipment value from October 2008-August 2009, estimated for September 2009 based on Oct. '08-August '09 monthly average value

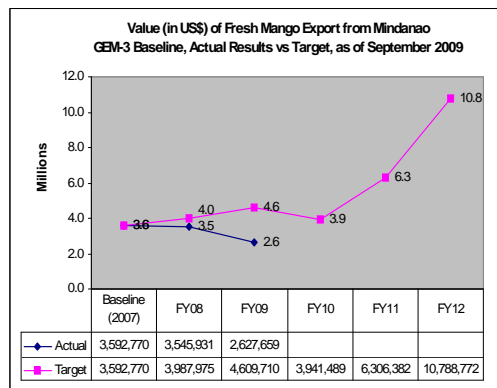
<sup>4</sup> a. High value aquaculture (HVA) out shipment volume computed as total out shipments (LGU data) minus exports (BOC) for first to third quarter FY 2008; LGU data reflects domestic out shipment and export, whereas BOC data exclusively reflects export data

## ANNEX 2-2

### Value (in US\$) of Mindanao Exports & Domestic Out-shipments of GEM Priority Commodities 2007, FY 2008-2009 Actual Result<sup>1</sup>, and Targets for FY 2010-2012<sup>2</sup>

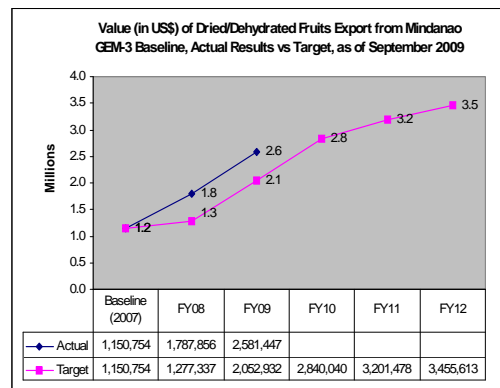
The total exports of GEM priority commodities posted a growth rate at 11% from 2008 to 2009, from \$28 million to \$31 million, respectively. Though it is lower by 9% from what was projected for FY 2009 at \$34 million, GEM expects this will be attained once the actual figures for FY 2009 are complete. The composite charts show comparative presentation of actual and projected export value of individual commodity for the period 2007 to 2012.

Figure 1



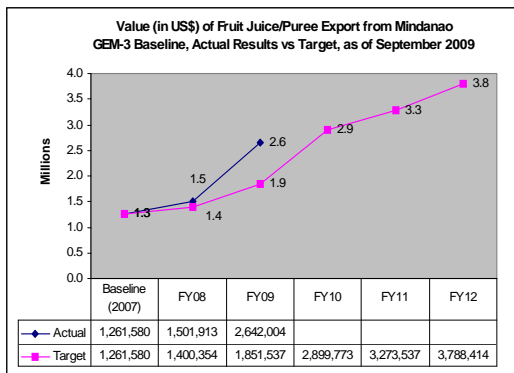
- Value of exports of fresh mangoes, which had been targeted to increase by 30% in 2009, declined by 26%

Figure 2



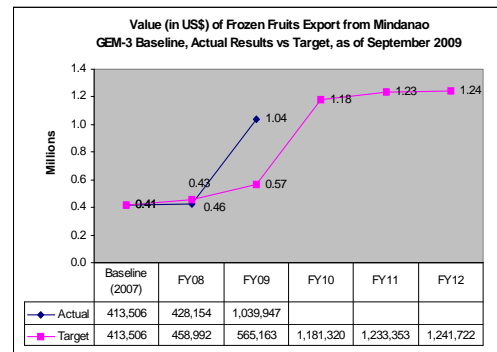
- Value of export of dried fruits has increased by 44% in 2009, 29% higher than had been targeted

Figure 3



- Value of exports of fruit juice/puree (other than Dole and Del Monte fruit juices and puree) increased by 76% increase in 2009, 53% higher than had been targeted.

Figure 4



- Value of exports of frozen fruits (frozen mango and frozen banana) increased by 143% in 2009, 108% higher than had been targeted. Frozen banana shipped to Korea, USAD, Canada and Saudi Arabia accounted for the bulk of exports in 2008.

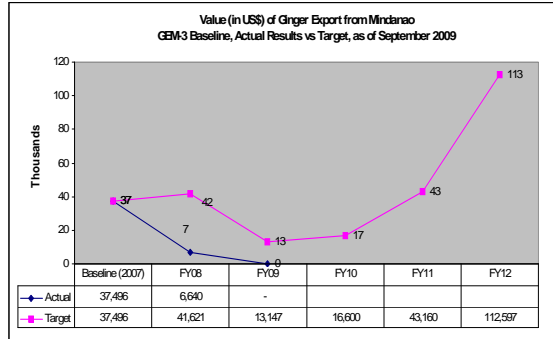
<sup>1</sup> Sources of raw data: National Statistics Office (NSO) for fresh mango, dried/dehydrated fruits, fruit juice/puree, frozen mango, fresh and processed ginger and sardines; Bureau of Customs (BOC)-District Ports of Zamboanga and Davao City for abalone, sea cucumber and grouper; Sagrex Foods Inc., for frozen banana.

<sup>2</sup> References: FY 2009 to FY FY2011 targets are re-computed GEM internal projected based on FY 2009 "actual result" (4<sup>th</sup> quarter forecasted in lieu of actual data from official sources) prepared on September 23, 2009. Figures for Baseline and Internal projected targets for FY 29008 and FY 2012 based on Annex 2-1 of GEM-3 Quarterly Report, October 1, 2008 to December 31, 2008.

ANNEX 2-2...continued

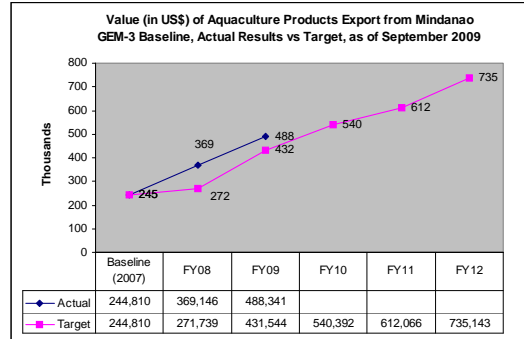
Value (in US\$) of Mindanao Exports of GEM Priority Commodities  
2007, FY 2008-2009 Actual Result, and GEM Internal Projections for FY 2010-2012

Figure 5



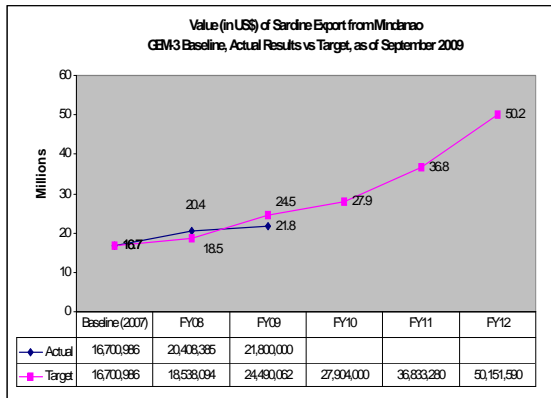
- No actual export figures available for Ginger in 2009, but based on targets, exports were expected to increase by 98%

Figure 6



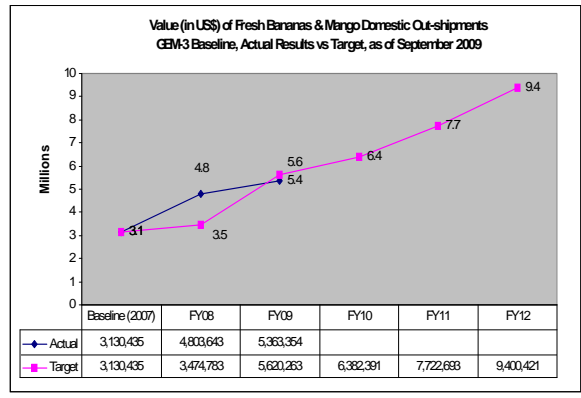
- Value of exports of Aquaculture increased by 32% in 2009, 11% higher than had been targeted

Figure 7



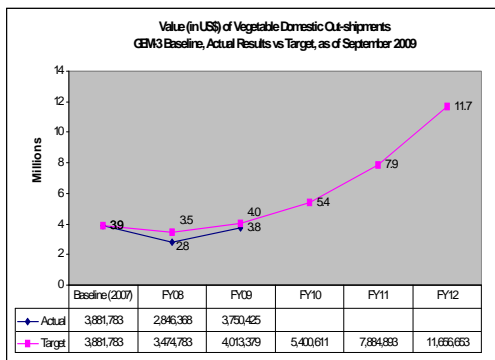
- Value of sardine exports in 2008 increased by 7% in 2009, 12% lower than had been targeted.

Figure 8



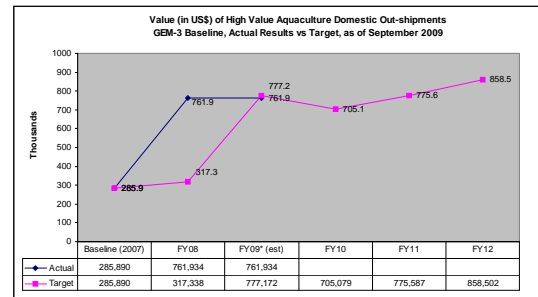
- Value of **domestic** out-shipment for Fresh Bananas & Mango via RORO and other improved logistic system has increased by 12% in 2009, lower by 5% from what was targeted.

Figure 9



- Value of Domestic Out-shipment for Vegetables has increased by 32% in 2009. Lower by 7% from what was targeted.

Figure 10



- Value of Domestic Out-shipment for High Value Aquaculture decreased by 14%. 2008 figure was used for 2009 due to non-availability of data from BOC.
- Value is based on average actual and current prices of grouper products (live, fresh/frozen).

## ANNEX 2-3

Projected Mindanao Exports (Mt) of GEM Priority Commodities, 2008-2012 (September 25, 2009)

Priority Commodity	2007 <sup>1</sup>	2008	2009 <sup>4</sup>	Projected Annual Volume			Projected Annual Growth Rate (%)											
				2010	2011	2012	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011	Average Annual	X Base year 2008	X Base year 2009	X Base year 2010	X Base year 2011	X Base year 2012	
<b>Fresh Fruits</b>																		
Fresh Mango	1,992	2,307	1,788	2,503	3,755	6,008	16	-22	40	50	60	29	1.2	0.9	1.3	1.9	3.0	
<b>Sub-Total</b>	<b>1,992</b>	<b>2,307</b>	<b>1,788</b>	<b>2,503</b>	<b>3,755</b>	<b>6,008</b>	<b>16</b>	<b>-22</b>	<b>40</b>	<b>50</b>	<b>90</b>	<b>35</b>	<b>1.2</b>	<b>0.9</b>	<b>1.3</b>	<b>1.9</b>	<b>3.0</b>	
<b>Dried / Dehydrated Fruits</b>																		
Dried Mango	163	234	279	329	395	494	44	19	18	20	25	25	1.4	1.7	2.0	2.4	3.0	
Dried Papaya	57	60	6	12	38	173	5	-90	100	220	350	117	1.1	0.1	0.2	0.7	3.0	
Dried Pineapple	22	43	118	118	118	118	95	174	0	0	0	54	2.0	5.4	5.4	5.4	5.4	
<b>Sub-Total</b>	<b>242</b>	<b>337</b>	<b>403</b>	<b>459</b>	<b>552</b>	<b>785</b>	<b>39</b>	<b>20</b>	<b>14</b>	<b>20</b>	<b>42</b>	<b>27</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>	<b>2.3</b>	<b>3.2</b>	
<b>Fruit Juice/Puree</b>																		
Mango Juice	1,857	1,613	4,378	4,597	5,011	5,512	-13	171	5	9	10	36	0.9	2.4	2.5	2.7	3.0	
Other Tropical Fruit Juices	99	628	225	245	267	294	534	-64	9	9	10	100	6.3	2.3	2.5	2.7	3.0	
Mango Puree	302	225	1,204	1,204	1,204	1,204	-25	435	0	0	0	82	0.7	4.0	4.0	4.0	4.0	
<b>Sub-Total</b>	<b>2,258</b>	<b>2,466</b>	<b>5,807</b>	<b>6,046</b>	<b>6,482</b>	<b>7,010</b>	<b>9</b>	<b>135</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>33</b>	<b>1.1</b>	<b>2.6</b>	<b>2.7</b>	<b>2.9</b>	<b>3.1</b>	
<b>Frozen Fruits</b>																		
Frozen Mango	204	170	140	210	336	605	-17	-18	50	60	80	31	0.8	0.7	1.0	1.6	3.0	
Frozen Banana		72	536	563	591	620		644	5	5	5	132						
<b>Sub-Total</b>	<b>204</b>	<b>242</b>	<b>676</b>	<b>773</b>	<b>927</b>	<b>1,225</b>	<b>19</b>	<b>15</b>	<b>18</b>	<b>20</b>	<b>25</b>	<b>19</b>	<b>1.2</b>	<b>3.3</b>	<b>3.8</b>	<b>4.5</b>	<b>6.0</b>	
<b>Other Horticulture Products<sup>2</sup></b>																		
Fresh and Processed Ginger	34	13		23	47	103	-62	-100		100	120		0.4	0.0	0.7	1.4	3.0	
<b>Sub-Total</b>	<b>34</b>	<b>13</b>	<b>0</b>	<b>23</b>	<b>47</b>	<b>103</b>	<b>-62</b>	<b>-100</b>	<b>0</b>	<b>100</b>	<b>120</b>		<b>0.4</b>	<b>0.0</b>	<b>0.7</b>	<b>1.4</b>	<b>3.0</b>	
<b>Aquaculture<sup>5</sup></b>																		
Abalone	11	57	60	60	60	60	418	5	0	0	0	85	5.2	5.5	5.5	5.5	5.5	
Sea Cucumber	53	2		0	0	0	-97	-100					0.0	0.0	0.0	0.0	0.0	
Grouper	33	89	90	99	117	222	170	1	10	18	90	58	2.7	2.7	3.0	3.5	6.7	
<b>Sub-Total</b>	<b>97</b>	<b>148</b>	<b>150</b>	<b>159</b>	<b>177</b>	<b>282</b>	<b>52</b>	<b>2</b>	<b>6</b>	<b>11</b>	<b>60</b>	<b>26</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.8</b>	<b>2.9</b>	
<b>Processed Fish</b>																		
Sardines <sup>3</sup>	11,207	12,986	14,000	18,200	24,570	33,907	16	8	30	35	38	25	1.2	1.2	1.6	2.2	3.0	
<b>Sub-Total</b>	<b>11,207</b>	<b>12,986</b>	<b>14,000</b>	<b>18,200</b>	<b>24,570</b>	<b>33,907</b>	<b>16</b>	<b>8</b>	<b>30</b>	<b>35</b>	<b>38</b>	<b>25</b>	<b>1.2</b>	<b>1.2</b>	<b>1.6</b>	<b>2.2</b>	<b>3.0</b>	
<b>GRAND TOTAL</b>	<b>16,034</b>	<b>18,499</b>	<b>22,824</b>	<b>28,164</b>	<b>36,509</b>	<b>49,320</b>	<b>15</b>	<b>23</b>	<b>23</b>	<b>30</b>	<b>35</b>	<b>25</b>	<b>1.2</b>	<b>1.4</b>	<b>1.8</b>	<b>2.3</b>	<b>3.1</b>	

Sources of raw data: **National Statistics Office (NSO)** for fresh mango, dried/dehydrated fruits, fruit juice/puree, frozen mango, fresh and processed ginger and sardines; **Bureau of Customs (BOC)**-District Ports of Davao City and Zamboanga- for abalone, sea

<sup>1</sup> Base year

<sup>2</sup> Other Horticulture Products - used 2006 export figures instead of 2007 figures

<sup>3</sup> Sardines -Mindanao-origina exports of sardines; Actual 1st-3rd quarter FY09 exports; Annualized FY09 sardine export estimate was based on industry information provided by TCEP Mariculture Team

<sup>4</sup> FY09 - Forecasted volume and value for the fourth quarter (except for HVA and sardines) based on the average of first, second and third quarters volume and value of exports

<sup>5</sup> Aquaculture - Annualized FY09 estimated from Mindanao production data for 2009

## ANNEX 2-3...continued

Projected Mindanao Exports (US\$, FOB) of GEM Priority Commodities, 2008-2012 (September 25, 2009)

Priority Commodity	2007 <sup>1</sup>	2008	2009 <sup>4</sup>	Annual Projected Value			Projected Annual Growth Rate (%)										
				2010	2011	2012	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011	Average Annual	X Base year 2008	X Base year 2009	X Base year 2010	X Base year 2011	X Base year 2012
<b>Fresh Fruits</b>																	
Fresh Mango	3,592,770	3,545,931	2,627,659	4,467,020	6,700,530	10,720,849	-1	-26	70	50	60	31	1.0	0.7	1.2	1.9	3.0
<b>Sub-Total</b>	<b>3,592,770</b>	<b>3,545,931</b>	<b>2,627,659</b>	<b>4,467,020</b>	<b>6,700,530</b>	<b>10,720,849</b>	<b>-1</b>	<b>-26</b>	<b>70</b>	<b>50</b>	<b>60</b>	<b>31</b>	<b>1.0</b>	<b>0.7</b>	<b>1.2</b>	<b>1.9</b>	<b>3.0</b>
<b>Dried / Dehydrated Fruits</b>																	
Dried Mango	982,244	1,471,092	2,014,552	2,256,298	2,549,617	2,983,052	50	37	12	13	17	26	1.5	2.1	2.3	2.6	3.0
Dried Papaya	105,330	139,650	20,991	37,783	105,793	317,379	33	-85	80	180	200	82	1.3	0.2	0.4	1.0	3.0
Dried Pineapple	63,180	177,114	545,904	545,959	546,068	546,286	180	208	0	0	0	78	2.8	8.6	8.6	8.6	8.6
<b>Sub-Total</b>	<b>1,150,754</b>	<b>1,787,856</b>	<b>2,581,447</b>	<b>2,840,040</b>	<b>3,201,478</b>	<b>3,846,717</b>	<b>55</b>	<b>44</b>	<b>10</b>	<b>13</b>	<b>20</b>	<b>29</b>	<b>1.6</b>	<b>2.2</b>	<b>2.5</b>	<b>2.8</b>	<b>3.3</b>
<b>Fruit Juice/Puree</b>																	
Mango Juice	792,305	701,602	1,299,831	1,533,800	1,871,236	2,339,045	-11	85	18	22	25	28	0.9	1.6	1.9	2.4	3.0
Other Tropical Fruit Juices	52,545	385,603	160,227	160,387	160,547	160,708	634	-58	0	0	0	115	7.3	3.0	3.1	3.1	3.1
Mango Puree	416,730	414,708	1,181,947	1,205,586	1,241,753	1,303,841	0	185	2	3	5	39	1.0	2.8	2.9	3.0	3.1
<b>Sub-Total</b>	<b>1,261,580</b>	<b>1,501,913</b>	<b>2,642,004</b>	<b>2,899,773</b>	<b>3,273,537</b>	<b>3,803,594</b>	<b>19</b>	<b>76</b>	<b>10</b>	<b>13</b>	<b>16</b>	<b>27</b>	<b>1.2</b>	<b>2.1</b>	<b>2.3</b>	<b>2.6</b>	<b>3.0</b>
<b>Frozen Fruits</b>																	
Frozen Mango	413,506	356,154	503,947	645,052	696,656	947,452	-14	41	28	8	36	20	0.9	1.2	1.6	1.7	2.3
Frozen Banana		72,000	536,000	536,268	536,697	563,532		644	0	0	5	130					
<b>Sub-Total</b>	<b>413,506</b>	<b>428,154</b>	<b>1,039,947</b>	<b>1,181,320</b>	<b>1,233,353</b>	<b>1,510,984</b>	<b>4</b>	<b>143</b>	<b>14</b>	<b>4</b>	<b>23</b>	<b>37</b>	<b>1.0</b>	<b>2.5</b>	<b>2.9</b>	<b>3.0</b>	<b>3.7</b>
<b>Other Horticulture Products<sup>2</sup></b>																	
Fresh and Processed Gingi	37,496	6,640		16,600	43,160	113,511	-82	-100		160	163	28	0.2	0.0	0.4	1.2	3.0
<b>Sub-Total</b>	<b>37,496</b>	<b>6,640</b>		<b>16,600</b>	<b>43,160</b>	<b>113,511</b>	<b>-82</b>	<b>-100</b>		<b>160</b>	<b>163</b>	<b>28</b>	<b>0.2</b>	<b>0.0</b>	<b>0.4</b>	<b>1.2</b>	<b>3.0</b>
<b>Aquaculture<sup>5</sup></b>																	
Abalone	30,345	178,297	187,681	188,619	189,940	191,649	488	5	0	1	1	99	5.9	6.2	6.2	6.3	6.3
Sea Cucumber	71,649	32,731		0	0	0	-54	-100					0.5	0.0	0.0	0.0	0.0
Grouper	142,816	158,118	300,660	351,772	422,127	548,765	11	90	17	20	30	34	1.1	2.1	2.5	3.0	3.8
<b>Sub-Total</b>	<b>244,810</b>	<b>369,146</b>	<b>488,341</b>	<b>540,392</b>	<b>612,066</b>	<b>740,414</b>	<b>51</b>	<b>32</b>	<b>11</b>	<b>13</b>	<b>21</b>	<b>26</b>	<b>1.5</b>	<b>2.0</b>	<b>2.2</b>	<b>2.5</b>	<b>3.0</b>
<b>Processed Fish</b>																	
Sardines <sup>3</sup>	16,700,986	20,408,385	21,800,000	27,904,000	36,833,280	50,829,926	22	7	28	32	38	25	1.2	1.3	1.7	2.2	3.0
<b>Sub-Total</b>	<b>16,700,986</b>	<b>20,408,385</b>	<b>21,800,000</b>	<b>27,904,000</b>	<b>36,833,280</b>	<b>50,829,926</b>	<b>22</b>	<b>7</b>	<b>28</b>	<b>32</b>	<b>38</b>	<b>25</b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>	<b>2.2</b>	<b>3.0</b>
<b>GRAND TOTAL</b>	<b>23,401,902</b>	<b>28,048,025</b>	<b>31,179,397</b>	<b>39,849,144</b>	<b>51,897,404</b>	<b>71,565,995</b>	<b>20</b>	<b>11</b>	<b>28</b>	<b>30</b>	<b>38</b>	<b>25</b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>	<b>2.2</b>	<b>3.0</b>

Sources of raw data: **National Statistics Office (NSO)** for fresh mango, dried/dehydrated fruits, fruit juice/puree, frozen mango, fresh and processed ginger and sardines; **Bureau of Customs (BOC)**-District Ports of Davao City and Zamboanga- for abalone, sea

<sup>1</sup> Base year

<sup>2</sup> Other Horticulture Products - sed 2006 export figures instead of 2007 figures

<sup>3</sup> Sardines -Mindanao-origina exports of sardines; Actual 1st-3rd quarter FY09 exports; Annualized FY09 sardine export estimate was based on industry information provided by TCEP Mariculture Team

<sup>4</sup> FY09 - Forecasted volume and value for the fourth quarter (except for HVA and sardines) based on the average of first, second and third quarters volume and value of exports

<sup>5</sup> Aquaculture - Annualized FY09 estimated from Mindanao production data for 2009



## ANNEX 2-4

Projected Volume of Mindanao Domestic Out-shipment (Mt) of GEM Priority Commodities, 2010-2012																		
Targeted Domestic Priority Out-shipment	2007 <sup>1</sup>	FY 2008	FY 2009	Projected Annual Volume			Actual Growth Rate		Projected Annual Growth Rate (%)				Average Annual	X Base year 2008	X Base year 2009	X Base year 2010	X Base year 2011	X Base year 2012
				FY 2010	FY 2011	FY 2012	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011							
Fresh bananas & mango via RoRo and other improved logistic system <sup>2</sup>	14,400	16,941	18,393	24,095	32,047	42,943	18	9	31	33	34	25	1.2	1.3	1.7	2.2	3.0	
NorMinVeggies <sup>3</sup> , Davao del Norte and South Cotabato groups vegetable out-shipments	2,704	2,078	4,746	5,600	6,664	8,063	(23.2)	128	18	19	21	33	0.8	1.8	2.1	2.5	3.0	
High Value Aquaculture <sup>4</sup>	113	145	125	173	240	336	29	(14)	38	39	40	26	1.3	1.1	1.5	2.1	3.0	
<b>GRAND TOTAL</b>	<b>17,217</b>	<b>19,164</b>	<b>23,264</b>	<b>29,868</b>	<b>38,951</b>	<b>51,342</b>	<b>11</b>	<b>21</b>	<b>28</b>	<b>30</b>	<b>32</b>	<b>25</b>	<b>1.1</b>	<b>1.4</b>	<b>1.7</b>	<b>2.3</b>	<b>3.0</b>	

Sources or raw data: Industry for fruits; Normin Vegetables Consolidation Center (NVCC), Davao Norte Vegetable Council and Vegetable Industry Council of South Cotabato (VICSCO) for vegetables; Office of the City Agriculturist (OCA)-Zamboanga for High V

<sup>1</sup> Base year

<sup>2</sup> Actual fruits outshipment volume from October 2008-June 2009, estimated for July-September 2009 based on Oct. '08-June '09 monthly average volume

<sup>3</sup> Actual vegetable outshipment volume from October 2008-August 2009, estimated for September 2009 based on Oct. '08-August '09 monthly average volume

<sup>4</sup> High value aquaculture (HVA) out shipment volume computed as total out shipments (LGU data) minus exports (BOC) for first to third quarter FY 2008; LGU data reflects domestic out shipment and export, whereas BOC data exclusively reflects export data.

Projected Value <sup>1</sup> of Mindanao Domestic Out shipment (US\$, FOB) of GEM Priority Commodities, 2010-2012																		
Priority Commodity	2007 <sup>2</sup>	FY 2008	FY 2009	Projected Annual Value			Actual Growth Rate		Projected Annual Growth Rate (%)				Average Annual	X Base year 2008	X Base year 2009	X Base year 2010	X Base year 2011	X Base year 2012
				FY 2010	FY 2011	FY 2012	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011							
Fresh bananas & mango via RoRo and other improved logistic system <sup>3</sup>	3,130,435	4,803,643	5,363,354	6,382,391	7,722,693	9,421,686	53	12	19	21	22	25	1.5	1.7	2.0	2.5	3.0	
NorMinVeggies, Davao del Norte and South Cotabato groups vegetable out shipments <sup>4</sup>	3,881,783	2,846,368	3,750,425	5,400,611	7,884,893	11,669,641	(27)	32	44	46	48	29	0.7	1.0	1.4	2.0	3.0	
High Value Aquaculture <sup>5 a,b</sup>	285,890	761,934	658,952	705,079	775,587	860,901	167	(14)	7	10	11	36	2.7	2.3	2.5	2.7	3.0	
<b>GRAND TOTAL</b>	<b>7,298,108</b>	<b>8,411,945</b>	<b>9,772,731</b>	<b>12,488,081</b>	<b>16,383,173</b>	<b>21,952,228</b>	<b>15</b>	<b>16</b>	<b>28</b>	<b>31</b>	<b>34</b>	<b>25</b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>	<b>2.2</b>	<b>3.0</b>	

Sources or raw data: Industry for fruits; Normin Vegetables Consolidation Center (NVCC), Davao Norte Vegetable Council and Vegetable Industry Council of South Cotabato (VICSCO) for vegetables; Office of the City Agriculturist (OCA)-Zamboanga for High V

<sup>1</sup> Domestic out-shipment values were converted using the following Php to US\$ foreign exchange rate

a. 46.1484 Php to US\$ for FY 2008 (Source: Monthly Average Exchange Rate, January - December 2007, www.nscb.gov.ph/stats/pesodollar.asp)

b. 4

<sup>2</sup> Base year

<sup>3</sup> Actual fruits outshipment value from October 2008-June 2009, estimated for July-September 2009 based on Oct. '08-June '09 monthly average value

<sup>4</sup> Actual vegetable outshipment value from October 2008-August 2009, estimated for September 2009 based on Oct. '08-August '09 monthly average value

<sup>5</sup> High Value Aquaculture (HVA) out-shipment value was computed by:

a. Subtracting exports (BoC) value from total shipments (LGU data) value for first to third quarter FY 2008

b. Multiplying the OCA's domestic out-shipment volume by B

Prepared September 25, 2009

## ANNEX 2-5

### GEM Direct Market Linkage Assistance to Export Out-shipments February 2008 – September 2009

Supplier	Product/Variety	Buyer	Transaction Details			Total Outshipments as of		GEM Assistance	
			Export Market	Volume & Frequency of Delivery	Remarks	Volume (in MT)	Value (in USD)		
<b>A. Regular and Trial Deliveries (Initial Shipment)</b>									
1.0	Tupi Balangon/Bongulan Growers Association, Inc. (TUBAGA)	FRUIT - Organically grown banana ( <i>bongulan</i> variety)	Alter Trade	Japan	Average = 16 MT/week Price per MT= US\$ 281.33  Dec. 2008 delivery: 1st & 2nd week - 16 MT/week; 3rd & 4th week - 17MT/week	SHIPMENT ON-GOING Since January 2008 with new supply agreement renewed till December 2009.  Total value of shipment as of December 2008: US\$212,128;	1,301	\$ 373,276.24	Participated in GEM-sponsored training on GAP and Pest and Disease Management; Provided logistics support, co-funded participation cost of the supplier to IFEX 2008. Further assisted supplier in meeting/negotiating with potential buyers during the "Mindan
2.0	Prime Fruits International, Inc.	FRUIT - Banana Chips		China	As of September, 2009 - 45 shipments were carried out at 299MT, US\$405,718. Average monthly delivery at 4 shipments (93 Mt or \$88,000)	SHIPMENT ONGOING	1,132	\$ 1,197,718.00	Provided logistics support and co-funded participation cost of the supplier to the Hong Kong Food Expo 2008. Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeti
3.0	Agri-Nurture Inc	FRUIT - Fresh Mango	Buyer in Hong Kong	Hong Kong	Regular delivery of fresh mango to Hong Kong	SHIPMENT ON-GOING As of December 31, 48MT of Mindanao sourced mangoes were shipped to Hong Kong.  ANI has buyers in the following countries: Hong Kong, Korea, Singapore, Canada & New Zealand	48	\$ 45,714.29	Arranged market encounter in Cotabato, Davao, and ARMM areas to help ANI in its mango sourcing activities.  Provided logistics support and co-funded participation cost of the supplier to the Hong Kong Food Expo 2008. Facilitated pre-event business matchi
4.0	Agri-Nurture Inc	FRUIT - Fresh Mango	Buyer in Korea	Korea	New export market to Korea  Note: Delivery from Oct 29-Nov 30 @ 6 tons/day and 4 tons/day respectively; Buying price @ Php40/kilo and US\$ rate @ 1=42	SHIPMENT ON-GOING - As of December 31, 48MT of Mindanao sourced mangoes were shipped to Korea.  ANI has buyers in the following countries: Hong Kong, Korea, Singapore, Canada & New Zealand	18	\$ 17,142.86	
5.0	Renova Foods Manufacturing Corporation	FRUIT - Banana Chips	Poon Wai	Hong Kong	Average monthly shipment at 36 Mt or \$70,000	SHIPMENT ON-GOING	296	\$576,000	Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeting/negotiating with potential buyers during the HK Food Expo 2008 Business Matching Session.
6.0	Renova Foods Manufacturing Corporation	FRUIT - Banana Chips	Gallant International	Vietnam	Average monthly shipment at 18 Mt or \$35,000	SHIPMENT ON-GOING	144	\$ 280,000.00	Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeting/negotiating with potential buyers during the HK Food Expo 2008 Business Matching Session.
7.0	Profood International Corporation	FRUIT - Aseptic Mango Puree	Vitasoy International Holdings, Inc.	Hong Kong	On stagger basis depending on the advice of the buyer	SHIPMENT ONGOING Delivery from November 2008 - June 2009	320	\$ 341,440.00	Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeting/negotiating with potential buyers during the HK Food Expo 2008 Business Matching Session.
8.0	Sagrex Foods Incorporated	FRUIT - Saba (whole, fries, turon)	Bio Balance	South Korea		SHIPMENT ONGOING Covers May - September	80	\$ 68,000.00	Organized pre-event business matching with international buyers through PTIC Seoul; Assisted gathering sales inquiries of international buyers during the Seoul Food & Hotel 2009 on 13-16 May 2009; Coordinated logistics and administrative requirements; CO
9.0	Primex	NON-TRADITIONAL-Dessicated coconut (fine)		Hong Kong	Dessicated coconut (fine) 1 x 20 fcl per month	SHIPMENT ONGOING Shipment started in October 2008, volume and value figures cover 8 months (October 2008 -August 2009)	144	\$ 291,600.00	Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeting/negotiating with potential buyers during the HK Food Expo 2008 Business Matching Session.
		NON-TRADITIONAL-Dessicated coconut (medium)		Hong Kong	Dessicated coconut (medium) 1 x 20 fcl per month	SHIPMENT ONGOING Shipment started in October 2008, volume and value figures cover 8 months (October 2008 -August 2009)	144	\$ 291,600.00	
		NON-TRADITIONAL-Dessicated coconut (fine)		Malaysia	Dessicated coconut (fine) 1 x 20 fcl per month	SHIPMENT ONGOING Shipment started in October 2008, volume and value figures cover 8 months (October 2008 -August 2009)	288	\$ 583,200.00	
10.0	KF Nutri-Foods International, Inc.	Banana chips	Customer A	South Korea (Busan)		SHIPMENT ONGOING Closed contract for period June - September 2009	66	\$ 105,000.00	Organized pre-event business matching with international buyers through PTIC Seoul; Assisted gathering sales inquiries of international buyers during the Seoul Food & Hotel 2009 on 13-16 May 2009; Coordinated logistics and administrative requirements; CO
		Banana chips	Customer B	South Korea (Incheon)		SHIPMENT ONGOING Closed contract for period June - September 2009	64	\$ 95,000.00	
		Banana chips		China		SHIPMENT ONGOING	136	\$ 147,000.00	

ANNEX 2-5...Continued

GEM Direct Market Linkage Assistance to Export Out-shipments  
February 2008 – September 2009

Supplier	Product/Variety	Buyer	Transaction Details			Total Outshipments as of		GEM Assistance	
			Export Market	Volume & Frequency of Delivery	Remarks	Volume (in MT)	Value (in USD)		
<b>A. Regular and Trial Deliveries (Initial Shipment)</b>									
11.0	Amley Food Corporation	FRUIT -		Hong Kong		SHIPMENT ONGOING	40	\$ 391,000.00	Assisted gathering sales inquiries of international buyers during the IFEX 2009 on 15-17 May 2009; Coordinated logistics and administrative requirements; CO-funded part of the participation cost
12.0	Boom Marine Resources	Seafood		Japan		SHIPMENT ONGOING	20	\$ 173,906.00	
							4,241	4,977,597	

<b>B. Trial Deliveries and Initial Shipments</b>									
13.0	Sagrex Foods Incorporated	FRUIT - Banana variants	Phil-Em Enterprise for Al Jadeed Trading (Bahrain, Qatar, Dubai, Kuwait)	Middle East		TRIAL/INITIAL SHIPMENT: Product samples for market testing Samples sent: Nov. 2008	0.95	\$ 2,194.64	Al Jadeed Trading attended IFEX 2008 -VIB Market Encounter and interested to source food supply from Mindanao Companies through their Phil agent -Phil Em. Ent. GEM directly referred PhilEm to Mindanao-based processors.
14.0	Frescomar Seahelm Corporation	AQUA -Fresh tuna loin and big eye loin	Bayville Rum Trading Inc.	Japan	Regular delivery of fresh tuna loin and big eye loin to ready market including a chain of retail stores on a weekly basis  Assuming 1.5MT/wk. Shipment as of September = 4weeks)	TRIAL/INITIAL SHIPMENT: - Result of Japan's certification analysis on sample products from Frescomar Seahelm Corporation was favorable. An initial commercial shipment of 214 kg (114 kg tuna loin, 100 kg blue marlin) at US\$2,350 was carried out on Septem	0.214	\$ 2,350.00	Arranged business meetings between four (4) GSC-based seafood companies and representatives of Bayville Rum Trading Inc. on August 1-2 & 4, 2008
15.0	UMT Kasulutan	AQUA - Various High Value Aquaculture products	Roy Fong (Taiwanese trader)	Hong Kong		TRIAL/INITIAL SHIPMENT: High-Value Aquaculture (HVA) products; transport via Live Fish carrier	0.4	19,111	GEM assistance in training on improved production practices, provision of production inputs
16.0	Tandubanak Taungoh Fishermen Association	AQUA	Roy Fong (Taiwanese trader)	Hong Kong	High-Value Aquaculture (HVA) products; transport via Live Fish carrier	TRIAL/INITIAL SHIPMENT:	0.9	43,000	GEM assistance in training on improved production practices, provision of production inputs
17.0	Mega Fishing Corporation	Sardines	Hong Kong Distributor	Hong Kong		TRIAL/INITIAL SHIPMENT:		\$ 7,300.00	Facilitated pre-event business matching through PTIC Hong Kong and Hong Kong Trade and Development Council and further assisted supplier in meeting/negotiating with potential buyers during the HK Food Expo 2008 Business Matching Session.
18.0	Poms Ventures Corporation	FRUIT - Green Dried Mango				TRIAL/INITIAL SHIPMENT:		\$ 21,000.00	Assisted gathering sales inquiries of international buyers during the IFEX 2009 on 15-17 May 2009; Coordinated logistics and administrative requirements; CO-funded part of the participation cost
		FRUIT - Mango Puree				TRIAL/INITIAL SHIPMENT: Mango Puree @ US\$ 22.50 per case		\$ 1,350.00	
		FRUIT - Mango Puree				TRIAL/INITIAL SHIPMENT: Mango Puree @ US\$ 25.00 per case		\$ 1,000.00	
19.0	KF Nutri-Foods International, Inc.	Banana chips	Customer C	South Korea (Busan)		TRIAL/INITIAL SHIPMENT:	24	\$ 22,000.00	Organized pre-event business matching with international buyers through PTIC Seoul; Assisted gathering sales inquiries of international buyers during the Seoul Food & Hotel 2009 on 13-16 May 2009; Coordinated logistics and administrative requirements; CO
Trial deliveries & Initial shipments							26	119,306	
+ Regular deliveries/shipments							4,241	4,977,597	
Total Export Out-shipment as of September 25, 2009							4,267	\$ 5,096,903.13	

Note: The GEM Program provided logistics and coordination support to participating Mindanao company/exhibitors to the following events in 2008 and 2009: IFEX 2009 and IFEX 2008, including IFEX 2008's side-event "Mindanao Companies Meet with Very Importa

ANNEX 2-6

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
February 2008 – September 2009

Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value (Php)	Volume (MT)	Value (Php)	in USD (PHP46:1USD)		
<b>A. Regular deliveries</b>														
1.0	Iligan Papaya Growers Association	Papaya, fresh	Asian Vegetables, Cebu City	Visayas	1MT per week	2nd week of May 2008	Dec-08	Deliveries made from May 2008 until Dec 2008.	1.000	20,000	35.00	700,000	15,217	Determined buyers preference during the CCAP Conference Market Match in Cebu; Assisted the Iligan Papaya Growers in the negotiation to deliver papaya on a weekly basis.
2.0	Durian Industry Council of Region XI <sup>1</sup>	Assorted fruits, fresh	Wholesalers & retailers in Davao City; Shippers & consolidators for Manila markets	Mindanao & Visayas		Aug-08	Nov-08	Durian peak selling season is Aug-Nov (fruiting season from June to November 2008; Selling for other fruits continuing	3.310	132,000	50.00	2,000,000	43,478	Conducted Quality Improvement Training to durian growers to increase market value of the product.
						Aug-09	Sep-09	2009 durian season started Aug 2009 and will peak on Oct 2009	2.500	100,000	40.00	1,600,000	34,783	
3.0	Farmers' Market <sup>2</sup>	Assorted fruits, fresh	Metro Manila Consumers	Luzon	4MT per week	Aug-08	Nov-08	Sales will depend on Mindanao's fruit season. Direct retailing during Mindanao Fruit festival at Quezon City Circle Aug-Nov 2008.	4.000	400,000	24.00	2,400,000	52,174	Co-funded travel expenses of Minfruit staff to Mindanao Fruit Festival in QC Circle; Co-drafted Minfruit's proposal for additional funding support from key government agencies
					0.7MT per week	Feb-09	Mar-09	Shipment continued in February to March 2009 with 0.7MT per week	0.700	70,000	5.60	560,000	12,174	
4.0	Malaya Farms and other Davao & North Cotabato Passion Fruit Growers	Passion Fruit, fresh	Profood International, Toril, Davao City	Mindanao - processing plant	5MT per week	Jun-08		Weekly deliveries from Davao and North Cotabato growers still continuing.	5.000	50,000	345.00	3,050,000	66,304	Co-funded Minfruit staff's travel expenses to organize supply clusters for passion fruit; Co-organized Quality Improvement training
5.0	Esperanza Calamansi Growers Association	Calamansi, fresh	Lito Vitualla (Consolidator for Manila Market)	Luzon	3.64MT per week	May-08		Weekly deliveries continuing	3.640	42,000	269.36	3,108,000	67,565	Identified buyer and determined volume and quality requirements; Co-organized and co-funded a Quality Improvement Training to enhance market value of the product to be supplied.
6.0	Integrated Cultural Livelihood MPC (MNLFC Community)	Banana (Cardaba), Fresh	Ca Cucamonga Banana Chip Factory	Mindanao - processing plant	2.25MT bi-weekly	Jul-08	Nov-08	Bi-weekly deliveries continued until November 2008	1.125	6,750	15.75	94,500	2,054	Identified the buyer and assisted the farmers in price negotiation; Arranged schedule of delivery and recommended protocols to lessen postharvest losses.
7.0	Integrated Cultural Livelihood MPC (MNLFC Community)	Banana (Cardaba), Fresh	MAGIRCO Banana Chips Factory	Mindanao - processing plant	0.5MT per week	Jun-09		Weekly deliveries continuing	0.500	3,000	8.50	51,000	1,109	Conducted Quality Improvement Training on Cardaba Banana in partnership with MAGIRCO to members of the cooperative
8.0	Limbalod MPC (MNLFC Community)	Banana (Cardaba), Fresh	Ca Cucamonga Banana Chip Factory	Mindanao - processing plant	2.25MT bi-weekly	Jul-08	Nov-08	Bi-weekly deliveries continued until November 2008	1.125	6,750	15.75	94,500	2,054	Identified the buyer and assisted the farmers in price negotiation; Arranged schedule of delivery and recommended protocols to lessen postharvest losses.
9.0	Limbalod MPC (MNLFC Community)	Banana (Cardaba), Fresh	MAGIRCO Banana Chips Factory	Mindanao - processing plant	0.5MT per week	Jun-09		Weekly deliveries continuing	0.500	3,000	8.50	51,000	1,109	Conducted Quality Improvement Training on Cardaba Banana in partnership with MAGIRCO to members of the cooperative
10.0	Buena Vida MPC	Banana (Cardaba), Fresh	Ca Cucamonga Banana Chip factory	Mindanao - processing plant	2.5MT bi-weekly	Jul-08	Nov-08	Bi-weekly deliveries continued until November 2008	1.250	7,500	17.50	105,000	2,283	Identified the buyer and assisted the farmers in price negotiation; Arranged schedule of delivery and recommended protocols to lessen postharvest losses.
11.0	Buena Vida MPC	Banana (Cardaba), Fresh	MAGIRCO Banana Chips Factory	Mindanao - processing plant	4.0MT per week	Jun-09		Weekly deliveries continuing	4.000	24,000	68.00	408,000	8,870	Conducted Quality Improvement Training on Cardaba Banana in partnership with MAGIRCO to members of the cooperative
12.0	SOCSKARGEN Mango Contractors Association	Banana (Cardaba), Fresh	Profood International, Cebu City	Mindanao - processing plant	30MT per week	Feb-08		Delivery started on Feb 2008 to 2nd week of Nov 2008. Deliveries resumed on January 2009	30.000	700,000	2430.00	56,700,000	1,232,605	Co-funded and co-organized Production Skills Enhancement Training and Training on GAP and Best Farming Practices on Mango for farm workers in SOCSKARGEN
13.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Profood International, Toril, Davao City	Mindanao - processing plant	10MT per week	Jan-08	May-09	Weekly deliveries of 10MT per week from Jan 2008 to May 2009	10.000	44,200	740.00	3,270,800	71,104	Introduced and facilitated meetings between Unifrutti and Profood
						Aug-09		Resume deliveries to Profood starting mid- August 2009	75.000	300,000	525.00	2,100,000	45,652	

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
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Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value (Php)	Volume (MT)	Value (Php)	in USD (PHP46:1USD)		
<b>A. Regular deliveries</b>														
14.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Asian Vegetables, Cebu City	Visayas	0.3MT per week	Oct-08		Weekly deliveries on going.	0.250	5,000	12.75	255,000	5,543	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
15.0	Chiquita-Unifrutti Philippines	Papaya, fresh	Asian Vegetables, Cebu City	Visayas	0.12MT per week	Oct-08	Dec-08	Deliveries made from Oct 2008 to Dec 2008	0.120	2,400	1.68	33,600	730	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
16.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Angelland Marketing, Cebu City	Visayas	0.3MT per week	Oct-08	Jun-09	Weekly deliveries made from Oct 08 to Jun 09	0.300	6,000	11.70	234,000	5,087	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
17.0	Chiquita-Unifrutti Philippines	Papaya, fresh	Angelland Marketing, Cebu City	Visayas	0.12MT per week	Oct-08	Jan-09	Deliveries made from Oct 2008 to Jan 2009	0.120	2,400	2.28	45,600	991	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
18.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	UBM (Consolidator of Robinsons & other major supermarkets)	Luzon	0.12MT per week	Oct-08	Jun-09	Weekly deliveries made from Oct 08 to June 09.	0.300	6,000	11.70	234,000	5,087	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
19.0	Chiquita-Unifrutti Philippines	Papaya, fresh	UBM (Consolidator of Robinsons & other major supermarkets)	Luzon	0.12MT per week	Oct-08	Jan-09	Deliveries made from Oct 2008 to Jan 2009	0.120	2,400	2.28	45,600	991	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
20.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Metro Gaisanao - Cebu	Visayas	0.54MT per week	Oct-08		Weekly deliveries on going.	0.540	10,800	27.54	550,800	11,974	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
21.0	Chiquita-Unifrutti Philippines	Papaya, fresh	Metro Gaisanao - Cebu	Visayas	0.12MT per week	Oct-08	Jan-09	Deliveries made from Oct 2008 to Jan 2009	0.120	2,400	2.28	45,600	991	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
22.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Lemuel Tan (fruit distributor to restaurants in Cebu)	Visayas	0.36MT per week	Oct-08	Jun-09	Weekly deliveries made from Oct 08 to June 09.	0.360	7,200	14.04	280,800	6,104	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
23.0	Chiquita-Unifrutti Philippines	Papaya, fresh	Lemuel Tan (fruit distributor to restaurants in Cebu)	Visayas	0.12MT per week	Oct-08	Jan-09	Deliveries made from Oct 2008 to Jan 2009	0.120	2,400	2.28	45,600	991	Provided Unifrutti contact persons and number of buyer; arranged supplier-buyers meeting
24.0	Kidapawan City Banana Farmers Association	Banana (Lakatan), fresh	Consolidated Craft Int'l Corp. (F&V distributor to supermarket and wet markets of Cebu)	Visayas	8MT per week	Jul-08		Weekly deliveries continuing	8.000	152,000	520.00	9,880,000	214,783	Provided Quality Improvement Training to farmers and technical assistance to production monitoring; facilitated meeting and negotiations between farmers and buyers
25.0	Melon Growers in South Cotabato and Sultan Kudarat <sup>3</sup>	Melons (Cantaloupe), fresh	Dole Philippines, Polomolok, South Cotabato	Mindanao - processing plant	4MT per week	Mar-08		March to July 2008 and October to second week of December 2008.	4.000	48,000	132.00	1,584,000	34,435	Co-funded and co-organized training on Proper Pre/ Post-Harvest Handling for Melons; Introduced growers to seed suppliers.
26.0	Melon Growers in South Cotabato and Sultan Kudarat***	Melons (Honeydew), fresh	Dole Philippines, Polomolok, South Cotabato	Mindanao - processing plant	6MT per week	Mar-08		March to July 2008 and October to second week of December 2008.	6.000	138,000	198.00	4,554,000	99,000	Co-funded and co-organized training on Proper Pre/ Post-Harvest Handling for Melons; Introduced growers to reliable seed suppliers.
27.0	Pineapple growers of Sarangani	Pineapples, fresh	Philippine Fruits International, Toril, Davao City	Mindanao - processing plant	30MT per week	Oct-08		Weekly deliveries continuing.	30.000	142,500	1530.00	7,267,500	157,989	Facilitated farmers meeting for supply-delivery arrangements between growers and buyer
28.0	Papaya growers of Sarangani and South Cotabato (including TCEP LEAP graduates group)	Papaya (Yellow), fresh	Philippine Fruits International, Toril, Davao City	Mindanao - processing plant	4MT per week	Nov-08		Deliveries continuing	4.000	16,000	188.00	752,000	16,348	Facilitated farmers meeting for supply-delivery arrangements between growers and buyer
29.0	FruitGems Agricultural Corporation	Papaya (Red Lady), fresh	Asian Vegetables, Cebu City	Visayas	0.8MT per week	Nov-08	Dec-08	Deliveries continued until last week of Dec 2008. Improved packaging system (plastic crates) utilized in shipment	0.800	16,000	17.60	352,000	7,652	Market linkage; facilitated initial shipments for product sampling and determine logistic requirements
30.0	FruitGems Agricultural Corporation	Papaya (Red Lady), fresh	Kathy Diccican (concessionaire for Makro Cebu)	Visayas	0.5MT per week	Nov-08	Jun-08	Deliveries made from Nov 08 to Jun 09	0.500	10,000	16.50	330,000	7,174	Market linkage; facilitated initial shipments for product sampling and determine logistic requirements
31.0	Melon Growers of Maguindanao	Melons (Cantaloupe), fresh	Angelland Marketing, Cebu City	Visayas	0.5 MT per week	Dec-08	Jan-09	Initial harvest 0.5MT on first production run; Regular 0.5MT/week deliveries to continue once market linkage with Cebu buyer firmed up and production properly programmed by grower.	0.125	4,375	2.50	87,500	1,902	Identified and contacted buyer to determine volume and quality requirements; Confirmed supply arrangements for the trial shipment; Conducted quality improvement training to ensure consistent volume and quality of supply.

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
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Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value ((PhP)	Volume (MT)	Value (PhP)	in USD (PHP46:1USD)		
<b>A. Regular deliveries</b>														
32.0	Melon Growers of Maguindanao	Melons (Honeydew), fresh	Angelland Marketing, Cebu City	Visayas	1.0 MT of honeydew <sup>5</sup>	Dec-08	Dec-08	Initial harvest on first production run; Regular deliveries started in December 2008	0.250	11,250	5.00	225,000	4,891	Identified and contacted buyer to determine volume and quality requirements; Confirmed supply arrangements for the trial shipment; Conducted quality improvement training to ensure consistent volume and quality of supply.
33.0	Big Island Trading Company	Bananas (Lakatan), fresh	Asian Veg, Angelland, Metro Gaisano, Robies Trading	Visayas	2.6MT per week	3rd week of January 2009		Weekly delivery on-going	2.600	54,600	93.60	1,965,600	42,730	Facilitated market reconnaissance in Cebu City and initiated meetings with different buyers
34.0	South Cotabato papaya growers (thru Carol de Leon Trading Co)	Papaya (Solo), fresh	ANI Agriventures	Luzon	5MT per week	Feb-09	Jun-09	Regular deliveries made from Feb 09 to June 09	5.000	50,000	110.00	1,100,000	23,913	Facilitated meeting of ANI and Carol del Leon; provided quality improvement training to TUPi papaya growers
	South Cotabato Papaya Growers	Papaya (Solo), fresh	Divisoria Wholesale Outlet	Luzon	10MT per week	Feb-09		Weekly Deliveries on going	10.000	55,000	350.00	1,925,000	41,848	Provided quality Improvement Training to farmers and technical assistance to production monitoring; co-fund trial shipment of papaya through alternative logistics
35.0	South Cotabato papaya growers (thru Carol de Leon Trading Co)	Papaya (Solo), fresh	Landors Corporation	Luzon	10MT per week	Feb-09	Jul-09	Weekly deliveries made from Feb 09 to July 09	10.000	100,000	260.00	2,600,000	56,522	Facilitated meeting of different suppliers and Carol del Leon; provided quality improvement training to TUPi papaya growers
	South Cotabato pineapple growers (thru Carol de Leon Trading Co)	Pineapples, fresh	Landors Corporation	Luzon	9MT per week	Aug-09		Weekly delivery on-going	9.000	81,000	81.00	729,000	15,848	Facilitated meeting of different suppliers and Carol del Leon
36.0	Kidapawan City Banana Farmers Association	Banana (Cardaba), fresh	MAGIRCO	Mindanao - processing plant	15MT per week	Feb-09		Weekly delivery on-going	15.000	70,000	525.00	2,450,000	53,261	Co-organized Kidapawan City Banana Market forum where MAGIRCO and suppliers from different barangays of kidapawan made their business transactions.
37.0	Del Rio Farm	Calamansi, fresh	Jojo's Food	Visayas-processing plant	1MT per week	Aug-09		Weekly delivery of 1T up to 60 tons as stated in the marketing contract of Del Rio and Jojo's	1.000	25,000	9.00	225,000	4,891	Facilitated market linkage and signing of marketing contract between Del Rio and Jojo's
38.0	MAGIRCO Banana Chip Factory	Banana chips (first fry)	KF Nutri Foods	Mindanao - processing plant	5MT per week	Mar-09	Jun-09	Regular deliveries continued from March 09 to June 09. Thereafter, deliveries being made on a per-order basis by KF	5.000	185,000	90.00	3,330,000	72,391	Facilitated maret linkage and signing of marketing agreement between MAGIRCO and KF Nutrifoods. Price of first fry banana chips has improved every delivery thus buying price MAGIRCO of fresh cardaba have also improved.
39.0	MAGIRCO Banana Chip Factory	Banana chips (first fry)	Prime Fruits	Mindanao - processing plant	8MT per week	May-09		Weekly delivery on-going	8.000	296,000	168.00	6,216,000	135,130	Facilitated maret linkage and signing of marketing agreement between MAGIRCO and Prime Fruits. Price of first fry banana chips has improved every delivery thus buying price MAGIRCO of fresh cardaba have also improved.
40.0	Lala Calamansi Consolidators/ Farmers Association	Calamansi, fresh	KLT Fruits Inc	Luzon-processing plant	3MT	May-09		Trial delivery to test quality of calamansi after 2 days travel	3.000	110,700	3.00	110,700	2,407	Facilitated meeting with farmers and trial shipment
					6MT	Sep-09		2nd delivery scheduled in Sep 2009. Regular deliveries expected thereafter given compliance with buyer's specs	6.000	221,400	6.000	221,400	4,813	Facilitated meeting with farmers and shipment

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
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Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value (PHP)	Volume (MT)	Value (PHP)	In USD (PHP46:1USD)		
<b>A. Regular deliveries</b>														
41.0	Northern Mindanao Vegetable Producers Association, Inc (NorMinVeggies)	Sweet pepper, fresh	NUTRI ASIA	Luzon	2-3MT per month	Oct-08	Mar-09	No deliveries made from the month of April until August as Nutri-Asia has undergone organizational re-structuring in response to the economic crisis. Made contacts in September to discuss future deliveries	0.625	48,125	13.00	1,001,000	21,761	Arranged meetings between Nutri-Asia and NorMinVeggies; Co-funded training activities on quality improvement and supply clustering to ensure consistent volume and quality of supply.
39.0	NorMinVeggies	Assorted vegetables, Semi-temperate, fresh	June Tolentino (consolidator for Metro Gaisano, other supermarkets and hotels in Cebu)	Visayas	0.7MT per week	Jun-08		Higher average weekly delivery volumes on-going. Average volume for the four month period June-September already hit 1MT/week valued at P90,000	0.500	25,000	42.75	2,709,350	58,899	Identified and arranged meetings with the buyer; Co-funded vegetable training-workshops to ensure consistent volume and quality of supply.
40.0	NorMinVeggies	Assorted vegetables (Mixed semi-temperate and tropical vegetables), fresh	Metro Gaisano - Cebu	Visayas	Average of 3-4MT per week	3rd week of May 2008		Higher average weekly deliveries from June 2009 up to September 2009 valued at P170,000 per week	2.000	60,000	208.00	5,723,575	124,426	Co-funded Market Reconnaissance in Cebu and arranged meetings with vegetable buyers; On the production side, conducted quality improvement training w/ Ampalaya cluster in Balingasag that made up the bulk of the shipment during the months of April and May
41.0	NorMinVeggies	Ampalaya (Bitter Gourd), fresh	Angelland Marketing, Cebu City	Visayas	Average of 0.5MT per week	Oct-08		Delivery to Angelland on-going weekly.	0.500	11,200	42.50	1,309,350	28,464	Conduct Good Agricultural Practices and Judicious use of Pesticides to Balingasag Farmers Association - the main supplier of Bitter gourd to NorMinVeggies since October, 2008. Integrated Pest/Cultural Management Training is slated on March 27, 2009
42.0	NorMinVeggies	Assorted vegetables (Mixed semi-temperate and tropical vegetables), fresh	Asian Vegetables, Cebu City	Visayas	0.5MT per week	Oct-08		Higher Average delivery volumes for the four month period valued at P320,000	0.500	15,000	28.50	961,000	20,891	Conduct Good Agricultural Practices and Judicious use of Pesticides to Balingasag Farmers Association - the main supplier of Bitter gourd to NorMinVeggies since October, 2008. Integrated Pest/Cultural Management Training is slated on March 27, 2009
43.0	NorMinVeggies	Assorted vegetables (Mixed semi-temperate and tropical vegetables), fresh	Robert Chua (Cebu based fruit and vegetable consolidator)	Visayas	0.25 MT per week	Apr-09		Higher weekly delivery volumes from June-Sep 2009 valued at P13,000	0.250	7,500	15.27	286,600	6,231	Co-fund NorMinVeggies market reconnaissance and meeting with buyers
44.0	Betina Farms/ NorMinVeggies	Assorted vegetables, Semi-temperate, fresh	Angelland Marketing(Archie Duhaylungsod), Cebu City (consolidator/distributor of fruits & veggies for malls, supermarket, grocery stores and major hotels & restaurants in Cebu)	Visayas	0.3 MT per week	Jan-09		Slightly higher weekly delivery volumes from June-Sep 2009 valued at P170,000	0.300	24,000	14.10	797,000	17,326	Co-fund Market reconnaissance and arrange meetings and visit of buyers
45.0	Betina Farms/ NorMinVeggies	Assorted vegetables, Semi-temperate, fresh	Asian Vegetable	Visayas	0.2 MT per week	Jan-09		On-going direct delivery to Asian Veg	0.200	16,000	4.40	352,000	7,652	Co-fund Market reconnaissance and arrange meetings and visit of buyers

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
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Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value ((PHP)	Volume (MT)	Value (PHP)	in USD (PHP46:1USD)		
<b>A. Regular deliveries</b>														
46.0	NorMinVeggies	Assorted vegetables (Mixed semi-temperate and tropical vegetables), fresh	Bohol Quality Supermarket	Visayas	0.2 MT per week	Mar-09		Minimal delivery made during June-Sep 2009. Will follow up during Market Recon by end Sep	0.200	8,000	2.30	90,000	1,957	Introduced NorMinVeggies to the said buyer and facilitated the trial delivery on March 7, 2009
47.0	NorMinVeggies	Assorted vegetables (Mixed semi-temperate and tropical vegetables), fresh	Ms. Jennifer Chiu - for Dumaguete Supermarket Chains	Visayas	0.2 MT per week	Mar-09		No deliveries made from June-Sep 2009	0.200	6,000	2.00	60,000	1,304	Introduced NorMinVeggies to the said buyer and facilitated the trial delivery on March 7, 2009
48.0	Davao Del Norte Vegetable Industry Development Council, Inc. or DNVIDCI	Assorted vegetables, tropical, fresh	Retailers and Wholesalers of EASTERN VISAYAS (Tacloban, Borongan, Baybay, Ormoc and Maasin Vegetable Vendors Association)	Visayas	10MT per week	Jul-08		Average delivery June-Sep 10.75MT valued at P170,000	10.000	146,000	635.00	9,645,000	209,674	Co-funded Market Reconnaissance in Cebu and arranged meetings with vegetable buyers. Provided IPMand Commodity clustering trainings for the producer-members
49.0	Vegetable Industry Council of South Cotabato or VICSCO	Assorted vegetables, semi-temperate (sweet pepper and carrots), fresh	General Tuna Corporation (GENTUNA), General Santos City	Mindanao - processing plant	2-3MT per week	Feb-08		On-going delivery; major source of sweet pepper from Ned Lake Sebu.	3.000	105,000	220.00	8,017,000	174,283	Identified the buyer and arranged meetings between the buyer and supplier; Co-funded Quality Improvement, Post Harvest Handling and Supply Clustering Strengthening Workshops to ensure consistent volume and quality of supply.
50.0	VICSCO -Ned Landcare Growers	Assorted vegetables, tropical, fresh	Davao based consolidators for Visayas Markets	Visayas	4-5MT per week	Dec-08		Delivery on going	4.500	112,500	190.00	4,638,000	100,826	Provided Quality Improvement Training to farmers and technical assistance to production monitoring; facilitated meeting and negotiations between farmers and buyers
51.0	VICSCO	Assorted vegetables, semi-temperate (sweet pepper and carrots), fresh	Toto Perrales Vegetable Consolidator for Visayas(Cebu)/Tuna Canneries and Mia buyers	Luzon, Mindanao - processing plants	1-2MT	Mar-09		Delivery is on-going	1.500	30,000	31.00	78,000	1,696	Introduce vegetable growers of VICSCO (i.e., Ned Lake Sebu group) to consolidator
52.0	Tubigan MPC	Grouper	Yeung Marine Products	Not determined			August '09		0.019	10,615	0.78	454,800	9,887	The cluster is requesting for GEM's assistance in sourcing fingerlings for them to increase production targets.
53.0	Sibukkot Seaweed/ fish Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined					0.019	9,583	0.23	115,000	2,500	Canvassed various buying stations;
54.0	Pahut 1 Seaweed Growers Assoc.	Grouper	Johnny Dua	Not determined					0.008	4,458	0.10	55,000	1,196	Supervised actual shipment to ensure proper farm to market handling protocols were observed.
55.0	Pahut 2 Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined					0.008	4,458	0.10	55,000	1,196	
56.0	Sumbilang Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined					0.008	4,458	0.10	55,000	1,196	Utilized c
57.0	Kahugpungan sa Gagmayng Mangingisda sa Conception (KGMC)	Grouper (green), live	Uni Aquamarine Products- Zamboanga	Not determined	0.88 kgs/month	Jan-09	August '09	Monthly harvest of 1,120 kgs of live green groupers since January 2009	0.280	89,600	6.58	1,974,000	42,913	GEM has been assisting KGMC in marketing linkages and also tapping the group in sourcing fingerlings to supply growers engaged in grouper culture/GEM to implement demo on Tateh grouper feed trial to their green grouper production to start Sept. of this ye



ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
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Supplier	Product/ Variety	Buyer	Transaction Details				Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance			
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value ((PhP)	Volume (MT)	Value (PhP)		in USD (PHP46:1USD)		
<b>A. Regular deliveries</b>															
58.0	Batumanga Seaweed/ fish growers Assoc.	Grouper	Johanny Dua	Not determined				Delivery on-going			0.12	112,000	2,435	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
59.0	Tubigan MPC	Grouper	Yeung Marine Products	Not determined		Feb-08		Sporadic harvestic since February 2008. Delivery on- going			0.26	140,250	3,049	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
60.0	Sibukkot Seaweed/ fish growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvestic since February 2008. Delivery on- going			0.23	115,000	2,500	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
61.0	Pahut 1 Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvestic since February 2008. Delivery on- going			0.10	55,000	1,196	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
62.0	Pahut 12Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvestic since February 2008. Delivery on- going			0.10	55,000	1,196	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
63.0	Sumbilang Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going			0.10	55,000	1,196	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
64.0	Sibukkot Seaweed/ fish growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going			0.12	69,000	1,500	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
65.0	Pinggan-pinggan	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going			0.90	56,000	1,217	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
66.0	Batumanga Seaweed/ fish growers Assoc.	Grouper	Johanny Dua	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going			0.15	165,000	3,587	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
67.0	Balimbing Proper Assoc.	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going			0.60	36,000	783	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities.	
68.0	Biha Cluster	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.011	5,958	0.13	71,500	1,554	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
69.0	Sumbilang Seaweed Growers Assoc.	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.042	2,083	0.50	25,000	543	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
70.0	Dulindang Cluster	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.008	9,500	0.10	114,000	2,478	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
71.0	Pahut 1 Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.008	5,000	0.10	60,000	1,304	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
72.0	Pahut 2 Seaweed Growers Assoc.	Grouper	Uni Aquamarine, Bongao	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.075	4,500	0.90	54,000	1,174	GEM developed the market linkage with this buyer, thus, enabling regular transactions	
73.0	Salisit Cluster	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.075	4,125	0.90	49,500	1,076	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
74.0	Siapas Cluster (transferred to Languyan)	Grouper	Bongao-based consolidator	Not determined		Feb-08		Sporadic harvesting since February 2008. Delivery on- going	0.054	2,708	0.65	32,500	707	Assistance has been in initial assistance in production inputs and technical training; periodic supervision on production activities	
											10,454.4	163,609,525.0	3,556,728.8		
													46		
											in US\$	10,454.4	\$	3,556,729	

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
February 2008 – September 2009

Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept. 2009			GEM Assistance	
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value (Php)	Volume (MT)	Value (Php)	in USD (PHP46:1USD)		
<b>B. Trial/Initial Deliveries</b>														
1.0	Kidapawan City Banana Farmers Association	Banana (lakatan), fresh	ANI Agri-ventures (Concessionaire for SM Supermarkets)	Luzon					18.000	414,000	18.00	414,000	9,000	Arranged meetings between ANI and the Kidapawan City Banana Farmers Association. Advised on proper post-harvest handling, packing and other logistical procedures
2.0	Lucrative Agri Development MPC, Matanog, Maguindanao	Banana (lakatan), fresh	ANI Agri-ventures	Luzon							12.00	276,000	6,000	Introduced supplier to ANI and assisted in price negotiation. Advised on proper post-harvest handling and other logistical procedures
3.0	Mrs. Soledad (Farmer based in Davao City)	Pummelos, fresh	ANI Agri-ventures	Luzon					2.000	104,000	2.00	104,000	2,261	Introduced supplier to ANI during a market matching session organized by MINFRUIT, a GEM-supported BSO.
4.0	Mrs. Victoria Montrel (Farmer based in Tupi, South Cotabato)	Papaya (Solo), fresh	ANI Agri-ventures	Luzon					2.000	24,000	2.00	24,000	522	Introduced supplier to ANI during a market matching session organized by GEM in South Cotabato
5.0	NorMinVeggies	Broccoli, fresh	ANI Agri-ventures	Luzon	0.2MT				0.200	11,000	2.00	100,000	2,174	Introduced NorMinVeggies to ANI and facilitated the trial delivery in November, 2009
6.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Linkage Foods, Tibungco, Davao City	Mindanao - processing plant					2.500	19	10.00	75,000	1,630	Introduced Chiquita representative to Linkage and assisted in the negotiation to determine supply arrangements
7.0	Chiquita-Unifrutti Philippines	Pineapples, fresh	Nakashin, Tibungco, Davao City	Mindanao - processing plant	Monthly				2.500	30,000	10.00	120,000	2,609	Introduced Chiquita representative to Nakashin and assisted in the negotiation to determine supply arrangements
8.0	Lala Calamansi Consolidators/ Farmers Association	Calamansi, fresh	UBM (Consolidator of Robinsons & other major supermarkets)	Luzon	0.26MT at P3,500 <sup>4</sup>	Aug-08		Trial Delivery	0.260	3,500	0.26	3,500	76	Identified buyer and facilitated negotiation between buyer and supplier; Participated in a GEM co-organized/funded improved production technology training
9.0	Lala Calamansi Consolidators/ Farmers Association	Calamansi, fresh	Asian Vegetables, Cebu City	Visayas	0.78MT at P10,500	Aug-08		Trial Delivery	0.700	10,500	0.70	10,500	228	Identified buyer and facilitated negotiation between buyer and supplier; Participated in a GEM co-organized/funded improved production technology training
10.0	Lala Calamansi Consolidators/ Farmers Association	Calamansi, fresh	Beso Marketing	Luzon - processing plant	1MT	Sep-09		Trial delivery to test quality of calamansi after 2 days travel	1.000	13,000	1.00	13,000	283	Facilitated meeting with farmers during 2nd Minfruit Market Encounter and monitor trial shipment
11.0	Claveria Land Care Farmers Association	Banana (lakatan), fresh	Linda Carrido (CDO based fruit Consolidator for Manila & Cebu markets)	Luzon & Visayas	0.5MT at P10,000	Jul-08		Trial shipment to Manila in July 2008. Regular monthly delivery to be scheduled	0.250	2,500	0.50	10,000	217	Identified buyer and facilitated negotiation between buyer and supplier; Participated in a GEM co-organized/funded improved production technology training
12.0	Matalam Pummelo Growers Association	Pummelos, fresh	Farmer's Market, Davao City	Not Determined	1.0MT at P45,000			Trial delivery to local market and possible outshipment to Manila. Delivery scheduled every harvest season 2x/year	0.250	11,250	1.00	45,000	978	Identified buyer and facilitated negotiation between buyer and supplier; Participated in a GEM co-organized/funded improved production technology training
13.0	Matalam Calamansi Growers Association, Matalam North Cotabato	Calamansi, fresh	Landors Trading Corporation (thru: local consolidator in GenSan)	Luzon	0.28MT at P3,500			Trial delivery of calamansi for shipment to Manila (280kgs @ P3,500)	0.280	3,500	0.28	3,500	76	Identified buyer and facilitated negotiation between buyer and supplier; Participated in a GEM co-organized/funded improved production technology training
14.0	Vegetable Industry Council of Southern Mindanao, Inc. (VICSMIN)	Assorted vegetables, fresh	Apo View Hotel	Mindanao				Trial deliver of salad type vegetables	0.200	15,000	0.20	15,000	326	Arranged the meeting between VICSMIN and Apo View Hotel to determine Apo View's volume and and quality requirements.
15.0	Upi, Shariff Kabunsuan Ginger Producers	Ginger (young), fresh	NOPA FOODS, Davao City	Mindanao - processing plant	Every 3 months			Delivery of young ginger every 3 months as raw materials for pickled ginger for export to the Japanese market	0.500	12,750	3.20	25,500	554	Identified grower and arranged meetings with NOPA to determine volume and quality requirements; Assisted in the design and establishment of a demo farm; and conducted hands-on training on improved technologies

ANNEX 2-6...Continued

GEM Direct Market Linkage Assistance to Domestic Out-shipments  
February 2008 – September 2009

Supplier	Product/ Variety	Buyer	Transaction Details					Average Weekly Delivery		Total Outshipments As of Sept 2009			GEM Assistance		
			Domestic Market	Volume & Frequency of Delivery	Date Started	Date Ended	Remarks	Volume (in MT)	Value ((PhP)	Volume (MT)	Value (PhP)	in USD (PHP46:1USD)			
<b>B. Trial/Initial Deliveries</b>															
16.0	HI-GREEN Vegetable producers	VEGETABLES - Table tomato	Chiumen Sildura - Carbon Market Cebu City Vegetable Consolidators for wet market	Visayas	3MT			Made a follow up delivery of 4 MT in July	3	45,000	7.00	105,000.00	2,283	Conducted Organizational Development with Clustering and Good Agricultural practices training-workshop; meet and discussed with the producers assigned marketing consultant for marketing tips. Provide harvesting and post harvest procedures/tips for their s	
17.0	HI-GREEN Vegetable producers	Tomato (Table), fresh	Dumaguete based vegetable consolidator	Visayas	1MT			No delivery made June-Sep	1	15000	1.00	15,000.00	326	Conducted Organizational Development with Clustering and Good Agricultural practices training-workshop; meet and discussed with the producers assigned marketing consultant for marketing tips. Provide harvesting and post harvest procedures/tips for their s	
18.0	Batumanga Seaweed/ fish growers Assoc.	Grouper	Johnny Dua and Uni-Aquamarine	Not Determined					0.010	9,333	0.12	112,000	2,435	Canvassed various buying stations; supervised actual shipment to ensure proper farm to market handling protocols were observed. Utilized community-owned transport boat that also had GEM input on equipment counterpart, design, and training on proper usage	
19.0	Margosa Tubig Fisherfolk Assoc. (BFAR MP), Zamboanga Sur	Grouper (Green), Live	Jimmy Tan-Ozamiz	Not Determined		August' 09			0.015	3,600	0.42	102,000	2,217	GEM is set to intensify its assistance to this area through training workshop to potential investors of the mariculture park. Assistance is extended also in fingerlings sourcing	
20.0	MOAVEC	Grouper (Green/Tiger)	Manila-based buyer- Gilbert Diaz	Not Determined		August' 09			0.885	30,975	1.88	659,650	14,340	GEM has been assisting MOAVEC in terms of production training, sourcing for fingerlings and marketing	
21.0	Rizal Fisherfolk Ass. (BFAR-MP) Zamboanga del Norte	Grouper (Green), Live	Dipolog Based buyer Jun Sugang	Not Determined		August' 09			0.020	6,400	0.35	112,000	2,435	GEM has been assisting the fisherfolks at Rizal Mariculture park in terms of sourcing fingerlings and marketing	
22.0	Gata Daku MPC- Sinacaban, Mis. Occ.	Grouper (Green), Live	Manila-based buyer- Glenn Chua	Not Determined		August' 09			0.020	7,000	0.104	36,400	791	GEM introduce new buyer for their produce, Marine Dragon Products based in Zamboanga who will buy fish at farm site	
23.0	BACODEAS-Baluno Coastal Dev. Ass.	Grouper (Green), Live	Unimarine Products- Zamboanga			August' 09			0.025	7,500	0.180	54,000	1,200	GEM introduce new buyer for their produce, Marine Dragon Products based in Zamboanga who will buy fish at farm site	
24.0	Bhala Badah MPC Luuk, Sulu	Grouper (Green), Live	Marine Dragon Zamboanga			August' 09					0.075	81,000	1,800	GEM assisted the cluster in the market of their tiger grouper harvest to Marine Dragon Products in Zamboanga	
										107	Php3,784,450.00	\$	82,335.87		
											46.00				
										Trial Deliveries	107	Php3,784,450.00	\$	82,335.87	
										+ Regular Deliveries	10,454	Php163,609,525.00	\$	3,556,728.80	
										<b>TOTAL VOL &amp; VAL as of Sept 2009</b>	<b>10,561.7</b>	<b>Php167,393,975.00</b>	<b>\$</b>	<b>3,639,064.67</b>	

<sup>1</sup> Annual projection is based on the 4 month duration on the Mindanao Fruit Festival at QC Circle

<sup>2</sup> Annual projection based on the 6 month fruiting season of durian in Mindanao

<sup>3</sup> Deliveries of honeydew and canatolope to Dole is only 10 months in a year (March to July and October to February)

<sup>4</sup> Deliveries to Manila only for the months of June to November when there is no supply in Mindoro

<sup>5</sup> Delivery will be 6x yearly based on the 65 day production cycle

**Note:** For HVA transactions: Assuming that these individual transactions were partial harvests every 3 months (to catch the good price at ave. P500/kg), total out shipment volume and value would be divided by 12 to get the weekly average would be divided b

## ANNEX 2-7 Policy Resolutions

<b>11th National Tuna Congress August 27-29, 2009, General Santos City Summary of Signed 11th National Tuna Congress Resolutions</b>
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| <ul style="list-style-type: none"><li>• Resolution No. 01, Series of 2009. Resolution expressing the industry's commitment for a more responsive and conscientious tuna resource management aimed towards competitiveness and sustainability;</li><li>• Resolution No. 02, Series of 2009. Resolution requesting the Philippine Congress and Department of Budget and Management (DBM) to allocate budget to carry out the provisions of The Amendment Baselines Law, and for the National Mapping Resource Information</li><br/><li>• Resolution No. 03, Series of 2009. Resolution requesting the Philippine Government to fast track the delineation of the country's maritime boundary with that of Indonesia;</li><li>• Resolution No. 04, Series of 2009. Resolution reiterating the request of the Philippine Tuna Industry for the Philippine Government to expedite the forging of Fisheries Cooperation with that of the Forum Fisheries Agency (FFA) and parties to the Nauru Agr</li><br/><li>• Resolution No. 05, Series of 2009. Resolution urging the Philippine Government to modify certain portions of the proposed Philippine Maritime Code of 2009;</li><li>• Resolution No. 06, Series of 2009. Resolution upholding the spirit of Brunei Darussalam-Indonesia-Malaysia-Philippine East ASEAN Growth Area (BIMP-EAGA) and revitalizing investments on air and sea linkages transport facilities among the major ports and ci</li><br/><li>• Resolution No. 07, Series of 2009. Resolution requesting both Houses of Congress to pass a law creating the Department of Fisheries and Aquatic Resources for the sustainable development and competitiveness of the Philippine fishery sector.</li><br/><li>• Resolution No. 08, Series of 2009. Resolution expressing the industry's commitment for a more responsive and conscientious tuna resource management aimed towards competitiveness and sustainability</li></ul> |
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<b>18<sup>TH</sup> Mindanao Business Conference September 17-18, 2009, Koronadal City Policy Agenda</b>
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| <ul style="list-style-type: none"><li>• Ensure effective and rapid implementation of peace and development programs in Mindanao and resumption of GRP- MILF Peace Panel negotiation leading towards the signing of a peace agreement</li><br/><li>• Pursue a unified private sector-led development agenda for the Mindanao agriculture, fisheries and food industry</li><br/><li>• Fast track infrastructure development through increased budgetary allocations and efficient use of resources</li><br/><li>• Establishment of a comprehensive and strategic plan to promote competitive and highly-skilled Human Resources in Mindanao</li><br/><li>• Reliable power supply all over Mindanao to help address the looming energy crisis in Mindanao</li><br/><li>• Ensure efficient logistics, ports and shipping services in Mindanao</li><br/><li>• Forge a strong private-public sector partnership to develop a world-class Mindanao Tourism Industry</li><br/><li>• Accelerate development of an environmentally and socially sustainable Mining Industry</li><br/><li>• Accelerate the establishment of a reliable and sufficient ICT infrastructure for Mindanao</li></ul> |
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## ANNEX 2-8

### List of Commodity-related Training Activities and Major Events

#### Training Activities & Major Events

BDT Targeted Commodity Expansion Project (TCEP) - Fruits, Vegetables and other High Value Horticulture  
Sub-component:

FY/QTR	Activity Date		Title / Venue	TRAINING	CONFERENCE	Total No. of Participants			
	Start	End		T/W/S	C/E/F	M	F	Total	
FY09-Q1	24-Nov-08	28-Nov-08	White Potato Seed Production and Accreditation Training-Workshop, NOMIARC, Dalwangan, Malaybalay	1		50	0	50	
	27-Nov-08	27-Nov-08	Iligan City Vegetable Investment Forum, Pagadian City, Zamboanga del Norte		1	10	4	14	
	10-Dec-08	10-Dec-08	Vegetable Quality Improvement Training -South Cotabato , Lake Sebu, South Cotabato	1		25	9	34	
	16-Dec-08	16-Dec-08	Provincial Vegetable Forum at Tower and Lamp Inn and Restaurant, Nuro Upi, Maguindanao		1	17	74	91	
				2	2	102	87	189	
FY09-Q2	26-Jan-09	26-Jan-09	Quality Improvement Training on Mango at Beldent Hotel, Tacurong City, Sultan Kudarat	1		51	12	63	
	29-Jan-09	29-Jan-09	Vegetable Integrated Pest (Crop) Management Training	1		23	21	44	
	4-Feb-09	4-Feb-09	Training on Quality Improvement of Tropical Vegetables, Calamba, Misamis Occidental	1		23	11	34	
	6-Feb-09	6-Feb-09	Mango Quality Improvement Initiative, Orientation and Actual Demo on HWT Facility for Mango	1		31	12	43	
	19-Feb-09	19-Feb-09	Mango Skills Improvement Training , General Santos City	1		50	8	58	
	20-Feb-09	20-Feb-09	Quality Improvement Training for Tropical Fruits, Tupi, South Cotabato	1		37	19	56	
	2-Mar-09	2-Mar-09	Vegetable Marketing and Technology Forum in Sumbakil, Polomolok, South Cotabato	1		42	10	52	
	10-Mar-09	10-Mar-09	Passion Fruit Quality Improvement Training, FITS IBJT Comp. Tambo, Iligan City	1		31	14	45	
	17-Mar-09	17-Mar-09	Vegetable and Ginger Production Training, FACOMA Multi-Purpose Building, Poblacion, Parang Maguindanao	1		9	30	39	
	18-Mar-09	18-Mar-09	Vegetable and Ginger Production Training, Sitio Balas, Tacupan, Carmen, North Cotabato	1		33	3	36	
	27-Mar-09	27-Mar-09	Integrated Pest and Cultural Management Seminar, Balingasag, Misamis Oriental	1		50	15	65	
	31-Mar-09	31-Mar-09	Mango Quality Improvement Training in Pigcawayan, NFA Compound, Bague, Pigcawayan	1		46	12	58	
					12	0	426	167	593
	FY09-Q3	1-Apr-09	1-Apr-09	Banana Quality Improvement Training in Lantapan, Bukidnon	1		38	29	67
2-Apr-09		2-Apr-09	Banana and Passion Fruit Quality Improvement Training in Sumilao, Bukidnon	1		36	27	63	
2-Apr-09		2-Apr-09	Skills Improvement Training/GMP/Food Safety Training in Magpet, North Cotabato	1		46	24	70	
3-Apr-09		3-Apr-09	Mango Quality Improvement Training in Kibawe, Bukidnon	1		36	15	51	
15-Apr-09		15-Apr-09	Vegetable Clustering and Quality Improvement Training, Kabacan, North Cotabato	1		23	29	52	
21-Apr-09		21-Apr-09	Passion Fruit Quality Improvement Training in Baroy, Lanao del Norte	1		21	20	41	
22-Apr-09		22-Apr-09	Banana Quality Improvement and Pest Management Training in Brgy. Luma, Kiamba, Sarangani	1		17	34	51	
22-Apr-09		22-Apr-09	1st National Vegetable Marketing Summit in Davao City		1	249	133	382	
23-Apr-09		23-Apr-09	Banana Quality Improvement and Pest Management Training in Brgy. Katubao, Kiamba, Sarangani	1		42	11	53	
27-Apr-09		27-Apr-09	Organic Mango Marketing Forum, General Santos City	1		7	18	25	
28-Apr-09		28-Apr-09	ZANORTE Production and Marketing Planning and Quality Improvement Training for Tropical Vegetables, Dipol	1		58	32	90	
30-Apr-09		30-Apr-09	ZCFVDC Quality Improvement Training on Tropical Vegetables	1		30	6	36	
5-May-09		5-May-09	Training on Vegetables for Semi-commercial farmers, Don Mariano Marcos, Lupon, Davao Oriental (40 pax)	1		23	17	40	
6-May-09		6-May-09	Melon Production Training and Hands-on Field Trial	1		28	3	31	
6-May-09		6-May-09	Training on Vegetables for Semi-commercial farmers, Barangay Marayag, Lupon, Davao Oriental	1		12	28	40	
7-May-09		7-May-09	Training on Vegetables for Semi-commercial farmers, Multi-purpose Building of CalapaganDavao Oriental	1		16	24	40	
13-May-09		14-May-09	1st National Landcare Symposium cum Market Matching, Dynasty Hotel, Cagayan de Oro City		1	60	30	90	
21-May-09	21-May-09	Training on Improved Sweet Pepper Production and Postharvest Practices, LLCA Training Center Baranganyon	1		25	7	32		
26-May-09	26-May-09	Banana Plantation Care and Maintenance Training at the OPAG Conference Hall, Koronadal City, South Cotabat	1		20	32	52		
27-May-09	27-May-09	Banana Plantation Care and Maintenance Training at MAGIRCO Complex, Gubatan, Magpet, North Cotabato	1		46	13	59		
				18	2	800	565	1365	
FY09-Q4	7-Jul-09	7-Jul-09	Vegetable Commodity Clustering Training in Barangay Beawan, Esperanza, Agusan del Sur	1		11	10	21	
	14-Jul-09	16-Jul-09	7th National Vegetable Congress in General Santos City		1	456	306	762	
	17-Jul-09	17-Jul-09	Seminar on Commercial Production of Passion Fruit with Kasilak Farmers	1		25	14	39	
	30-Jul-09	31-Jul-09	2nd Minfruit Market Encounter in Cagayan de Oro City		1	117	55	172	
	27-Aug-09	27-Aug-09	White Potato Quality Improvement and Integrated Pest Management in Brgy Kablon, Tupi, South Cotabato	1		37	13	50	
	2-Sep-09	2-Sep-09	Banana Quality Improvement Training in Bagumbayan, Sultan Kudarat	1		0	0	0	
	3-Sep-09	3-Sep-09	Mango Quality Improvement Training in Esperanza, Sultan Kudarat	1		0	0	0	
	4-Sep-09	4-Sep-09	Banana Quality Improvement Training in Esperanza, Sultan Kudarat	1		0	0	0	
	7-Sep-09	11-Sep-09	2nd Mindanao Vegetable Expo		1	35	46	81	
	8-Sep-09	8-Sep-09	SPVIC Consultative Meeting in Cagayan de Oro City	1		12	7	19	
					7	3	693	451	1144
		<b>Total FY 2009</b>	<b>39</b>	<b>7</b>	<b>2021</b>	<b>1270</b>	<b>3291</b>		
		Total FY 2008 and FY 2009	<b>64</b>	<b>11</b>	<b>3156</b>	<b>1903</b>	<b>5059</b>		

Sub-component: Sustainable Aquaculture & Fisheries Effort (SAFE)

FY/QTR	Activity Date		Title / Venue	TRAINING	CONFERENCE	Total No. of Participants		
	Start	End				M	F	Total
FY09-Q1	14-Oct-08	15-Oct-08	Seaweeds and Aqua-based Culture Management and post-harvest Training, Pagadian City	1		20	7	27
	16-Oct-08	17-Oct-08	Seaweeds and Aqua-based Culture Management and post-harvest Training, Pagadian City	1		10	0	10
				2	0	30	7	37
FY09-Q2						0	0	0
				0	0	0	0	0
FY09-Q3	16-Apr-09	16-Apr-09	Training on Transport, Nursery, Grow-out and Harvest Protocols for Grouper Production with Diomedes Bucog	1		20	4	24
	9-May-09	9-May-09	Training on Natural Food Production: Scaling-up, Population Density Sampling, and Outdoor Culture with T. Iligan an	1		9	2	11
	26-May-09	26-May-09	Practical workshop on Pre-transport Sedation and Packing Techniques for Live Fish, Kabasalan, Zamboanga Sibugay	1		23	1	24
	3-Jun-09	4-Jun-09	Training on Grouper Grow-out Culture with T. Nobillos in Brgy Dita, Zamboanga City	1		42	17	59
						0	0	0
				4	0	94	24	118
FY09-Q4	27-Aug-09	29-Aug-09	11th National Tuna Congress		1	235	66	301
						0	0	0
				0	1	235	66	301
		<b>Total FY 2009</b>	<b>6</b>	<b>1</b>	<b>359</b>	<b>97</b>	<b>456</b>	
		Total FY 2008 & FY 2009	<b>8</b>	<b>2</b>	<b>696</b>	<b>256</b>	<b>952</b>	

Note: Partial list for Q4.

## ANNEX 2-9

### COMMUNITY DEVELOPMENT ACTIVITIES IN SULU ARCHIPELAGO TCEP FORMER COMBATANT REINTEGRATION *As of September 30, 2009*

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
1.)	Project: Milkfish Production Expansion Proponent: Al-Fathi Islamic Producers Multi-Purpose Cooperative Beneficiaries: 49 Location: Barangay Tumakid, Lamitan, Basilan	(1) Engine-driven centrifugal pump with a capacity of at least 500 gpm, and (2) training in water management, and operation and maintenance of the water pump. The coop provided the milkfish fingerlings (10,000 pcs.) and did the necessary pond preparation
2.)	Project: Rubber Plantation Demo Farm Proponent: Kapatagan Lapid-Lapid Multi-Purpose Cooperative Beneficiaries: 35 Location: Sitio Kapatagan, Barangay Lapid-Lapid, Bongao, Tawi-Tawi	(1) Training (lecture and field visit with actual demo of grafting and harvesting), and (2) rubber seedlings. The coop provided the fencing (hog-wire to enclose the demo farm), land preparation and labor.
3.)	Project: High-Value Vegetable Demo Farm Proponent: Kasambuhan MNLF Multi-Purpose Cooperative Beneficiaries: 40 Location: Barangay Kaunayan, Patikul, Sulu	(1) Planting materials and initial fertilizers, (2) half inch polyethelene pipes, (3) nylon strings for trellis, and (4) training on vegetable production. The coop provided farm labor, other trellis materials and fencing
4.)	Project: High-Value Vegetable Demo Farm Proponent: Thailan Farmers Association Beneficiaries: 30 Location: Sitio Puok, Barangay Lakit-Lakit, Bongao, Tawi-Tawi	(1) Training, (2) hybrid vegetable seeds, and (3) hogwires to enclose its vegetable production area. JICA provided small farm tools and implements, cassava planting materials and a nipa hut which will be used for lectures and forums. The association pro
5.)	Project: Live Fish Transport Facility Proponent: Tubigan Multi-Purpose Cooperative Beneficiaries: 40 Location: Barangay Calang-Ulih, Maluso, Basilan	(1) Twin 16hp engine and accessories, (2) training on post-harvest techniques on live fish handling, environmental protection and marketing. IFAD has been requested to fund generator, pump & an aquarium tank. The coop provided a twin-engine powered boat
6.)	Project: Production of High Quality Rubber Coagulum Proponent: Sampinit Agrarian Reform Beneficiaries Integrated Dev't Cooperative Beneficiaries: 45 Location: Brgy. Masullah, Isabela City, Basilan	(1) Materials for the construction of 10 1.20m x 0.60 m x 0.30 m concrete coagulating tanks, and (2) funds for training venue and materials. The coop facilitated the training on coagulum quality improvement
7.)	Project: Vegetable Production Proponent: Lakit-Lakit Farmers Association Beneficiaries: 30 Location: Sitio Buloboc, Barangay Lakit-Lakit, Bongao, Tawi-Tawi	(1) Hogwire for fencing to enclose the demonstration farm, (2) hybrid vegetable seeds, and (3) training on vegetable production. JICA provided small farm tools and implements. The association provided the cassava planting materials, trellis materials an
8.)	Project: Vegetable Production Proponent: Bakud Mahaba Farmers Association Beneficiaries: 25 Location: Barangay Tubig-Basag, Bongao, Tawi-Tawi	(1) Hogwire for fencing to enclose the demonstration farm, (2) hybrid vegetable seeds, and (3) training on vegetable production. SPOTS provided a 50-cubic meter capacity irrigation water system. The association provided the trellis materials, and labor f
9.)	Project: Vegetable and Cassava Production Proponent: Bud Datu Sali Multi-Purpose Cooperative Beneficiaries: 30 Location: Sitio Bud Datu Sali, Barangay Parangan, Panglima Sugala, Tawi-Tawi	(1) high-yielding vegetable seeds, cassava stalks and organic fertilizers, and (2) training on vegetable and cassava production. The coop provided the labor for land preparation and fencing, and materials for trellis and other production inputs.
10.)	Project: Abalone Production under the Existing Solar Drier Proponent: PDC Bangas Multi-Purpose Cooperative Beneficiaries: 55 Location: Barangay Bangas, Panglima Tahil, Sulu	(1) Materials for abalone production cages, abalone juveniles and feeds, (2) training on abalone production and post-harvest handling. The coop provided labor for cage construction and feeds
11.)	Project: Fish Production in Cages Proponent: Bubuan Fish Growers Association Beneficiaries: 40 Location: Barangay Bubuan, Panglima Tahil, Sulu	(1) Training on fish culture, (2) nets, (3) fingerlings and (4) feeds. The association provided labor and other necessary materials to operate the fish production.
12.)	Project: Abalone and Marine Fish Production Proponent: Basilan Aquamarine Products Multi-Purpose Cooperative Beneficiaries: 42 Location: Barangay Tabuk, Isabela City, Basilan	(1) Cages and juveniles for abalone production, fingerlings and feeds for marine fish production, and (2) training on abalone and marine fish production. The coop provided the materials for the abalone cages and constructed the fish cages, the feeds for
13.)	Project: Tilapia Production Proponent: Sta. Clara Agrarian Reform Beneficiaries Integrated Dev't Cooperative Beneficiaries: 50 Location: Sitio Santol, Barangay Sta. Clara, Lamitan, Basilan	(1) Materials for pond construction, tilapia fingerlings and feeds, and (2) training on freshwater fish production. The coop provided the labor for the construction of pond, water supply canal, checkgate structure and pond preparation, boulders, concrete
14.)	Project: Tilapia and Catfish Production Proponent: Basilan State College Faculty and Students Association Beneficiaries: 50 Location: Sitio Switch, Barangay Sta. Clara, Lamitan, Basilan	(1) Pond construction materials, fingerlings, feeds, and (3) training on integrated freshwater fish and rice production. The association provided the labor to construct pond, water supply and drainage canals, installation of drainage pipes and pond prepa

## ANNEX 2-9...continued

### COMMUNITY DEVELOPMENT ACTIVITIES IN SULU ARCHIPELAGO TCEP FORMER COMBATANT REINTEGRATION As of September 30, 2009

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
15.)	Project: Abalone Production Proponent: Tongsinah Multi-purpose Cooperative Beneficiaries: 30 Location: Barangay Tongsinah, Bongao, Tawi-Tawi	(1) 5-units abalone cages and 1,500 juveniles and materials. for <i>Gracillaria</i> seaweed growing and (2) training . The coop provided the other materials, and labor to install the cages and the preparation of the area for seaweed growing.
16.)	Project: Integrated Rice and Fish Production Proponent: Bongao Enterprises MNLF Multi-Purpose Cooperative Beneficiaries: 40 Location: Sitio Siagong, Barangay Karongdong, Bongao, Tawi-Tawi	(1) Certified rice seeds and fertilizers for rice production, (2) materials for pond construction, and (3) training on production activities. The coop provided land preparation, bamboo, and labor for construction
17.)	Project: Milkfish and Prawns Production Proponent: Abdulgappal Multi-Purpose Cooperative Beneficiaries: 25 Location: Barangay Balatanay, Isabela City, Basilan	(1) Pond construction materials, fingerlings, feeds for milkfish and prawns production, and (2) training on the polyculture of milkfish and prawns. The coop provided labor and materials to rehabilitate the ponds and fertilizers, lime and labor for pond p
18.)	Project: Cardaba Banana Production Proponent: Katibuukan Multi-purpose Cooperative Beneficiaries: 34 Location: Barangay Langpas, Indanan, Sulu	(1) Cardaba banana suckers and hogwire and (2) training. The coop provided additional materials for fencing, labor for land prep. and planting and fertilizers.
19.)	Project: Milkfish, Prawn, and Tilapia Production Proponent: Kumalarang Multi-Purpose Cooperative Beneficiaries: 25 Location: Purok Tulong-Tabang, Barangay Kumalarang, Isabela City, Basilan	(1) Pond operation materials, fingerlings, feeds for milkfish, prawns, and tilapia, and (2) training on milkfish, prawns and tilapia production. The coop provided labor and materials to rehabilitate the ponds, and fertilizers, lime and labor for pond pre
20.)	Project: Vegetable and Cassava Production Proponent: Bangsamoro Federation of Sulu-MNLF Multi-Purpose Cooperative Beneficiaries: 300 Location: Barangay Bandang, Talipao, Sulu	(1) High-yielding vegetable seeds, cassava stalks and organic fertilizers, and (2) training on vegetable and cassava production. The coop provided the labor for land preparation and fencing, and materials for trellis and other production inputs.
21.)	Project: Cardaba Banana Production Proponent: Linggisian Multi-purpose Cooperative Beneficiaries: 35 Location: Barangay Linggisian, Talipao, Sulu	(1) Cardaba banana suckers and hogwire and (2) training. The coop provided additional materials for fencing, labor for land prep. and planting and fertilizers.
22.)	Project: Marine Fish Production Proponent: Subah Datuh Agri-Marine Fishing Association Beneficiaries: 50 Location: Barangay Subah Datuh, Indanan, Sulu	(1) Nets, drums and feeds for production and (2) training. The coop provided the provision of lumber, additional drums, demo fingerlings and labor for the construction of the fishcages.
23.)	Project: Marine Fish Production Proponent: Tandu Banak Taungoh Fishermen Association Beneficiaries: 120 Location: Barangay Tandu Banak, Sibutu, Tawi-Tawi	(1) Demo hatchery-bred fingerlings and formulated feeds, (2) training, and (3) technical assistance on high-value marine fish production. The association provided labor for the construction of cages and pens and other production and operational inputs.
24.)	Project: Marine Fish Production Proponent: UMT Kasulutan Fishermen Association Beneficiaries: 46 Location: Barangay Muhtar, Sibutu, Tawi-Tawi	(1) Demo hatchery-bred fingerlings and formulated feeds, (2) training, and (3) technical assistance on high-value marine fish production. The association provided labor for the construction of fishpens and other production and operational inputs
25.)	Project: Marine Fish Production Proponent: Makkam Multi-purpose Cooperative Beneficiaries: 28 Location: Barangay Bualo, Maimbung, Sulu	(1) grouper fingerlings and (2) training. The coop's counterpart will be the fishcages and labor for operation and maintenance. DAR-IX will provide grouper feeds.
26.)	Project: Abalone Production Proponent: Bakong Integrated Livelihood Association Beneficiaries: 25 Location: Barangay Bakong, Simunul Island, Tawi-Tawi	(1) Abalone cages and juveniles and matls. for <i>Gracillaria</i> seaweed growing and (2) training. The coop's counterpart are the other materials and labor to install the cages and the preparation of the area for seaweed growing.
27.)	Project: Abalone and Marine Fish Production in Pens Proponent: Sitio Buhangin Mahaba Seaweed Growers Association Beneficiaries: 30 Location: Sitio Buhangin Mahaba, Pagasinan, Panglima Tahil, Sulu	(1) fishnets and abalone juveniles and (2) training. The coop's counterpart will be the logs, bamboos and labor for fishpen construction and feeds for abalone production.
28.)	Project: Marine Fish Production Proponent: Tongtong Seaweed Growers Association Beneficiaries: 25 Location: Barangay Tongtong, Hj. Panglima Tahil, Sulu	(1) grouper fingerlings and (2) training. The coop's counterpart will be the fishcages and labor for operation and maintenance. DAR-IX will provide grouper feeds.

## ANNEX 2-9...continued

### COMMUNITY DEVELOPMENT ACTIVITIES IN SULU ARCHIPELAGO TCEP FORMER COMBATANT REINTEGRATION *As of September 30, 2009*

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
29.)	Project: Vegetable Production Proponent: Maharaja Andung Farmers Association Beneficiaries: 25 Location: Sitio Baunoh, Brgy. Bangkal, Patikul, Sulu	(1) vegetable seeds, nursery & water supply materials, and (2) training. The association's counterpart will be the production area, trellis and fencing materials, and other production inputs.
30.)	Project: Vegetable Production Proponent: Km. 7 Farmers Association Beneficiaries: 25 Location: Sitio Amamali, Brgy. Tanum, Patikul, Sulu	(1) vegetable seeds, nursery & water supply materials, and (2) training. The association's counterpart will be the production area, trellis and fencing materials, and other production inputs.
31.)	Project: Vegetable Production Proponent: Tanah Palay Farmers Association Beneficiaries: 25 Location: Sitio Tanah Palay, Brgy. Bidin, Sibutu, Tawi-Tawi	Will provide (1) demo inputs such as chicks and milkfish fingerlings, (2) poultry and fish feeds, (3) fishnets and an incubator, and (4) training. The coop's counterpart will be the labor for fishpen construction, and for the operation and maintenance, a
32.)	Project: Vegetable Production Proponent: Tandubanak Farmers Association Beneficiaries: 25 Location: Brgy. Tandubanak, Sibutu, Tawi-Tawi	(1) vegetable seeds, nursery & water supply materials, and (2) training. The association's counterpart will be the production area, trellis and fencing materials, and other production inputs.
33.)	Project: Abalone Production Proponent: Belatan Halo Fishermen's Association Beneficiaries: 25 Location: Sitio Tandoh, Brgy. Belatan Halo, Panglima Sugala, Tawi-Tawi	(1) Cages, abalone juveniles and materials for gracillaria culture (2) training. The coop's counterpart will be the logs, bamboos and labor for cages installation
34.)	Project: Vegetable Production Proponent: Botica sa Campo Brgy. Women's Club Multi-Purpose Cooperative Beneficiaries: 25 Location: Barangay Sanga-Sanga, Bongao, Tawi-Tawi	Will provide (1) training and (2) vegetable seeds for demo. The UNDP's ACT for Peace Programme will provide the production inputs while the coop's counterpart will be the fencing, land preparation and labor
<b>Implementation Underway</b>		
35.)	Project: Abalone and Marine Fish Production in Pens Proponent: PDC Kabukan Multi-sectoral Association Beneficiaries: 37 Location: Sitio Liong, Kabukan, Panglima Tahil, Sulu	(1) fishnets and abalone juveniles and (2) training. The coop's counterpart are the logs, bamboos and labor for fishpen construction and feeds for abalone production.
36.)	Project: Gracillaria Seaweed Production Proponent: Tonggosong Multi-purpose Cooperative Beneficiaries: 30 Location: Barangay Tonggosong, Simunul Island, Tawi-Tawi	(1) pen materials and seedlings, and (2) training. The coop's counterpart are the other materials and labor to install the cages and the preparation of the area for seaweed growing.
37.)	Project: Freshwater Fish Production Proponent: Manggis Farmers Livelihood Association Beneficiaries: 25 Location: Sitio Manggis, Magsagaw, Panglima Sugala, Tawi-Tawi	(1) Tilapia fingerlings and feeds (2) training (3) materials for pond construction. The association's counterpart will be the dike and canal construction, clearing, pond preparation and labor for pond construction.
38.)	Project: Milkfish and Prawn Production Proponent: Kamahardikaan Farmers Multi-Purpose Livelihood Cooperative Beneficiaries: 30 Location: Brgy. Kanibongan, Lantawan, Basilan	(1) rehabilitation of perimeter dikes and (2) training. The coop's counterpart will be the pond clearing and preparation, repair of 2 pond gates, canal construction, rehabilitation of caretaker's house, mikfish fingerlings and prawn fry.
39.)	Project: Abalone Production Proponent: Matarrang Community Organization Beneficiaries: 29 Location: Sitio Tandoh, Brgy. Tondon, Panglima Sugala, Tawi-Tawi	(1) fishnets and abalone juveniles (2) training. The coop's counterpart will be the logs, bamboos and labor for fishpen construction and feeds for abalone production.
40.)	Project: Tilapia Production Proponent: Kasanyangan Farmers Association Beneficiaries: 25 Location: Sitio Kasanyangan, Barangay Karongdong, Bongao, Tawi-Tawi	Will provide (1) pond construction materials and prod. inputs, and (2) training. The coop's counterpart will be the labor for pond construction, operation and maintenance.
41.)	Project: Marine Fish Production Proponent: Samal Village Multi-Sectoral Association Beneficiaries: 40 Location: Barangay Samal, Maluso, Basilan	Will provide (1) Cage const. materials and prod. inputs, and (2) training. The DAR IX will provide the feeds while the UNDP's Act for Peace Programme will co-share production inputs. The association's counterpart will be the labor for fiscgae constructio
42.)	Project: Marine Fish Production Proponent: Campo Muslim MNLF Multi-purpose Cooperative Beneficiaries: 35 Location: Barangay Marang-Marang, Languyan, Tawi-Tawi	Will provide (1) Cage const. materials and prod. inputs, and (2) training. The UNDP's Act for Peace Programme will co-share production inputs while the coop's counterpart will be the labor for fiscage construction, lumber and bamboo, and labor for operat



## ANNEX 2-9...continued

### COMMUNITY DEVELOPMENT ACTIVITIES IN SULU ARCHIPELAGO TCEP FORMER COMBATANT REINTEGRATION As of September 30, 2009

No.	Project and Proponent	GEM Assistance Provided
<b>Implementation Underway</b>		
43.)	Project: Milkfish and Poultry Production Proponent: Bilma-Arup Multi-purpose Cooperative Beneficiaries: 25 Location: Sitio Tubig-basag Proper, Barangay Tubig-basag, Bongao, Tawi-Tawi	Will provide (1) demo inputs such as chicks and milkfish fingerlings, (2) poultry and fish feeds, (3) fishnets and an incubator, and (4) training. The coop's counterpart will be the labor for fishpen construction, and for the operation and maintenance, a
44.)	Project: Rubber Production Proponent: Farmers Association for Peace and Development Beneficiaries: 25 Location: Barangay Pamucalin, Lantawan, Basilan	Will provide (1) training and (2) rubber seedlings. The UNDP's ACT for Peace Programme will co-share production inputs while the coop's counterpart will be the fencing, land preparation and labor
45.)	Project: Rubber Production Proponent: Upper Sinangkapan Multi-Sectoral Association Beneficiaries: 25 Location: Barangay Upper Sinangkapan, Akbar, Basilan	Will provide (1) training and (2) rubber seedlings. The UNDP's ACT for Peace Programme will co-share production inputs while the coop's counterpart will be the fencing, land preparation and labor
46.)	Project: Marine Fish Production Proponent: Upper Pahut Multi-Purpose Cooperative Beneficiaries: 25 Location: Barangay Pahut, Bongao, Tawi-Tawi	Will provide (1) Demo production inputs and (2) training. The coop's counterpart will be the labor for fishcages construction, operation and maintenance.
47.)	Project: Marine Fish Production Proponent: Laum Maimbung Seaweed Farmers Association Beneficiaries: 25 Location: Brgy. Laum, Maimbung, Sulu	Will provide (1) grouper fingerlings, materials for fish cages, and (2) training on marine fish production and marketing. The association's counterpart will be the labor for fish cage construction, logs and bamboo, and feeds.
48.)	Project: Abalone Production Proponent: Guhakan Fishing Livelihood Association Beneficiaries: 25 Location: Sitio Guhakan, Brgy. Liyaburan, Panglima Sugala, Tawi-Tawi	Will provide (1) abalone juveniles & abalone pens, and (2) training. The association's counterpart will be the labor for pen construction and other production inputs.
49.)	Project: Milkfish Production Proponent: Diki Fisherfolks and Fish Processors Association Beneficiaries: 27 Location: Barangay Diki, Malamawi Island, Isabela City	Will provide (1) demo fingerlings and feeds as demo inputs, and (2) training on the latest production technology. The Save the Children will provide production inputs, construction materials for fishcages while the association's counterpart will be bambo
50.)	Project: Milkfish Production Proponent: Tampalan Fisherfolks and Fish Processors Association Beneficiaries: 27 Location: Brgy. Tampalan, Malamawi Island, Isabela City	Will provide (1) demo fingerlings and feeds as demo inputs, and (2) training on the latest production technology. The Save the Children will provide production inputs, construction materials for fishcages while the association's counterpart will be logs,

**Summary:**

**50 Identified Community Development Activities**

**- 34 Community Development Activities completed**

**- 16 Community Development Activities on implementation underway**

## ANNEX 2-10

### COMMUNITY DEVELOPMENT ACTIVITIES IN CENTRAL MINDANAO TCEP FORMER COMBATANT REINTEGRATION

As of September 30, 2009

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
1.)	Project: Milkfish, Prawn, and Tilapia Production Proponent: Kiamba Inter-PDC Luy-a Farmers Alliance Beneficiaries: 30 Location: Brgy. Lagundi, Kiamba, Sarangani Province	(1) training and (2) demo materials. The coop provided the demo area, cost of pond construction and other materials for the operation.
2.)	Project: Buri Weaving Proponent: Kababaihang Carmenian na Nagkakaisa Beneficiaries: 30 Location: Brgy. Kitulaan, Carmen, North Cotabato	(1) training and (2) demo materials. The coop provided the trainors and other materials for the production of buri woven products
3.)	Project: Passion Fruit Production and Nursery Establishment Proponent: Pangí Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Pangí, Matungao, Lanao del Norte	(1) passion fruit seedlings and other production inputs for demo, as well as (2) training. The cooperative's counterpart will be (1) demo area, (2) labor for fencing, and (3) cost of land preparation
4.)	Project: Passion Fruit Production Proponent: Ranao Norte Bangsamoro Farmers Association Beneficiaries: 30 Location: Brgy. Delabayan, Kauswagan, Lanao del Norte	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
5.)	Project: Passion Fruit Production Proponent: Lower Pangí Farmers Association Beneficiaries: 30 Location: Brgy. Lower Pangí, Pantao Ragat, Lanao del Norte	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
6.)	Project: Passion Fruit Production Proponent: Bangsamoro Women's Multi-Purpose Cooperative Beneficiaries: 25 Location: Brgy. Sta. Cruz, Matungao, Lanao del Norte	(1) training and (2) provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
<b>Implementation Underway</b>		
7.)	Project: Vegetable Production Proponent: Bangsamoro Farmers Association Beneficiaries: 50 Location: Brgy. Patadon, Kidapawan, North Cotabato	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
8.)	Project: Peanut and Mungbean Production Proponent: West Bubong Farmers Association Beneficiaries: 25 Location: Brgy. Bubong, Tangkal, Lanao del Norte	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production and maintenance of the grains solar drier constructed by BIP
9.)	Project: Vegetable Production Proponent: Malabuaya Farmers Association Beneficiaries: 30 Location: Sitio Malabuaya, Brgy. Kapaya, Maguindanao	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
10.)	Project: Vegetable Production Proponent: West Patadon Farmers Association Beneficiaries: 30 Location: Brgy. West Patadon, Matalam, North Cotabato	(1) training and (2) demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
11.)	Project: High Value Fruit Production Proponent: Highland Villagers Greenfarm Farmers Association Beneficiaries: 30 Location: Brgy. Lunen, Tupi, South Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
12.)	Project: Rubber and Vegetable Production Proponent: Aliudin Village Multi-Purpose Cooperative Beneficiaries: 30 Location: Brgy. Tambad, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
13.)	Project: Vegetable Production Proponent: Al-Ihsan Multi-Purpose Cooperative Beneficiaries: 25 Location: Brgy. Koronadal Proper, Polomolok, South Cotabato	Will provide (1) training and (2) demo materials. The UNDP's Act for Peace Programme will co-share production inputs while the coop's counterpart will be the fencing, land preparation and labor
14.)	Project: Milkfish, Prawn and Tilapia Production Proponent: MNLF Demobilized Kumanders Association Beneficiaries: 25 Location: Sitio Camp Abdurahman Jalil, Brgy. Lumatil, Maasim, Sarangani	Will provide (1) fry and fingerlings as demo inputs, as well as (2) training. The association's counterpart will be (1) four fishponds, (2) pond inputs, and (3) labor for pond preparation

ANNEX 2-10...continued

COMMUNITY DEVELOPMENT ACTIVITIES IN CENTRAL MINDANAO  
TCEP FORMER COMBATANT REINTEGRATION  
As of September 30, 2009

No.	Project and Proponent	GEM Assistance Provided
<b>For Implementation</b>		
17.)	Project: Cardaba Production Proponent: MNLF Bulit Farmers Association Beneficiaries: 30 Location: Brgy. Bulit, Datu Montawal, Maguindanao	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
18.)	Project: Tilapia Production in Fish Cages Proponent: Sebastian Irrigators Farmers Association Beneficiaries: 30 Location: Brgy. Kibayao, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
19.)	Project: Catfish and Tilapia Production Expansion Proponent: Sitio Bulakan Farmers Association Beneficiaries: 30 Location: Brgy. Kibines, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
20.)	Project: Tilapia Production Proponent: Balatican Farmers Association Beneficiaries: 25 Location: Brgy. Balatican, Pikit, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
21.)	Project: Tilapia Production Proponent: Butuan Village Farmers Association Beneficiaries: 25 Location: Sitio Butuan Village, Pikit, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
22.)	Project: Cardaba Banana Production Proponent: Kalipunan ng Liping Pilipina (KALIPi) Beneficiaries: 25 Location: Brgy. Kidama, Matalam, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
23.)	Project: Cardaba Banana Production Proponent: Pingiaman Multi-Purpose Cooperative Beneficiaries: 25 Location: Brgy. Kitulaan, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
24.)	Project: Rubber Culture and Management Proponent: Kibayao Farmers Association Beneficiaries: 25 Location: Brgy. Kibayao, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
25.)	Project: Cardaba Banana Production Proponent: Liliongan Farmers Association Beneficiaries: 30 Location: Brgy. Liliongan, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
26.)	Project: Cardaba Banana Production Proponent: Iranon Multi-Purpose Cooperative Beneficiaries: 25 Location: Sitio 29, Brgy. Malapag, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
27.)	Project: Freshwater Fish and Vegetable Production Proponent: Banucagon KALIPi Association Beneficiaries: 25 Location: Brgy. Banucagon, Pigcawayan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
28.)	Project: Freshwater Fish and Vegetable Production Proponent: MNLF Farmers Association Beneficiaries: 25 Location: Brgy. Upper Labas, Midsayap, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
29.)	Project: Rubber, Cardaba Banana, and Vegetable Production Proponent: Chrislam Free Farmers Association Beneficiaries: 30 Location: Brgy. Dualing, Aleosan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
30.)	Project: Cardaba Banana, and Vegetable Production Proponent: Lower Gumaga Farmers Association Beneficiaries: 30 Location: Brgy. Lower Gumaga, Libungan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production

ANNEX 2-10...continued

COMMUNITY DEVELOPMENT ACTIVITIES IN CENTRAL MINDANAO  
TCEP FORMER COMBATANT REINTEGRATION  
As of September 30, 2009

No.	Project and Proponent	GEM Assistance Provided
<b>For Implementation</b>		
31.)	Project: Vegetable Production Proponent: Cuyapon Farmers and Fisherfolks Organization Beneficiaries: 30 Location: Brgy. Cuyapon, Kabacan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
32.)	Project: Vegetable Production Proponent: To be determined Beneficiaries: 25 Location: Brgy. Nuangan, Kidapawan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
33.)	Project: Cardaba Banana and Vegetable Production Proponent: To be determined Beneficiaries: 25 Location: Brgy. Upper Mingading, Aleosan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
34.)	Project: Cardaba Banana and Vegetable Production Proponent: To be determined Beneficiaries: 25 Location: Brgy. Sanggadong, Kabacan, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production
35.)	Project: Cardaba Banana Production Proponent: To be determined Beneficiaries: 25 Location: Brgy. Manili, Carmen, North Cotabato	TCEP will conduct training and will provide demo materials. The coop will provide the demo area, land preparation and other materials for the operation of the demo production

**Summary:**

**35 Identified Community Development Activities**

- 6 Community Development Activity completed
- 10 Community Development Activity implementation underway
- 19 Community Development Activities for implementation

## ANNEX 2-11

**POST-HARVEST FACILITIES  
TCEP FORMER COMBATANT REINTEGRATION  
As of September 30, 2009**

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
1.)	Project: Live Fish Transport Facility Proponent: Batumanga Seaweed Growers Association Beneficiaries: 50 Location: Sitio Batumanga, Barangay Balimbing, Panglima Sugala, Tawi-Tawi	(1) Live Fish Transport Facility design, and (2) conducted training and hands-on demonstration on the operation of the facility. IFAD provided the portable power generator, submersible pump, air blower, aquarium PVC pipes, valves and fittings, and air t
2.)	Project: Grains Solar Drier Proponent: Lagandang Multi-Purpose Cooperative Beneficiaries: 73 Location: Purok 7, Brgy. Lagandang, Isulan, Sultan Kudarat	BIP constructed the grains solar drier while TCEP conducted training on threshing, drying, and storage. The coop provided the land where the facility was constructed.
3.)	Project: Multi-Commodity Packing Facility Proponent: Tapucan Farmers Multi-Purpose Cooperative Beneficiaries: 139 Location: Brgy. Tapucan, Piagapo, Lanao del Sur	Conducted training on the operation of a multi-commodity packing facility. The coop's counterpart were the constructions of the access road and the multi-commodity packing facility.
4.)	Project: Pre-Shipment Facility for Milkfish Fingerlings Proponent: Sultan Kudarat Descendants Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Kawas, Alabel, Sarangani Province	(1) Designed the pre-shipment facility and (2) conducted on-site training and hands-on demonstration. PhilAM Foundation granted a loan to the cooperative to purchase the facility equipment and materials, and milkfish fingerlings production inputs. The c
5.)	Project: Mango Packing Facility with Hot Water Treatment Proponent: Moro United Multi-Purpose Cooperative Beneficiaries: 127 Location: Brgy. Kitulaan, Carmen, North Cotabato	BIP constructed the post-harvest facility while TCEP provided the design and training in the operation and maintenance. The LGU provided the land. The coop will operate the facility.
6.)	Project: Grains Solar Drier Proponent: Big Banisilon Multi-Purpose Cooperative Beneficiaries: 35 Location: Brgy. Big Banisilon, Tangkal, Lanao del Norte	BIP constructed the grains solar drier while TCEP conducted training on threshing, drying, and storage. The coop will provide the land.
7.)	Project: Grains Solar Drier Proponent: Small Banisilon Multi-Purpose Cooperative Beneficiaries: 35 Location: Brgy. Small Banisilon, Tangkal, Lanao del Norte	BIP constructed the grains solar drier while TCEP conducted training on threshing, drying, and storage. The coop provided the land.
8.)	Project: Grains Solar Drier Proponent: Tangkal Bangsamoro Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Bubong, Tangkal, Lanao del Norte	BIP constructed the grains solar drier while TCEP conducted training on threshing, drying, and storage. The coop provided the land.
9.)	Project: Fish and Prawn Holding Station and Ice Storage Facility Proponent: Dinas Minority Integrated Multi-Purpose Cooperative Beneficiaries: 200 Location: Brgy. Benuatan, Dinas, Zamboanga del Sur	BIP constructed the post-harvest facility while TCEP provided the design and training in the operation and maintenance. The coop provided the land.
10.)	Project: Seaweed Solar Drier Proponent: Biha Seaweed Growers Association Beneficiaries: 50 Location: Brgy. Buan, Panglima Sugala, Tawi-Tawi	BIP constructed the seaweed solar drier while TCEP conducted the training in the operation and maintenance. The coop provided the area where the drier was constructed.
11.)	Project: Seaweed Solar Drier Proponent: Biha Seaweed Growers Association Beneficiaries: 50 Location: Sitio Kasanyangan, Brgy. Buan, Panglima Sugala, Tawi-Tawi	BIP constructed the seaweed solar drier while TCEP conducted the training in the operation and maintenance. The coop provided the area where the drier will be constructed.
12.)	Project: Grains Solar Drier Proponent: Kiupa Multi-Purpose Cooperative Beneficiaries: 70 Location: Brgy. Sapu Masla, Malapatan, Sarangani	BIP will construct the grains solar drier while TCEP will conduct training on threshing, drying, and storage. The coop will provide the land.
13.)	Project: Post Harvest Handling and Marketing Proponent: Bakud-Mahaba Farmers Association Beneficiaries: 25 Location: Brgy. Tubig-Basag, Bongao, Tawi-Tawi	TCEP conducted the training and will provide the water storage and a two-wheel heavy-duty cart. The SPOTS Project will provide carabao and irrigation pipes while the association will shoulder the maintenance
14.)	Project: Multi-Commodity Consolidation Facility Proponent: Manisan Moro Farmers' Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Polonuling, Tupi, South Cotabato	TCEP conducted the training and will provide fresh fish and vegetables handling materials, and co-fund the construction materials. UNDP's ACT for Peace Programme will fund the construction of the PHF and water supply and drainage while the cooperative wi
15.)	Project: Multi-Commodity Consolidation Facility Proponent: Sapu Masla Association for Peace and Unity (SAPU) Beneficiaries: 50 Location: Brgy. Sapu Masla, Malapatan, Sarangani	TCEP conducted the training and will provide fresh fish and vegetables handling materials, and co-fund the construction materials. UNDP's ACT for Peace Programme will fund the construction of the PHF and water supply and drainage while the cooperative wi

## ANNEX 2-11...continued

### POST-HARVEST FACILITIES TCEP FORMER COMBATANT REINTEGRATION *As of September 30, 2009*

No.	Project and Proponent	GEM Assistance Provided
<b>Completed</b>		
16.)	Project: Seaweed Solar Drier Proponent: Kabuukan Multi-Sectoral Association Beneficiaries: 37 Location: Brgy. Kabuukan, Panglima Tahil, Sulu	BIP will construct the seaweed solar drier while TCEP will conduct training. The coop will provide the area where the drier will be constructed.
17.)	Project: Seaweed Solar Drier Proponent: SEA-K Association Beneficiaries: 30 Location: Brgy. Bubuan, Panglima Tahil, Sulu	BIP will construct the seaweed solar drier while TCEP will conduct training.
18.)	Project: Grains Solar Drier Proponent: Ramcor Farmers Association Beneficiaries: 35 Location: Sitio Bagundang, Brgy. Ramcor, SK Pendatun, Maguindanao	BIP will construct the grains solar drier while TCEP will conduct training on threshing, drying, and storage. The coop will provide the land.
19.)	Project: Grains Solar Drier Proponent: Damalusay Multi-Purpose Cooperative Beneficiaries: 125 Location: Sitio Kiludan, Brgy. Damalusay, Paglat, Maguindanao	BIP will construct the grains solar drier while TCEP will conduct training on threshing, drying, and storage. The coop will provide the land.
<b>Implementation Underway</b>		
20.)	Project: Seaweed Solar Drier Proponent: Bagid Farmers Agriculture Resource Management Cooperative Beneficiaries: 52 Location: Brgy. Bagid, Simunul, Tawi-Tawi	BIP will construct the seaweed solar drier while TCEP will conduct training. The coop will provide the area where the drier will be constructed.
21.)	Project: Multi-Commodity Consolidation Facility Proponent: Datu Dani Moro Farmers' Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Datu Dani, Kiamba, Sarangani	TCEP conducted the training and will provide fresh fish and vegetables handling materials, and co-fund the construction materials. UNDP's ACT for Peace Programme will fund the construction of the PHF and water supply and drainage while the cooperative will
22.)	Project: Multi-Commodity Consolidation Facility Proponent: Samal Moro Women's Multi-Purpose Cooperative Beneficiaries: 30 Location: Sitio Lagu, Brgy. Lumatil, Maasim, Sarangani	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
23.)	Project: Warehouse for Post-Harvest Handling of Vegetables and Fruits Proponent: Sumbakil Multi-Purpose Cooperative Beneficiaries: 50 Location: Brgy. Sumbakil, Polomolok, South Cotabato	Will provide (1) construction materials and supervision to upgrade the post-harvest facility, and (2) training. The cooperative will provide the labor for upgrading works and co-fund the construction materials
24.)	Project: Multi-Commodity Consolidation Facility Proponent: Palian Community Workers Association Beneficiaries: 45 Location: Brgy. Palian, Tupi, South Cotabato	Will provide (1) the design for the post-harvest facility, (2) harvest tools and equipment and some construction materials such as roofing, wood, and paint, and (3) training. UNDP's Act for Peace Programme will provide most of the construction materials
25.)	Project: Post-Harvest Transport Boat and Equipment Proponent: Tuyan Muslim Farmers & Fishers Multi-Purpose Cooperative Beneficiaries: 30 Location: Brgy. Tuyan, Malapatan, Sarangani	Will provide (1) training, (2) harvest tools, equipment, and harvesting materials as well as (3) the design for the transport boat. UNDP's Act for Peace Programme will provide construction materials for fish cages, fingerlings, and commercial formulated
<b>for Implementation</b>		
26.)	Project: Multi-Commodity Consolidation Facility Proponent: Lumayon Village Farmers Association Beneficiaries: 25 Location: Brgy. Manarapan, Carmen, North Cotabato	Will provide (1) training and (2) design. UNDP's Act for Peace Programme will provide the construction materials while the cooperative will provide the labor for construction as well as lumber for the post-harvest facility.
27.)	Project: Seaweed Solar Dryer Proponent: Bangas Peace & Development Community Beneficiaries: 25 Location: Brgy. Bangas, Panglima Tahil, Sulu	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
28.)	Project: Banana Chips Consolidation & Processing Proponent: Baluntay Women's Association Beneficiaries: 25 Location: Brgy. Baluntay, Alabel, Sarangani	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
29.)	Project: Grain Solar Dryer Proponent: To be identified Beneficiaries: 25 Location: Brgy. Laguilayan, Isulan, Sultan Kudarat	BIP will construct the grains solar drier while TCEP will conduct training on threshing, drying, and storage. The coop will provide the land.

## ANNEX 2-11...continued

### POST-HARVEST FACILITIES TCEP FORMER COMBATANT REINTEGRATION

*As of September 30, 2009*

No.	Project and Proponent	GEM Assistance Provided
<b>for Implementation</b>		
30.)	Project: Dried Fish Consolidation & Trading Facility Proponent: Tamontaka 3 Farmers Association Beneficiaries: 25 Location: Brgy. Tamontaka, Cotabato City	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
31.)	Project: Multi-Commodity Consolidation Facility Proponent: To be identified Beneficiaries: 25 Location: Brgy. Manarapan, Carmen, North Cotabato	Will provide the (1) design, (2) harvest tools, equipment, and some construction materials, and (4) training. The cooperative will provide the labor and materials for site development and construction.
32.)	Project: Multi-Commodity Consolidation Facility Proponent: Sitio Tubak Farmers Association Beneficiaries: 25 Location: Brgy. Pagangan, Aleosan, North Cotabato	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
33.)	Project: Multi-Commodity Consolidation Facility Proponent: To be identified Beneficiaries: 25 Location: T'boli, South Cotabato	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
34.)	Project: Multi-Commodity Consolidation Facility Proponent: To be identified Beneficiaries: 25 Location: Brgy. Lutayan, Mamali, Sultan Kudarat	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training. UNDP's Act for Peace Programme will co-share the construction materials and harvest tools and equipment while the cooperative will provide the labor for site dev
35.)	Project: Freshwater Fish Processing Facility Proponent: Tumbras Fisherfolk Association Beneficiaries: 25 Location: Brgy. Tumbras, Midsayap, North Cotabato	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training while the association will provide the labor for site development and construction as well as lumber for the post-harvest facility.
36.)	Project: Freshwater Fish Processing Facility Proponent: Cuyapon Farmers and Fisherfolks Organization Beneficiaries: 30 Location: Brgy. Cuyapon, Kabacan, North Cotabato	Will provide (1) harvest tool, equipment, and some construction materials, and (2) training while the association will provide the labor for site development and construction as well as lumber for the post-harvest facility.

**Summary:**

**36 Identified Post-harvest Facilities for MNLF Communities**

- 19 Post-Harvest Facilities completed
- 6 Post-Harvest Facilities implementation underway
- 11 Post-Harvest Facilities for implementation

ANNEX 2-12  
List of GEM 3 Assisted Business Support Organizations  
*Updated as of September 2009*

**New Chambers of Commerce**

1. Surigao Chamber of Commerce
2. Pagadian Chamber of Commerce
3. Iranon Chamber of Commerce
4. Sarangani Chamber of Commerce
5. Maranaw Chamber of Commerce
6. Metro Kidapawan Chamber of Commerce

**Key Sector BSOs**

1. Iligan ICT Council
2. Northern & Western Mindanao High Value Aquaculture Convenors' Group, Inc. (HIVIC)
3. Marawi City Tourism Council

**Previously-assisted Chambers of Commerce**

1. Sulu Chamber of Commerce
2. Tawi-Tawi Chamber of Commerce
3. Autonomous Basilan Islamic Chamber of Commerce
4. Metro Cotabato Chamber of Commerce
5. Muslim Chamber of Kutawato
6. Chamber of Commerce of Iligan

**Producer Associations**

1. Vegetable Industry Council of Southern Mindanao
2. Northern Mindanao Vegetable Producers Association
3. Western Mindanao Seaweed Industry Development Foundation, Inc.
4. SOCSARGEN Fishing Federation and Allied Industries, Inc.
5. Mindanao Fruit Industry Council, Inc.
6. Zanorte Hi-Green Vegetable Producers Association
7. Central Mindanao Vegetable Industry Development Council
8. South Cotabato Vegetable Industry Council
9. Zamboanga City Fruits and Vegetable Industry Development Council
10. Greater Northern Mindanao Mango Industry Development Foundation
11. Banana Industry Development Association of Region 10
12. Lucrative Fruit Growers Multi-purpose Cooperative
13. Maguindanao Fruit Growers Association
14. Kidapawan Fruit Growers Association\*

**Event-specific BSOs**

1. Muslim Business Forum
2. ARMM Business Council
3. Mindanao Business Council
4. Dipolog Chamber of Commerce
5. Caraga Chamber of Mines
6. Oroquieta Chamber of Commerce
7. Philippine Chamber of Commerce
8. Mindanao Trade Expo (MTE) Foundation, Inc.
9. Butuan Chamber of Commerce
10. ICT Solutions of Region 12
11. ICT Solution of Region 12- Cotabato City Chapter
12. South Cotabato Chamber of Commerce
13. Chamber of Agriculture and Food Industries of Northern Mindanao

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\* Replacing United Davao del Sur Mango Growers Cooperative



ANNEX 2-13  
NEW CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE

**BSO: Surigao Chamber of Commerce**

Ms. Rodelia Yecyec, Project Officer  
2/F Management Office Building, Hotel Tavern, Surigao, Borromeo Street, 8400 Surigao City  
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STRATEGIC ACTIVITIES (November 2008 to September 2009)	RESULTS (September 2009)
<b>1.0 Membership Expansion</b>	
<ul style="list-style-type: none"> <li>• 35% increase or a total of 80 members in 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (Sept. 2007): 54 members</li> <li>• Actual: (Sept 2008): 59 members; (Sept 2009): 65 members</li> </ul>
<b>2.0 Membership Delivery Services</b>	
<ul style="list-style-type: none"> <li>• Provide direct quality services to the members</li> <li>• Creation of Human resources and Leadership Training Center</li> <li>• Organize business and economic forums; livelihood training and business seminars</li> <li>• Co-host 5<sup>th</sup> Mining Summit and Chamber of Mines</li> <li>• Publication of Chamber promotional collateral and Members' Directory</li> <li>• Completion of Business Profiling System</li> </ul>	<ul style="list-style-type: none"> <li>• 14<sup>th</sup> CARAGA Business Conference. November 27, 2008, 334 participants</li> <li>• Training of Simple Financial Record Keeping, October-December 2009, 61 participants</li> <li>• Training on How to Start a Business series of seminars, March-April 2009, 200 participants</li> <li>• Co-hosted 5<sup>th</sup> CARAGA Mining Summit, April 24, 2009, 361 participants</li> <li>• Luncheon Forum with Sen. Mar Roxas, March 20, 2009, 260 participants</li> <li>• Co-hosted Symposium on Sustaining Superior Performance in Business and Governance, July 9, 2009, 106 participants</li> <li>• Conducted initial screening/interview to 30 applicants for Surigao Memorial Park and Jollibee/Greenwich (SCCI Corporate Members), November 2008 –to date.</li> <li>• Produced 1000 copies Chamber Newsletter and 200 membership stickers</li> <li>• Facilitate during the conduct of GEM Orientation Seminar for Infra-Contracts Officers/Members, March 25, 2009</li> <li>• Hosted the Meeting with BIR Regional Director Atty. Bajador and SCCI/SFCCCCI</li> <li>• Hosted, Community Night 2009, September 3, 2009, 286 participants.</li> </ul>
<b>3.0 Policy Advocacy Gains</b>	
<ul style="list-style-type: none"> <li>• Enhance its earlier efforts to reduce the processing time for business permit renewal and application, and will continue to pursue a centralized computerization facility for real property tax collection</li> <li>• Peace and Order</li> <li>• Tourism</li> <li>• Business Development Services</li> <li>• Investment Promotion</li> </ul>	<ul style="list-style-type: none"> <li>• Processing time of business licenses and renewal of business permits was reduced from 5 days to 2 working hours</li> <li>• Assistance Desk during the conduct of a month-long Business One-Stop Shop (renewal of business permits/licenses) every January</li> <li>• Production of the First Edition of the Surigao City Citizen's Charter</li> <li>• SCCI donated six (6) or PhP33,000 worth of hand-held radios to the Surigao City PNP</li> <li>• Promotion of the Surigao Diving Tourism Industry</li> <li>• Business-wide Tax Consultation and Dialogue, December 17, 2008. 44 participants</li> <li>• SCCI President serve as the Vice Chairman for the Provincial Investment Board</li> </ul>
<b>4.0 Financial Revenue Generation Capacity</b>	
<ul style="list-style-type: none"> <li>• 75% collection efficiency of annual membership fees</li> <li>• Minimum of 30% generation of revenue from external sources such as sponsorships and registration fees for events and training</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>
<b>5.0 BSO-PMO Initiated Training Activities for Board and management Staff</b>	
<ul style="list-style-type: none"> <li>• Conduct trainings on communication and event proposal preparation, events organizing, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Chamber Management, Board Governance and Investment Promotions Training-Orientation, September 1-2, 2009, Cagayan de Oro City</li> <li>• Organizational and Business Crisis Management Training: Managing Through Difficult Times "Why Survive When You Can Thrive", September 2, 2009, Cagayan de Oro City</li> </ul>

**ANNEX 2-13...continued - NEW CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE**

**BSO: Pagadian Chamber of Commerce**

Ms. Mercedes Quisumbing, President; Ms. January Charlemagne Sorreno, Project Officer  
Taklobo Stage Plaza Luz, FS Pajares Avenue, Pagadian City, Zamboanga del Sur  
Tel/Fax: (062) 925-0552; Tel no.: (062) 353-1972; Email: pagadian\_chamber@yahoo.com

STRATEGIC ACTIVITIES (November 2008 to September 2009)	RESULTS (September 2009)
<b>1.0 Membership Expansion</b>	
<ul style="list-style-type: none"> <li>• 100% increase or a total of 70 members in 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (Sept. 2007) 30 members</li> <li>• Actual: (Sept. 2008 ): 35 members; (Sept. 2009): 71 members</li> </ul>
<b>2.0 Membership Delivery Services</b>	
<ul style="list-style-type: none"> <li>• Management of City Investment Promotion Center and Product Display center</li> <li>• Organize business and economic forums; livelihood training nad business seminars</li> <li>• Host the 5<sup>th</sup> Zamboanga Peninsula Business Conference simultaneous with Business Week Celebration</li> <li>• Publication of Chamber promotional collateral and Members' Directory</li> <li>• Completion of Business Profiling System</li> </ul>	<ul style="list-style-type: none"> <li>• Family Entrepreneurship Seminar, July 8, 2009, 104 participants</li> <li>• 5<sup>th</sup> Zamboanga Peninsula Business Conference, July 8-10, 2009, 153 participants</li> </ul>
<b>3.0 Policy Advocacy Gains</b>	
<ul style="list-style-type: none"> <li>• Streamlining of business permit processing procedures; real Property Tax policy review; Monitoring of government infrastructure project.</li> </ul>	<ul style="list-style-type: none"> <li>• Posted tarpaulin on Business registration Flow Chart at the Pagadian City Hall</li> </ul>
<b>4.0 Financial Revenue Generation Capacity</b>	
<ul style="list-style-type: none"> <li>• 75% collection efficiency of annual membership fees</li> <li>• Minimum of 30% generation of revenue from external sources such as sponsorships and registration fees for events and training</li> </ul>	<ul style="list-style-type: none"> <li>• 50% collection efficiency</li> <li>• Sponsorship of PhP 338,650 in Zamboanga Peninsula Business Conference, 153 participants.</li> </ul>
<b>5.0 BSO-PMO Initiated Training Activities for Board and management Staff</b>	
<ul style="list-style-type: none"> <li>• Conduct trainings on communication and event proposal preparation, events organizing, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Events Organizing and Management Seminar, March 26-27, 2009, 42 participants</li> <li>• Chamber Management, Board Governance and Investment Promotions Training-Orientation, September 1-2, 2009, Cagayan de Oro City</li> <li>• Organizational and Business Crisis Management Training: Managing Through Difficult Times "Why Survive When You Can Thrive", September 2, 2009, Cagayan de Oro City</li> </ul>

ANNEX 2-13...continued - NEW CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE

**BSO: Iranon Chamber of Commerce**

Mr. Abdulmanan Ito, Project Officer  
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STRATEGIC ACTIVITIES (November 2008 to September 2009)	RESULTS (by September 2009)
<b>1.0 Membership Expansion</b>	
<ul style="list-style-type: none"> <li>50% increase or a total of 43 members in 2009</li> </ul>	<ul style="list-style-type: none"> <li>Baseline (Sept. 2007): 22 members</li> <li>Actual: (Sept. 2008): 29 members; (Sept. 2009) 29 members no increase</li> </ul>
<b>2.0 Membership Delivery Services</b>	
<ul style="list-style-type: none"> <li>Establishment of Business Services and Promotions Center</li> <li>Organize business and economic forums; livelihood training and business seminars</li> <li>Co-host the 7<sup>th</sup> ARMM Business Congress with the ARMM Business Council</li> <li>Publication of Chamber promotional collateral and Members Directory</li> <li>Completion of Business profiling System</li> </ul>	<ul style="list-style-type: none"> <li>Established Business Promotion Center in Parang Maguindanao.</li> <li>Acquired additional office equipments and furniture.</li> <li>Hired Technical Assistant Mr. Luther Macapagal on January 2009 and .</li> <li>Hired new Project Officer Mr.Abdulmanan Ito on April 2009.</li> <li>Established Bagsakan Center in Parang Maguindano last quarter of 2008. As part of the chambers' marketing support services to the farmers-producers group, the chamber received facilities (building, digital scaling, cashier registry, freezer, refrigerators and other supplies); and Php150, 000 grant as operating capital from DAF-ARMM, LGU and Maguindanao Province.</li> <li>Attended the consultative meeting with DAF-ARMM in July 9, 2009 for the operation of bagsakan center.</li> <li>Site visit to NORMINVEGGIES Bagsakan Trading Center in Cagayan de Oro, September 3, 2009.</li> <li>Acquired reading materials from NORMINVEGGIES on Bagsakan Trading Center Operation and Vegetable Production Technology.</li> <li>Training on Accounting and Bookkeeping, July 14, 2009, 40 participants</li> <li>Co-hosted the 7<sup>th</sup> ARMM Business Congress with the ARMM Business Council in Marawi City, August 5 to 6, 2009, 266 participants.</li> <li>A Talk with Business Legends: Corn's Way to Progress, August 6, 2009, 50 participants</li> <li>Co-Sponsored the 1<sup>st</sup> Iranon Peace Summit on August 16, 2009 in Parang Gymnasium (almost 4, 000 pax)</li> <li>Orientation on the Role of Individual in Sustaining Peace and Order, August 17, 2009, 78 participants</li> <li>Conducted regular and three general assembly meetings (June, July 18 and Sept. 14, 2009). Elected new set of officers on July 18, 2009.</li> </ul>
<b>3.0 Policy Advocacy Gains</b>	
<ul style="list-style-type: none"> <li>Continue to pursue its advocacy in the promotion of Halal standards in food manufacturing and food services. Specifically it will concentrate on food preparation, the selection of food ingredients and packaging in accordance with Muslim</li> </ul>	<ul style="list-style-type: none"> <li>Halal Business Forum in Parang, Maguindanao, October 16, 2008, 55 participants</li> <li>Participated on Forum on Halal Assurance System in Cotabato City, August 13, 2009</li> </ul>
<b>4.0 Financial Revenue Generation Capacity</b>	
<ul style="list-style-type: none"> <li>Collection of annual membership fees</li> </ul>	<ul style="list-style-type: none"> <li>75% collection of annual membership fees.</li> </ul>
<b>5.0 BSO-PMO Initiated Training Activities for Board and management Staff</b>	
<ul style="list-style-type: none"> <li>Conduct trainings on communication and event proposal preparation, events organizing, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Chamber Management, Board Governance and Investment Promotions Training- Orientation, September 1-2, 2009, Cagayan de Oro City</li> <li>Organizational and Business Crisis Management Training: Managing Through Difficult Times "Why Survive When You Can Thrive", September 2, 2009, Cagayan de Oro City.</li> <li>Site visit to Cagayan de Oro Chamber, one of the successful chamber organizations in Mindanao.</li> <li>BSO Performance Review and Assessment, June 15, 2009, Davao City.</li> </ul>

**ANNEX 2-13...continued - NEW CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE**

**BSO: Metro Kidapawan Chamber of Commerce**

Mr. Manuel Jayme, project Officer  
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STRATEGIC ACTIVITIES (May 2009 to September 2009)	RESULTS (by September 2009)
<b>1.0 Organizational Development</b>	
<ul style="list-style-type: none"> <li>Find suitable location for Metro Kidapawan Chamber's base of operation.</li> <li>Hiring of Project Officer and Technical Assistant (3 months probation then subject for performance-based evaluation for extension)</li> <li>Conduct/participate capability-building seminars and trainings</li> <li>Stronger linkage and network with other partner institutions both government and non-government</li> </ul>	<ul style="list-style-type: none"> <li>Established a business office, which was formally opened/launched last July 14, 2009</li> <li>Metro Kidapawan Chamber led the launching of the Cotabato Business and Investment Center on July 14, 2009.</li> <li>Hired Project Office Mr. Manuel Jayme on May 1, 2009</li> <li>Hired Blessilda Bayoy as Technical Assistant last May 1, 2009</li> <li>Attended Chamber Management, Board Governance and Investment Promotions Training-Orientation, September 1-2, 2009, Cagayan de Oro City</li> <li>Participated in the Organizational and Business Crisis Management Training: Managing Through Difficult Times "Why Survive When You Can Thrive", September 2, 2009, Cagayan de Oro City</li> <li>2009 Cotabato Provincial OTOP-PARTNER AWARDEE by the DTI-North Cotabato</li> <li>Chamber President RAMON N. FLORESTA - Finalist to the recent Presidential Awardees for SMEs (Medium Enterprises)</li> <li>Chairman – Provincial SME Development Council</li> <li>Member – Region 12 Peace and Order Council;</li> <li>Member – Kidapawan Bids and Awards Committee</li> <li>Member – Cotabato Provincial Investment Board</li> <li>Member- Kidapawan City Calamity &amp; Disaster Council</li> </ul>
<b>2.0 Membership Development</b>	
<ul style="list-style-type: none"> <li>Membership recruitment and orientation</li> <li>Database profiling - Metro Kidapawan database to cover the Kabacan, Carmen, M'lang, Tulunan and Midsayap areas.</li> <li>Helped re-organize/reactivate municipal chambers (Tulunan, Carmen, Midsayap, President Roxas, )</li> </ul>	<ul style="list-style-type: none"> <li>Baseline (2007) 37 members</li> <li>Actual: 2008 – 55 member); 2009 - 78 members</li> <li>Established profiles of Chamber members of Tulunan, Carmen and Kabacan as well as profiles of SME producers in North Cotabato area; about 90 profiles generated</li> <li>Organized the Tulunan Chamber of Commerce and Industry with total membership of 45</li> <li>Helped reactivate/re-organize Kabacan Chamber of Commerce</li> <li>Conducted Chamber Management Seminar with the Chambers of Commerce of Carmen and President Roxas</li> <li>Conducted Board Meetings and General Membership Assembly</li> </ul>
<b>3.0 Policy Advocacy</b>	
<ul style="list-style-type: none"> <li>Advocate policies</li> </ul>	<ul style="list-style-type: none"> <li>Forum on the Establishment of Cotabato Business &amp; Investment Center, July 14, 2009, 101 participants</li> <li>Co- organized the 3<sup>rd</sup> Cotabato Banana and Fruit Congress last September 22-23, 2009, which paved way for the passage of the following policy recommendations:             <ul style="list-style-type: none"> <li>Revival of former Provincial Ordinance on the region's banana industry in addressing the "bunchy top" disease</li> <li>All LGUs in North Cotabato Province to designate and support at least 1 agri-technician in every barangay.</li> <li>Calling the attention of the Provincial and Municipal LGUs, DA and DTI to intensify efforts in putting up more processing plants for fruits.</li> </ul> </li> </ul>
<b>4.0 Financial Sustainability</b>	
<ul style="list-style-type: none"> <li>Internal revenues</li> <li>Conduct of income generating events</li> <li>Prepare proposals for funding support to other agencies</li> </ul>	<ul style="list-style-type: none"> <li>Co-organized the Tienda Pawan Fiesta Trade Fair from Sept. 21-25, 2009; gross income P120,000</li> <li>Awardee – Provincial OTOP Partner Award from DTI North Cotabato; cash award P10,000</li> <li>Recipient of P500,000 funding support from the Provincial LGU for the implementation/operation of Cotabato Investment One-Stop-Shop</li> <li>Participated in industry trade fairs; sales P6,800</li> <li>Intensified efforts in collecting membership dues by hiring a collector; Dec.2008 collection = P16,000 / September 2009 = P28,000</li> </ul>

**ANNEX 2-13...continued - NEW CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE**

**BSO: Sarangani Chamber of Commerce**

Mr. Alfredo P. Hebrona, Jr., President

C/o DTI Sarangani, 2/f National Agencies Building, Provincial Capitol Complex, Alabel 9501 Sarangani Province

Tel No., (083) 508-2014; Email: [sccfi@yahoo.com](mailto:sccfi@yahoo.com); [saranganaichamber@gmail.com](mailto:saranganaichamber@gmail.com); [bronxph@gmail.com](mailto:bronxph@gmail.com)

STRATEGIC ACTIVITIES (May 2009 to September 2009)	RESULTS (by September 2009)
<b>1.0 Organizational Development</b>	
<ul style="list-style-type: none"> <li>• Find suitable location for Sarangani Chamber's base of operation.</li> <li>• Hiring of Project Officer and Technical Assistant (3 months probation then subject for performance-based evaluation for extension</li> <li>• Strengthen linkage and partnership with concerned GO and NGO/ institutions</li> </ul>	<ul style="list-style-type: none"> <li>• The Provincial Government provided an office space for Sarangani Chamber at Provincial Capitol Complex, Alabel, Sarangani Province</li> <li>• Hired Ms. Rosilie Lim as Project Officer last June 16, 2009</li> <li>• Hired Ms. Pamela Santiago as Technical Assistant last June 16, 2009</li> <li>• Accepted the endorsement of the province to spearhead the holding of Outstanding Sarangan Award in celebration of the annual cultural Munato Festival in November 2009</li> <li>• Member – Provincial Peace and Order Council</li> <li>• Member – Regional Development Council</li> </ul>
<b>2.0 Membership Development</b>	
<ul style="list-style-type: none"> <li>• Membership recruitment and orientation</li> <li>• Database profiling – Sarangani Chamber or provide services to aquaculture, fruit growers, food processors, tourism, etc. within Sarangani Province</li> </ul>	<ul style="list-style-type: none"> <li>• Actual: 2008 – 22 members (9 individual + 7 association/corporate + 6 municipal chambers); 2009 – 24 members</li> <li>• Conducted Sarangani Chamber of Commerce General Assembly, July 11, 2009 and September 25, 2009</li> <li>• A Core Group involving about twenty-five (25) key members of the Executive Committee, officers and members of the Chamber was organized last June 25, 2009 in Alabel, Sarangani Province. It aimed to facilitate easier and effective assembly for Chamber meetings particularly those related to policy making and organizational planning.</li> <li>• Conducted Core Group Meeting to review by-laws and other chamber policies</li> </ul>
<b>3.0 Policy Advocacy</b>	
<ul style="list-style-type: none"> <li>• Advocate policies</li> </ul>	<ul style="list-style-type: none"> <li>• Co-organized the conduct of USWAG 2009, where business consultations among members of the business sectors in the 7 municipalities of Sarangani Province were conducted. As a result of these consultations, the following policy recommendations were crafted and presented during the Business Conference, to wit:             <ul style="list-style-type: none"> <li>○ To enjoin all LGUs and other relevant agencies in Sarangani Province to widely disseminate and earnestly implement RA 9178 or the Micro Business Enterprise (BMBE) Act of 2002;</li> <li>○ To enjoin government and private sectors to enhance continually provision of financing services to SMEs;</li> <li>○ To enjoin provincial and municipal LGUs to adopt more actively business-friendly policies and practices in business registration, procurement of supplies and services, and processing of payments;</li> <li>○ To enjoin municipal LGUs to assess existing business incentives and to pass new fiscal, investment and business incentives codes if needed;</li> <li>○ To enjoin provincial and municipal LGUs to improve or develop continuously farm-to-market and tourism access roads, enhance and expand garbage collection services in tourism areas, facilitate provision of communication facilities, and provide or facilitate other necessary support services and infrastructure to revitalize economic activity in Sarangani;</li> <li>○ To organize regular activities to encourage market linkages and to adopt best business practices among Sarangani businesses.</li> <li>○ Unified Business Registration and Licensing Process and Tax incentives among new entrepreneurs were strongly and widely disseminated among new and old businessmen. Thereby, helping them improve their operation.</li> <li>○ Chamber through SCCII President represented the private sector during the public hearing with the Congress on the establishment of Economic Zone at Maasim-Kiamba-Maitum area.</li> </ul> </li> </ul>
<b>4.0 Financial Sustainability</b>	
<ul style="list-style-type: none"> <li>• Internal revenues; Conduct of income generating events</li> <li>• Prepare proposals for funding support to other agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Co-organized of USWAG 2009 Business Consultation, Venture Capital Forum and Business Conference, July 13 to 31, 2009</li> </ul>

## ANNEX 2-13...Continued- NEW CHAMBERS OF COMMERCE

### **BSO: Maranaw Chamber of Commerce**

Ms. Imelda Manalundong, Project Officer; Ms. Jasmin Solaiman, Technical Assistant  
 2/F Disomangcop Building, Pacasum St. corner Sen. Alonto St., Marawi City, Lanao del Sur  
 Mobile No.: (0910) 890-6891

STRATEGIC ACTIVITIES (May 2009 to September 2009)	RESULTS (by September 2009)
<b>1.0 Organizational Development</b>	
<ul style="list-style-type: none"> <li>• Find suitable location for Sarangani Chamber's base of operation.</li> <li>• Hiring of Project Officer and Technical Assistant (3 months probation then subject for performance-based evaluation for extension)</li> </ul>	<ul style="list-style-type: none"> <li>• Maranaw Chamber Office is at 2/F Disomangcop Building, Pacasum St. corner Sen. Alonto St., Marawi City</li> <li>• Project Officer Ms. Imelda Manalundong hired on May, 2009</li> <li>• Technical Officer Ms. Joharanisa Disomangcop hired on May, 2009 resigned August 2009. New Technical Assistance Ms. Jasmin Solaiman hired on August, 2009</li> </ul>
<b>2.0 Membership Development</b>	
<ul style="list-style-type: none"> <li>• Membership recruitment and orientation</li> <li>• Database profiling – Sarangani Chamber or provide services to aquaculture, fruit growers, food processors, tourism, etc. within Sarangani Province</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (2007) 15 members</li> <li>• Actual: May 2008 – 18 members; September 2009 79 members</li> <li>• Gathering of business profile ongoing</li> <li>• Co-hosted the 7<sup>th</sup> ARMM business Congress with ARMM Business Council in Marawi City, August 5-6, 2009, 266 participants</li> </ul>
<b>3.0 Policy Advocacy</b>	
<ul style="list-style-type: none"> <li>• Advocate policies</li> </ul>	<ul style="list-style-type: none"> <li>• Opening for traffic the 3<sup>rd</sup> bridge completed in Marawi to ease traffic jam</li> <li>• Simplification of procedures and reduction of the period required for the issuance of business permit by city government</li> </ul>
<b>4.0 Financial Sustainability</b>	
<ul style="list-style-type: none"> <li>• Internal revenues</li> <li>• Conduct of income generating events</li> <li>• Prepare proposals for funding support to other agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Chamber Management, Board Governance and Investment Promotions Training-Orientation, September 1-2, 2009, Cagayan de Oro City</li> <li>• Organizational and Business Crisis Management Training: Managing Through Difficult Times "Why Survive When You Can Thrive", September 2, 2009, Cagayan de Oro City</li> </ul>

ANNEX 2-14a  
PREVIOUSLY-ASSISTED CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE

KEY RESULT AREAS	AUTONOMOUS BASILAN ISLAMIC CHAMBER  Partner LGU Municipality of Lamitan	CHAMBER OF COMMERCE OF ILAGAN CITY Partner LGU Municipality of Balo-i.	METRO COTABATO CHAMBER OF COMMERCE Partner LGU Cotabato City	MUSLIM CHAMBER OF COMMERCE OF KUTAWATO Partner LGU Municipality of Parang, Maguindanao	SULU CHAMBER OF COMMERCE  Partner LGU Municipality of Jolo	TAWI-TAWI CHAMBER OF COMMERCE  Partner LGU Municipality of Bongao
<p><b>1.0 Develop strategic partnership with providers of Local Government Unit (LGU) revenue generation services<sup>1</sup></b></p>	<ul style="list-style-type: none"> <li>• Participated in a 5-day training at the NCC Computer Laboratory in Zamboanga City on electronic Business Permit Licensing System (eBPLS)</li> <li>• BSO initiated and maintained close coordination with The Asia Foundation (TAF)-TAG program on common LGU partner – Lamitan. This is to eliminate redundancy in assistance provided, and complementation with each other in those not provided by the other.</li> <li>• Worked with NCC to fulfill its TMOU commitment in providing technical training to representatives from LGU of Lamitan on eBPLS.</li> <li>• eBPLS installed.</li> </ul>	<ul style="list-style-type: none"> <li>• Initiated development of partnership with German Technical Cooperation (GTZ) to address the unique BPLS and RPTS requirements of the Municipality of Balo-i.</li> </ul> <p>Under Philippine Laws, the Provincial Government (in this case – Lanao del Norte), is the chief implementer in managing the Real Property Tax Administration in the provinces, and deputizing revenue generation work to the LGU of Balo-i. As such, the chamber will work with GTZ, instead of NCC whose i-Tax system introduced to the Province is not compatible with the GTZ system.</p>	<ul style="list-style-type: none"> <li>• Signed Tripartite Memorandum of Undertaking with Cotabato City and the National Computer Center on April 27, 2009.</li> <li>• Worked with NCC fulfill its TMOU commitment in providing technical training to representatives from the City Government of Cotabato on eBPLS.</li> <li>• eBPLS system installed</li> </ul>	<ul style="list-style-type: none"> <li>• Chamber worked closely with GEM-assisted Iranon Chamber whose officers have excellent linkages with the LGU of Parang.</li> </ul>	<ul style="list-style-type: none"> <li>• BSO initiated and maintained close coordination with The Asia Foundation (TAF)-TAG program, particularly in common LGU partners – Bongao, Jolo and Lamitan. This is to eliminate redundancy in assistance provided, and complementation with each other in those not provided by the other.</li> <li>• Worked with NCC fulfill its TMOU commitment in providing technical training to representatives from the Municipal Government of Jolo on eBPLS.</li> <li>• eBPLS system installed. Networking on-going</li> </ul>	<ul style="list-style-type: none"> <li>• BSO initiated and maintained close coordination with The Asia Foundation (TAF)-TAG program, particularly in common LGU partners – Bongao, Jolo and Lamitan. This is to eliminate redundancy in assistance provided, and complementation with each other in those not provided by the other.</li> <li>• Formalized the participation of the Tawi-Tawi Filipino-Chinese Chamber of Commerce in the TMOU with NCC, thus expanding the resources advocating to enhance the revenue generation program of Bongao.</li> </ul>

<sup>1</sup> BSO partnered with the GEM Governance Team to include 7 representatives from its REAP partner LGU in Dumingag, Zamboanga del Sur during the 5-day NCC Training in Zamboanga City. NCC is providing free to the LGUs the PhP9M software to run the BPLS, RPTS and Treasury operations; BSO Team Leader was lead person in finalizing the criteria and procedures for selection of outstanding LGUs and actual implementation of the program. BSO is also working with the Chambers of Tawi-Tawi and Metro Cotabato to address needs of the Workforce Preparation Team's INVEST Program.

ANNEX 2-14a...Continued  
PREVIOUSLY-ASSISTED CHAMBERS OF COMMERCE  
FY2009 STRATEGIC ACTIVITIES AND RESULTS TO DATE

KEY RESULT AREAS	AUTONOMOUS BASILAN ISLAMIC CHAMBER  Partner LGU Municipality of Lamitan	CHAMBER OF COMMERCE OF ILIGAN CITY  Partner LGU Municipality of Balo-i.	METRO COTABATO CHAMBER OF COMMERCE  Partner LGU Cotabato City	MUSLIM CHAMBER OF COMMERCE OF KUTAWATO  Partner LGU Municipality of Parang, Maguindanao	SULU CHAMBER OF COMMERCE  Partner LGU Municipality of Jolo	TAWI-TAWI CHAMBER OF COMMERCE  Partner LGU Municipality of Bongao
<b>2.0 Policy Advocacy Gains</b>	<ul style="list-style-type: none"> <li>• Selected chamber executive and technical/project officers participated in a GEM-BSO initiated 2-day training session on LGU revenue generation enhancement.</li> <li>• Conducted comprehensive review of the manual Business Permit &amp; Licensing System of partner LGU and provided guidance for improving the systems.</li> <li>• Set-up Business Assistance Desks during filing of applications for new or renewal of business permits; displayed streamers; and distributed flyers with guidelines on tax payment process.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted comprehensive review of the manual Business Permit &amp; Licensing System of partner LGU and provided guidance for improving the systems.</li> <li>• Iligan Chamber, with assistance from GEM-BSO, conducted strategic planning on their collaboration with the Iligan City's Barangay Micro-Business Enterprise project which provides incentives and benefits to enterprises whose total assets are not more than 3 million pesos.</li> <li>• Organized business forum to amend Iligan City's Revenue Code.</li> <li>• Organized consultation on the privatization of Mindanao power generation.</li> </ul>	<ul style="list-style-type: none"> <li>• Selected chamber executives which participated in a GEM-BSO initiated 2-day training session on LGU revenue generation enhancement.</li> <li>• Set-up Business Assistance Desks during filing of applications for new or renewal of business permits; displayed streamers; and distributed flyers with guidelines on tax payment process</li> <li>• Successfully lobbied for passage of the City Council's Resolution authorizing the Mayor to sign TMOU for BPLS and RPTS computerization. Executive Order No. 11 created the TWG to oversee implementation of the TMOU terms.</li> <li>• Increased permits issued by 530 over 2008 figure of 2,970</li> <li>• Exceeded by Php200T 2008 permit collections of Php1.8M.</li> </ul>	<ul style="list-style-type: none"> <li>• Selected chamber executive and technical/project officers participated in a GEM-BSO initiated 2-day training session on LGU revenue generation enhancement.</li> <li>• Conducted comprehensive review of the manual Business Permit &amp; Licensing System of partner LGU and provided guidance for improving the systems.</li> <li>• Conducted Halal Forum on August 13 in Cotabato City in line with its advocacy to promote Halal standards in food manufacturing and food services, particularly certification of business establishments by the Halal Certification Board. 56 participants attended.</li> <li>• Increased by 10% the number of permits issued (795 in 2007, 910 in 2008).</li> </ul>	<ul style="list-style-type: none"> <li>• Selected chamber executive and technical/project officers participated in a GEM-BSO initiated 2-day training session on LGU revenue generation enhancement.</li> <li>• Set-up Business Assistance Desks during filing of applications for new or renewal of business permits; displayed streamers; and distributed flyers with guidelines on tax payment process</li> <li>• Actively participated in amending Local Revenue Code</li> <li>• A 22 % drop in the number of permits issued was experienced in 2009 due to natural calamities, and man-made disturbances. A correction is expected in 2010.</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted comprehensive review of the manual Business Permit &amp; Licensing System of partner LGU and provided guidance for improving the systems.</li> <li>• The Chamber introduced the revenue generation advocacy to the Fil-Chinese Chamber of Tawi-Tawi convincing to be a party to the TMOU to be signed with Bongao and NCC.</li> </ul>



ANNEX 2-14b  
PREVIOUSLY-ASSISTED CHAMBERS OF COMMERCE  
EXPECTED DELIVERABLES AND RESULTS FOR THE PERIOD OCTOBER 2009 TO SEPTEMBER 2010

KEY RESULT AREAS	AUTONOMOUS BASILAN ISLAMIC CHAMBER	CHAMBER OF COMMERCE OF ILIGAN CITY	METRO COTABATO CHAMBER OF COMMERCE	MUSLIM CHAMBER OF COMMERCE OF KUTAWATO	SULU CHAMBER OF COMMERCE	TAWI-TAWI CHAMBER OF COMMERCE
<p><b>1.0 Develop strategic partnership with providers of Local Government Unit (LGU) revenue generation services</b></p>	<ul style="list-style-type: none"> <li>• Organize participation of Lamitan in two National Computer Center (NCC) training (1. Real Property Tax System (RPTS); 2. Linux, MySql, and PHP for IT personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Sign agreement with Balo-i and GTZ on streamlining and computerization of Business Permit Licensing Systems (BPLS) and RPTS operations</li> <li>• Submission of Information System Strategic Plan (ISSP)</li> <li>• Organize participation of Balo-i in GTZ sponsored training</li> </ul>	<ul style="list-style-type: none"> <li>• Submit ISSP to the NCC</li> <li>• Organize participation of Cotabato City in two NCC training (1. RPTS; 2. Linux, MySql, and PHP for LGU IT personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Sign Tripartite Memorandum of Undertaking (TMOU) with the LGU of Parang and NCC</li> <li>• Organize participation of Parang in three NCC training (1. BPLS; 2. RPTS; 3. Linux, MySql, and PHP for LGU IT personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with NCC review comments on the LGU of Jolo's ISSP</li> <li>• Organize participation of Jolo in two NCC training (1. RPTS and 2. Linux, MySql, and PHP for LGU IT personnel)</li> </ul>	<ul style="list-style-type: none"> <li>• Sign TMOU with Jolo, Filipino-Chinese Chamber and NCC</li> <li>• Organize participation of Bongao in three NCC training (1. BPLS; 2. RPTS; 3. Linux, MySql, and PHP for LGU IT personnel)</li> </ul>
<p><b>2.0 Policy Advocacy Gains</b></p>	<ul style="list-style-type: none"> <li>• Enhance efforts to reduce processing time for business permit renewal and application</li> <li>• Pursue centralized computerization facility for business permits, real property tax, and treasury operations of Lamitan</li> </ul>	<ul style="list-style-type: none"> <li>• Balo-i issuance of appropriate council resolution authorizing the Mayor to organize Technical Working Group on streamlining of business permit processing procedures and Real Property Tax policy review</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance efforts to reduce processing time for business permit renewal and application</li> <li>• Pursue centralized computerization facility for business permits, real property tax, and treasury operations of Cotabato City</li> </ul>	<ul style="list-style-type: none"> <li>• Parang issuance of appropriate council resolution authorizing the Mayor to sign the TMOU with NCC, and organize TWG on streamlining of business permit processing procedures and Real Property Tax policy review</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance efforts to reduce processing time for business permit renewal and application</li> <li>• Pursue centralized computerization facility for business permits, real property tax, and treasury operations of Jolo</li> </ul>	<ul style="list-style-type: none"> <li>• Provide LGU assistance complementary to the simplification effort of The Asia Foundation (TAF)</li> <li>• Monitor and study for possible replication the participation of Filipino-Chinese Chamber of Commerce in improving Bongao's revenue generation</li> </ul>

ANNEX 2-14b...*Continued*  
 PREVIOUSLY-ASSISTED CHAMBERS OF COMMERCE  
 EXPECTED DELIVERABLES AND RESULTS FOR THE PERIOD OCTOBER 2009 TO SEPTEMBER 2010

KEY RESULT AREAS	AUTONOMOUS BASILAN ISLAMIC CHAMBER	CHAMBER OF COMMERCE OF ILIGAN CITY	METRO COTABATO CHAMBER OF COMMERCE	MUSLIM CHAMBER OF COMMERCE OF KUTAWATO	SULU CHAMBER OF COMMERCE	TAWI-TAWI CHAMBER OF COMMERCE
<b>2.0 Policy Advocacy Gains</b>		<ul style="list-style-type: none"> <li>Establish baseline figures for business permit processing indicators</li> <li>Reduction in number of steps, signatories, documentary requirements and processing time</li> </ul>	<ul style="list-style-type: none"> <li><u>Raise permit renewals</u> 2007 – 2,709 2008 – 2,537 2009 – 3,000 (est.) 2010 – 3,500 (target)</li> <li><u>Increase in new business permit issuances</u> 2007 – 276 2008 – 433 2009 – 500 2010 – 600 (target)</li> <li><u>Further increase Mayor's permit collections:</u> 2007 – PhP1.6 M 2008 – PhP1.8 M 2009 – PhP2 M (est.) 2010 – PhP2.2 M (target at least 10% increase)</li> </ul>	<ul style="list-style-type: none"> <li>Increase annually by at least 10% over 2008 figures of new and renewal of business permits. (795 in 2007; 910 in 2008).</li> <li>Continue to pursue its advocacy in the promotion of Halal standards in food manufacturing and food services, particularly certification of business establishments by the Halal Certification Board.</li> </ul>	<ul style="list-style-type: none"> <li><u>Increase number of permits</u> issued by 105. 2007– 736 2008 – 841 2009 – 660 as of Aug09 2010 – 750 (target)</li> </ul> <p><i>Note: Incessant terrorist activities and natural calamities may not raise this figure much.</i></p> <ul style="list-style-type: none"> <li>Total business taxes in 2008 totaled PhP2.9 M. Q1 of 2009 figure is PhP1.1 M. Targeting PhP3.3 M for 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Establish baseline figures and set with LGU their performance targets.</li> <li>Reduction in number of steps, signatories, documentary requirements and processing time</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct consultations and organize events to further improve revenue generation efforts</li> </ul>					
	<ul style="list-style-type: none"> <li>Set-up three (3) business assistance desk, produce materials such as streamers, tarps and flyers informing taxpayers of standard procedures for renewal and filing of business permits and other revenue enhancement activities, both during and after the regular filing period.</li> </ul>					
	<ul style="list-style-type: none"> <li>Submit for funding event proposals aiming to increase revenue for partner local government unit.</li> </ul>					

**SELECTED NEWS CLIPPINGS  
(July 2009 – September 2009)**