

Poor Filipino Farmers Get Help Developing Family Businesses



Women entrepreneurs in Davao del Norte province, Mindanao, Philippines, learn about processing charcoal for sale to commercial customers.

Overview

Despite robust market demand, many poor Filipino farmers lack the business know-how, resources and contacts to produce and sell crops at prices that will lift them out of poverty. This project will organize additional farmers into existing agricultural cooperatives, teach business skills and connect producers with new customers. As a result, 750 members of 150 families will benefit from income increases averaging 20%.

Expected Life Change Results

An investment of \$30,760 expands Agri-Aqua's program to 150 families, helping them develop their farming businesses. Expected Life Change:

- ▶ 750 members of poor farming families increase their income by an average of 20 percent
- ▶ 150 heads of families learn skills in business development and crop production and processing
- ▶ 18 cooperative officers learn business management, marketing and networking
- ▶ 750 people impacted – some in multiple ways – at a cost per life changed of \$41.01

What We Like About This Project

This program develops farming cooperatives so that a greater share of income from agricultural production remains in the hands of poor farmers. Agri-Aqua works effectively with indigenous groups, using methods and practices that fit local needs and abilities. This project will provide training and improve income for members of the Lumad tribal group, who have been exploited by middlemen and traders. Unlike other organizations, Agri-Aqua builds abilities of the cooperative members in business planning and development, giving them the skills to adapt to market changes, a key to survival in the agricultural industry.

Project Profile

Organization:

Agri-Aqua Development Coalition-Mindanao

Grant amount:

\$30,760

Geneva ID:

1-TP48-0606

Project duration:

18 months

Expected Performance

DELTA SCORE

Measures relative grant effectiveness



GRANT PROFILE

Reflects aggregate project risk

CONSERVATIVE ——— AGGRESSIVE

Please refer to the FAQ at the end of this document for an explanation of the Delta Score and Grant Profile.

Project Location



To Fund This Project

GENEVA GLOBAL INC
1550 Liberty Ridge Drive
Wayne, PA 19087 USA
T: +1 610-254-0000
F: +1 610-254-8231
E: Advisors@GenevaGlobal.com

SECTOR PERSPECTIVE

Income generation

More than 1 billion people currently live in extreme poverty on incomes of less than \$1 a day. Another 2 billion live on only \$2 a day. That number has increased significantly over the last 20 years despite aid totaling tens of billions of dollars.

Reducing poverty involves overcoming barriers, root causes that inhibit poor families from creating wealth. Wealth is created by obtaining land rights that stimulate development or gaining access to water and increasing crop yields. Improving education, increasing access to markets and loan capital and supporting the development of micro- and small- to medium-sized enterprises also increase wealth for the poor, as seen in improved quality of life and the family's ability to support itself.

Geneva Global finds and recommends programs that reach the poorest households in the poorest countries.

"There are many reasons people are poor beyond the simple fact that they don't have enough money. Income generation in these settings begins with identifying what is the barrier that is holding people back and finding an effective way to remove that barrier."

Robert Morrison
Geneva Global
Sector Manager

Need — *The Problem and Effects*

Mindanao farming families have little control over the prices their products sell for, because most do not have adequate transportation to bring products to customers, and cannot produce the quantity and quality required in a timely manner. As a result, they are forced to sell their produce at extremely low prices to visiting traders and middlemen. Poor farmers must borrow money to buy items such as seed and fertilizer, trapping them in a cycle of debt and poverty that results in poor education, nutrition and health. Of Mindanao's 23 provinces, 19 were below the Philippine poverty threshold for meeting daily food and other needs in 2000, reported the Makati City, Philippines-based National Statistical Coordination Board.

This project will reach municipalities in three provinces: Pangantucan municipality in Bukidnon province, Northern Mindanao; Liloy, in Zamboanga del Norte province, Western Mindanao; and Talaingod, Davao del Norte province, Southeast Mindanao.

Bukidnon province is one of Mindanao's most developed, thanks to good governance and freedom from political insurgency. Yet 51% of its people lived below the poverty line in August 2001, according to the Manila-based National Statistics Office. Of the Philippines' 10 poorest provinces in 2003, "Zamboanga del Norte posted the largest increase in poverty incidence, from 47% to 64.6%," according to a June 2006 report by the National Statistical Coordination Board.

"Philippine regions with the highest poverty incidence in 2003 include Western Mindanao at 44.1%. Western Mindanao registered extremely low values in access to safe water, toilet facilities, electricity supply and healthcare services. Potable water is scarce," reported the Manila, Philippines-based Asian Development Bank.

A 2002 online report by the government of Talaingod said that the municipality in Davao del Norte province also lives below the poverty line. Primitive farming, fishing and hunting practices barely provide daily sustenance for natives. "They suffer difficulties due to lack of knowledge. ... Due to illiteracy, some small-scale businessmen and investors find it easy ... to abuse them," the report said. "Deficiency of basic social amenities and facilities potable water system, electrification, accessible roads, transportation and communication facilities, housing, recreation, health and education facilities and services can be attributed to ... defective and deficient services delivery," due to poor coordination of projects and a lack of local participation in planning and implementation, according to the report.

Mindanao's "key geographic location underscores its potential to be a major transshipment point and center of trade in the region," according to a 2004 report from Davao City, Philippines-based Mindanao Economic Development Council. "Mindanao's evenly distributed tropical climate makes it ideal for year-round crop production. If wisely harnessed, Mindanao's rich agricultural resources can serve as the Philippines' foundation for sustainable growth."

Local service alternatives

Few if any organizations offer services comparable to Agri-Aqua's CED program, which in addition to connecting cooperatives with customers and resource providers, also builds cooperatives' capacity for business planning, development and growth. Organizations offering a narrower range of services include:

- **Livelihood Enhancement for Agricultural Development**, Cagayan de Oro, Misamis Oriental province, Philippines, which serves cooperatives by providing intermediation and contracts with customers, as well as referring cooperatives to financing and technology resources
- **Catholic Relief Services** of Baltimore, Md., which helps cooperatives connect with customers
- **Mindanao Alliance of Self-Help Societies-Southern Philippines Educational Cooperative Center**, Cagayan de Oro, Misamis Oriental province, Philippines, which provides financing and training in financial management for cooperatives

Local Perspective

“I have seen Agri-Aqua’s work in Sarangani province. They are working with the urban poor there, and one of their effective programs is farming local fish within the community. While they are helping to meet local needs, they still need to increase assistance to families in this area because there is a great need for ... local microeconomic enterprises and local programs. Agri-Aqua is meeting a clear need and they seem to understand what the community needs, but they must also increase assistance to the projects,” says *Fred Fredeluces, program manager for the Mabintana Foundation, Polomolok municipality, South Cotabato province, Philippines.* *Mabintana is a nongovernmental organization (NGO) affiliated with Dole Philippines. It promotes sustainable farming practices for environmental protection and regeneration of coastal and upland areas.*

Vision — *In Their Own Words*

“We are committed to pursue reforms in government and ensure people’s participation is genuine and meaningful. We bind ourselves to consolidate the people into coalitions that work for change and for the development of the community. We strive to effect progression within the ranks of the rural poor through the implementation of our banner program, Community Economic Development (CED), where ... government, private sector and civil society are mobilized by a common interest to work for the efficient use of resources, such as natural, financial and human, towards economic growth and equity including environmental protection,” says *Agnes Bolaños, administrator.*

Strategy — *How to Meet the Need*

Organization background

Founded in 1994, Agri-Aqua initially focused on advocacy and participatory governance. In 2003, it redirected its focus to community-based enterprise development, paving the way for Community Economic Development (CED), the coalition’s current mainstay program. CED harnesses interdependent relationships among the local government, cooperatives and private sector to efficiently use natural, financial and human resources. With the creation of community-based enterprises as its central focal point, the program transforms farmers and fishers from mere producers of goods to active players in the economic arena.

Agri-Aqua has a current membership of 13,315 farmers and fishers in 119 cooperatives based in 23 municipalities in six Mindanao provinces: Agusan del Norte, Bukidnon, Compostela Valley, Davao del Norte, Zamboanga del Norte and Zamboanga Sibugay. It has facilitated the creation of 12 cooperative coalitions to steer local CED programs.

Program design and track record

Community enterprise organizing is at the core of CED. Its process includes the following phases:

Social preparation: The main aim is to get a cooperative’s support for CED, and to shift the cooperative’s mentality from being service-oriented to being business-oriented. Social preparation also involves strengthening the local coalition’s role in enterprise development so it can properly facilitate linkages, generate resources for cooperatives and lobby local government for cooperative-friendly economic policies.

Cooperative reorganization: Guided by Agri-Aqua, the cooperative reviews its current operations, structure, procedures and policies and installs appropriate management-related measures such as better control, so it is more fit to handle an enterprise according to market standards of efficiency and effectiveness. Where applicable, Agri-Aqua trains cooperative officers in computer applications for information management.

Business planning and operation: Agri-Aqua seeks to establish information and communication technology centers in key locations where cooperative officers can do computer research and browse through publications as part of their industry research for business planning. It partners with local government and other institutions to operate these centers. In industry research, the cooperative makes a comprehensive assessment of the existing market situation and identifies potential business opportunities. To inculcate environmental protection, Agri-Aqua trains the cooperative in natural farming technology. The cooperative then prepares a comprehensive enterprise development plan, and works to strengthen relationships with those with access to markets, capital and technology. Agri-Aqua establishes a management operating system which helps the cooperative and member farmers plan, implement and monitor production; minimize waste; deliver goods to customers with the proper quality, quantity and timing; and maintain continuous improvement. Agri-Aqua trains the cooperative in enterprise management and provides resource persons who are knowledgeable in technical aspects such as soil analysis.

References

“[Agri-Aqua’s] current leadership is home-grown [cooperative] leaders who have risen from their ranks and became leaders of the whole coalition. Agnes Bolaños and Abelardo Yandug are committed and dedicated leaders who know who they are, where they come from and the direction they wish to lead together with the farmers and [fishers] in Mindanao. They possess the skills in managing [Agri-Aqua] and the basic attitude of a strong and great leader – patience and humility. [Agri-Aqua] is what it is today because of their contribution as leaders of their own [cooperative] before, and now as the leadership of the coalition,” says *Dolores Corro, coordinator of Mindanao Coalition of Development NGO Networks in Davao City. The organization comprises 10 coalitions of development organizations including Agri-Aqua.*

“I got to know Agri-Aqua during a University of the Philippines anti-poverty development program. They built on the tools that we taught and used them in such a way to make them applicable to local communities. I have seen their work on the ground and can say that they are very effective in harnessing [people’s] participation; they are very attuned and are sensitive to the needs on the ground. They have been effective in helping the local communities by developing community enterprises using methods and practices that are relevant to the local needs and abilities. In this regard, I have not seen another NGO that utilizes the indigenous ways without trying to influence them with external methods. Agri-Aqua has been very sensitive to the people in the communities they serve, and this has enabled them to be loved and accepted by the local communities,” says *Liza Pulumbarit-Elum, environmental planner and trustee, University of the Philippines, Quezon City, Philippines.*

Connection with customers. This phase seals the partnership between the cooperative and its customer, resulting in a negotiated contract if possible. Relationships built by the cooperative should provide for necessities such as seed and fertilizer, as well as other support services required for the growth of the enterprise. At least once a month, Agri-Aqua holds business clinics with cooperative officers and farmers to settle enterprise-related problems. Training helps ensure that the cooperative delivers quality products and services to its client.

In 2005, Agri-Aqua started CED projects with 50 cooperatives in 12 local coalitions. The cooperatives identified 58 business initiatives among 23 priority industries in 18 municipalities in Mindanao’s six provinces. These business initiatives include:

- 33 involving farm and fish production such as rubber, bananas, cassava, coconuts, livestock and organic fertilizer
- 17 value-adding businesses such as charcoal, banana and cassava products
- Six involving services such as lending
- Two involving health-oriented or organic products such as virgin coconut oil and organic vegetables

Of the 58 business initiatives identified, 21 are fully operational, 22 are in business planning including 10 that will start in late 2006, 13 are in the cooperative reorganization phase and two are in the social preparation phase. Agri-Aqua also advocates for fair trade so producers get a fair share of product sales. The cooperative receives a share of the farmers’ production, helping sustain its business operations. Agri-Aqua collects fees for its business development services to cooperatives.

This grant will fund expanded CED projects with three cooperatives:

Balugo Farmers Multipurpose Cooperative, Pangantucan municipality, Bukidnon province: This cooperative’s membership includes 60 farmers, of which 43 are men and 17 women. Thirty cooperatives are affiliated with Balugo as satellite organizations, with a total of 900 members. Balugo also operates a retail store.

Balugo’s members formerly raised corn, but had difficulty getting fair prices for their crops and affording farm inputs such as seed and fertilizer. Cassava production is becoming increasingly attractive in the area for its high market demand, lower maintenance and environmental friendliness. It takes 10 to 12 months to grow cassava and process it into chips. In 2005, 18 Balugo members and three non-members grew cassava on 116 acres, producing more than 1,000 tons of cassava chips and generating a daily profit of \$10 per family and total income of \$70 for the cooperative. Agri-Aqua helped connect Balugo with San Miguel, a Manila-based food manufacturer with a huge and largely unmet demand for cassava. To meet San Miguel’s demand, Balugo aims to expand cassava production to 519 acres, involving 102 farming families in 17 barangays. A barangay is the smallest local government unit into which Filipino municipalities are divided.

Liloy People’s Agri-Based Multipurpose Cooperative, Liloy municipality, Zamboanga del Norte province: This cooperative has 497 member farmers including 268 women. Its 2004 income was \$920. Previous business efforts included lending and corn production. Defaults by borrowers caused the cooperative to stop lending; however, it is still pursuing collection of bad debts to help fund a venture into production and marketing of cassava and charcoal. It also plans to start a consumer store.

Coconut farming is prevalent in this area, and the main industry is production of copra, the dried coconut meat from which coconut oil is extracted. By-products include coconut shells and husks. In 2005, 23 Liloy families used coconut shells to produce 2,200 pounds of raw charcoal a week. Each family earned \$1 a day over a four-month harvest period. Agri-Aqua helped connect the cooperative with Dipolog City, Philippines-based Cenapro, which produces batteries and water filters and exports granulated charcoal for nuclear plants. Cenapro has a large unmet demand for granulated charcoal, which sells for about 12 cents per

Changed Lives

“The Community Economic Development (CED) program gave us a new perspective on being cassava farmers. We were empowered to become entrepreneurs and not just mere producers. The program taught us valuable technology on how to grow cassava through the seminars and workshops organized, as well as establishing a stable market where we could sell our products. In terms of income, the opportunities opened up by CED helped augment it. Before, I could say that I was disheartened with cassava farming: You plant it, then sell it at a very low price to middlemen. Now that the CED program reached our cooperative, we have a stable market that gives us a fair price for our cassava. As of now, we are trying to tell other people’s organizations and cooperatives about the CED program, because it really works,” says *Bonifacio Caniban of the Balugo cooperative, Pangantucan municipality, Bukidnon province.*

“Before CED, we [had] no proper charcoal production system, as well as [no] market in which to sell it. If we could find one, they would buy our products for a very low price. Delivery of our product just happened once or twice a month. ... We were desperate to dispose our goods in the market. We were usually at the losing end of the deal and earning an average of just [\$37] a month. When we were introduced to CED, we were empowered to delve deeper into enterprising. ... Our cooperative developed a more united perspective and our products are now properly consolidated. Presently, delivery happens five to seven times a month. The program also taught us technology that helped in the production of our charcoal. Our incomes rose to [\$167] monthly,” says *Monica Soria of Liloy municipality, Zamboanga del Norte province.*

pound compared with 7 cents per pound for raw charcoal.

Talakayan Multi-Purpose Cooperative, Talaingod municipality, Davao del Norte province: This cooperative has 42 members including nine women. Rice, corn, coconut and banana are the predominant crops in Davao del Norte, but Talaingod’s population is at least 90% members of the Lumad tribe who live in the uplands and grow abaca, a banana-like plant whose leaf fibers are used to make rope, fabric and paper. In 2005, 200 lumad families produced 10 tons of abaca weekly from wild crops. Each family earned \$1.33 a day over a three-month harvest period. Traders and middlemen travel to get the abaca from the farmers. In February 2006, Agri-Aqua started community organizing in Talaingod through the Talakayan cooperative. It aims to encourage the farmers to improve the quality and quantity of their abaca crops for customers such as Davao Rope Factory of Davao City, Philippines. The factory has considerable unmet demand for abaca, and accepts only deliveries of 10 tons or more; smaller amounts must go through traders. Another potential abaca customer is Newtech Pulp, Inc., of Iligan City, Philippines. Agri-Aqua works with the national agriculture department on the technical aspects of abaca production, and aims to connect abaca growers with customers that will pay better prices.

Proposed Action – *What This Project Will Do*

This grant will help increase cassava, charcoal and abaca production in the municipalities of Talaingod, Liloy and Pangantucan respectively. Agri-Aqua will work with cooperatives to reach two new farming communities and diversify business in an existing agricultural enterprise. Guided by Agri-Aqua and industry experts, cooperatives will help farmers attain the quality, quantity and timeliness of products demanded by buyers. This project will benefit 150 farming families in the following locations:

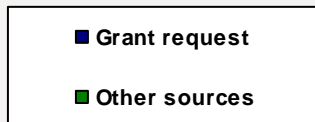
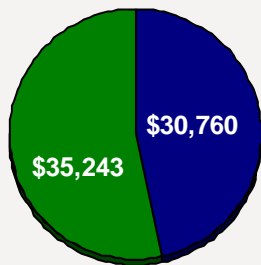
Langkataon barangay, Pangantucan municipality, Bukidnon province: In partnership with the Balugo cooperative, Agri-Aqua will train 50 families in cassava production, after having successfully done so in another barangay in Pangantucan municipality. This is part of the cooperative’s plan to expand production from 116 acres to 519 acres, producing cassava for San Miguel. The farmers will pay Agri-Aqua and Balugo each 2.25% of an anticipated \$335,200 earned.

Baybay barangay, Liloy municipality, Zamboanga del Norte province: In partnership with the Liloy cooperative, Agri-Aqua will train 23 existing producers of raw charcoal and 27 new ones in producing granulated charcoal. This will allow them to supply Cenapro and other buyers, earn higher prices for their product, and encourage other coconut growers to do likewise. This project can be replicated in Bukidnon, where at least 100 farmers are considering production of granulated charcoal. This grant will purchase a charcoal granulating machine; Liloy cooperative will own and maintain the machine, earning revenue from its use by member and non-member farmers.

Santo Nino barangay, Talaingod municipality, Davao del Norte province: In partnership with the Talakayan cooperative, Agri-Aqua will train 50 Lumad abaca growers to supply Davao Rope Factory and Newtech Pulp. The growers will deal directly, no longer selling through traders, gaining regular customers who pay better prices. This project can be replicated in four communities in Bukidnon and two in Compostela Valley, where Agri-Aqua has initiated community organizing activities.

Implementation of the three CED projects will require regular training and meetings for officers and members of the three cooperatives, some of them traveling for a day or so. This grant will pay for food at the meetings, as well as food, transportation and lodging costs for the Agri-Aqua team. Three Agri-Aqua field officers will travel from Davao City to the three Mindanao provinces at least once a month. On some trips, as needed, technical resource persons and other Agri-Aqua staff members will accompany them.

Project Budget



Budget: \$66,003

Total budget for this project is \$66,003, of which this grant will cover \$30,760. The remaining \$35,243 will come from other donors and pay for salaries, office rental, communications, office supplies and documentation.

Item	Grant request	Other sources	Total
Salaries		32,643	32,643
Food and lodging for training	13,732		13,732
Transportation	11,669		11,669
Charcoal granulating machine	3,000		3,000
Resource persons	1,000		1,000
Office rental		910	910
Communications		780	780
Training supplies and materials	567		567
Office supplies		520	520
Books, periodicals for research	432		432
Documentation		390	390
Internet access for research	360		360
Total	30,760	35,243	66,003

Evaluation Metrics

Geneva Global’s forecast of results is located on the first page of this report. At the conclusion of the project, Geneva Global will issue a report comparing actual results with:

- 750 members of 150 farming families increasing their income by an average of 20%, as evidenced by an Agri-Aqua tally of families taking part and a report summarizing average net family income increases for each cooperative
- 150 heads of families learning skills in business development and crop production and processing, as evidenced by an Agri-Aqua tally of trainees and a report summarizing lessons and participants’ responses, as well as testimonies from five participants in each cooperative
- 18 cooperative officers learning business management, marketing and networking, as evidenced by an Agri-Aqua tally of trainees and testimonies of three officers of each cooperative
- Three cooperatives increasing income by an average of 20% each, as evidenced by an Agri-Aqua summary of financial reports

Agri-Aqua will provide progress reports at three months and nine months after funding.

Geneva Global Services

Project discovery. In consultation with field experts, Geneva Global finds superior programs that correct situations of the greatest human need.

Field investigation. References are checked with independent sources who know the organization.

Site visit. Before recommending a project, a Geneva Global staff person or Geneva Global Network member visits the site to verify the information we gather.

Desk research. Best practices and other reference information are used as yardsticks to measure the project.

Peer review. During research, information gathered and the description prepared must pass three quality control checks.

Expert review. A Geneva Global sector manager checks findings and recommendations.

Deal structure. A Geneva Global researcher confers with the implementer to reach agreement on expected results, timetable and criteria for evaluation, use of funds and budget.

When you fund this project, Geneva Global will:

Document the agreement. Before money is sent to the project, a Memorandum of Understanding is signed that details expected results, timelines and acceptable uses of funds.

Assist with international funds transfers. As you require, Geneva Global will simply provide wire transfer instructions or will handle the entire process on your behalf.

Obtain receipt of funds. Geneva Global confirms when grant funds arrive with the implementer.

Check progress. Early in the project, usually about 90 days, Geneva Global confirms that the program is proceeding according to plan. The lead analyst is available to the implementer for advice and consultation throughout the project.

Measure results. Shortly after conclusion of the project, Geneva Global collects data from the implementer and compiles a concise analysis of project outcomes and lessons learned. For every project you fund, you will receive a Geneva Global Results Report.

Depth Analysis

Urgency: This grant will capitalize on the readiness of the three cooperatives to strengthen their CED initiatives. It also responds to the immediate need of farmers to increase income, allowing them to improve family nutrition and buy other essentials. Score: medium high.

Need: Farmers and their families will experience significant improvement in livelihoods and quality of life. Score: medium.

Extent: Agri-Aqua will train cooperative leaders, who themselves are farmers, to implement CED. They will learn skills in research and planning, community organizing, business development and management, marketing and networking. The heads of farming families will also learn skills in production and family enterprise management in order to meet the requirements of the cooperative and customers. Such skills and the relationships they build will not only transform the farmers' economic situation, but other aspects of their lives and those of their families and communities. Score: high.

Permanence: Agri-Aqua's program teaches vital skills that farmers and their families will benefit from for years. Score: medium high.

Intensity: Agri-Aqua will visit the sites at least once a month, spending more days in the first six months for intensive training and community organizing. Afterwards, critical situations may require visits in addition to monthly training and monitoring. Score: medium low.

Risk Analysis

Concept: The CED program engages key players such as cooperatives, local government, private industries and other NGOs to effectively plan and implement local economic development. Agri-Aqua uses its considerable experience, knowledge and networks to constantly improve this program and make it relevant to rural communities. Risk: low.

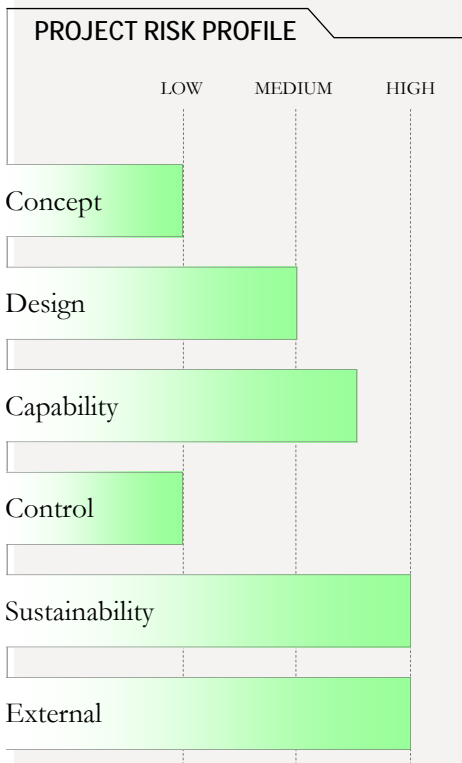
Design: Agri-Aqua has adapted proven best practices in community economic development and created a comprehensive, well-thought-out program. This grant funds a manageable expansion of the program. However, the three cooperatives involved have not yet acquired a successful track record with this program. Risk: medium.

Capability: Agri-Aqua has demonstrated its effectiveness in the communities, organizing rural communities and drawing on local government, the private sector and other NGOs to more local development. Leadership has extensive experience in financial and business development of cooperatives. However, while initial results have been promising, the program started in 2005 and remains to be proven. Risk: medium high.

Control: Agri-Aqua has stable management, independent governance, externally audited financial statements and secure fund transfer measures. Risk: low.

Sustainability: For the last three years, the Canadian Catholic Organization for Development and Peace has contributed significant financial support. Agri-Aqua also earns revenue from fees for its assistance to cooperatives and other clients, and is considering charging fees to private companies for the service of linking supplier cooperatives with them. Agri-Aqua incurred a considerable deficit in 2005 following the phase-out of Ford Foundation funding. However, the organization has adequate cash reserves to continue operations as long as no further significant losses occur. Risk: high.

External risk: Changes in local government and abrupt market shifts may affect this project significantly. Armed conflict in Talaingod municipality between government and communist insurgents may disrupt farming. Risk: high.



A Changed Life

“Our cooperative was in chaos before CED came. Our charcoal business had no proper management operating system and sales are down. We did not get a fair share on the price of our products because the traders were the ones dictating the prices. When we were introduced to the CED program, there was a dramatic change in our cooperative. Dynamics were installed, focusing on our charcoal business, as well as an operating system that greatly improved the quality of our charcoal. We were educated about economic-oriented subjects such as fair trade, value-addition and going entrepreneur. We were empowered. CED is really beneficial. All of us in our organization are benefiting from this endeavor,” says *Maria Elena Bornea of Liloy municipality, Zamboanga del Norte province.*

Pro

- Comprehensive program concept and design, using proven best practices in community economic development and built on thorough research and strong institutional relationships
- Significant market demand for cooperatives’ products

Con

- Implementer is relatively inexperienced in implementing this program; cooperatives have little track record of profitability
- Risks of market volatility, changes in local government leadership and priorities



Philippines

Population: 81.6 million
Population younger than 15: 36%
Average annual population growth rate: 1.7% (compared with 1.2% in the U.S.)
Urban population: 62%
Languages: two official languages - Filipino (based on Tagalog) and English; eight major dialects - Tagalog, Cebuano, Ilocan, Hiligaynon or Ilonggo, Bicol, Waray, Pampango, and Pangasinense (CIA World Factbook)
Life expectancy: female 73, male 69
Maternal mortality (deaths per 100,000 live births): 200 (compared with 17 in the U.S.)
Infant mortality (deaths per 1,000 live births): 24 (compared with 7 in the U.S.)
Under-5 mortality (deaths per 1,000 live births): 34 (compared with 8 in the U.S.)
HIV prevalence (ages 15-49): <0.1% in 2005 (same in 2001)
People with HIV: 12,000 in 2005 (9,000 in 2001)
HIV-infected children (0-14): <10 in 2001
AIDS orphans: 4,100 in 2001
HIV-related deaths (annual): <1000 in 2005 (<500 in 2001)
Literacy (15 and older): female 93%, male 93%
Gross national income per capita: \$1,170
Population living on less than \$1 daily: 16%
Population living on less than \$2 daily: 48%
Malnutrition among children under 5: 28% (compared with 2% in the U.S.)
Mothers ages 15-19 (births per 1,000 females): 36 (compared with 50 in the U.S.)
Children in the labor force (ages 7-14): 13% (2001, compared with 0% in the U.S.)
Unemployment rate: 10% (compared with 5% in the U.S.)
Religions: Christian 89%, Muslim 6%, traditional ethnic 3%, non-religious 1%, other 1% (World Christian Database)
2005 U.N. Human Development Index rank: 84 of 177 countries

HIV and AIDS data are from UNAIDS. All other data are from the World Bank unless otherwise noted.

Organization

Agri-Aqua Development Coalition-Mindanao

Davao City, Philippines

Founded

1994

Affiliations

- Mindanao Coalition of Development NGO Networks, Davao City
- National Peace Conference, Quezon City, Philippines
- CARE (Cooperative for Assistance and Relief Everywhere) Philippines, Quezon City
- Canadian Catholic Organization for Development and Peace, Montreal, Canada

Scale and staff

Current membership comprises 13,315 farmers and fishers in 119 cooperatives based in 23 Mindanao municipalities. The organization has 15 full-time, paid staff.

Programs

- Community Enterprise Development (CED) program

Overall organization revenue sources (income) and spending (expenditure) in U.S. dollars*

<u>Income</u>	2003	%	2004	%	2005	%
Donations**	146,335	77	157,938	84	85,211	87
Generated income	43,387	23	29,152	16	12,296	13
Total	189,722	100	187,090	100	97,507	100
Expenditure						
Program	64,438	45	81,953	47	143,841	60
Salaries	45,065	32	52,050	30	55,593	24
Administration	33,055	23	39,741	23	36,909	16
Total	142,558	100	173,744	100	236,343	100
Surplus/(deficit)***	47,164		13,346		(138,836)	

*Exchange rates were 55.240 Philippine pesos (PHP) to \$1 in 2003, 56.090 PHP to \$1 in 2004 and 52.895 PHP to \$1 in 2005.

**Top donors include Canadian Catholic Organization for Development and Peace and The Ford Foundation.

***Due to time differences between receipt and expenditure of funds.

Financial statements

Prepared: Semi-annually
 Reviewed by: Administrator and Mindanao Council of Leaders
 Externally audited: Yes, year ending Dec. 31
 Complete bank wire transfer information on file at Geneva Global: Yes

Profile

Agnes Bolaños is Agri-Aqua’s administrator and head of the coalition’s enterprise development team. She holds a bachelor’s degree in business administration with a major in accounting from the University of the Philippines, Iloilo City. Bolaños has extensive experience as a finance and control officer for several foundations. She developed the CED program after several years of experience working with cooperatives, training them in simple financial management and value-added production and helping connect them with customers. Before becoming administrator, Bolaños underwent a year and a half of hands-on training and mentoring by her predecessor.

Abelardo Yandug heads the organization’s coalition building and education team. He holds a master’s degree in guidance, counseling and theology **?? from where ??** and has extensive experience in community organizing with several NGOs in Mindanao’s Bukidnon province. He provides support to cooperatives in project development, enterprise building, institution building and leadership formation.

Leadership

Governance

The Mindanao Council of Leaders meets quarterly to oversee Agri-Aqua’s finances, strategic direction and other key issues. Members are:

- Virgilio Tagnipez, secretary-general (farmer)
- Napoleon Reymunde, lead convenor (farmer)
- Ismael Polinar, treasurer (farmer, businessman)
- Emilio Alverio, member (fisher)
- Lorita Gonzales, women’s sector representative (farmer)
- Jesus Gabunan, indigenous people’s sector representative (farmer)
- Bonifacio Caniban, member (farmer)

Policies

Related parties in management or governance: No
 Staff and/or Board reflects spectrum of ethnic groups or tribes: Yes
 Women in supervision or management: Yes

Leaders

Responsibility	Name	Title	Years of related experience	Years with organization	Years in current role
Program management, administration	Agnes Bolaños	Administrator	9	4	1
Coalition building, education supervision	Abelardo Yandug	Coalition building and education head	23	6	2
Networking, research, advocacy, links with other development groups	Orlando Ang	Advocacy and networking head	4	3	New in current role
Manages financial resources	Maria Violeta Magnaye	Finance and administrative head	20	8	3

Who is Geneva Global?

Geneva Global works for donors. We are not fund-raisers for charities. We do not promote our own projects. Rather, we are a service for thoughtful donors who want measurable results from the money they give. Geneva Global provides independent research, insightful analysis and grant management so our clients can invest where their giving changes the most lives. In short, we help you accomplish more with the money you give.

What is a *Delta Score* and how is it calculated?

The Delta Score is a universal measurement that makes it possible to compare projects, regardless of type or location. The Delta Score calculates the depth and breadth of Life Change from a project and compares it to the most common form of international giving, child sponsorship. The scoring system is calibrated so a Delta Score of 1 equals successful sponsorship of one child. This means a project with a Delta Score of 7 is expected to produce seven times more Life Change than if an equivalent amount of money were spent on child sponsorships.

What do you mean by *Life Change*?

One of the most serious flaws in traditional philanthropy is the lack of ways to measure success. How do you know whether your contribution did any good? Geneva Global uses Life Change to measure success in giving. We define Life Change as a direct, material and measurable difference in the quality of a person's life. A life is changed when an AIDS orphan is integrated into a loving family, when a mother achieves economic security by starting a small business, when an infant's life is saved by a vaccine, when a girl completes her education or when a slave becomes free from bondage.

What is the *Risk Adjusted Range*?

The comparable term in investing is "volatility." Every project involves risk. We assess up to seven categories of risk. The Risk Adjusted Range shows the range of likely Delta Scores for the project based on the combined risk. A project with low total risk will have a very narrow Risk Adjusted Range (for example, 7 to 9 with a Delta Score of 8), while a project with high total risk will have a broader Risk Adjusted Range (for example, 4 to 12 with a Delta Score of 8).

What is the *Grant Profile* and how is it determined?

We only recommend projects that, based on Geneva Global's extensive experience, have acceptable levels of risk. However, tolerance for risk varies among donors. The Grant Profile is a simple way of summarizing the total risk associated with a project. What is your personal giving style? Do you have an appetite for courageous projects that operate in difficult and even dangerous situations? Or do you value stability? Geneva Global finds, researches and recommends projects that range from daring to stalwart. The Grant Profile is an at-a-glance indicator of which giving style best matches the amount of risk for a particular project.

Who pays for Geneva Global's research?

Investigating projects in foreign countries is difficult and costly. The benefits, however, are tremendous. Geneva Global clients discover they are able to obtain 10 and sometimes as much as 30 times the results compared to traditional methods of giving. The increased results far outweigh the modest professional fees Geneva Global charges. Contact your Geneva Global advisor for fee details and information about all the services you receive.

Whom do I contact to fund this project or ask questions?

Contact your Geneva Global advisor.
If you don't have an advisor, please contact
Joan Cortright in Client Services:
866-7-GENEVA (toll-free in the U.S.)
610-254-0000
JCortright@GenevaGlobal.com

