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Micro-enterprise Development in Selected Fishing Communities in the Province of Iloilo, Philippines

Carlos C. Baylon*

*College of Fisheries and Ocean Sciences, University of the Philippines in the Visayas, Miagao, Iloilo, Philippines

ABSTRACT

The Food and Agriculture Organization of the United Nations provided funding in support of the development of micro-enterprises in Banate Bay, Iloilo and Southern Iloilo. This project was implemented by the University of the Philippines in the Visayas in coordination with the Banate Bay Resource Management Council, Inc. and the Southern Iloilo Coastal Resource Management Council.

The following micro-enterprises were developed in the various municipalities of Banate Bay and Southern Iloilo: Anilao –fish balls production; Banate – fish vending; Barotac Nuevo –shrimp paste production; Barotac Viejo – oyster and mussel culture; Guimbal – fish vending; Miagao – salt iodization; Oton – fish vending; San Joaquin – fish sauce production; Tigbauan- shrimp paste production.

Training programs were conducted for the beneficiaries to improve the operation of their micro-enterprises, on product development and marketing of their products. Coordination with local government units, active participation of the stakeholders and conduct of appropriate training were considered necessary for the sustainability of these micro-enterprises.

INTRODUCTION

The coastal zone plays a very significant role in the Philippine economy and the lives of Filipinos. It is a source of food, shelter and livelihood of numerous inhabitants residing in the coastal area. The importance of the coastal zone in the Philippines can be seen in the following facts; more than 50% of animal protein intake of Filipinos is derived from marine fisheries, 62% of the population lives in the coastal zone, almost all major cities and 54% of the 1,541 municipalities in the country are coastal (DENR et al, 2001a).

The Philippine coastal zone, however, is confronted with numerous challenges like overexploitation of resources, degradation of coastal habitats and poverty of the fisherfolk. With regard to the production from marine capture fisheries, empirical studies have shown evidence of biological and economic overfishing in both pelagic and demersal fish stocks (Dalzell et al, 1987; Trinidad et al, 1993; Barut et al, 2003; Barut et al, 2004). The degradation of coastal habitats has been documented for coral reefs where more than 70% of the reefs have been subjected to damage (Gomez et al, 1994) while the forested mangrove area has decreased from 450,000 ha in 1918 to 120,000 ha in the late 1990s (DENR, 1988; 1998 as cited in DENR et al, 2001a). The deteriorating resource base has caused a decline in the economic condition of small-scale fishers in which an estimated 80% of fisherfolk households are living below poverty threshold (PRIMEX, 1996 as cited in Cruz-Trinidad, 2003).

Integrated coastal management (ICM) has been recommended to address the many problems in the coastal zone (Cicin-Sain and Knecht, 1998; Courtney

and White, 2000; DENR et al, 2001b). ICM is a comprehensive and integrated approach involving multi-sectoral collaboration and community participation for the sustainable use, development and protection of coastal and marine areas and resources. The overall goal of ICM is to improve the quality of life of human communities who depend on coastal resources while maintaining the biological diversity and productivity of coastal ecosystems. An important component of ICM is the provision of supplemental/alternative livelihoods or the diversification of the sources of income through development of micro-enterprises in order to alleviate the poverty of small-scale fishers (IIRR, 1995; Luna et al, 2004). Supplemental or alternative livelihoods could lessen the pressure on coastal resources and improve the economic condition of the fisherfolk

In the Philippines, micro-enterprises and small enterprises play an important role in creating jobs and providing income to the majority of Filipinos. Micro-enterprises are businesses that have assets below Php3 million employing less than 10 people while small enterprises have assets between Php3 to 15 million employing 10 to 99 people. In 2004, there are about 820,960 operating business establishments in the Philippines generating 6 million jobs; 91 percent of these businesses are classified as micro-enterprises and small enterprises and employing 62.5 percent of the total labour force (DTI, 2004).

The Philippine government believes that micro- and small enterprises could be an effective tool for providing employment, alleviating poverty in the rural areas as well as in advancing the country's economic development (NEDA, 2004). Micro-enterprise development has been found to work well with people having no or very little access to the traditional banking sector such as farmers and fishers. Having no means to access large amounts of start-up capital, these marginalized people have to work with a meagre resource coming from their personal savings or from an alternative creditor. This process teaches them to save and become self-sufficient while earning additional income at the same time.

THE MICRO-ENTERPRISE PROJECT

Technical Project RA 233A2 of the Food and Agriculture Organization of the United Nations (FAO) aims to promote the contribution of small-scale fisheries to poverty alleviation and food security. FAO has been assisting selected coastal resource management councils in the Philippines in the development and use of demographic indicators for the identification of crucial socio-economic issues in the coastal areas and monitoring the impact of management measures on the social and economic status of the fisherfolk. One crucial issue identified with the help of these indicators is the need for promotion of sustainable micro-enterprises and the introduction of related extension services and microfinance support. This livelihood project addresses this crucial issue through the development of micro-enterprises for selected groups of fishers.

FAO provided funds to Banate Bay Resource Management Council Inc. (BBRMCI) and Southern Iloilo Coastal Resource Management Council

(SICRMC), in close cooperation with the College of Fisheries and Ocean Sciences of the University of the Philippines in the Visayas (UPV), to support activities on livelihood opportunities and related microfinance needs. Specifically, the project implemented the following activities:
a) Identification of livelihood and micro-enterprise opportunities for fishers within the jurisdiction of BBRMCI and SICRMC in the province of Iloilo;
b) Conduct of on-the job training of fishers in micro-enterprise development in aquaculture, fish processing and fish marketing; the preparation of business plans; the proper use of credit and microfinance facilities; as well as provision of extension services in support of these micro-enterprises.

It is hoped that outputs from this project will be used in the development of micro-enterprises in other parts of the Philippines and in areas where integrated coastal management is being implemented.

COASTAL RESOURCE MANAGEMENT COUNCILS

Coastal Resource Management Councils (CRMC) have been established by local government units in the Philippines to improve the protection and management of coastal resources. The institution of CRMCs has legal support and is encouraged in Philippine laws such as the Local Government Code of 1991 and the Fisheries Code of 1998. The CRMC has been established by several municipalities to better manage large bodies of water in which these municipalities have jurisdiction or in areas with long contiguous coastline. There is an advantage in having a CRMC because several municipalities can pool their meagre funds in protecting their fishery resources. The CRMC can eliminate boundary disputes among municipalities because their municipal waters are combined together and treated as a single management unit. Two CRMCs, the Banate Bay Resource Management Council Inc. (BBRMCI) and the Southern Iloilo Coastal Resource Management Council (SICRMC) were selected to participate in the micro-enterprise project. These two CRMCs have been active in implementing projects that are beneficial to the fisherfolk within their jurisdiction.

Banate Bay Resource Management Council, Inc.
The Banate Bay Resource Management Council, Inc. (BBRMCI) was initiated by Mr. Ramon Antiojo, who was then mayor of the municipality of Anilao in the Province of Iloilo. The municipality, similar to most coastal areas in the Philippines, is confronted with problems of overexploitation of fishery resources, destruction of coastal habitats, illegal fishing activities and poverty of small-scale fishers. Mayor Antiojo's awareness of the need for coastal resource management and the passage of the Local Government Code of 1991, which provided more powers and authority to the local government, encouraged him to form a coastal resource management council together with the nearby municipalities of Barotac Nuevo and Banate. A series of consultations and dialogues started in November 1995 which culminated in the signing of a memorandum of agreement in February 1996 in which the Banate Bay Resource Management Council, Inc. (BBRMCI) was established (Fig.1). The municipality of Barotac Viejo later joined BBRMCI.

BBRMCI has a Board of Trustees (BOT) composed of the three mayors, an executive director, heads of operational units, representatives of municipal offices such as the municipal legislative body, municipal planning office, municipal fishery office and other representatives from the provincial legislative body, Bureau of Fisheries and Aquatic Resources (BFAR), and non-government organizations (NGOs) in the participating municipalities. The Board is the policy-making body of the Council and has been tasked to prepare an integrated management plan of the bay, and promulgate rules and regulations for the preservation and utilization of the fisheries and marine resources of the bay. The Chairman heads the BOT and presides over its meetings. The Executive Director executes the policies and rules of BBRMCI and is responsible for its day to day affairs. BBRMCI has six operational units that facilitate the implementation of the programs and projects of the Council. Each participating municipality appropriates funds for the operation of the BBRMCI.

BBRMCI has been responsible for conducting a series of information campaigns on better management of the bay and organizing the fisherfolk into associations and cooperatives. It was also able to implement an integrated zoning plan for Banate Bay and organized the Bantay-Dagat, a community-based law enforcement unit, which implemented the unified fishery ordinance for the bay. BBRMCI also coordinated with different government agencies for the establishment of livelihood programs. In 1998, BBRMCI won the Galing Pook Award, a project of the national government and private sector, for its excellence and innovation in local governance.

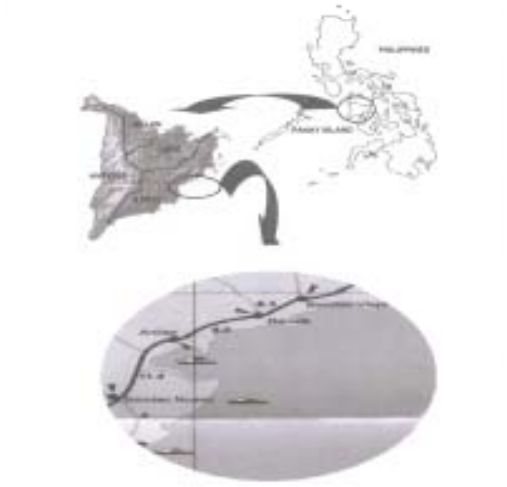

Fig.1 Location of the BBRMCI

Southern Iloilo Coastal Resource Management Council

The Southern Iloilo Coastal Resource Management Council (SICRMC) was started when the University of the Philippines in the Visayas (UPV) and the mayors of five coastal municipalities, namely; Guimbal, Miagao, Oton, San

Joaquin and Tigbauan, signed a Memorandum of Understanding in April 2001 to cooperate towards the sustainable development of coastal resources in Southern Iloilo. UPV, through the College of Fisheries and Ocean Sciences - Institute of Fisheries Policy and Development Studies (CFOS-IFPDS), assisted the local government units (LGUs) in the establishment of baseline data on resources and users of the coastal area. The CFOS-IFPDS also assisted in the formation of a technical working group from the LGUs in preparation for the establishment of a coastal resource management council.

UPV also provided technical assistance in the formulation of a coastal resource management plan for Southern Iloilo. It also pledged to coordinate with LGUs, government and non-government agencies in the planning, implementation and monitoring of the coastal resource management plan of Southern Iloilo. On the other hand, each LGU assigned two personnel for the technical working group and gave full support for the planning and implementation of a coastal resource management council and a coastal resource management plan.

On February 10, 2002, a Memorandum of Agreement was signed by the mayors of the municipalities of Guimbal, Miagao, Oton, San Joaquin and Tigbauan creating the Southern Iloilo Coastal Resource Management Council (SICRMC) (Fig.2). The objectives of the Council are; to help in the restoration of the productivity of the coastal waters of Southern Iloilo, strengthen the capabilities of the local government units in the management of their coastal resources, educate the fisherfolk in the sustainable utilization of their coastal resources, and develop and promote alternative livelihood schemes for the fisherfolk.

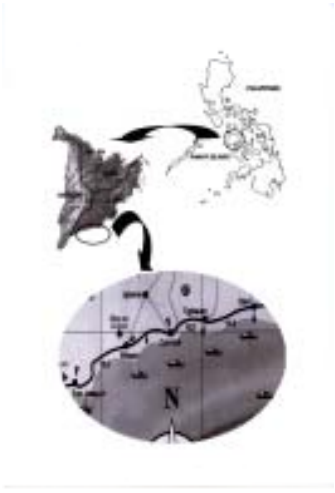

Fig.2 Location of SICRMC

DEVELOPMENT OF MICRO-ENTERPRISES

The project was started through consultation with the officials of BBRMCI, SICRMC and local government units to determine the barangay (village) and beneficiaries which will be involved in the micro-enterprise development. The

approach is to develop at least one micro-enterprise for an organized group which will serve as a model in the municipality. The beneficiaries that were identified as participants are shown in table 1. This was followed by a series of meetings with the beneficiaries on what kind of micro-enterprise they want to get involved with and the support they needed for the livelihood project.

Table 1. Beneficiaries and micro-enterprises in each Municipality

Municipality	**Participants/Beneficiaries**	**Micro-enterprises**
Anilao	Anilao Fish Processors Association	Fish Balls Production
Banate	Poblacion Fish Peddlers Association	Fish Vending
Barotac Nuevo	Lamintao Fisherfolk Association	Shrimp Paste Production
Barotac Viejo	San Francisco Small Fishermen Association	Oyster and Mussel Culture
Guimbal	Cabasi Fisherfolk Association	Fish Vending
Miagao	Miagao Salt Producers Association	Salt Iodization
Oton	Alegre Fish Vendors Association	Fish Vending
San Joaquin	Sumakwelan Fisherfolk Association	Fish Sauce Production
Tigbauan	Barangay Council of Bgy. Atabayan	Shrimp Paste Production

The choices of micro-enterprises were influenced partly by their respective LGU development plans that focus on the utilization of the municipality's major products or harvests. The major factor for their choice, however, was the low level of risk, because most of the identified micro-enterprises already existed and the beneficiaries were familiar with the activities associated with them. The task for the beneficiaries was to enhance or innovate and look for new markets for their improved products.

TRAINING PROGRAMMES FOR PROJECT BENEFICIARIES

The training sessions focused on building the capacity of the beneficiaries in starting and operating their micro-enterprises, developing skills in product development and training in expanding markets for their products. The training sessions were based on the needs of the beneficiaries which were expressed during the consultation meetings, as well as from the recommendations of the technical consultants assigned to each micro-enterprise. A pool of consultants and resource persons from the University of the Philippines in the Visayas (UPV) and from the local government units were used for these training courses. The training program can be grouped into; a) Operation of Micro-enterprises, and b) Product Development, although not all beneficiaries were able to avail of these training courses due to limitation of time and resources.

Training on the Operation of Micro-enterprises

Starting a Small Business
A one day training-workshop on starting a small business enterprise was conducted by Prof. Benmar Panaguiton, Assistant Professor of UPV College of Management and Director of UPV Office of Extension and Pahinungod for the Anilao Fish Processors Association. The workshop tackled the different aspects of a business – marketing, production, management and financial aspects – with a simple business plan as the final output. One of the objectives of the workshop was to introduce the beneficiaries to the rewards and risks of being an entrepreneur. To make them aware of what it takes to become an entrepreneur, the beneficiaries were subjected to two sets of personal assessments. The training also included a discussion on what kind of business is right for the beneficiaries. The topics also touched on the types of business, choosing business location, the different sources of capital and how to obtain it, and the process of registering a business.

Cooperative Formation
The salt producers of Miagao signified their intention to transform their association into a cooperative. As a requirement for the registration of their cooperative, the members of the association must undergo a pre-membership education seminar for cooperatives. All concerned salt producers then participated in a comprehensive three-day seminar conducted by Mr. Federico Monsale, Jr., the Cooperative Development Officer of Miagao. The seminar discussed the definition of cooperative, how it is formed and who can become its members. It also covered the duties and rights of the cooperative member, the functions of its officers, the organizational structure of the cooperative, and the various services that the cooperative can offer, as well as its management and source of capitalization.

In the town of Oton, Mrs. Ma. Eden Borbon and Mrs. Maria Rosena Jaspe of the Municipal Agriculture Office conducted a seminar on cooperativism and basic business management. The resource persons described the nature and aims of cooperatives; the cooperative philosophy, principles and practices.

Accounting for Non-Accountants
The beneficiaries from the towns of Anilao, Banate and Barotac Viejo, all from Banate Bay area, attended a training session on accounting for non-accountants. This was conducted for one day at the BBRMCI Training Center by Prof. Ma. Piedad A. Palacios and Prof. Mary Rose Rebueno, faculty members from the UPV College of Management. The training exposed the participants to the basics of accounting, the analysis of transactions and its proper recording. They also had a hands-on training on journalizing of accounts and proper accounting of income as well as the preparation of the basic financial statements. As part of the training, the basics of how to cost a product and how much should be its selling price was also taken up. With the financial statements they have prepared, the participants were made to undergo financial statement analysis by computing ratios for the different financial indicators like profitability, solvency and liquidity. The objective of the

financial statement analysis was to aid the beneficiaries in making sound management decisions based on the results of their operations as reflected in their financial statements.

Sales and Salesmanship
Prof. Jose Neil Hortillo from the UPV College of Management conducted a seminar on sales and salesmanship for the beneficiaries from Anilao, Banate and Barotac Viejo. Prof. Hortillo described ways on how to conduct sales calls and close transactions. He talked on the selling concept as a part of a decision-making process, the different ways on how to reach the customers and some steps to successful selling. The talk also included topics on how to motivate the sales force, preparing the sales plan and the sales interview.

Training on Product Development

Fish Balls Production
The Anilao Fish Processors Association came up with the idea of producing fish balls during the training on How to Start a Business. The members considered it a product that is affordable and would ensure a quick return on investment. The association conducted a production and marketing run of fish balls during their town fiesta using their own formula for fish ball making. The group made a small profit from the three-day sale, however, the members admitted that they need to improve the quality of their fish balls. The FAO-supported Project then tapped the expertise of Mrs. Ernestina Peralta, a Researcher from the UPV Institute of Fish Processing Technology (IFPT). Mrs. Peralta recommended a new formula for the fish balls and introduced a variation of this product, which is the bola-bola. Mrs. Peralta also gave a lecture on product labelling which showed what must be placed in the label as mandated by the Nutrition Labelling Act. The members of the association then made a test production of the improved fish balls and fish bola-bola. The association also expanded their market to the cooperative store of the Anilao High School, which they now supply on a regular basis.

Shrimp Paste Production
The fisherfolk from the towns of Tigbauan and Barotac Nuevo chose to improve their existing shrimp products through value addition and better packaging. For the shrimp paste micro-enterprise in Tigbauan, the Technical Consultants were Dr. Erlinda Panggat and Mrs. Mercy Quilantang – Professor and Researcher, respectively of UPV IFPT. Dr. Panggat conducted a half-day seminar on value adding, appropriate processing and packaging technologies for fermented fish products. The beneficiaries were briefed on the definition of fermentation, raw materials that can be used other than small shrimps, appropriate processing and packaging techniques, principles of value adding and other techniques in obtaining high quality fermented products. The beneficiaries also visited the IFPT laboratories to observe the facilities and actual set-up in shrimp paste making using the standard method used at IFPT. Dr. Panggat also gave a lecture on Good Manufacturing Practices and Standard Sanitary Operating Procedures for one half day at the Barangay Multipurpose Hall. She discussed health hazards associated with contamination of shrimp paste, sanitary practices for the workers outside and

inside the processing area. Hands-on demonstration for the processors was also given by the resource persons on the standard shrimp paste processing method, value adding like the spicy adobo shrimp paste, product packaging and labelling.

For the shrimp paste micro-enterprise in Barotac Nuevo, the Technical Consultant was Mrs. Ernestina Peralta, a Researcher of UPV – IFPT. Mrs. Peralta observed the procedure for shrimp paste processing by the beneficiaries and made recommendations to improve or come up with a better quality product. She also introduced an alternative process that would do away with grinding and drying which is their current practice. This alternative process would introduce ease in shrimp paste production during the rainy season when shrimp catch is high in the area. Mrs. Peralta also demonstrated the production of flavoured shrimp paste and gave a lecture on good manufacturing practices and personal hygiene for the processors.

Fish Sauce Production

The Sumakwelan Fisherfolk Association of San Joaquin decided to undertake fish sauce production because during the peak fishing season, the abundant fish catch results in a very low price for their fish. The production of fish sauce will give higher value to their fish catch and increase their income. The FAO-supported project provided the materials whereas the members of the association provided labour for the construction of a village- type processing facility. The Technical Consultant of the fish sauce micro-enterprise was Mrs. Rose Mueda, a Researcher of UPV – IFPT. Mrs. Mueda conducted training and hands-on demonstrations on the processing of fish sauce with emphasis on the hygienic process to produce a clean and safe product. The first training, which lasted for one half-day, was on a laboratory scale using 5 kg of fish. The second training, conducted for one whole day, was on a pilot scale using 50 kg of fish which were fermented in the concrete tank of the fish processing facility. Additional training was also conducted on Record Keeping, Cost and Pricing Strategy, and Packaging and Labelling to improve the operation and increase the profitability of the fish sauce micro-enterprise.

Salt Iodization

Salt making is one of the livelihood projects supported by the municipal government of Miagao. Aside from providing additional income for the fishers, the municipal government wants to preserve their traditional salt making method for tourism purposes. During the consultation with the Miagao Salt Producers Association, the members expressed the need for training on the iodization of the salt they produce. Salt iodization is a requirement of Republic Act No.8172 which mandates that all table salt sold in the market must be iodized and all establishments in the manufacture and preparation of food must use iodized salt. In the salt iodization micro-enterprise, the Technical Consultant was Dr. Aklani Rose Hidalgo, Associate Professor of UPV – IFPT. Dr. Hidalgo gave a lecture on “Iodized Salt: Its Importance and Proper Handling” to the salt producers and other members of the community. A lecture-demonstration on salt iodization was given by Dr. Hidalgo with the FAO-supported project providing the basic materials for this activity. This was followed by a hands-on training on salt iodization for all members of the

association. Each salt producer was able to iodize 10 kg of salt which was packed and labelled in ¼, ½ and 1 kg plastic bags. Dr. Hidalgo also gave recommendations on improving the quality of their salt, packaging and marketing of their iodized salt.

Mussel and Oyster Culture

The San Francisco Fisherfolk Association of Barotac Viejo signified their intention to culture mussels and oysters because the shellfish sold in their town are coming from the nearby province of Capiz. The fisherfolk of San Francisco observed spat of oysters and mussels clinging onto various substrates in their coastal area and believed shellfish culture could be a profitable micro-enterprise. Dr. Carlos Baylon, a Professor of UPV Institute of Aquaculture and Technical Consultant of the micro-enterprise, gave a lecture on the different methods of culturing mussels and oysters. The raft culture method was preferred by the association because of its high yield and this would not contribute to the shallowing of the culture site due to increased siltation. Dr. Baylon also gave a lecture on the raft culture method and the procedure for its construction. The FAO-supported project provided materials whereas the members of the association provided labour for the construction of the first culture raft. Dr. Uwe Tietze, during his visit to the culture site, recommended to the members of the association to focus on culturing individual oysters since these would command a high price in the market. With assistance from the FAO-supported project, two additional culture rafts were constructed owing to the high potential of the micro-enterprise as observed in the high attachment rate of oysters and mussels in the first raft.

Assessment of the Training Sessions

An assessment was made after the conduct of the training sessions to determine the relevance of the topics discussed and the ability of the resource persons to impart knowledge and skills to the beneficiaries. The assessment was made by Mr. Arcsel Gerard Sagge, Research Assistant of the FAO-supported project, through interviews of selected participants of the training sessions and workshops. The interviewed participants mentioned that the resource persons were very patient in explaining the topics and were able to answer satisfactorily the questions asked by the trainees. The participants also said that they were able to understand the subject matter because of the lecture-demonstrations and the hands-on training given to them. The following activities implemented by the beneficiaries are proof that the training sessions were effective and put to good use:

- the Miagao Salt Producers Association were able to complete their registration with the Cooperatives Development Authority;
- members of the San Francisco Small Fishermen Association have started harvesting their mussels and oysters;
- shrimp paste producers of Barotac Nuevo and Tigbauan are now employing the hygienic preparation of their basic ingredients as recommended by the resource persons and have done a production run of their flavoured shrimp paste;
- fish vendors of Banate and Oton have fully paid their loans; and

- Anilao fish processors are now producing fish balls and fish bola-bola on a regular basis and now saving capital to buy a heavy duty blender to expand production.

STEPS NEEDED TO BECOME A FULL-FLEDGED MICRO-ENTERPRISE

The initial step for becoming a full-fledged micro-enterprise is compliance with all the registration and certification requirements of the government. The different micro-enterprises in Banate Bay and Southern Iloilo must comply with the following requirements to have a legitimate business existence and to have an operational organization:

Activity	Ano	Bte	BNo	BVj	Gum	Mgo	Otn	SJn	Tig
Registration of business name with DTI. (P300)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Registration to legitimize existence as a cooperative with CDA. (P1,000)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Securing of tax identification number and registration of the books of accounts as well as printing of business documents like official receipts with BIR. (P600)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Securing local clearances and business permits. (P1,000)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Registration as an employer with the government's social security program, SSS.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Securing membership in the government health care benefits system with PHIC.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Registration with DOLE for the monitoring of compliance with labour laws.	✓	✓	✓	✓	✓	✓	✓	✓	✓
Registration with BFAD as a licensed food manufacturer. (P500)	✓	NA	✓	NA	NA	✓	NA	✓	✓

Application with GS1 for use of bar codes. (P1,300)	✓	NA	✓	NA	NA	✓	NA	✓	✓
Secure electric service connection. (P5,000)	OP	OP	OP	OP	OP	OP	OP	OP	OP
Secure water services connection. (P3,360)	OP	NA	NA	NA	NA	NA	NA	NA	NA
Secure communication facilities connection. (P5,000)	OP	OP	OP	OP	OP	OP	OP	OP	OP

Legend: Ano - Anilao; Bte - Banate; BNo - Barotac Nuevo; BVj - Barotac Viejo; Gum - Guimbal; Mgo - Miag-ao; Otn - Oton; SJn - San Joaquin; Tig – Tigbauan; OP – optional.; NA – not applicable.

A minimum of Php 2,900.00 is needed for basic business registration of micro-enterprises. For a food processor or manufacturer, an additional expense of Php500 is needed for registration with BFAD. Another Php 1,300 will be needed for application to use bar codes with GS1 and an additional Php100 for each product to be registered for bar coding. Bar coding is required for items that will be retailed in big grocery stores such as SM Supermarket, Gaisano Supermaket and Iloilo Supermart. To avail of utility services, the micro-enterprise has to advance Php 13,360 for water, electricity and communication. Electrical connection maybe prioritized over water and communication because water supply is abundant and communication can be facilitated by personal mobile phone units.

In addition to complying with the above requirements, a lot of work must be done particularly in production, marketing and human resource support or management of these micro-enterprises to be viable and sustainable. The beneficiaries should find ways to improve the quality of their products and the production processes to minimize costs and eventually maximize profits. Further, enough quantities of their products should be generated to meet market demands created by their marketing efforts. On marketing, efforts must be exerted to identify potential markets and develop strategies on how to reach them. Prices should be reviewed to be more competitive and promotional tools should be considered like advertising and sales promotions. With regard to management and operation of the micro-enterprise, there should be a suitable organizational structure with appropriate management policies and operational guidelines. The organizational structure must show the lines of authority and staffing pattern while the operational guidelines should contain a suitable internal control system.

Becoming a full-fledged micro-enterprise requires hard work over a period of time – at least five years. There is also the equivalent monetary resource that should be considered. The members of the fisherfolk association should have the fortitude and firmness to make their micro-enterprise viable and sustainable. On the other hand, the other stakeholders like funding agencies, the academe and other government agencies should continue offering the

necessary support for the growing micro-enterprise in the form of additional grants and appropriate extension services.

ADDITIONAL TRAINING NEEDS

The beneficiaries of the FAO-supported project have attested that the training sessions they have undergone were very important in starting their micro-enterprises. However, not all members of the fisherfolk associations were able to avail of the training programs that were conducted owing to funding and time constraints. The beneficiaries will have to be trained on the following specific areas for the long-term profitability and sustainability of their micro-enterprises:

Management Skills Development and Enhancement
The most critical skill that should be learned by the micro-enterprise beneficiaries is the ability to manage their operations. The beneficiaries should be trained further in planning, organizing, implementing and controlling the various micro-enterprise activities. The management should be able to strategize their operations, out source and utilize resources, execute strategies and direct actions. As all of these require a lot of interaction, the management should also be adept in both intra and inter-personal skills.

Values Re-orientation
The beneficiaries also need to undergo a values re-orientation seminar. Most micro-enterprises fail because their capital is sometimes used for personal purposes. They should be made aware that, for their micro-enterprise to succeed, enterprise transactions should be separate from personal transactions and the capitalization provided for the enterprise should be used primarily for its operations. Only a portion of the income derived from operations can be for personal use and the beneficiaries should be prompted to keep their priorities straight.

Marketing Skills on Sales, Packaging and Product Promotion
The beneficiaries would also have to build on their marketing skills. In Anilao, for example, the beneficiaries stated that they lack the skill of selling. They mentioned that they need help in improving their self-confidence to be able to push their products to customers and to create distribution linkages. This is also true for the other micro-enterprises.

Further, they should also be immersed in the proper packaging of their products as well as learn strategies in effective promotion and distribution. For them to be able to deliver their products in other geographical locations, they should also acquire knowledge on logistics operations.

Good Manufacturing Practices, Hygiene and Food Safety
The production aspect of the micro-enterprise has to be improved. The beneficiaries have to learn about the different factors that contribute towards the making of top quality products. For the producers, they must employ good personal hygiene practices and must maintain cleanliness of their utensils and working areas to ensure good quality and safety of their products.

Good sanitation inside and outside the processing plants must also be observed by the food producers and manufacturers.

In the case of Anilao, they still have to improve on the taste of their products. Shelf life of their fish bola-bola has to be established and they have to find ways to lower the cost while maintaining the quality of their products. For the micro-enterprises of Barotac Nuevo and Tigbauan, the producers should be exposed to good manufacturing practices. Hygienic preparation of shrimps has to be observed to achieve quality produce. Innovation on the current shrimp paste has to be introduced for it to be differentiated from shrimp paste products of other companies already introduced in the market.

Barotac Viejo has to acquire technology on raising oysters to produce bigger-sized individual oysters and ensure a good harvest. The producers have to ascertain that the water where the oysters grow is of good quality and is maintained that way all year round. All of these should be done to guarantee that they would be able to produce the best oysters and get a good price for their produce. In Miagao, the beneficiaries have to find ways to purify the seawater that serves as raw material in making salt. The drying facilities and methods should also be evaluated for sanitary considerations. This is to achieve a certain quality that would make the Miagao salt the preferred salt in the market.

Financial Management Skills

Financial information is very crucial in making sound decisions. Most of the beneficiaries were not exposed to recording their financial transactions and keeping their books of accounts, they should then be given training on basic accounting and bookkeeping. In addition to the preparation of financial reports, they should also be guided on how to use these reports in making sound decisions through a seminar on proper financial and credit management.

To further inspire them to proceed with their micro-enterprises, an educational tour to some successful micro-enterprises may be arranged. Through this, the beneficiaries can have first-hand information on a similar endeavour that is progressing – enabling them to validate the learning they acquired from the various seminars conducted. Once exposed to an actual enterprise scenario, their resolve to commit themselves to the micro-enterprise endeavour will be intensified.

LESSONS FROM THE FAO-SUPPORTED PROJECT

After a year of implementing the project, important lessons were learned which can be used as a guide for similar and future endeavours. These are:

1. Stakeholder participation is essential to the sustainability of micro-enterprises. When the FAO-supported project was started, a primary consideration was how to sustain the micro-enterprises after the end of the project where funds will no longer be available. An important factor in sustainability is the active participation of officials of the LGUs and CRMCs in

the planning and implementation of the micro-enterprises. Officials from these municipalities recommended the fisherfolk organization with a good track record that should be involved in the micro-enterprise project. In this way, the micro-enterprise that will be established will have a greater chance of success. For the beneficiaries, they had a direct say on what micro-enterprises they want to establish and what training programs and other support that should be extended to them. Through the active participation of the stakeholders, a sense of ownership is developed and these stakeholders will continue to be involved and will support their micro-enterprise even if external funding has ended.

2. To transform a fisher into an entrepreneur is a long process which may not be achieved within a one-year project duration. There should be values orientation for the beneficiaries for them to develop a certain entrepreneurial character. The beneficiaries should be able to adopt the proper attitude and must have a firm commitment for their micro-enterprise to become successful.

3. Different strategies may have to be utilized for the different micro-enterprises to attain early success. There is an advantage in implementing the livelihood project through the fishers' association because this fosters cooperation among community members. However, in one micro-enterprise in Banate Bay, some members of the association were not fully committed, thus slowing down the progress of the micro-enterprise. In a case like this, it may be a good strategy to just fully support a few hardworking and enterprising members, and when the micro-enterprise becomes profitable, they could just hire the other members of the association.

4. Capacity building is vital to the success of micro-enterprises. Through the various training sessions conducted, the beneficiaries were able to make the operation of their organization more efficient which led to the improvement of the production, packaging, and marketing of their products.

RECOMMENDATIONS

The development of micro-enterprises is an important strategy to augment the income of small fishers, alleviate poverty and at the same time reduce fishing pressure in the coastal area. For a micro-enterprise to become sustainable will require a long process and will need the implementation of the following recommendations:

1. The LGUs and CRMCs must continue to support and monitor the progress of the micro-enterprises that were established. The concerned municipal official e.g. fishery officer should follow-up the status and encourage the beneficiaries to continue working for their enterprise until it becomes fully viable.

2. There should be active collaboration among the municipalities, the academe and other government institutions to respond to the needs and provide solutions to problems encountered by beneficiaries operating the micro-enterprises.

3. Financing institutions should provide special access to loans and capital for micro-enterprises established by fisherfolk associations. The long process and many requirements of the financing institutions have discouraged the fisherfolk from availing of these loans to start their micro-enterprises.

4. There should be a basic set of training program suitable for micro-enterprise development, consisting of, but not limited to the following: values orientation; organizational strengthening; product development and marketing. The members of a fisherfolk association must undergo this training program before starting the micro-enterprise in order to ensure its success.

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