

Annex

Annex 1: Data for Chapter 2

Annex 2: Workshop and Seminar Reports

Annex 1: Data for Chapter 2

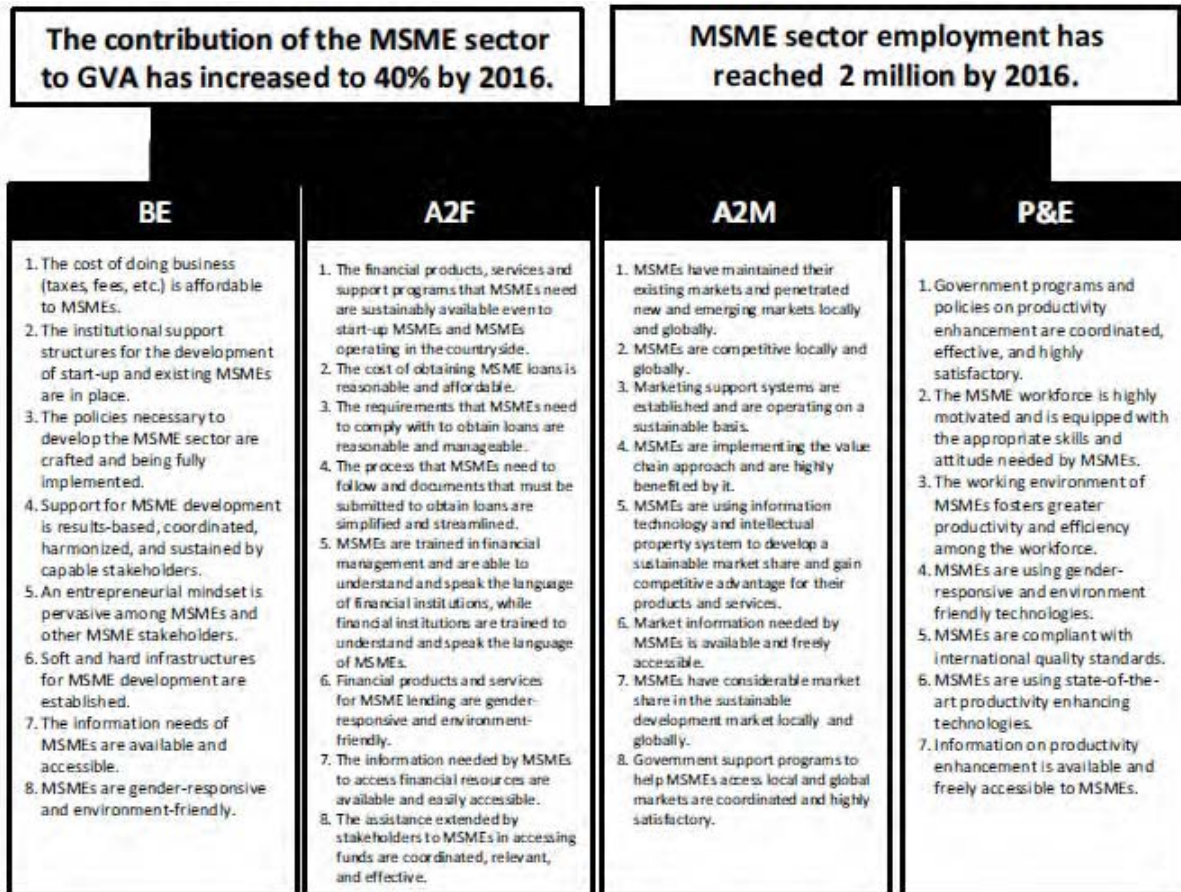


Figure A-1: National MSME Plan 2010 to 2016 Results Framework

Table A-1: Major Annual Achievement of DTI Region XI and XII

Items	DTI Region XI in 2010 (till Nov)	DTI Region XII in 2009
< Achieved Outcome through DTI initiated events >		
Exports generated (USD million)	32.9	36.3
Domestic sales generated (Php million)	400.6	219.9
Investment generated (Php million)	9,266	2,431
No. of jobs generated	12,667	15,292
< Major achieved outputs >		
No. of new products developed/brands introduced	62	92
No. of new export markets developed	10	5
No. of market linkages established	60	50
No. of new exporters developed/exporters assisted	26	13
Reduced processing time for BNR	15 minutes	1 day
No. of investment projects approved/in place	12	12
No. of new firms established	4	14
No. of relevant information packages availed of	20	4
Amount of loans availed of for MSMEs (Php million)	47	45
No. of firms adopting technology	59	18
No. of organizations strengthened	123	63
< Some of Major Inputs/Activities >		
No. of designs introduced/prototypes developed	304	236
No. of exhibitors in trade fairs	674	457
No. of firms matched in marketing	102	113
No. of participants in trade trainings	394	1,907
No. of exporters/clients facilitated for trade	2,214	N/A
No. of Business Names approved (new)	10,419 (8,935)	8,272 (7,184)
No. of participants for investment forums/clinics	234	689
No. of industrial clusters assisted/nurtured	18	33
No. of LGUs assisted for investment promotion	36	3
No. of projects assisted for financing	149	46
No. of participants for productivity trainings/seminars	2,235	5,572
No. of participants for technology exhibits	856	436
No. of business consultancies rendered	781	560
No. of associations/LGUs assisted for strengthening	181	62
< Major inputs >		
Total staff (for industry promotion)	106 (55)	70
Total budget (industry promotion) (Php million)	25.6 (13.3)*	43.68 (17.47)**

Source: DTI Region XI and XII

Note: * Not including personnel emolument (P.E.) expenses

** Including P.E. The budget for industry promotion is estimated to be 40% of the total budget.

Table A-2:

List of Enterprises in Maguindanao on Manufacturing, Registered at DTI-ARMM (As of 2010)

Business Name	City/Municipal	Description 1	Description 2
Maguindanao Halal Feed Center	Ampatuan	Feeding Stuff For Animals	Unprepared Animal Feeds From Vegetable Animal Oils And Fats
Buluan Iceplant	Buluan	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Manufacture Of Ice, Except Dry Ice
Egm Agri-Food Industry	Buluan	Vegetables & Fruits	Canning/Packing And Preserving Of Vegetables And
Gama African Palm Oil Plantation	Buluan	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)	Growing Of Oil-Producing Crops (Palm Oil Tree, Sunflower,
Egm Ice Plant	Buluan	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Manufacture Of Ice, Except Dry Ice
Gama Hatchery And Aqua Fishfarm	Buluan	Fishing And Marine Products	Production Of Fishmeal/Prawn Feeds
Egm Tilapia Hatchery	Buluan	Fishing And Marine Products	Processing, Preserving And Canning Of Fish, Crustacean
Blossoms Banana Chips Factory	Buluan	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Manufacture Of Snack Products Such As Corn Curls,
Jinky Bakeshoppe	Buluan	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Distilleria Don Felipe, Inc.	Datu Odin Sinsuat (Dinaig) (Capital)	Vegetable Oils & Fats	Manufacture Of Refined Coconut And Other Vegetable Oil
Jeru Mpc	Datu Odin Sinsuat (Dinaig) (Capital)	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Manufacture Of Drinks Flavored With Fruit Juices, Syrups Or
Coco Body Shoppe	Datu Odin Sinsuat (Dinaig) (Capital)	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)	Growing Of Oil-Producing Crops (Palm Oil Tree, Sunflower,
Amor Bakery	Datu Odin Sinsuat (Dinaig) (Capital)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar

B.J.M. Furniture Shop	Datu Odin Sinsuat (Dinaig) (Capital)	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Samsiya Coffee And Bakeshop	Datu Odin Sinsuat (Dinaig) (Capital)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Tenorio Integrated Farm Mpc	Datu Odin Sinsuat (Dinaig) (Capital)	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Dulawan Coffee	Datu Piang	Coffee, Tea, Cocoa	Coffee Roasting And Processing
Bfmp Agri Ventures	Gen. S. K. Pendatun	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)	Growing Of Oil-Producing Crops (Palm Oil Tree, Sunflower,
Acepad Seednuts Producer	Guindulungan	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)	Growing Of Oil-Producing Crops (Palm Oil Tree, Sunflower,
Topsoil Organic Technologies	Guindulungan	Fertilizers	Manufacture Of Fertilizers And Nitrogen Compounds
Js Heritage Cottage Industry	Guindulungan	Ornamental Plant	Manufacture Of Artificial Flowers, Fruits And Foliage
Rc. Santillana Sand And Gravel Concession	Guindulungan	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Articles Of Concrete, Cement And Plaster, Not Elsewhere Classified
Langkuno's Muscovado Sugar Manufacturing	Paglat	Sugar, Sugar Preparations	Growing Of Sugarcane, Including Muscovado
A & N Fastfood	Parang	Miscellaneous Edible Crops	Manufacture Of Food Products, N.E.C.
Celine's Furniture Shop	Parang	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
628 Bakeshoppe	Parang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
An Bakeshop	Parang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Bmb Mini Sawmill	Parang	Cork, Wood And Lumber	Manufacture Of Rough Lumber
Aslin Marketing	Sultan Kudarat (Nuling)	Vegetable Oils & Fats	Manufacture Of Refined Coconut And Other Vegetable Oil
Tj Star Ice Plant & Cold Storage, Inc.	Sultan Kudarat (Nuling)	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Manufacture Of Ice, Except Dry Ice
Hasanah Food Industry	Sultan Kudarat (Nuling)	Meat & Meat Preparation	Production, Processing And Preserving Of Meat And Meat Products

Esra & Talusan Chb & Sand & Gravel	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Articles Of Concrete, Cement And Plaster, Not Elsewhere Classified
Al Jeraisy Hollow Block Factory	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Cs Sand & Gravel Commercial	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Articles Of Concrete, Cement And Plaster, Not Elsewhere Classified
Ali Dimalao Furniture	Sultan Kudarat (Nuling)	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Mighty Built Chb Factory	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Ginis. Arts & Crafts	Sultan Kudarat (Nuling)	Textile Yarns, Fabrics, Made-Up Articles & Accessories	Manufacture Of Embroidered Fabrics
Al-Hassam Furniture Shop	Sultan Kudarat (Nuling)	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Geotextile Industries Philippines Inc.	Sultan Kudarat (Nuling)	Textile Yarns, Fabrics, Made-Up Articles & Accessories	Manufacture Of Cordage, Rope And Twine And Products Thereof , N.E.C.
Irish Sand, Gravel & Hollow Block Factory	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Articles Of Concrete, Cement And Plaster, Not Elsewhere Classified
Ules Hollow Block Factory	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Lamsan, Inc.	Sultan Kudarat (Nuling)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Manufacture Of Starches And Starch Products
Macasero Bakeshop	Sultan Kudarat (Nuling)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Abja - Hollow Blocks Manufacturer	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Bheb's Chb Sand And Gravel Dealer	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Articles Of Concrete, Cement And Plaster, Not Elsewhere Classified
Ric Bakeshop	Sultan Kudarat (Nuling)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Bai Twelve Bakeshop	Talayan	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Pinansaran Logging Concession	Upi	Forestry, Logging And Related Activities	Other Forestry Activities, N.E.C.
Nuyo Furniture	Buldon	Furnitures & Parts Thereof	Manufacture And Repair Of Other Furniture And Fixtures,
Firdaus Integrated Farm	Datu Odin Sinsuat (Dinaig) (Capital)	Farming Of Animals (Eg. Hog, Livestock, Poultry, Dairy)	Beef Cattle Farming (Including Feed Lot Fattening)

Living Spring Bakeshop	Datu Odin Sinsuat (Dinaig) (Capital)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Musa Agroforestry Nursery	Datu Odin Sinsuat (Dinaig) (Capital)	Forestry, Logging And Related Activities	Other Forestry Activities, N.E.C.
Juncris Bakeshop	Datu Odin Sinsuat (Dinaig) (Capital)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Aqua Works Purified Drinking Water	Parang	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Manufacture Of Drinking Water
Mama Susing Bakeshop	Parang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Manufacture Of Starches And Starch Products
Farco Bakeshop	Parang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Ailie's Bakeshop	Parang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Strike Dot Guns & Ammos	Parang	Guns, Ammunition, And Fighting Vehicles	Manufacture Of Weapons And Ammunitions, N.E.C.
Asd Concrete Products Enterprises	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Zeyad Tabang Hallow Block Factory	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Rebuken Furniture Shop	Sultan Kudarat (Nuling)	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Hashem's Furniture Shop	Sultan Kudarat (Nuling)	Cork, Wood And Lumber	Manufacture Of Other Products Of Bamboo, Cane, Rattan And The Like And Plaiting Materials, N.E.C.
3m Stone Built	Sultan Kudarat (Nuling)	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Jan-Jan Iron Works	Sultan Kudarat (Nuling)	Metal Working Machineries	Machine Tools And Accessories Including Precision Measuring Tools
A & J Banana Farm	Sultan Mastura	Vegetables & Fruits	Growing Of Banana, Cavendish
Meryan's Hollow Block Factory	Sultan Mastura	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Baka Bakery	Upi	Cereals & Cereal Preparations (Eg. Rice,	Baking Of Bread, Cakes, Pastries, Pies And

		Corn, Wheat)	Similar
8j's Bakeshop & Refreshment	Upi	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Jerome's Bakeshop	Upi	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar

Table A-3:

List of Enterprises in Lanao del Sur on Manufacturing, Registered at DTI-ARMM (As of 2010)

Business Name	City/Municipal	Description 1	Description 2
Maguindanao Halal Feed Center	Ampatuan	Feeding Stuff For Animals	Unprepared Animal Feeds From Vegetable Animal Oils And Fats
Lobregat Family Milling Corporation	Balabagan	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Manufacture Of Starches And Starch Products
Tomara's Seed Grower	Balindong (Watu)	Miscellaneous Edible Crops	Manufacture Of Food Products, N.E.C.
Lanao Tree Planters Cooperative (Ltpc) Mini Sawmill And Lumber Yard	Balindong (Watu)	Cork, Wood And Lumber	Manufacture Of Rough Lumber
Mt. Kalatungan Agri-Ventures, Inc.	Bumbaran	Vegetables & Fruits	Growing Of Banana, Cavendish
Asm Sawmill Enterprises	Bumbaran	Forestry, Logging And Related Activities	Other Forestry Activities, N.E.C.
Sakba Furniture Shop	Ditsaan-Ramain	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Malna Coal Resources	Kapai	Coal, Coke & Briquettes - Charcoal Making	Manufacture Of Coke Oven Products
Al-Haqq Bread Hauz	Malabang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Malabang Baker	Malabang	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Aqua Clear Mineral Drinking Water	Marawi City	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Bottling Of Mineral Waters
Aqua Moon Purified Drinking Water	Marawi City	Beverages (Including Wine, Liquor And Alcoholic Drinks)	Bottling Of Mineral Waters
Oisca Farm Mpc Contracting Services	Marawi City	Vegetables & Fruits	Growing Of Fruit- And Flower-Bearing Vegetable, N.E.C.
Su Ming Lee Food Processing	Marawi City	Miscellaneous Edible Crops	Manufacture Of Food Products, N.E.C.
Kalimudan Local Products Business Ventures	Marawi City	Vegetables & Fruits	Canning/Packing And Preserving Of Fruits And Fruit Juices
Halal Spices & Condiments	Marawi City	Vegetables & Fruits	Manufacture Of Fruit And Vegetable Sauces (E.G., Tomato

Salamiah Furniture	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
As-Saadah Women Mpc	Marawi City	Textile Yarns, Fabrics, Made-Up Articles & Accessories	Manufacture Of Embroidered Fabrics
Mega Bakeshoppe	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Al-Hizam Bakeshoppe	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Darul Arqam Sweet Cakeshoppe	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Melnar Furniture	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Masban Marketing	Marawi City	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)	Manufacture Of Structural Concrete Products
Old Tugaya Product Store	Marawi City	Handicrafts And Novelty Goods	Manufacture Of Wood Carvings
Buadi Sacayo Mini-Sawmill	Marawi City	Forestry, Logging And Related Activities	Other Forestry Activities, N.E.C.
Amj Minimart And Bakeshop	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Fedlands Fmpc Woodcraft And Furniture Shop	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Other Furniture And Fixtures,
Myra Marketing/Furniture And Home Decor	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Ranao Wood Processing And Mini Sawmill	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Marawi Furniture Shop	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Darul Arqam Monique Cakeshoppe	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Darul Arqam Sweet Cake Shop	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Wane Wood & Furniture Shop	Marawi City	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Shekey's Best Pizza And Burger	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar

Sahara Bakery	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Excellent Tailoring	Marawi City	Articles Of Apparel & Clothing Accessories	Manufacture Of Other Wearing Apparel, N.E.C.
5-Eleven Breadhouse And Snack Inn	Marawi City	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Baking Of Bread, Cakes, Pastries, Pies And Similar
Lanao Mining Industries	Marogong	Coal, Coke & Briquettes - Charcoal Making	Manufacture Of Coke Oven Products
Mulondo Furniture	Mulondo	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Deca's Cattle Grower	Piagapo	Farming Of Animals (Eg. Hog, Livestock, Poultry, Dairy)	Beef Cattle Farming (Including Feed Lot Fattening)
Mosama's Cattle Grower	Piagapo	Farming Of Animals (Eg. Hog, Livestock, Poultry, Dairy)	Beef Cattle Farming (Including Feed Lot Fattening)
Normallah Farms	Picong (Sultan Gumander)	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)	Growing Of Oil-Producing Crops (Palm Oil Tree, Sunflower,
Lanao Seed Grower	Poona Bayabao (Gata)	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Growing Of Palay, Lowland, Rainfed
Candidato L. Capal Mini-Sawmill & Lumber	Tagoloan Ii	Forestry, Logging And Related Activities	Other Forestry Activities, N.E.C.
Vdc Mini Sawmill	Tagoloan Ii	Cork, Wood And Lumber	Manufacture Of Rough Lumber
Marcaie Mechanical Fabrication Shop	Tamparan	Iron & Steel	Manufacture Of Structural Steel Products And Metal Components Of Bridges Smoke Stacks And Buildings
Blaise Nursery	Wao	Miscellaneous Edible Crops	Growing Of Other Crops, N.E.C.
Super Highland Organic Banana, Inc. (Plantation)	Wao	Vegetables & Fruits	Growing Of Banana, Cavendish
Wao Development Corporation	Wao	Vegetables & Fruits	Growing Of Pineapple
Corpuz Shop	Wao	Iron & Steel	Manufacture Of Structural Steel Products And Metal Components Of Bridges Smoke Stacks And Buildings

Kalaw's Furniture	Wao	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture
Tome Tradings	Wao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)	Manufacture Of Starches And Starch Products
Toto Furniture Shop	Wao	Furnitures & Parts Thereof	Manufacture And Repair Of Wood Furniture

Table A-4:

List of Enterprises in Basilan on Manufacturing, Registered at DTI-ARMM (As of 2010)

Business Name	City/Municipal	Products
Sun Beam Food Processing	Hj. Muhtammad	Soy Sauce/Vin.
5d's Bakery-Roxas Ave. Br.	Lamitan	Bakery Prods.
A.M. Enrique Bangus Fry Dealer	Lamitan	Bangus Fries
Andong Farm Production & Trdg.	Lamitan	Farm Products
Andong"S Agri-Prod"N & Trading	Lamitan	Agri-Products
Apollo Bakery	Lamitan	Bakery Prod.
Basilan Seedling	Lamitan	Seedling
Basileños Ofw & Their Dependents Mpc	Lamitan	Rubber
Chi-Chia Family Restaurant & Bakery	Lamitan	Bakery Prod.
Cmc Rubber	Lamitan	Rubber
D.T. Ledesma 5d's Bakery	Lamitan	Bakery Prods.
Edzel's Tira-Tira Candy	Lamitan	Candy
Efren J. New Coffee Dlr. And Exporter	Lamitan	Coffee
Efren J. New Rubber Processing Plant	Lamitan	Rubber
El Sebra Marketing	Lamitan	Ice
Koki Furniture & Lumber Dealer	Lamitan	Furnitures
Lamitan Awe-Furniture	Lamitan	Wood Furniture
Lamitan Bakers	Lamitan	Bakery Prod.
Lamitan Far East Seedling Propagator	Lamitan	Seedling
Lamitan Furniture & Lumber Dlr.	Lamitan	Lumber/Fur.
Lamitan Furniture Cottage Ind.	Lamitan	Wooden Furniture
Lamitan Panadero	Lamitan	Bakery Prods.
Lamitan Yakan Cloth Weavers	Lamitan	Yakan Clothes
Lamitan's Sto, Niño Bakery	Lamitan	Bakery Prods.
Larbeco Agri Trading & Proc Srves.	Lamitan	Agri Prod.
Mubin Arafat Bakery	Lamitan	Bakery Prod.
N.U. Valbuena Bakery	Lamitan	Bakery Prod.
Nang Caring's Delicacies	Lamitan	Banana Chips
New Apollo Bakery	Lamitan	Bakery Prods.
Oro Edison Rubberwood Products	Lamitan	Rubberwood
Rania Trading And Processing	Lamitan	Agri Products
Scarbidci	Lamitan	Agri. Prod.

Scarbidci Sawmill & Furniture	Lamitan	Wooden Furniture
Sultan Suhtsi Soy Sauce Processing	Lamitan	Soy Sauce, Vin.
Una Bakery & Grocery	Lamitan	Bakery Prods.
Valbuena's Bakeshop	Lamitan	Bakery Prods.
Wilmar Edible Oils Phi;S, Inc.-Lam. Br.	Lamitan	Edible Oils
Yirdfi Gema Wood Ent. Resaw	Lamitan	Lumber
Yirdfi Gema Wood Enterprises	Lamitan	Wood Prods.
Abdulmabud Box Factory	Maluso	Wooden Bxs
Angel C. Elago Bakehouse	Maluso	Bakery Prods.
Bas. Hitech Woodcraft, Inc.	Maluso	Wood Products
Basilan Hitech Woodcraft	Maluso	Wood Products
Hdjinnulla Atih Prawn Culture	Maluso	Prawns
Herbal Line Enterprises	Maluso	Herbal Prods.
Hinangan Bajau-Csfi	Maluso	Asstd. Goods
Maluso Nene's Bakery	Maluso	Bakery Prods.
Najer Lumberyard & Box Factory	Maluso	Wooden Bxs
Shareefa Allyna's Bakery And Grocery	Maluso	Bakery/Grocery
Ting-Ting Bake Haus	Maluso	Bakery Prods.
Aimarbempco Furniture Shop & Lumber Dealer	Sumisip	Furniture/Lumber
Av Manufacturing	Sumisip	Liquid Soaps, Etc.
Munjir Ringnet Fishing	Sumisip	Fresh/Dried Fish
Mrd Rubber Dealer	U. Pukan	Rubber

Table A-5:

List of Enterprises in Sulu on Manufacturing, Registered at DTI-ARMM (As of 2010)

Business Name	City/Municipal	Products
Hattam Rtw & Gift Shop	Jolo	Gift Items
X'ne Lush Bakery	Jolo	Bread And Other Pastries, Cookies
Sulu Heritage Products	Patikul	Local Handicraft, Native Delicacy
Jn Gift Shoppe Enterprises	Jolo	Gift & Wrap For Occasion
Jul's Bakery	Jolo	Bread, Pastry And Cookies
Cysler Furniture	Jolo	Coffee Shop
Sulu Handicrafts	Kakuyagan	Mat And Traditional Handicrafts
Chit's Cake House	Jolo	Cakes And Pastries
Bus-Bus Furniture	Jolo	Furniture And Fixture Making
Dennis Coffee Shop	Jolo	Coffee Shop
Hattam Rtw & Gift Shop	Jolo	Gifts And Gift Wrapping
Kim-Rtw & Gift Shop	Jolo	Gifts And Rtw
Athea Bakeshop	Jolo	Cake And Pastries, Cookies
Sunrise Bakery	Jolo	Bread, Pastries, Cookies

Table A-6:

List of Enterprises in Tawi-Tawi on Manufacturing, Registered at DTI-ARMM (As of 2010)

Business Name	City/Municipal	Products
Tubig Surgah Purified Drinking Water	Bongao	Beverages (Including Wine, Liquor And Alcoholic Drinks)
Yang's Bakery & Grocery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Dayang Durina Store & Bakeshop	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Esther Bakeshop And Grocery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Princess Bakery And Coffee Mix	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Marnie's Bakeshop	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Abejo's Foods	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Shannen Bunch Bakeshop	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Jsmr Bakery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Esther Bakeshop & Grocery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Catian Bakeshop And Grocery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Krizhia Anne Furniture Shop	Bongao	Furnitures & Parts Thereof
Maritess Camia Bakeshop	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
New Bongao Glass Center	Bongao	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)
South Pole Ice Factory	Bongao	Miscellaneous Edible Crops
Double B Foods	Bongao	Meat & Meat Preparation
Bongao Ice Plant	Bongao	Miscellaneous Edible Crops
Dimple's Goldsmith And Jewelry Shop	Bongao	Gold, Non-Monetary
Aqua Tricia Purified Water And Refilling Station	Bongao	Beverages (Including Wine, Liquor And Alcoholic Drinks)

Tawi-Tawi Kingfisher, Inc.	Bongao	Fishing And Marine Products
Leng-Leng Marketing	Bongao	Beverages (Including Wine, Liquor And Alcoholic Drinks)
Krishna Fresh Mineral Water	Bongao	Beverages (Including Wine, Liquor And Alcoholic Drinks)
Diansuy Hollow Blocks Maker	Bongao	Hardware
Diansuy Hollow Blocks Maker	Bongao	Non-Metallic Minerals (Glass, Concrete Products, Ceramics)
Mryna's Special Peanut Butter	Bongao	Oil Seeds & Oleaginous Fruits (Eg. Peanut, Kasuy, Palm Oil Tree, Sunflower, Coconut)
Jjh Furniture & Upholstery	Bongao	Furnitures & Parts Thereof
Crystal Clear (Purified Drinking Water)Bongao Branch	Bongao	Beverages (Including Wine, Liquor And Alcoholic Drinks)
Czar's Care Marketing	Bongao	Chemical Materials & Products (Insecticide)
H.G.A. Furniture Shop	Bongao	Furnitures & Parts Thereof
Ald-Donns Bakery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Ald-Donns Bakery	Bongao	Cereals & Cereal Preparations (Eg. Rice, Corn, Wheat)
Ericca's Home Delicacies	Bongao	Miscellaneous Edible Crops

Table A-7: List of Identified OTOP (1/2)

Name of LGU	Identified OTOP	Date of <i>Sangunian Bayan</i> (SB) Endorsement
Maguindanao		
1. Sultan Kudarat	Inaul (Loom Woven Fabric)	SB Resolution No. 08-01, 2008
2. Ampatuan	Rice & Corn	SB Resolution No. 2208-30
3. Rajah Buayan	Rice & Corn	SB Resolution No. 022, 2008
4. Shariff Kabunsuan	Halal Products	SB Resolution No. 20, 2008
5. Parang	Seaweed	SB Resolution No. 07-15-08, 2008
6. Datu Odin Sinsuat	Livestock Production	SB Resolution No. 332, 2008
7. Mother Kabuntalan	Aqua Fresh Water Fish	SB Resolution No. 42, 2008
Lanao del Sur		
1. Balabagan	Abaca Production	Resolution No.001
2. Buadipuso-Buntong	Rice Production	Resolution NO. 10, Series of 2008
3. Butig	Gravel & Sand (Concrete)	Resolution No. 45-07
4. Ditsaan-Ramain	Rice Production	Resolution No. 032-008
5. Malabang	Fish Processing Smoke, Tuna	Resolution No. 08-005
6. Maranatao	Corn Production (By-Products)	Resolution No. 19, s. 2008
7. Masiu	Gravel & Sand (Concrete)	Resolution No. 20., S. 2008
8. Pualas	Food processing (Halal Palapa)	Resolution No. 0055-08
9. Tugaya	Metal & Woodcraft	Resolution No. 09-08
Basilan		
1. Ungkaya Pukan	Rubber - 1st Priority	SB Resolution No. 08-11. 2008
	Coconut - 2nd Priority	
	Seaweeds - 3rd Priority	
2. Lamitan City	Rubber - 1st Priority	SB Resolution No. 2008-16
	Coconut - 2nd Priority	
	Marine/Fishery - 3rd Priority	
3. Sumisip	Rubber - 1st Priority	SB Resolution No. 02, 2008
	Cassava - 2nd Priority	
	Fish Industry - 3rd Priority	
4. Lantawan	Coconut - 1st Priority	Resolution No. 47, 2008
	Rubber - 2nd Priority	
	Seaweeds - 3rd Priority	
Sulu		
1. Kalingalan Caluang	Seaweeds Production	SB Resolution No. 004, 2008
2. Talipao	Coffee	SB Resolution No. 05, 2008
3. Siasi	Red Clay Bricks	SB Resolution No. 06, 2008
4. Patikul	Abaca Fiber	SB Resolution No. 026, 2008
5. Parang	Piz Cloth	SB Resolution No. 08-082
Tawi-Tawi		
1. Sitangkai	Seaweeds	Resolution No.008-012
2. Languyan	Processed Marine Products	SB Resolution No. 9, 2008
3. Panglima Sugala	Cassava & Fresh Fruits	Draft already presented to SB
4. Simunul	Native Delicacies	Draft already presented to SB
5. Bongao	Cassava & Native Delicacies	Draft already presented to SB

* *Sangunian Bayan*=Municipal Council

Table A-8: List of Identified OTOP (2/2)

Name of LGU	Identified OTOP	Date of <i>Sangunian Bayan</i> (SB) Endorsement
***Municipalities with validated OTOP but still waiting for the SB Resolution		
Maguindanao		
1. Northern Kabuntalan	Rice	No endorsement
2. North Upi	Corn	No endorsement
3. Matanog	High Value Fruits	No endorsement
4. Paglat	Kawilan Rice	No endorsement
5. Buluan	Banana Chips	No endorsement
6. South Upi	Abaca	No endorsement
7. Datu Paglas	Rice	No endorsement
8. SK Pendatun	Corn	No endorsement
Lanao del Sur		
1. Bacolod-Kalawi	Loom Weaving	No endorsement
2. Kapai	Ginger Production	No endorsement
3. Madalum	Bamboo Rattan Craft	No endorsement
4. Madamba	Bamboo Rattan Craft	No endorsement
5. Mulondo	Livestock & Corn	No endorsement
6. Wao	Feed	No endorsement

Annex 2: Workshop and Seminar Reports

1. Inception Report Seminar (August 2010)

Seminar-Workshop on LIP-ARMM

Minutes of the Meeting

Development Study of the Promotion of Local Industry in the ARMM, Philippines
August 2-3, 2010 – Estosan Garden Hotel, Cotabato City

DAY 1 – AUGUST 2, 2010 (MONDAY)

The meeting started at 8:30 in the morning.

Highlights of the Meeting

A. Opening Program

- An invocation was given by Dr. Masla, and followed by singing of the national anthem.
- Messages
 - a. Atty. Naguib Sinarimbo, the Chairman of the Project Steering Committee (PSC) of LIP-ARMM, introduced the distinguished guests and participants. He expressed the appreciation and gratitude of ARMM Governor Adiong to JICA and the Japanese for coming up with another study which will impact the development in the ARMM. He further stated that it is essential for people in the ARMM to support and promote local industry for development in the region and be globally competitive. He urged the different line agencies present in the seminar-workshop to cooperate fully with JICA and become co-authors for the promotion of this industry.

- b. Mr. Tomonori Kikuchi, Senior Advisor on Socio-Economic Section of International Monitoring Team, introduced LIP-ARMM as part of the initiative for the policy framework of ODA to Mindanao. JICA has been supporting the human resource development of ARMM officials and implemented comprehensive analysis of priority needs in about 800 barangays. The important elements for social development are continuous initiatives and strong ownership. He expected a close partnership among different stakeholders for the success of this project. He also expected that the participants to actively participate during this seminar-workshop.

- c. Ms. Akamatsu Shiho, JICA Davao Field Office stated that JICA recognizes the economic development in peace building. It was a great pleasure to be a part of this endeavour because it highlighted JICA's strong commitment for peace and development in Mindanao. She further mentioned that emphasis on the technical and objective analysis of the current situation in the ARMM must be in place to effectively design a framework for local industry promotion in the region. She also stressed the important roles of DAF and DTI ARMM as the main stakeholders in this project, and reiterated that cooperation is essential to achieve the over-all goal or success of this study. One of the major outcomes of this study is to have a basic development plan for the promotion of local industry, and at the same time, one of the interventions is the capacity building of government officials. She encouraged everybody especially the ARMM officials to make use of this kind of workshop so that in the future they can formulate a development plan by themselves. She hoped full support and commitment for the development in Mindanao.

- d. Mr. Kazuo Sudo, JICA Expert to ARMM, mentioned that JICA prioritized the enhancement of human resources for capacity development of ARMM officials and staff since 2004. ARMM has potentials for economic

development because it has rich natural resources as well as human resources. The study has to have a follow-up program in order to spur development and employment in the region.

- e. Atty. Asnaira Batua, Regional Secretary of DTI, stated that this study is working into the potentials and constraints of the local industry in the ARMM. She was looking forward to having follow-up projects after the study.

B. Lecture 1: Implementation Purpose, Study Contents, Study Period, Prospective Outputs/Conclusions, Introduction of the Study Team
– Dr. Hiroaki Terashima (Study Team Leader)

OPEN FORUM		
	Question	Answer
Engr. Robert Tan (Tawi-Tawi Chamber)	We have 3 proposals, one of which is the coral farming, that will help local industry in our area. Will JICA assist us in this	<i>Dr. Terashima:</i> The study will consider only the primary industry to be included in the development plan. We will be glad to have the information mentioned in your proposals.
Prof. Delfine Papa (Dean of Fisheries – MSU Maguindanao)	How long will JICA last?	<i>Dr. Terashima:</i> This project is just a study. It depends on the result of the final report whether or not JICA will have a continuation of this program. <i>Ms. Akamatsu:</i> It is difficult to mention how long, but JICA's support have been on-going for quite some time now. It also depends on the outcome of the different projects that JICA is

OPEN FORUM		
	Question	Answer
		<p>implementing, although JICA recognizes the need for a longer term intervention and support.</p> <p><i>Mr. Numata:</i> Based on personal opinion, JICA's cooperation in the Philippines will not continue forever. If we look back, JICA's commitment to this region started since 2003. We have to emphasize future strategies in order to develop and improve the region.</p>
Mr. Julkiram Arastam (Sulu Chamber)	<p>There will be a province-wide business forum on September 22, 2010. It is hoped that one of the outputs of this forum is to have a database of the potential products in Sulu. Hope we can invite people from JICA to the forum. Up to what extent will JICA support in the promotion of our local products?</p>	<p><i>Dr. Terashima:</i> The goal of this Study is to design a master plan on the promotion of the local industry based on information collected.</p> <p><i>Mr. Numata:</i> Information from the island provinces is viable and to be considered.</p> <p><i>Mr. Sudo:</i> We will discuss with you how we can be part of this forum.</p>
(DAF-ARMM)	<p>What will come next after the Study and how long will it take place?</p>	<p><i>Dr. Terashima:</i> It will depend on the outcome of the Study. At this point, we can't really say</p>

OPEN FORUM		
	Question	Answer
		<p>what's coming next.</p> <p><i>Mr. Numata:</i> It depends on the Study Team and the ARMM Government, to convince JICA the potential of the local industry and to formulate priority programs for this.</p>
Mrs. Albaya Andamen (CEMILARDEF)	The question is related to Challenge No. 5: limitation of ARMM government and LGUs. After this program, do you plan of meeting the local officials to orient them about this Study?	<i>Dr. Terashima:</i> There is a plan to have several workshops. However, due to limited time and budget, it is difficult to invite all LGUs and all the stakeholders. It is requested that each participant to this seminar-workshop to disseminate the information gathered to their respective agency.
Mr. Mitchel Manalocon (Maranao Chamber)	(Showed some of their soy bean products). ARMM does not give any notice to this product. We have 2 hectares plantation and this is a potential product in the region. Can JICA support us in order to expand the cultivation of these products?	<i>Dr. Terashima:</i> We will collect such information in order to have strategies for the development of this industry.

C. Lecture 2: Current Conditions of the Study Area (ARMM), Subjects of the Research Analysis, Challenges – Ms. Haruko Awano (Deputy Leader/Local Industry Promotion II/Microfinance)

OPEN FORUM		
	Question	Answer
Engr. Robert Tan (Tawi-Tawi Chamber)	I just want to clarify the data because even in government data, Tawi-Tawi is the poorest province in the country even though we have 70% of the seaweeds industry in Mindanao and the only province in the ARMM with a mall.	<i>Ms. Awano:</i> The presentation is limited to business data. Tawi-Tawi has lots of potentials. We can't just depend on the statistics, but also the actual situation.
	The information provided is comprehensive and there is still a big potential in the ARMM. Government intervention has a big part for its success. Will you consider a study on the promotion of trade and industry on the part of the Government?	<i>Mr. Numata:</i> JICA doesn't carry out this part. <i>Dr. Terashima:</i> The scope of the workshop is mainly on the promotion of local industry. This is connected with several sectors. <i>Ms. Awano:</i> one of the strategies of the Study is the capacity development of ARMM Government.
Dr. Masla Musa (CEMILARDEF)	The geography of ARMM municipalities differs from one another. Are we going to prioritize the	<i>Ms. Awano:</i> We will not only focus on one product, but also several products. We will promote potential products per

OPEN FORUM		
	Question	Answer
	most important product by municipality?	<p>province taking into consideration the municipalities and location of the area.</p> <p><i>Dr. Terashima:</i> We will find out several products because there are many potential products here. We only have to choose the highest priority/most potential products, and be able to market it at a high value.</p>
Mr. Kanakan Duloan (ABC)	What is the role of private sector such as the Chambers and NGOs in this Study?	<i>Ms. Awano:</i> We have to know more about the activities and services being offered by the private sector. We recognize the importance of this sector in the implementation of this project. Based on the information, there are challenges being faced by this sector, and this can be discussed later.
Mr. Julkiram Arastam (Sulu Chamber)	The export data is true for the case of Sulu where there are lots of exotic foods. We have abundant supply of mangosteen, however, half of the harvest is being wasted. This discourages the	<i>Ms. Awano:</i> Mangosteen is included as one of the priority products. I understand there are issues in transportation, distribution and processing. We will have value chain analysis for agriculture and fishery products in this

OPEN FORUM		
	Question	Answer
	farmers because of the transportation cost and marketing. Something has to be done to maximize this potential, if we can only have processing plant for this purpose. I hope JICA can help us on this.	research. We also study other areas outside ARMM, so that the distribution or marketing strategies will be formulated.
Dr. Renato P. Gacayan (CEMILARDEF)	It is important to impart education to the young generation because they are the future entrepreneurs. Will this part of the Study?	<i>Ms. Awano:</i> Part of the Study is to gather data on micro-enterprise know-how of the people in the area.
Dr. Rogelio Bahinting (DAF – Basilan)	ARMM depends on agri-fishery industry and there is a great opportunity of ARMM for industrialization. However, for aqua-marine and agriculture, we lack energy (power/electricity) in the island provinces. There has been a move to improve the seaweeds industry, however it hasn't materialized yet because of this problem. For the rubber industry in Basilan, there is a lack of	<i>Ms. Awano:</i> We appreciate if you can supply us the information for the lack of power/electricity in the area, and we will look into what steps can be done. There is also a need for assistance from private sector outside of ARMM. It is also important for the products to be more accessible outside the region.

OPEN FORUM		
	Question	Answer
	processing plant and the only alternative is to sell raw products to middle men. There is also lack of commitment of some LGUs.	
Engr. Nasser Disimban (Maranao Chamber)	Our product is organic fertilizer, and also we have bagsakan (dropping point of products) center in Marawi City. Our problem is how we can develop our business or market system.	<i>Ms. Awano:</i> In some municipalities, there are no middle men. Farmers should organize cooperatives and ask LGUs how they can help in the marketing. Distribution channel is part of the Study.
Dr. Rima Hassan (Basilan Chamber)	Basilan is beyond the belt of typhoons. Basilan is known for rubber and coconut production. We have the market but usually it is more on middle men. With the transfer of technology, it is possible to have manufacturers in the area.	<i>Ms. Awano:</i> We have to consider that issue. It is important for us to come up with a very good proposal. <i>Dr. Terashima:</i> We need infrastructures like road and power plant. We need inputs from government also. This project is just the beginning of the road map, we may need some more years and budget to materialize this.
Engr. Robert Tan (Tawi-Tawi Chamber)	We are planning to put up a processing plant in Tawi-Tawi. However, the big players in the seaweeds industry are	

OPEN FORUM		
	Question	Answer
	controlling the price. It is good to have more investors from other countries.	

D. Lecture 3: Basic Strategies and Methods for the Study – Mr. Mitsuo Inuma
(Agriculture and Fisheries)

OPEN FORUM		
	Question	Answer
Dr. Renato P. Gacayan (CEMILARDEF)	<p>Regarding ARMM supporting MMSEs, the financial support from government and donors have changed the culture and mindset of people to “dole out”. People should be trained on how to borrow money, and in turn pay back. The system should be participative rather than dole out.</p> <p>Follow-up statement: This is the observation that we gather from the communities. We suggest another strategy such as the Indigenous Corporate Community</p>	<p><i>Mr. Inuma:</i> The intervention should not be more on financial aspect but more on concrete projects and programs as well as appropriate trainings. For this, cooperatives should be utilized/trained fully.</p> <p><i>Ms. Awano:</i> We will also have a study on micro-finance. Many people think that financial support comes in as grant rather than loan. We should advise cooperatives to mobilize its members.</p>

OPEN FORUM		
	Question	Answer
	that we have initiated in Manila. In this strategy, we educated the people and developed a certain product such as boneless tilapia. The problem is the capital, middle men are the ones interested because they have money. Educating the people is the most efficient way of helping develop the communities.	
Bai Sandra Siang (Muslim Chamber)	I appreciate this kind of initiative being extended to ARMM. Item No. 5 states about the challenge on limited administration capacity of the ARMM government and LGUs, and I appreciate that you included this in the framework because this is what ARMM really needs. We want to encourage more LGUs to be business friendly so that these LGUs will not solely depend from the national government or dole outs. My	<p><i>Mr. linuma:</i> There are different approaches and strategies to achieve the ultimate goal given different challenges.</p> <p><i>Dr. Terashima:</i> When the security is unstable, it is difficult to promote the local industry. When there is an improved industry (regional and provincial), the security situation in the area might improve. We also have to consider promoting region-wide industry aside from improving the local industry.</p>

OPEN FORUM		
	Question	Answer
	<p>question is, what is the relation of challenge 1 “<i>Impediment of economic development and trade promotion caused by unstable security situation</i>” and strategy 1 “<i>Formulate the development plan for promoting local industries from the viewpoint of regional development</i>” and output 1 “<i>Regional Development Strategic Plan through Local Industry Promotion</i>” ?</p>	<p><i>Ms. Awano:</i> It is difficult to study when the peace and order situation is unstable.</p>
<p>Engr. Robert Tan (Tawi-Tawi Chamber)</p>	<p>The coral farming study is already complete. The world market for this has already reached US\$ 900 million to US\$ 1.7 billion per annum. With a 40x50 feet coral table with 400 plants, a farmer can earn Php 4,000/month. Can we request your assistance to help us push the regional government specifically BFAR to approve the proposal?</p>	<p><i>Dr. Terashima:</i> The production may be fine, but the distribution channel may be the problem. We may consider your proposal in our study.</p>

OPEN FORUM		
	Question	Answer
	The conceptual design is very appropriate if the current situation will not change. If the situation changes, maybe due to peace and order/conflict, will this framework be improved or modified?	<p><i>Mr. linuma:</i> We will consider different strategies and be flexible enough to cater to any changes.</p> <p><i>Dr. Terashima:</i> We will try to correct or update the data in the report. The situation may not change drastically.</p>
Bai Sandra Siang (Muslim Chamber)	In item no. 1, maybe we have to re-word the strategy. We have to project ARMM as business friendly area specifically in terms of tourism so as to invite investors and tourists to come in.	<i>Dr. Terashima:</i> This is just an inception report. Our goal is to make a master plan. We shall consider your suggestion and see how we can do it.
Mr. Ramjie Odin (MSU-Maguindanao)	Regarding coral farming, there is a dilemma on what to consider either environment conservation or promoting the industry. Also, there is unstable security situation and “lagay” system. Some political people are doing this. How can we invite investors if we have people in the government doing this?	<p><i>Reaction from Engr. Tan:</i> In the proposal, we will not just harvest corals, but we will also re-plant them. 10% of the harvest will go back to the sea. Farmers should guard their farm from coral destruction such as dynamite fishing.</p> <p><i>Dr. Terashima:</i> Coral is a potential industry for business, but we also have to consider that aside from human intervention, climate</p>

OPEN FORUM		
	Question	Answer
		<p>change and global warming cause harm to corals. We have to know the present situation, gather relevant information and see what we can do about it. Even if we have the data now, we may not be able to find all the solutions. However, we have to pursue this effort.</p> <p><i>Reaction from Engr. Tan:</i> Requested heads of office to support the proposal.</p>
Larry (HDC TWG RBOI)	<p>Reaction: I am a member of the TWG (technical working group) in the human development capacity. In this project, we were immersed with the farmers on ground. My recommendation is to adopt this kind of strategy in this study. The LGUs should also be involved in the promotion of investment.</p>	
	<p>This is regarding item no. 1, we have a program in the university called household</p>	

OPEN FORUM		
	Question	Answer
	enhancement and livelihood program for rebels and rebel returnees. We can come up with certain strategies like this.	

E. Lecture 4: Methodology and Process of the Actual Study – Mr. Hisamitsu Shimoyama and Mr. Ken Araki

OPEN FORUM		
	Question	Answer
Mr. Ceviles (DILG)	May I request for the list of 15 municipalities in Maguindanao to be surveyed? So that we can already coordinate with these LGUs on what data that you will need.	<i>Mr. Shimoyama:</i> We can provide you the list later.
Adi (MYRO)	I would like to recommend having a legislative policy for the conduct of this study.	<i>Ali Mala:</i> Most of the reports of the study concern only the executive body but not the policy body. <i>Mr. Ceviles:</i> An executive order is already enough, unless we come up with a local industry code which needs to pass the legislative body.

OPEN FORUM		
	Question	Answer
Bai Sandra Siang (Muslim Chamber)	Regarding Phase 3 of the study which is training in Thailand, can we also consider training in Japan because I am amazed on how they package their delicacies?	<p><i>Dr. Terashima:</i> Originally, we are not planning to have training in Japan. Unfortunately, in this study, we will not consider Japan. However, we will take in your suggestion/recommendation as input to the interim report.</p> <p><i>Dr. Gacayan:</i> We can't develop our industry if we do not have the technology. Show-case Japan technology that can be replicated here in the Philippines.</p>
Larry (HDC TWG RBOI)	What are the criteria for the selection of the 15 municipalities per province to be covered in the study? I would like to suggest that you develop the criteria.	<i>Mr. Shimoyama:</i> We are still finalizing the municipalities. One of the factors that we will consider is the security issue. The number of municipalities may not be targeted at 15. The criteria will be formed but main point in the criteria is the security.
Adi (MYRO)	Are the newly created municipalities in Maguindanao included in the list?	<i>Mr. Shimoyama:</i> We are going to clarify this later.

The meeting ended at 3:50PM.

DAY 2 – AUGUST 3, 2010 (TUESDAY)

The meeting started at 8:45 in the morning.

Highlights of the Meeting**A. Opening Program**

- The meeting started with an invocation given by Dr. Masla.
- Ali Mala gave a recap of the activities/lectures given on the first day.

B. Lecture 5: Prospective Contents of the Interim Report, Outputs/Conclusion of the Final Reports: Mr. Masayoshi Nakatani and Mr. Shingo Furuichi

OPEN FORUM		
	Question	Answer
Dr. Rima Hassan (Basilan Chamber)	Who is conducting the survey specifically in the island provinces? I would like to suggest getting people who can penetrate the area.	<p><i>Dr. Terashima:</i> When we conduct the surveys, we try to find good sub-contractors. When we gather the data, we will definitely ask local people as well as consult with DTI provincial office. We will also discuss this with our counterparts</p> <p><i>Mr. Furuichi:</i> Getting data at the municipal level is difficult, maybe later during the workshop we can ask from the participants to whom should we</p>

OPEN FORUM		
	Question	Answer
		ask data from.
(DAF)	What will happen to this program if we can't find donors/funding after the study?	<i>Dr. Terashima:</i> This is a development study which we try to make a good action plan for promoting the local industry. After this we may assist in calling in investors. But of course, it will be the effort of ARMM and its people to pursue the goal of this study. We have to come out with a very good action plan in order to achieve it.
Ms. Jalika Mangacop (DAF)	Some of the products, such as mangosteen, in the ARMM are wasted because of lack of infrastructure and technology, if we don't have donors/investors coming in, how can we promote our local industry?	<i>Mr. Furuichi:</i> We are enthusiastic to work in the ARMM. Some perishable products are exposed to fluctuation of price. If we can process it to a value added product or look for other alternatives to enhance the value of these products. We may need to find out good examples from other countries that can be replicated in the ARMM.
Ms. Hayat Pilas (CDA)	From CDA ARMM, what we can share with you are data on the cooperatives in the area.	<i>Mr. Furuichi:</i> Thank you for sharing the information. And we will take up your suggestion.

OPEN FORUM		
	Question	Answer
	Most of the cooperatives in the ARMM do not succeed because of limited education. Some of the member and officers do not know their roles and responsibilities. I would like to suggest to give them more training in financial management.	
Edward Aludin (DA Tawi-Tawi)	There is over supply of mangosteen in Sulu, if we can possibly look into the world market for this product.	<i>Mr. Furuichi:</i> We have to carefully look into the markets both local and international.
Engr. Robert Tan (Tawi-Tawi Chamber)	We have comprehensive development study. In our 2 nd proposal, we are willing to put up capital on the marang and mangosteen preservation. We just lack training on the processing and preservation of these products. Our 3 rd proposal is to collect used plastic and turn it into wood. We need chemical engineer or chemist (experts).	<i>Mr. Furuichi:</i> We have to look into the markets of these products and also the attitude of the consumers whether they want to buy or not. Could you explain to me later regarding your 3 rd proposal? <i>Dr. Terashima:</i> After the session, we can discuss some of the specific products.
Dr. Josephine	We like to invite Mr.	

OPEN FORUM		
	Question	Answer
Migalbin (USM)	Robert Tan because we have perfected the processing of marang.	
Harry Haron (DTI Sulu)	I am a processor of mangosteen, making jam. There is no problem in market. The problem is in the production. If DA can solve the problem in production, maybe we can have a good mangosteen industry. We have to find technology on how we can produce mangosteen whole year round.	
	Suggestion: Part of the interim report is the review of the secondary data. Can we have a specific section in the interim report to discuss and compare reports on ARMM industry promotion and Philippine industry promotion, so we can have a figure or image of the disparity between them?	<i>Mr. Furuichi:</i> We will take your suggestion. The contents of the interim report can be adjusted later on.
	I understand that the survey is focused on	<i>Dr. Terashima:</i> We will also target such industry; however,

OPEN FORUM		
	Question	Answer
	agri-fishery, can we extend it to non-agri-fishery products such as handicrafts and cottage industry?	because of the limited time of the study, we may not be able to capture all the industries in the ARMM so we need to focus on the prioritized products.

C. Lecture 6: Subjects of Joint Research Activities – Dr. Hiroaki Terashima

OPEN FORUM		
	Question	Answer
Dr. Rima Hassan (Basilan Chamber)	Why was Zamboanga City chosen to be the location of the field office for the island provinces?	<i>Dr. Terashima:</i> Zamboanga City is an ideal/economical location for the 3 island provinces.
	Why is Pagadian city not included?	<i>Dr. Terashima:</i> Pagadian is included in the scope of area; we just failed to put it in the structure.
	What are the criteria for selecting the sub-contractors?	<i>Dr. Terashima:</i> We have guidelines and prepared the terms of reference of the sub-contractors.

D. Lecture 7: Agriculture, Forestry and Fishery Related Sub-Group Meeting – Mr. Iinuma, Mr. Furuichi and Mr. Nakatani

See attached documentation.

E. Lecture 8: Trade, Industry, Commerce and Infrastructure Related Sub-Group Meeting – Ms. Awano, Mr. Briones and Mr. Araki

See attached documentation.

Break-away session for Agriculture and Fisheries sector

Identifying and Ranking of Products according to level of Priorities:

Province	Agriculture	Fisheries	Aquaculture	Livestock	Forestry
Maguindanao	<ul style="list-style-type: none"> • Rice (1) • Corn (2) • Coconut (3) • Banana (4) • Mango (5) • Vegetables (6) • Coffee (7) • Oil Palm (8) • Sugar cane (9) • Rubber (10) • Turmeric • Marang • Ginger • Peanuts 	<ul style="list-style-type: none"> • Marine Fisheries (Lapu2x, Galonggong, Eel) (1) • Shell Fishes, Shrimps, Crabs, abalone (2) • Freshwater fishes (Tilapia, Catfishes, Mudfishes, Popoyo, carps) (3) 	<ul style="list-style-type: none"> • Tilapia • Milkfish • Seaweeds • Shrimps and Crabs • Catfishes • Eel 	<ul style="list-style-type: none"> • Goat (1) • Chicken (2) • Cattle (3) • Carabao (4) • Sheep (5) • Ducks (6) 	<ul style="list-style-type: none"> • Neem Tree (Insect Repellant) • Antipolo (Paper/Plywood) • Gemelina (Paper/Plywood) • Bamboo (Fishpen/Handicraft) • Eucalyptus (Medicinal) • Narra (Furniture) • Mahogany (House) • Rattan

<p>Lanao del Sur</p>	<ul style="list-style-type: none"> • Coconut (1) • Cassava (2) • Rice (3) • Ginger (4) • White Scallion (5) • Corn (6) • Vegetable (7) • Abaca (8) • Marang (9) • Banana (10) • Pineapple (11) 	<ul style="list-style-type: none"> • Marine Fish • Freshwater fish • Common Carp 	<ul style="list-style-type: none"> • Tilapia • Milkfish 	<ul style="list-style-type: none"> • Goat (1) • Cattle (2) • Chicken (3) • Carabao (4) • Ducks (5) 	<ul style="list-style-type: none"> • Neem Tree (Insect Repellant) • Antipolo (Paper/Plywood) • Gemelina (Paper/Plywood) • Bamboo (Fishpen/Handicraft) • Eucalyptus (Medicinal) • Narra (Furniture) • Mahogany (House) • Rattan
<p>Basilan</p>	<ul style="list-style-type: none"> • Rubber (1) • Coconut (2) • Coffee (3) • Cacao (4) 	<ul style="list-style-type: none"> • Marine Fish (fresh and Dried) • Crab 	<ul style="list-style-type: none"> • Seaweed • Abalone • Marine Fish • Milkfish 	<ul style="list-style-type: none"> • Goat (1) • Chicken (2) • Cattle (3) 	<ul style="list-style-type: none"> • Neem Tree (Insect Repellant) • Antipolo

	<ul style="list-style-type: none"> • Abaca (5) • Cassava (6) • Lanzones (7) • Oranges (8) 				<ul style="list-style-type: none"> • (Paper/Plywood) • Gemelina (Paper/Plywood) • Bamboo (Fishpen/Handicraft) • Eucalyptus (Medicinal) • Narra (Furniture) • Mahogany (House) • Rattan
Sulu	<ul style="list-style-type: none"> • Coconut (1) • Abaca (2) • Coffee (3) • Mangosteen (4) • Durian (5) • Lanzones (6) • Cassava (7) 	<ul style="list-style-type: none"> • Marine fish (fresh and dried) • Crab 	<ul style="list-style-type: none"> • Seaweed • Abalone • Marine Fish 	<ul style="list-style-type: none"> • Cattle (1) • Goat (2) • Chicken (3) • Duck (4) 	<ul style="list-style-type: none"> • Neem Tree (Insect Repellant) • Antipolo (Paper/Plywood) • Gemelina (Paper/Plywood)

					<ul style="list-style-type: none">) • Bamboo (Fishpen/Handicraft) • Eucalyptus (Medicinal) • Narra (Furniture) • Mahogany (House) • Rattan
Tawi-Tawi	<ul style="list-style-type: none"> • Cassava (1) • Banana (2) • Mango (3) • Fruits and Vegetables(4) • Coconut (5) • Coffee (6) • Turmeric (7) 	<ul style="list-style-type: none"> • Marine fish (fresh and Dried) Grouper (1) • Seashell (2) • Lobster (3) • Crab (4) 	<ul style="list-style-type: none"> • Seaweed (1) • Marine Fish (2) • Abalone (3) 	<ul style="list-style-type: none"> • Goat (1) • Chicken (2) • Cattle (3) 	<ul style="list-style-type: none"> • Neem Tree (Insect Repellant) • Antipolo (Paper/Plywood)) • Gemelina (Paper/Plywood)) • Bamboo (Fishpen/Handicraft)

					<ul style="list-style-type: none">• Eucalyptus (Medicinal)• Narra (Furniture)• Mahogany (House)• Rattan
--	--	--	--	--	--

**Products are ranked according to priority. (1) as the most prioritized.*

Important Issues and Discussions:

- One member of the group suggested inviting PCA for the next meeting.

Basilan

- Cassava is a staple food and Coconuts is abundant.
- Do not process coconut and Cassava. They ship coconut it to Zamboanga, Pagadian, and elsewhere for processing
- Cassava is also processed for feeds
- Basilan is a plantation crops area. Rubber and Coconut goes together. Majority of the area is planted with Coconut and Rubber.

Sulu

- Cassava is a staple food.

Discussions on the Agriculture products:

Coconuts	Cassava	Coffee
<ul style="list-style-type: none"> • ARMM 330,000 hectares planted area. Small scale farmer • Ave. area per farmer is 1 hectare • Planting Density : 10mx10m • Seedling -> Nursery -> Planting • Seedlings are bought at PCA (Philippine Coconut Authority) at Php 25. Prices varies per variety of Coconut • Tacunan (Hybrid Variety) • 3-5 years (bearing fruits) • Native is better because it has a stronger resistance to pests, and longer life span, however, this kind of coconut is very tall. The government promotes the hybrid because of the height difference. • Native variety bears 	<ul style="list-style-type: none"> • ARMM has 294,000 hectares of planted area of cassava • Ave. area per farmer is .25 hectares • Planting of cassava varies on the purpose of planting cassava • 1 hectare= 13000 cuttings of cassava = 9-14 tons of fresh cassava • Used for food purposes • Mechanical Grater is used to grind the cassava • The Mech. Grater costs around 48000 pesos per unit. Can grate 8 sacks in 5 minutes. 70 kg/ sack. • After grating, put it in a sack and put it in a presser to take out the pulps . • Jabraun variety is poisonous • Cassava chips, cassava cakes • Chinese investors 	<ul style="list-style-type: none"> • The Champion area is Sulu and Basilan • The demand is high since it is an international product • ARMM is 4th in coffee production in the Philippines. • Robusta C272 is popularly grown. • Libirica variety has a high demand in the middle east • 68 pesos/kg for Class A • 60 pesos/kg for class B • 55 pesos/kg for class C • Ave. harvest: 800 kg -1.2 tons per hectare • Coffee is easy to manage and propagate. Grows without fertilizer. • Harvests only once a year. • The problem is old coffee trees cannot bear fruit productively

<p>20 nuts in one bunch, in a tree, 3-4 bunches</p> <ul style="list-style-type: none"> • Every 3 months harvests 3 bunches = approximately 30 nuts • Hybrid variety bears fruits in 4 years. It is easier to harvest since it's height is short and meat is thicker than Native variety • Fertilizer: Sodium Chloride (only used when it is already bearing fruit) • Disease: Kadang-Kadang (Pests) • In harvesting, they gather and use the solar dryer or the tapa to produce copra. • For 50 trees, it will produce 1 metric ton of copra • 20 kg. can produce 100 kg. of copra • Price of copra fluctuates from 15-30 pesos. Lowest was 12 pesos. • Sunny season=good price, rainy season = bad price because copras are prone to toxins leading to bad quality of copra • If the farmer has a lot of credit to the middleman, price is low. The middleman tends to treat the credit as an advance payment to the farmer. 	<p>are coming to Sulu to plant cassava. They selected Sulu since the soil is fertile and the cassava variety in Sulu is tastes good.</p> <ul style="list-style-type: none"> • Matling, Lanao, they also produce good cassava • Low fertility of soil is a problem for cassava • Only one processing plant of cassava owned by Spencer Company in Malabang. They tend to buy the cassava in a low price. • The farmer spends 7000 per hectare for 9 months. Spencer buys 9000 pesos for the 1 hectare • Monopoly of the Spencer Company is the main problem of the cassava farmers • San Miguel Corp. also buys cassava to use it to process for livestock feeds • The government is pushing for producing of cassava to be used for livestock feeds 	<ul style="list-style-type: none"> • Nestle Phil. Is bias on the buying of coffee. • Nestle contacted Upi to produce coffee. Contract Farming. • It is up to the farmer where to sell the coffee. • Robusta, Arabica = varieties of coffee • Plant high productivity variety of coffee and remove the old trees. • GMO's are good to plant. • As the tree grows old, the productivity also declines
---	--	--

<ul style="list-style-type: none">• Price varies also because price is higher than other places.• Copra is the raw material for oil.• Copras residues are used to make feeds for cattle.• Hoarding of oil also affects the prices• Copra is also used to make Virgin Coconut Oil• Ave. retail price of copra is 25 pesos / 500 ml.• Ave. Price for VCO is 110 pesos/ 200 ml.• Coconut Water is also used for coconut wine and vinegar. They also coconut water in making Nata de Coco		
--	--	--

Discussions on the Fisheries

Tilapia	Milkfish
<ul style="list-style-type: none"> • The production area in the region is increasing • More farmers are going to tilapia culture • It is necessary to have technical knowledge to have high production of tilapia. • Pond aquaculture • Cage aquaculture • Tank aquaculture • Backyard aquaculture • Facilities are insufficient to produce fingerlings for the aquacultures • Quality seeds and other inputs are the posing problems for the farmers • USM, BFAR has put up a hatchery for tilapia and distributes up to Maguindanao. • GET XCE Strain, GIP Tilapia and etc. ; these are varieties of Tilapia • Farmers in Maguindanao are already using hybrid tilapias • Water quality should be taken into account. Water quality is degrading now-a-days. • Some variety of tilapia can grow in salt water. • Technical aspects is very important in tilapia cultures • Tilapia is processed to make boneless tilapia dried tilapia • Typhoons that came to the phil. Caused the scarcity of the supply of tilapia • Solar dryers/Manual Dryers were also destroyed by the typhoons that came • Drying of Tilapia only takes two days. They cover it with net to protect it from mosquitoes. • Canned tilapia is possible. Studies are ongoing for such process. • Studies are also on going for Tilapia junk food. 	<ul style="list-style-type: none"> • Davao needs 3 billion of fingerlings per month. • Market for fingerlings are already available • Swiss operated NGO can only provide 600000 fingerlings. Capital investment is only 500,000. Return of investment is only for 1 month. • ALSONS Corp produces fingerlings in GenSan • Fish ponds are inoperable because of the scarcity of the fingerlings • Marketability of milkfish is good. Numerous value adding activities are already available for milkfish.

<ul style="list-style-type: none"> • Promotion on Tilapia should be addressed. The establishments of facilities such as hatcheries are very much needed for production. • Culturing of brood stock takes a long time • Canned Tilapia is not feasible • Tilapia for Rural development; Program of the government • BFAR: as of 2007 ARMM is 10th in production of tilapia in the Philippines. The reason is we don't have enough fingerlings production and hatchery facilities. 	
--	--

Discussion about the Livestock

Goat	Chicken
<ul style="list-style-type: none"> • Anglonovian is for milking • Dajianggas strain is used for food. It is very resilient to climate change. • Bower is not recommended because it is costly • Farmers are not aware about the hybrid grass for food. • Programs from DAF to improve quality and production of grass • Kid mortality is very high. Farmers should be educated to decrease the mortality of the Kids • Most common diseases is parasitism • Farmers tend to butcher or bring the goat to the market instead of curing when they observe that the goat is suffering from a disease. • Plants as an alternative medicine is available in curing the goat • Between milking and meat purposes, the identification on what is more important can't be determined since goats are used as dual purposes 	<ul style="list-style-type: none"> • Native chicken is better since its resistance is better and it sells on a high price.

Summary of FGD

Ms. Jal summarized the whole session and identified Cassava is to be focused on agriculture, Tilapia and Milkfish for the fisheries, and goat and chicken for the livestock.

Break-away session: INFRASTRUCTURE SECTOR

PROVINCES	SULU	TAWI-TAWI	BASILAN	MAGUINDANAO	LANAO DEL SUR
COMMODITIES	Abaca, Mangosteen, Durian, Mango, Coffee (Arabica/Robusta), Grouper Fish, Tuna Fish, Seaweeds, Red Clays, Coconut, Cassava, Marine Products	Seaweeds, Fish (Grouper, sea mantis), Cassava	Rubber, Coconut	Palm Oil, Tilapia, Mudfish, Livestock (goat, chicken, cattle), Seaweeds, Cassava, Coconut, Banana, Durian, Coffee, Mango, Red Clay (Parang)	White Scallion, Soya Beans, Banana, Cassava, Potato, Coffee, Abaca, Durian, Lanzones, Marang
AVAILABLE INFRASTRUCTURES	2-Seaports, 1-Airports, Water Supply, Communications, Training/Multi-purpose Center, Concrete Roads, Private Cold Storage (high cost)	Airport, Seaport, Fishport, Communications (13 cellsites), Internet, Concrete Roads	2-Seaports, Rubber Processing Plant, Power Supply (high cost)	Palm Oil Mill, Trade Center, Airport (Awang), Fishport, Seaport (Puliok), Training Center, Vegetable Dropping Point, Power Supply, Water Supply	Power Supply, Water Supply, Communications, Airport (2 nd Class)
NEEDED INFRASTRUCTURES	Poor Farm to Market Road, Seaweed Processing Plant, Ice Plant,	Seaweeds Processing Plant, Cold Storage, Cassava Processing Plant, Water Supply, Fishport/Seaport (additional), Fish & Marine Research and Development Center (improvement of nursery & hatchery of seafish)	Power supply (cheap cost), Rubber Processing Plant (additional), Concrete Pavement Dryer (additional), Fishport/Seaport (additional)	Barangay Electrification, Water Supply (additional), Mango Processing Plant, Fish Port, Farm to Market Roads, Cold Storage, Ice Plant, Concrete Pavement Dryer, Fish Hatchery & Nursery (Tilapia & Milkfish)	Farm to market Road, Fish Post-harvest Facilities, Seaport

2. First Workshop (October 2010)

Workshop on the Basics of Local Industry Promotion Minutes of the Meeting

Development Study of the Promotion of Local Industry in the ARMM, Philippines
October 19-20, 2010 – Estosan Garden Hotel, Cotabato City

DAY 1: OCTOBER 19, 2010**A. Opening Program**

- An invocation was given by Dr. Masla Musa of CEMILARDEF, and followed by singing of the national anthem.

Messages:

- Atty. Asnaira Batua, Regional Secretary of DTI, stated in her opening remarks that ARMM has been actively advocating workable strategies in the local business community to harness its resources and maximize its potentials. With the emergence of globalization and knowledge-based economy, it is very fitting for local industries to re-engineer its status towards quick response to current demand, better quality, innovation, zero defects and lower production costs. In doing so, it requires attention, clear vision and dedication to continuous development.
- Ms. Akamatsu Shiho of JICA JICA facilitates sharing of experiences from different projects being undertaken.

B. Overview of the Workshop (by Dr. Hiroaki Terashima)

- Dr. Terashima started his presentation with a brief background of the Study, and then followed by the workshop agenda.

C. Expectation Setting (by Ali Mala)

	Expectation
Iskak Paguitai (DAF-ARMM)	<i>In the ARMM we have been doing a lot of initiatives such as the Halal Industry and LGSPA-supported activities, I expect to have a clear direction and understanding of the local industry in the ARMM specifically on agri-fishery.</i>
Julkiram Arastam (Sulu Chamber)	<i>I hope we would be able to draw a workable connectivity of applying the experiences of developed cities like Davao in ARMM area.</i>
Larry Santos (RBOI-ARMM)	<i>I am looking at the yearly investment priority plans for ARMM, the local industries are stated there. If we could start by utilizing these plans as basis.</i>
Delfine Papa (MSU Maguindanao)	<i>In getting to know the potentials and constraints of local industry in the ARMM, I expect that everyone involved in LIP must be in harmony in order to take off.</i>
Mr. Dumagay (DILG)	<i>In DILG, we also have one vision, one cluster program. We will conduct the provincial alliance workshop in November. I hope to hear</i>

	<i>strategies on how to harmonize OTOP and the one vision, one cluster. There should be proper complementation of projects.</i>
Nestor N. Delasas (PPDO-Tawi-Tawi)	<i>Japanese experts already went to Tawi-Tawi 4 years ago to gather information. We already have various development plans, how are we going to connect this study with the plans already at hand. What industries and strategies to make?</i>

D. Industry Clustering as Philippines Strategy for Competitiveness (by Engr. Merly Cruz – Usec. DTI National)

- According to Ms. Merly Cruz, this was her first chance to interact with the group and she hoped that her presentation would meet the expectations. There was a clamour from the region to move forward. There is a need to put in all the knowledge and skills acquired from the various trainings and to find strategy to focus and map out the things needed to be done. This is an appropriate and timely program for ARMM because Rep. Loong strongly expressed that DTI ARMM needs the assistance from DTI national. The role of DTI National is more on facilitation and sharing of expertise. This is timely because DTI National has just concluded a pilot project in Davao. It has generated jobs, investment and growth. Timely also because they are conducting series of workshops to upscale the industry clustering program all over the country. The process should be consultative and multi-sectoral representatives. Focus on 1 or 2 plans to make it workable and doable.

OPEN FORUM		
	Question	Answer
Jalika Mangacop (DA ARMM)	We already identified priority products last workshop, I was expecting that the presentations for this workshop will focus on promotion of these identified products.	<p><i>Usec. Merly Cruz:</i> It is a good thing that you have already started and there is a real intervention from JICA experts. I would assume that you have made the SWOT analysis. Where are you now in terms of clustering?</p> <p><i>ASec. Maguindra:</i> I would like to clarify that the presentations are inputs that we can use to strategize the promotion of our local industry. We are still in the process of formulating our next steps. The resource people gave us insights on how we can do this based on our situation and approaches.</p> <p><i>Usec. Merly Cruz:</i> Your next step is to organize the cluster team.</p> <p><i>ASec. Maguindra:</i> We are still in the process of identifying potential products.</p>
Termizie Masahud (Tawi-Tawi)	The seaweeds industry has been proposing to have an authority to create a council. But up to now, not any mechanism has been	<i>Usec Cruz:</i> Seaweeds started as a community development project and as the private sector industry. Seaweeds could be your premier industry because of the

OPEN FORUM		
	Question	Answer
	granted by the region and national government. Tawi-Tawi has been initiating clustering, but no program has been installed yet. I would like to request ARMM regional government to support this and actively participate and take the lead. Help us advocate at the national level.	environment, resources and support. Zeroing in on identifying the issues and concerns (problems). Start with organizing the communities (growers) or entire province producers. National level is willing to help out. How come EO is not yet created to address this? It may have to do with the passion and leadership of the industry. Try the bottom-up approach. There should be a team to initiate and support this. National level will help you in providing guidance. We might have to re-engineer the structure and mechanism. However, the ball is in the hands of ARMM region.
Delfine Papa (MSU Maguindanao)	There are effective and positive results of clustering in Davao experiences with strong formation of DICCEP. ARMM must be motivated by this similar formation or establishment of industry capacity enhancement program in the region.	

E. OTOP Experience in Japan (by Abubacar Datumanong – DTI ARMM)

OPEN FORUM		
	Question	Answer
Charlita A. Escano (MinDA)	There is a place in Tokyo that serves as the selling center of the regional products. There is a coordination group and a liaison venue to promote and sell regional products to the local consumers and tourists. This helps monitor the top selling products. In the ARMM, the stakeholders can choose a strategic place where this can be replicated.	
Larry Santos (RBOI-ARMM)	I would recommend proper implementation of this project. There should be a group to implement these recommendations. Example is to conduct a seminar on goat raising in Buldon and	<i>ASec. Maguindra:</i> There is a 2 year extension of HCDP project which may be able to visualize this recommendation.

OPEN FORUM		
	Question	Answer
	Barira where ARMM can create a model project.	
Mr. Dumagay (DILG)	In the pilot areas, it was mentioned two towns one product. In one cluster one vision that we have, some town copies the project of the other towns.	<i>ASec. Maguindra:</i> Look into the clamour of the communities. It may be one province one product. Some LGUs may share same interests in terms of local industry promotion.
Dr. Masla Musa (CEMILARDEF)	In the Philippines, it is better to have bottom-top approach. Which is the best approach, top to bottom or bottom to top approach?	<i>ASec. Maguindra:</i> We have already adopted the OTOP as an approach. We can prioritize one product and expand.
Nestor Delasas (PPDO Tawi-Tawi)	Regarding the Halal Development Plan, there is no proper presentation to RLA members. Until now the plan has not yet been approved by RLA and Provincial Assembly. How can we promote Halal Industry if the development plan is not approved?	<i>Mr. Datumanong:</i> There was already a master plan of halal development in the region and approved by REDC. This was also presented to REDPB and was approved by that level. It is not necessary for RLA to approve this. It can be implemented without the approval of the legislative body. The region is supportive of the halal industry, and, in fact, has already provided the bill in uplifting the industry. We still have to prepare the implementing rules and regulations to craft the mandates of each of the agency who will implement the law. Improve also the quality of products in order to certify it. Goat industry is a very potential and feasible industry in the ARMM.

F. Micro-Finance Current Trend and Basic Principles (by Ms. Haruko Awano)

OPEN FORUM		
	Question	Answer
Charlita A. Escano (MinDA)	I want to share significant activity that we have now with DOF called the private sector development fund currently with EAGA. We have a Technical Working Group composed of MinDA, financial institutions and small business guarantees which selects and approves projects. This is a mechanism for these agencies to interact.	
ASec Maguindra	Does MinDA cover ARMM in this project? There is a	<i>Ms. Escano:</i> This is a project of DOF National. In MinDA we just

OPEN FORUM		
	Question	Answer
	continuing demand for these services.	gather project proposal thru DTI Regional. We can invite these financial institutions in the next workshop.
Larry Santos (RBOI-ARMM)	Maguindanao may have almost zero access to MFIs because of high interest and many requirements from banks.	<i>Ms. Awano:</i> We are currently conducting survey on business in the ARMM, and part of the survey is the question on this.
Abubacar Datumanong (DTI ARMM)	In the ARMM, there was an MFI financed by congressmen. You may want to include this in the survey. It is a soft loan with an interest of 7% per annum, less than 1% monthly.	<i>ASec. Maguindra:</i> It is good to look into this previous project. It was stopped because Central Bank requested for concerned agency (DTI) to handle it instead. It may be reactivated in the ARMM at some point.
Termizie Masahud (Tawi-Tawi)	DBP, In Tawi-Tawi, people were able to avail loans from Development Bank of the Philippines at a macro level. It is logical to deal with DBP.	
Delfine Papa (MSU Maguindanao)	In the past government (during Marcos regime), the financial assistance was dole-out. Now, MFI requires lots of documents. I suggest that the potential borrowers must have accreditation.	<i>Ms. Awano:</i> We asked MMC to pick up all important projects and inputs from previous and current administration. Group lending system, create rural bank and introduce innovative approach. I also found out that people are formulating informal savings group.
Nestor Delasas (PPDO-Tawi-Tawi)	How can Grameen banking approach be operationalized in the ARMM?	<i>Ms. Awano:</i> ARMM government introduced Grameen banking before. Group lending system, members guarantee each other. Changing methodology from small group to bigger group. We plan to study such methodology too. We will conduct trainings for MFIs in the ARMM in early December. Identify constraints as well as potentials for MFIs.
Mr. Dumagay (DILG)	I hope that the Study team will also consider the local governance aspect.	
Ms. Norma (DTI)	In the coming MFI training, I would like to suggest considering the social responsibilities of the debtors. They should meet the requirements in order to become a legitimate borrower and to maintain being a responsible	

OPEN FORUM		
	Question	Answer
	borrower.	
Larry Santos (RBOI-ARMM)	I would like to suggest for investors not to pour funds to the politicians but instead to the concerned agencies such as DTI and DAF in order to avoid being politicized. Talk with MinDA to look into the mechanics on how to go about this. Tie up potential industries with financial institutions.	<i>Ms. Awano:</i> It is difficult for private institution to provide initial investment, and there is a need also for government interventions. Look also into the capacity or skills of the line agencies in handling micro-financing and other related services. Also needs expertise from experienced MFIs.
Charlita A. Escano (MinDA)	MinDA is part of DOF lending mechanism providing venue for the financial institutions and borrowers to talk and converge.	
ASec. Maguindra	The Study team is currently conducting activity to extract information on micro-financing. Cotabato Rural bank is already open to Parang Christian community, but not in Muslim areas due to peace and order situation there. Borrowers have no other options because of absence of MFIs in the area. We should come up with best design in order for MFIs to come in to these areas.	
Abubacar Datumanong (DTI ARMM)	LIP is anchored in halal industry system. We should also look into the Islamic way of banking and pawnshop. There is a need to address the problem in repayment.	
Norma (DTI)	In Islamic banking, there is no repayment with interest, but with service charge.	<i>Ms. Awano:</i> We will check on the Islamic banks in the region.

DAY 2

G. Some Existing Industries Visited by LIP Members IN and OUT of ARMM (by Mr. Shingo Furuichi)

OPEN FORUM		
	Question	Answer
Iskak Paguita (DAF-ARMM)	<p>Palamanis Halal Soap is a good example to emulate in other areas in the ARMM. There are many products in the ARMM, and what we need is support for training, technology, marketing and labelling.</p> <p>Bamboo industry was established by former Gov. Mastura just for environment purposes not economic.</p>	<p><i>Mr. Furuichi:</i> I need info regarding the bamboo industry stated.</p> <p><i>Ms. Awano:</i> The Palamanis was NGO-driven, and they want to expand in Davao.</p>
Ms. Rima Hassan (Basilan Chamber)	Based on the presentation, coconut is the major product for export. In Basilan, we have lesser competitors. We need technology and assistance on how to package and market it. This will give meaning to the promotion of this industry. Also for rubber. This will also generate job employment.	<i>Mr. Furuichi:</i> Coconut and rubber are possible products to improve on and promote.
Dr. Masla Musa (CEMILARDEF)	<p>Coffee industry is very popular because almost all folks are drinking coffee. We have to produce processed coffee and from the waste of wild cats. We need to know how processing of civet coffee is being done.</p> <p>We have 5,000 available bamboo seedlings at hand.</p>	<p><i>Dr. Terashima:</i> There are lots of potential products in the ARMM. We have to consider the competitive products and find ways on how to promote it. This afternoon, we will discuss these products. We might have examples of good practices. We will further discuss it this afternoon.</p> <p><i>ASec. Maguindra:</i> We need to prioritize 1 product first, and then expand to other products. In identifying the industry, one should look into poverty alleviation as its goal.</p>
Mr. Duluan (ARMM Business Council)	We have small coffee nursery. I can help in this industry.	
Delfine Papa (MSU Maguindanao)	I would recommend clustering and	

OPEN FORUM		
	Question	Answer
	<p>micro-financing in seaweeds industry. This industry is put in place for poverty alleviation. The production in terms of quality and quantity has reached its critical point in terms of marketing. There is high demand, however, there are concerns:</p> <ol style="list-style-type: none"> 1. Site selection - quality of water 2. Usage of water 3. Presence of pollutants 4. Absence of infra (refining of product) <p>It is therefore recommended for LGU to support in terms of policies.</p>	
Julkiram Arastam (Sulu Chamber)	<p>Sulu is producing huge number of coconut to include coco shell/husk. For coco coir industry, last year we were able to gather farmers in Patikul. We provided them info on coco coir industry. To our surprise, the coco shell is used to smoke the copra. There is no technology that could give coco husk an opportunity to be used as by-product. Farmers are willing to go into coco coir industry provided that there is alternative technology for smoking the copra. Will the Study Team come up with this?</p>	<p><i>Mr. Briones:</i> Coco coir up north has already production. Coco fiber is an alternative for making beds. Coco dusk has demand from China for re-cultivation of their land/soil. There is a big potential for this industry.</p> <p><i>ASec. Maguindra:</i> The result of the study may come up with such recommendations. Participants should actively suggest during the workshops. Look carefully into the value chain of each of the product.</p>
	<p>We need feasibility studies. Some farmers in Maguindanao province bring copras to Davao. This entails higher transportation expenses. We should also look into ways on how to minimize the cost.</p>	
Mr. Nino (MSU Maguindanao)	<p>Maguindanao has lots of projects in coconut. The problem is the high cost of transport. We should study on its marketing and</p>	<p><i>ASec. Maguindra:</i> Again, look into the value chain of this product.</p>

OPEN FORUM		
	Question	Answer
	distribution. We produced coco coir as soil conditioner and as nets for the prevention of soil erosion, but we failed because of poor marketing.	

H. Basic Understanding of Food Processing (by Dr. Hiroshi Koaze) and Basic Understanding of Food Quality Control (by Mr. Yutaka Takano)

OPEN FORUM		
	Question	Answer
Dr. Masla Musa (CEMILARDEF)	We have a delicacy called Tinagtag (Dudol). We need to promote this product to increase its shelf life (only 3 months). It has already been 30 years in the market, and no labelling yet. This is good for ARMM and neighbouring areas because it is an indigenous product.	<i>ASec. Maguindra:</i> In order to intensify its marketing, we have to go back to its production to include improvement on the sanitation and hygiene concerns. Also, consider standardizing its procedure or formula and improving the labelling.
Mr. Duluan (ARMM Business Council)	Water should also be safe.	
Larry Santos (RBOI)	Chemical components found in the products coming from fertilizers should also be considered. Educating our farmers or growers from production to marketing; re-engineer the process that we are doing. Can be part of the recommendations of the Study.	<i>Mr. Koaze:</i> Japanese market is very strict in the production of foods. Positive list system, allowing certain types of chemicals with limited dosage and application. Exporters and importers are responsible for these products. <i>ASec. Maguindra:</i> Also, consider different hazards and contaminants in our surrounding. <i>Dr. Terashima:</i> Some fertilizers and pesticides can cause problems in the quality of products. We need to promote (educate) good/limited usage of these chemicals since most farmers/growers are already accustomed in using these. Look also into the demand of the market, if consumers/buyers want organic produced products.
Mr. Mitchel Manalocon (Maranao Chamber)	Japan and Philippine food processings are different. I make sure that our products are safe before mass	

OPEN FORUM		
	Question	Answer
	production. I want to learn more about food processing.	
Rima Hassan (Basilan Chamber)	More on scientific knowledge rather than technology is needed in food processing.	
Delfine Papa (MSU Maguindanao)	Packing of products/ technology is based on scientific knowledge. In order to export, a product must have ISO certification.	

Documentation Report on Mr. Furuichi and Mr. Araki's Group

Date: October 20, 2010

Place: Estosan Garden Hotel

Preliminaries

Participants were asked to divide themselves into two groups. One group is assigned to Ms. Awano and Mr. Briones, and the other was assigned to Mr. Furuichi and Mr. Ken Araki for the SWOT Analysis. Participants were asked again to register in their respective rooms to better monitor the participants.

Workshop Proceedings

- ❖ Mr. Furuichi and Mr. Ken Araki facilitated the discussion about the application of SWOT in the process of brainstorming.
- ❖ Mr. Furuichi enumerated the objectives of the application of SWOT analysis in the brainstorming process. He stressed the importance of this tool to make strategies in promoting local industries.
- ❖ Mr. Furuichi swiftly explained what SWOT means and the guidelines on how to use it. He then gave some examples to better understand the process. He used the Strengths, Weaknesses, Opportunities, and Threats of the seaweed industry as an example.
- ❖ Mr. Furuichi stressed that all that will be inputted in the S.W.O.T Analysis Matrix should be facts, not imaginary or exaggerated.
- ❖ Mr. Araki emphasized the difference of the variables in the matrix such as Strength and Weakness are facts internal to the selected industry while opportunities and threats are facts external to the selected industry.
- ❖ Participants were grouped according to the provinces that they belong. The five provinces were Tawi-Tawi, Sulu, Basilan, Lanao, and Maguindanao.
- ❖ After brainstorming, the participants were asked to present their output. The order of presentation were as follows:
 1. Maguindanao
 2. Lanao
 3. Basilan
 4. Sulu
 5. Tawi-Tawi

SWOT Analysis: Group Outputs

Tawi-Tawi Group:

Strengths	Opportunities
<ul style="list-style-type: none"> ❖ Existing of Mari-culture for high value marine fin fisheries ❖ There is an existing hatchery for 	<ul style="list-style-type: none"> ❖ Tawi-Tawi is more secure than the provinces ❖ Presence of Seaweed Semi-processing plant

<p>fisheries</p> <ul style="list-style-type: none"> ❖ Abundance of crustaceans and other marine products such as Abalone and sea cucumber ❖ Wide area for Seaweed farms ❖ Creation of Provincial Seaweed development Council ❖ Demand of Cassava is stable ❖ Cassava has several uses or kinds for food use ❖ Cassava is a staple food of the people ❖ Developed seaweed family enterprise ❖ Gov't is supportive to oil exploration ❖ Abundance of wild fish in the area ❖ Potential area for livestock farm ❖ Presence of lending institutions; private, and government banks ❖ Eco-tourism potential ❖ Famous handicraft (Awardee of National Traditional Artistry) 	<p>(on-going construction)</p> <ul style="list-style-type: none"> ❖ It has a very clean environment ❖ Tawi-Tawi is safe from typhoons ❖ There is a hatchery for fisheries ❖ Intervention of BFAR in the provision of seaweed seedlings ❖ Intervention of BFAR in Establishing Mari-Culture Parks in some areas in Tawi-Tawi ❖ Cassava factory is already on operation ❖ Provision of financial support from DBP to seaweed farmers ❖ Oil exploration in Tawi-Tawi is on-going ❖ Market for high value fin fish in Taiwan is coming from Tawi-Tawi ❖ Proximity of BIMP-EAGA countries ❖ Increasing demand of livestock meat ❖ Open trading with Sabah, Malaysia and Tarakan, Indonesia ❖ Strong private sector partnership with Sabah Malaysia Chambers
Weaknesses	Threats
<ul style="list-style-type: none"> ❖ Cassava farming requires appropriate financial support ❖ Lack of Post-harvest facilities 	<ul style="list-style-type: none"> ❖ There is no regular flight to Mindanao mainland ❖ Disease of seaweeds has been

<p>for Cassava industry</p> <ul style="list-style-type: none"> ❖ Infrastructure are rather poor ❖ Ice-making facility is not enough ❖ Lack of technology to overcome the “ice-ice” disease of seaweeds. 	<p>occurred</p> <ul style="list-style-type: none"> ❖ Seaweed product is less competitive in the international market due to competitors from Indonesia, Thailand, and etc. ❖ Dumping site for the international vessels along the Sibutu Passage. ❖ Unstable Seaweed prices ❖ Illegal practices of fishing such as dynamite fishing, cyanide, and etc...
--	--

Sulu Group:

Strengths	Opportunities
<ul style="list-style-type: none"> ❖ Vast area of coffee production area compared to other provinces (2,423.75 hectares) ❖ 537 Mangosteen trees were planted and sweeter varieties than other areas ❖ Cassava production is higher than other provinces (staple food) ❖ Seaweed (Eucheuma) has potential area of 3,786 hectares approximately producing 46,841 metric tons. ❖ Abaca’s quality is as high as raw material for making phil. Currency (money) ❖ Kahawa Sug Task force ❖ Abundance of all kinds of fishes ❖ High demand for goat and cattle ❖ Durian has a shelf life longer than the other fruits 	<ul style="list-style-type: none"> ❖ The soil in the area is very suitable for abaca production ❖ Demand for Mangosteen is very high specially for medicinal purposes (MX3) ❖ High demand for coffee because of Starbucks and coffee shops ❖ Existence of seaweed factory in Zamboanga City ❖ The soil in the area is very suitable for Abaca production. ❖ Global market for goat and cattle

❖ Has a sweeter variety of Durian than the other areas	
Weaknesses	Threats
<ul style="list-style-type: none"> ❖ Lack of post-harvest facilities for coffee farmers ❖ Maintaining Seaweed moisture content at 42% during sea transport ❖ Price of seaweed is volatile ❖ Seaweeds are susceptible to disease such as “ice-ice” ❖ Seasonal production of Mangosteen ❖ No processing plant for cassava ❖ Native Durian is “odorons” ❖ Lack of financial support for goat and cattle raisers ❖ Farmers lacks capability to raise the goat and cattle ❖ Processing of abaca is manual and it affects production ❖ Price of seaweeds is volatile ❖ No processing plant for seaweeds 	<ul style="list-style-type: none"> ❖ For coffee industry: there is peace and order problems and lack funds ❖ For seaweed industry: entry of Indonesia in the world market ❖ For Mangosteen industry: Peace and order problems ❖ Presence of wild pigs threaten the industry of Cassava ❖ Presence of Purse seiners threatens the fisheries industry ❖ Entry of cheap fish from Indonesia

Basilan Group:

Strengths	Opportunities
<ul style="list-style-type: none"> ❖ Vast available fertile land and free from typhoon. Very conducive for farming and has a very supportive PLGU <p>Abaca:</p> <ul style="list-style-type: none"> ❖ Farmers are trained for Abaca production ❖ Intercropped with coconut and rubber 	<p>Sardines:</p> <ul style="list-style-type: none"> ❖ Productive fishing ground ❖ Abundant sardines and fishery resources <p>Seaweeds:</p> <ul style="list-style-type: none"> ❖ Presence of processing plant ❖ Rising global demand <p>Rubber:</p>

<ul style="list-style-type: none"> ❖ Vast available fertile land <p>Rubber:</p> <ul style="list-style-type: none"> ❖ Main source of livelihood ❖ Established industry since 1919 <p>Coconut:</p> <ul style="list-style-type: none"> ❖ Organized oil mill supported by PLGU ❖ Organized coconut crops <p>Seaweeds:</p> <ul style="list-style-type: none"> ❖ Existing area of 87 ha. With a potential area for expansion (240 ha.) <p>Dried Fish:</p> <ul style="list-style-type: none"> ❖ Well advantage in terms of accessibility to market <p>Milkfish:</p> <ul style="list-style-type: none"> ❖ 52 fishpond lease operators ❖ 875 ha. For expansion <p>Livestock:</p> <ul style="list-style-type: none"> ❖ Potential for goat raising <p>Cassava:</p> <ul style="list-style-type: none"> ❖ Potential for cassava planting since cassava is a staple food in the area 	<ul style="list-style-type: none"> ❖ Increasing global demand ❖ Establishment of processing plant <p>Coconut:</p> <ul style="list-style-type: none"> ❖ Development of coconut by-products <p>Abaca;</p> <ul style="list-style-type: none"> ❖ Increased the existing land area planted with Abaca <p>Milkfish:</p> <ul style="list-style-type: none"> ❖ High demand of canned milkfish ❖ Demand for boneless bangus <p>Dried Fish:</p> <ul style="list-style-type: none"> ❖ Demand for dried fish in the neighboring provinces
Weaknesses	Threats
<ul style="list-style-type: none"> ❖ Low level of ability of farmers and processors ❖ High cost of farm inputs ❖ High transportation costs ❖ Poor road network 	<ul style="list-style-type: none"> ❖ Unstable peace and order ❖ Diseases of farm crops ❖ Fluctuating price of rubber and copra

Lanao Group: (2nd Presenter)

Strengths	Opportunities
<ul style="list-style-type: none"> ❖ Soil fertility 	<ul style="list-style-type: none"> ❖ Suitable climatic temperature

<ul style="list-style-type: none"> ❖ Agricultural products in the area are palatable, sweet and delicious ❖ Agricultural products in the area are in a high market demand ❖ DAF technical supports on agricultural programs ❖ Vast agricultural area and potential area on agriculture and livestock projects ❖ Citizen in the area are hospitable ❖ Presence of highly skilled people on handicrafts/Bamboo crafts ❖ Abundant supply of high quality bamboos ❖ With good road and network communication facilities ❖ Lake Lanao-Potential area on fisheries programs/projects 	<ul style="list-style-type: none"> ❖ The province is a typhoon-free zone ❖ Beautiful tourists spots(Falls, islands, landscapes) ❖ High demand for spices in other provinces (ginger, turmeric, and etc.) ❖ Lanao Province is considered priority area of ODA ❖ Goat is highly demanded ❖ Create employment ❖ Abundant supply of native chicken
Weaknesses	Threats
<ul style="list-style-type: none"> ❖ Lack of technical skills ❖ No processing centers ❖ Limited consolidating centers ❖ Limited facilities of cold storage ❖ No fish landing or fish ports established in the area ❖ Limited training center on agriculture area ❖ LGU's limited support on agricultural projects ❖ Undeveloped tourist spots ❖ Poor internet access ❖ Inaccessible farm-to-market roads 	<ul style="list-style-type: none"> ❖ Unstable peace and order ❖ Family feud is rampant (Rido) ❖ Limited donor/funding institutions/agencies in the area ❖ No lending institution in the area ❖ Massive/rampant poaching activities

❖ Non-conducive/lack of market areas	
❖ Lack of slaughter houses	

Maguindanao Group: (1st Presenter)

Strengths	Opportunities
<p>Livestock:</p> <ul style="list-style-type: none"> ❖ The province has potential areas for forage and pasture for goat raising ❖ The province is dominated by Muslim who are lovers of Goat ❖ The province has 1 existing airport and 1 seaport (Freeport) ❖ Availability of technology on Goat raising/production <p>Freshwater fish processing:</p> <ul style="list-style-type: none"> ❖ Vast areas of marshland including lakes, rivers, and other fresh water tributaries ❖ Presence of traditional fishermen ❖ Large variety of freshwater fishes ❖ Availability of fish processing technology ❖ Workforce availability (Manpower) <p>Seaweeds:</p> <ul style="list-style-type: none"> ❖ Good number of seaweed planters are engaged in plantation mostly communities along coastal lines ❖ Quality of seaweeds are comparable to other producing provinces/regions ❖ Still, there are existing areas for expansion for seaweeds farming ❖ A great number of marginalized fishermen are living in the coastal 	<ul style="list-style-type: none"> ❖ High demand for coffee worldwide ❖ Employment ❖ High demand of foreign and local buyers of bamboo products ❖ Very high vegetable demand ❖ Source of livelihood is fishing ❖ Increasing demand for the usage of carrageenan ❖ Vegetables can be exported to other countries if it can compete with other producers ❖ Goat is a potential commodity for BIMP-EAGA ❖ Halal Market is available (Indonesia, Malaysia, Thailand, Brunei) ❖ Continual product improvement and innovation for goat production ❖ Market availability for fishes specially to Hong Kong and Singapore

<p>areas.</p> <ul style="list-style-type: none"> ❖ Vast area for fishing <p>Coffee:</p> <ul style="list-style-type: none"> ❖ Strengthen the coffee planting in the ARMM ❖ Soil fertility ❖ Technology ❖ Manpower <p>Vegetables:</p> <ul style="list-style-type: none"> ❖ Demand in the market and soil is very suitable for vegetables <p>Bamboo:</p> <ul style="list-style-type: none"> ❖ Fast growing plant and can grow in all types of soil ❖ Carbon sequestering species, multi-purpose use, handicrafts, low cost housing, and good for soil erosion control 	
Weaknesses	Threats
<p>Coffee:</p> <ul style="list-style-type: none"> ❖ Lack of buyers ❖ Lack of financial support ❖ No processing center ❖ poor farm to market roads ❖ Lack of funding/support <p>Mango</p> <ul style="list-style-type: none"> ❖ Lack of processing center ❖ Poor farm to market road ❖ Lack of marketing forecasting <p>Bamboo:</p> <ul style="list-style-type: none"> ❖ Lack of funding support and human experts 	<ul style="list-style-type: none"> ❖ Lawless elements ❖ Low cost (marketing) ❖ For Vegetables: information from other countries with low Prices. ❖ Natural Calamities ❖ Peace and order problems ❖ Competition among seaweeds producing regions and countries is becoming intense ❖ Threats for coffee: Competition , Pests and diseases, and climatic condition ❖ Threats to Mango: Price fluctuations, Intervention of

<ul style="list-style-type: none"> ❖ Farmers are still hesitant to plant bamboos ❖ Unstable market <p>Fisheries:</p> <ul style="list-style-type: none"> ❖ Availability of fishing gears ❖ Small-sized fishing boats ❖ Lack of post-harvest facilities ❖ Lack of processing equipments and facilities ❖ Lack of technology on freshwater fishing production ❖ Illegal fishing practices ❖ No existing processing plant <p>Mari-culture:</p> <ul style="list-style-type: none"> ❖ Availability of inputs ❖ Seeds stock availability <p>Seaweeds:</p> <ul style="list-style-type: none"> ❖ Lack of infrastructure support such as drying facilities and storage ❖ Value adding technologies are not intensively promoted ❖ Lacks in financial support in terms of marketing information ❖ Policy support are not clearly defined for fishery and seaweed alike ❖ Absence of mechanisms to improve productivity of the seaweed industry ❖ Dynamite fishing; typhoons, environmental degradation are mostly damaging seaweed farms ❖ Declining catch of fishes 	<p>middlemen, pests and diseases, and high costs of inputs</p> <ul style="list-style-type: none"> ❖ Threats to fisheries: Peace and order, climate change, quality control, highly perishable, inconsistency of supply. ❖ Threats to livestock industry: Peace and order, poor farm-to-market roads ❖ Threats to Bamboo industry: susceptible to grass fire, farmers exploit it to make it as fish pen fences
---	--

<ul style="list-style-type: none">❖ Lack of investment in the primary industries <p>Livestock:</p> <ul style="list-style-type: none">❖ Insufficient fund support❖ Poor marketing system for goat in most areas of the province❖ No existing nucleus or multiplier goat farms <p>Vegetables:</p> <ul style="list-style-type: none">❖ Lack of Capital, technology, and facilities❖ Few farmers plant vegetables in Maguindanao	
---	--

A. Table 1: List of Micro-Financial Institutions in the ARMM Provinces and Near Cities

MAGUINDANAO	LANAO DEL SUR	SULU	BASILAN	TAWI-TAWI
<u>Banks</u> <ul style="list-style-type: none"> Land Bank of the Phils. Development Bank of the Philippines, Cotabato City Rural Bank in Datu Paglas Rural Bank of Cotabato, Cotabato City Cooperative Bank of Midsayap, Cotabato 	<u>Banks</u> <ul style="list-style-type: none"> Rural Bank in Malabang, LDS Amanah Bank, Marawi City Land Bank of the Philippines, LDS Philippine National Bank, Marawi City MARADECA Community Banking 	<u>Banks</u> <ul style="list-style-type: none"> Allied Bank, Jolo Development Bank of the Philippines, Jolo Land Bank of the Philippines, Jolo Al-Amanah Islamic Bank, Jolo Metrobank, Jolo 	<u>Banks</u> <ul style="list-style-type: none"> United Coconut Planters Bank, Lamitan Land Bank of the Philippines, Isabela City Development Bank of the Philippines, Isabela City Philippine National Bank, Isabela City Metrobank, Isabela Allied Bank, Isabela 	<u>Banks</u> <ul style="list-style-type: none"> Land Bank of the Philippines, Bongao Allied Bank, Bongao Philippine National Bank, Bongao
<u>Cooperatives</u> <ul style="list-style-type: none"> MSU – Maguindanao Employees MPC Datu Abdulla Sangki, Mag. Coop Saver's Employees Coop, Sultan Mastura Magic Coir MPC, Dalican, Datu Odin Sinsuat (DOS) Alandia MPC, Semba, DOS AFPSLAI, DOS and Cotabato City King Cooperative, Cotabato City MagEiCo Employees Coop, Capitol, DOS 		<u>Cooperatives</u> <ul style="list-style-type: none"> Notre Dame Credit Union, Jolo Jolo Integrated Coop, Jolo MSU MPC, Patikul SSC Coop, Jolo 	<u>Cooperatives</u> <ul style="list-style-type: none"> LARBECO Micro-lending Coop, Lamitan 	<u>Cooperatives</u> <ul style="list-style-type: none"> MSU MPC Menzi Coop Bongao Cooperatives: Salam and NDB
<u>Peoples Organizations/NG Os</u> <ul style="list-style-type: none"> Cotabato City RECPASSI Peoples Organization 	<u>Peoples Organizations/NG Os</u> <ul style="list-style-type: none"> NGOs 	<u>Peoples Organizations/NG Os</u> <ul style="list-style-type: none"> KFI, Jolo CARD, Jolo 	<u>Peoples Organizations/NG Os</u> <ul style="list-style-type: none"> KFI, Isabela City 	<u>Peoples Organizations/NG Os</u> <ul style="list-style-type: none"> Tarbilang Foundation, Bongao
<u>Pawnshops</u>	<u>Pawnshops</u>	<u>Pawnshops</u>	<u>Pawnshops</u>	<u>Pawnshops</u>

<ul style="list-style-type: none"> RD Agencia de Oro, Cotabato City 	<ul style="list-style-type: none"> Around 20 pawnshops in Lanao del Sur (LDS) 	<ul style="list-style-type: none"> Around 60 pawnshops in Jolo 	<ul style="list-style-type: none"> Around 8 pawnshops in Lamitan 	<ul style="list-style-type: none"> Padjak Bongao Padjak Albert Around 11 pawnshops in Tawi-Tawi
<u>Traders</u> <ul style="list-style-type: none"> Agri Traders in Datu Piang, Datu Paglas, Buluan and Shariff Aguak 				<u>Traders</u> <ul style="list-style-type: none"> Seaweeds Business Middlemen
<u>5-6</u> <ul style="list-style-type: none"> Guindulungan 	<u>5-6</u> <ul style="list-style-type: none"> C and D Lending Business Individual lender thru "Angkat and Alsado" 			<u>5-6</u> <ul style="list-style-type: none"> 5-6 Users
	<u>Government</u> <ul style="list-style-type: none"> Quedancor Department of Agriculture 	<u>Government</u> <ul style="list-style-type: none"> Provincial Government thru Provincial Cooperative Union, Patikul Sulu Provincial Employees MPC DTI Employees Cooperative, Jolo DENRACEA, Jolo Sulu Development Ministry, Jolo 		<u>Government</u> <ul style="list-style-type: none"> Provincial Government Provident Fund

B. Table 2: Preferences in Looking for Micro-Finance Institutions

MAINLAND 2					
	Bank (Land Bank)	Pawnshop	Cooperative	Private Trader Financiers	5-6 Scheme
Amount	6 <i>(highest amount of loan that can be availed of)</i>				
Interest		3 <i>(minimum interest rate)</i>	2	1	
Accessibility		1	2	3 <i>(most accessible; easy to access)</i>	
Documents			3 <i>(minimum documents required)</i>	2	1

Collateral			1	2	3 (zero collateral)
Mode of Payment		3			3 (easiest way to negotiate in terms of amount, frequency and extension of payment period)

Point System: 3 – highest, 1 – lowest

MAINLAND 1									
	Land Bank	Rural Bank	Philippine National Bank	Development Bank of the Phils.	Pawn shop	Individual Lender	Cooperative	5-6	NGOs/ POs
Access					2	1 (always/readily available; w/in the locality; relationship with lender; sometimes no interest/negotiable)		4	5
Amount	1 (able to provide the amount needed; has capital)		3	2	4			5	
Interest		4			5	2		5	1 (minimal/no interest; mostly grants)
Term of Payment	3				4	1 (open for extension; negotiable)	5	2	
Collateral					3	1 (no collateral most of the time, only trust and confidence, friendship is required)	4	2	5
Mode of Payment	1 (open for restructuring)	2	4	5		3			

MAINLAND 1									
	Land Bank	Rural Bank	Philippine National Bank	Development Bank of the Phils.	Pawn shop	Individual Lender	Cooperative	5-6	NGOs/ POs
Grace Period	1 <i>(longer grace period; offers grace period)</i>			5		3	4		2
Documents					2	1 <i>(no documents required)</i>	5	3	4

Point System: 1 – highest, 5 – lowest

ISLANDS				
	Banks (Land Bank/DBP)	Cooperative	Pawnshops	Credit Union (Micro)
Amount	3 <i>(lending in barangay because of IRA)</i>	2		1
Interest Rate	3 <i>(only 18% per annum; straight)</i>	2		1
Access		2	3 <i>(open to all)</i>	1
Documents		1	3 <i>(no documents required)</i>	2
Collateral Requirements		3 <i>(no collateral required)</i>	1	2

Point System: 3 – highest, 1 – lowest

3. Third Country Training (February 2011)

**THIRD COUNTRY TRAINING PROGRAM IN THAILAND UNDER
THE STUDY ON THE PROMOTION OF LOCAL INDUSTRY IN THE ARMM
IN THE REPUBLIC OF THE PHILIPPINES**

February, 2011

1. Objectives of the training:

- To learn current situation and challenges on the community development by the promotion of local industries and marketing through the visit to the production/processing/logistic/ marketing sites of local products and interaction with concerned persons
- To consider the approach for the promotion of local industries through participatory methods based on the knowledge/idea/awareness obtained during the site visit and discussion with concerned persons

2. Training period:

5th February 2011 – 20th February 2011 (16 days)

3. Place:

Bangkok, Ratchaburi, Trang, and Pattalung in Thailand

4. Training participants:

9 ARMM government officers in the Philippines

5. Accompanying staff

- One Japanese Study Team member from Mindanao (Mr. Araki)
- Two Thai staff of IC Net Asia for logistic support (Mr. Nara and Mr. Domrongphol)

6. Training contents

- (1) Domestic work in the Philippines (1 day)
 - Conduct the Problem Analysis on the 'Promotion of local industries in the ARMM area' as a preparation for the training in Thailand
 - The result of the Problem Analysis is brought to Thailand.
- (2) Training in Thailand (12 days)
 - As it takes 4 days for the transportation between Cotabato and Bangkok, actual training period is 12 days.
 - First 8 days are used for the visit to the concerned organizations and production/processing/logistic/marketing sites of local products.
 - The last 4 days are used for discussion on following issues with the support of Songkhla University which has the know-how on the participatory development. Thai resource persons are also involved in the discussion.
 - (1) Issues learned from the cases on the promotion of local industries
 - (2) Lessons which could be applied in the situation of ARMM
 - (3) Approaches/methods to apply the lessons to the promotion of local industries in the ARMM
 - Then, participants examine the approaches to be taken for the promotion of local

industries by the Objective Analysis based on the result of Problem Analysis conducted before the training and lessons learned gained in the training.

- The result of the examination is presented to concerned persons of Thailand for discussion.

(3) Activities after the training

Developed Problem Analysis, Objective Analysis, and Approaches to be taken are presented by the training participants at Workshop to be conducted in April 2011 at the Philippines as case studies of the analysis on the promotion of local industries.

7. Outputs of the training

- Problem Tree of ARMM local industry promotion
- Summary of lessons/ findings from the training in Thailand (free format)
- Objective Tree of ARMM local industry promotion (Selection of appropriate approach from the tree)



OVERVIEW

- ❑ To learn the current situation and challenges on the community development by promoting local industries and marketing through visit to the production/processing/logistic/marketing sites of local products and interaction with concerned persons.
- ❑ To consider the approach for the promotion of local industries through participatory methods based on the knowledge/ideas/awareness obtained during the site visit and discussion with concerned persons.



Participants:

- | | | |
|--------------------------|---|---------------------|
| 1.Harrison A. Haron | – | DTI – Sulu |
| 2.Sarah D. Mamadra | – | DTI - R.O |
| 3.Saidah D. Panawidan | – | DTI – Lanao del Sur |
| 4.Jalika D. Mangacop | – | DA – R.O |
| 5.Badrudin S. Esmael | – | DA – R.O. |
| 6.Norolhaya D. Mamariong | – | RPDO |
| 7.Farida M. Biruar | – | RBOI |
| 8.Estrellita J. Ibrahim | – | DOST |
| 9.Mariquit C. Alano | – | BFAR |

Coordinators:

- | | | |
|-----------------------------|---|---------------------------------|
| 1.Mr. Ken Araki | – | Japanese Expert, IC Net Limited |
| 2.Mr. Nara Khamkhom | – | IC Net Asia Limited (Thailand) |
| 3.Mr. Domrongphol Sangmanee | – | IC Net Asia Limited (Thailand) |

Places Visited

- Bangkok
- Ratchaburi
- Trang
- Pathallung

Activities

- *Visited markets, organizations and factories/cottage industries*
- *Workshop on Local Industry Promotion at University*



1. THE CENTRAL ISLAMIC COMMITTEE OF THAILAND (CICOT)

- It is an organization responsible for all Islamic Affairs in Thailand.
- The Committee takes charge of all the activities related to Halal



2. COMMUNITY DEVELOPMENT DEPARTMENT (CDD)

- Established on 1 October 1962 with the responsibility of improving the quality of life of Thai communities.
- The Community Development Department is a core agency of the government responsible for the community management promotion in order to enhance the capacity of the community to be a sustainable strong community





One Tambon One Product



Mission (CDD)

- To promote and support community empowerment
- To create Knowledge Management System
- To create Community Management System

Goals:

- Strong community
- Self-reliant
- Happy and quality families



3. JICA OFFICE (Bangkok, Thailand)

- Courtesy call to the officials of JICA Thailand
- Discussed the peace and order situation in Southern Thailand and ARMM
- Discussed how to help promote local industry in the region
- Orient on the 3 pillars of JICA. One of the priorities is the promotion of Local Industry



4. TAO HONG TAI CERAMIC FACTORY

- Produces ceramics in small, medium and large products for local and export markets
- It is a family pottery enterprise using traditional technology in manufacturing ceramics
- Product design is manually made
- Markets are in Thailand and neighboring countries
- CDD gives technical assistance through product promotion



5. SRI MUANG CROPS MARKET

- It is located in Ratchaburi (Province/City of Ratcha)
- Central market for agricultural products
- Model for collaboration between business and the government
- Facilities available for free to registered farmers (quality control laboratory, cold storage and others)
- A minimal fee for the display stall for the maintenance of the facility
- Operated by a private sector (Agro-Commerce Company)



6. TRANG PROVINCIAL COMMUNITY DEVELOPMENT DEPARTMENT

- PCDD provides trainings, study tours, product development and promotion.
- OTOP has no registration fee and non taxable
- Provides financial and technical assistance to OTOP members



7. FISHERY DEPARTMENT

- Transfers appropriate technology to fishery producers
- Renders technical assistance and trainings
- Provides equipment to fishery processors who are members of OTOP



8. NA MUEN SRI FABRIC WEAVING GROUP



- Founded in 1971, supported by government in production and marketing
- Practices community enterprise development for self-dependence and family sustenance
- Government provided 1M Baht for product development and promotion (hiring of designers and equipment)
- Only local people allowed to become a member



9. IMT-GT PLAZA (INDONESIA-MALAYSIA-THAILAND GROWTH TRIANGLE PLAZA)

- The project is led by a private sector and supported by the government
- Showcases the outstanding products from the 3 countries
- Serves as souvenir shop and display center for OTOP products in consignment basis



10. THAKHAM SAMPHAN WOMEN GROUP

- Founded in 2002 with 33 members
- Start-up capital came from the members and then supported by the government
- Most of their facilities and production development were supported by the governmental departments
- Problem encountered is the shortage of stocks-cannot meet the demand (volume requirements) of buyers



11. YOUNG STAR GROUP

- The village established a community enterprise to produce Halal consumer goods
- Fish sauce was awarded with a five-star (the only group producing halal fish sauce)



12. THUNG-RUANG-THONG WOMEN GROUP

- A coastal village producing fishery products
- Marketing strategy (Bottom-Up); Member-District-Province-Bangkok
- Agricultural department provided them equipment



13. BARN YOD THONG WEAVING GROUP

- The organization was initiated by an international NGO
- Later, CDD assisted in weaving technique and other government offices provided technical and financial assistance
- The display center and other facilities were provided by the government



14. PANAN WEAVING GROUP

- Supplier of raw materials and finished products (bags, wallet, wall decors and others)
- Technology/design of products transferred from their ancestors, others from the suggestions of customers
- Raw materials are saleable but the most profitable product is the finished items.
- Problem encountered is the middlemen who take advantage of the language barriers. They buy volume of finished and raw materials in low prices



15. LAMSINTH WOMEN GROUP

- A community group enterprise founded in 2000
- Clustered their group to produce and promote banana chips
- Help each other to meet the supply and demand of chips
- Market outlets- department store and other countries



16. BAN KUANKANUN COCONUT SHELL GROUP

- The project started in 2002 by the family – invested capital for product development
- Later, they involved the community – the people working around the village
- Machine used was fabricated by the founder of the group
- Government offices supported the group financially and technically
- Received a 5-Star OTOP award



PRINCE SONGKLA UNIVERSITY

Activities:

1. Lecture on Small and Medium Enterprises in Thailand by Associate Prof. Pairat Watchaparun;
2. Lecture on Project Cycle Management by Mr. Ken Araki;
3. Lecture on Mind Map Technique by Prof. Sanan Peangmuen;
4. Presentation on ARMM Situationer by PD Harrison Haron;
5. Workshop on Problem Tree Analysis, Objective Tree Analysis and Approaches on Program/Project Prioritization
6. Presentation of Group's Output re: Problem Tree and Objective Tree Analysis and Approaches on Program/Project Prioritization

WORKSHOP IN PRINCE SONGKLA UNIVERSITY

February 15-18, 2011



Associate Prof. Pairat Watcharapun presented the SME's in Thailand



PD Harrison, DTI-Sulu & Team Leader, presented the ARMM Overview

WORKSHOP IN PRINCE SONGKLA UNIVERSITY

February 15-18, 2011



Prof. Sanan Peangmuen explaining the Mind Map Technique



Mr. Ken Araki explaining the PCM and Approaches of Program Prioritization



Kit Alano facilitating the Problem Tree Analysis



Sarah Mamadra facilitating the Objective Tree Analysis



Tata Mamariong facilitating the Project Prioritization Approach



The Group in Action...



Brainstorming activity

STAKEHOLDERS' ANALYSIS



STAKEHOLDERS' ANALYSIS

CATEGORY	TYPE OF STAKEHOLDERS
1. Producers	
1.1 Crop Sector	Fruit Growers Vegetable Growers Palm oil Farmers Rubber Growers Rice Farmers Cassava Growers Coconut Planters Abaca Growers Coffee Producers Corn Farmers
1.2 Livestock/ Poultry Sector	Goat Raisers Growers Poultry Contract
1.3 Fishery Sector	Seaweed Farmers/Growers Tilapia Pen/Cage Operators Bangus Pond/Cage Operators Municipal Fisherfolk

STAKEHOLDERS' ANALYSIS

CATEGORY	TYPE OF STAKEHOLDERS
2. Processors	Traditional Household Entrepreneurs Weavers (Fiber and Mat) Artesan/Craftsmen Food Processors (Native/local delicacies, bakers) Women's Organization (Bangsamoro, RIC) Agumil BJ Coco Oil Mill Matling Corporation Civic Organizations (4-H Club Members)

CATEGORY	TYPE OF STAKEHOLDERS
3. Distributors	Forwarders (Transport Group) Traders (Wholesalers and Retailers) Business Chambers Fish Vendors Meat Vendors Supermarkets Agri-Pinoy Barangay Trading Post
4. Policy Makers	National Government Congressmen ARMM Regional Government Local Government Units Traditional Leaders (Ustadz, Imam, Council of Elders) MMHCBI

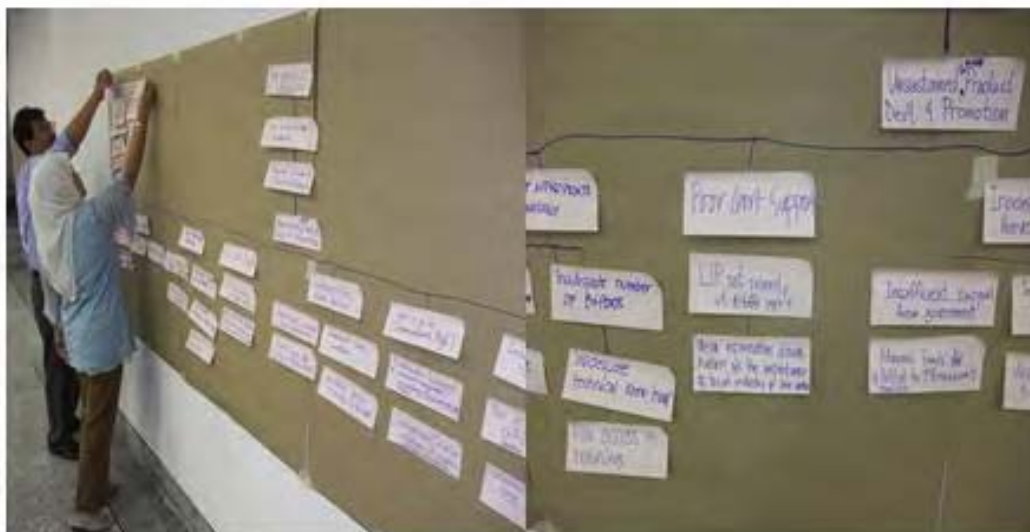
CATEGORY	TYPE OF STAKEHOLDERS
6. Business Supporters	
6.1 Public Institutions	Academe (MSU, USM) GFIs (Agricultural Credit Policy Corporation, Quedancor, Agricultural Credit Enhancement Fund, DBP, LBP)
6.2 Private Institutions	Rural Banks Credit Unions Pawnshops Social Security System NGOs Consultants Local Investors Media

CATEGORY	TYPE OF STAKEHOLDERS
6.3 External (Donor Agencies)	JICA AusAID USAid UNICEF OXFAM Save the Children Food and Agricultural Organizations Asian Development Bank World Bank

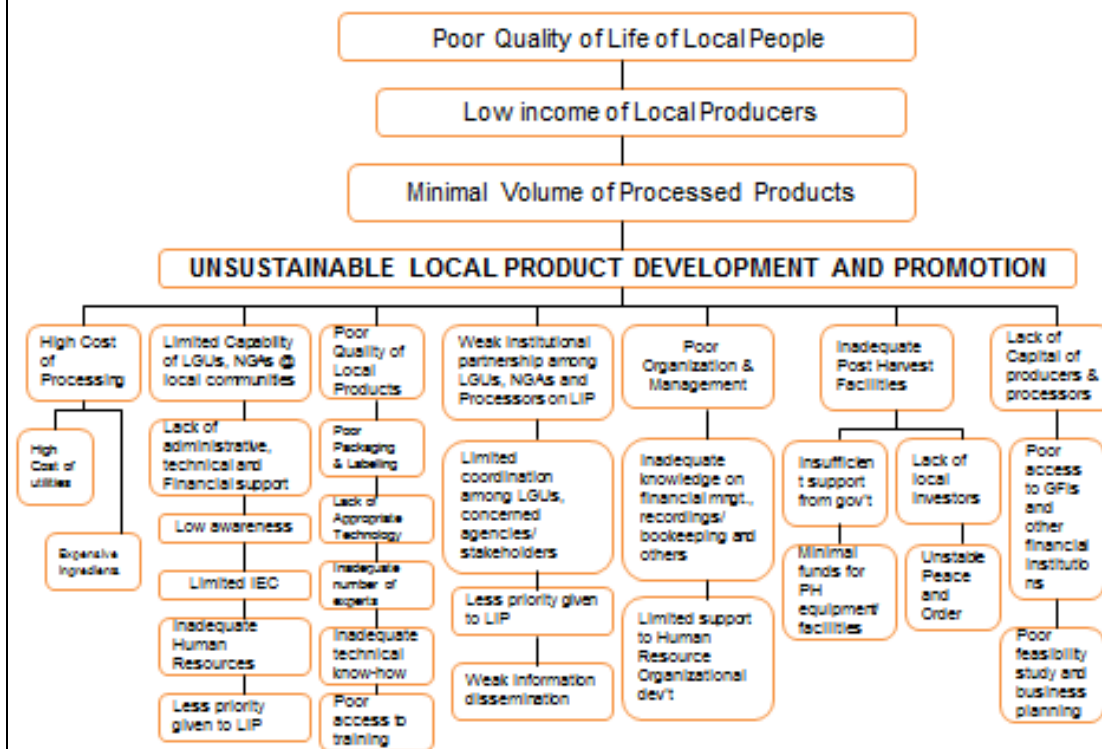
CATEGORY	TYPES OF STAKEHOLDERS
7. Competitors	Lamsan Trading (Cassava Processor) La Frutera Incorporated (Banana Growers) BJ Coco Oil Mill (oil Processor) Matling Corporation (Fruit Grower and Processor) ARDEXCOR (Banana Grower) Agumil (Oil Palm Processor) MINRICO (Veneer Plywood Processor) Wao Development Corporation (Pineapple Producer) Mt. Kalatungan (Banana Producer) Philippine Trade Corporation (Corn Processor) MINTEX (Garments and Textile Producer) Barter Traders Kidnappers Abu Sayyaf Group Secessionist Group (MNLF, MILF)

CATEGORY	TYPE OF STAKEHOLDERS
8. Consumers	Overseas Filipino Workers Migrants Indigenous Peoples Local People Foreigners/Visitors

PROBLEM ANALYSIS



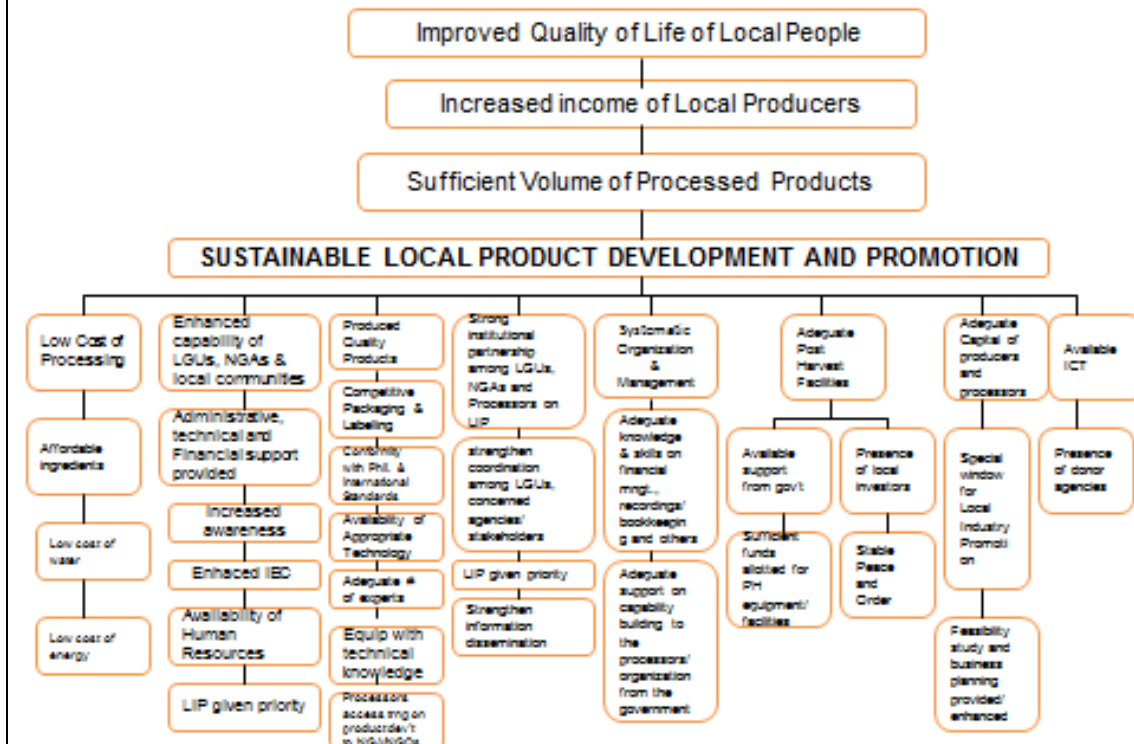
PROBLEM TREE



OBJECTIVE ANALYSIS



OBJECTIVE TREE



APPROACHES



Approaches	Beneficial to Core Objective (4)	Cost (3)	Possibility/ Feasibility (Easiness to Implement) (2)	Emergency (Urgent Matter to Solve) (5)	Acceptability to Society (1)	Total
Provision of Infra/PH Facilities	5	3	3	5	1	65
Strengthen Advocacy, Information, Education and communication	5	4	5	5	5	72
Access to Capability Building	5	5	5	5	3	73
Credit Facilitation	4	2	3	3	5	48
Strengthen Institutional Arrangement	5	3	5	5	4	68
Intensify Product Development and Promotion	5	4	4	5	5	70
Implementation of appropriate technology and projects	5	4	3	5	5	68

LESSONS LEARNED

1. Strong government support
 - Provision of financial and technical assistance, facilities and equipment
 - Provision of incentives through award system (1-5 stars)
 - Strong IEC and capability building
2. Convergence of all stakeholders (LGU-NGO-Academe-Private partnership)
3. Strictly enforce all laws, rules and regulations (GMP-HACCP, Halal)
4. Promote OTOP – focus commodity per village
5. OTOP as secondary generating livelihood in the community



6. Direct access to market, no middlemen (farmer to consumers)
7. OTOP members can access to all facilities in the government, free of charge
8. No registration fee policy to all OTOP members
9. Members of the group patronize their own product as way of promotion, then sell to local people/village
10. SMEs supportive to OTOP - assist in product promotion
11. OTOP is a continuing program of the government



12. Maximize utilization of raw materials (from root to tip).
13. OTOP implementation is lodged to Ministry of Interior (DILG in the Philippines)
14. Free product promotion during OTOP Fair in Bangkok (Semi-Annual and Annual).
15. Income/Sales of the organization is transparent to all members.
16. No cooperative, only association/community groups.
17. Government supportive to Halal industry (provides logistic). They had only one recognized Authority (CICOT)
18. Strong tourism promotion (Underwater Wedding during the month of February). They promote eco-tourism as their industry.
19. Presence of donors and credit windows; less requirements in accessing loan (trust).

OTOP is... "Hindi lang pampamilya, pang export pa"

SUGGESTIONS/RECOMMENDATIONS

1. The Department of Interior and Local Government (DILG-ARMM) shall take care of the OTOP implementation.
2. MMHCBI shall be supported with logistic support through a Public-Private Partnership.
3. The ARMM Regional Standard Testing Laboratory shall be fully equipped with laboratory facilities and expedite its operation.
4. Build-up on the skills of local people through capacitation.
5. Maximize utilization of local talents and resources.
6. Establishment of Bagsakan Center at the production site.
7. Policy support for the utilization of Public Utility Vehicle to support the transport requirements of crops from the production center to the trading center.
8. Improve the capacity of Local Government Units in the administration of public market.

SUGGESTIONS/RECOMMENDATIONS

9. Policy support to provide incentives particularly on registration, market promotion and product development.
10. Establishment of Award System for OTOP Projects.
11. Provision of incentives (cash reward) to Five (5) Star Awardees.
12. Provision of Packaging equipment and facilities.
13. Establishment of OTOP Display Center at designated areas such as Airports and Seaports and at the provincial and regional center.
14. Continuing education of Women Group for enterprise development.
15. Capacity development on diversification of products through value adding.
16. Autonomous Regional Government to allocate special fund for the acquisition of equipment to support existing local producers.
17. International NGO to capitalize on building the skills of target communities regarding livelihood development.

SHUKRAN AND WASSALAM



4. Second Workshop (April 2011)

**Workshop on Analyzing Issues on Local Industry Promotion
Minutes of the Meeting**

Development Study of the Promotion of Local Industry in the ARMM, Philippines
April 4 – 5, 2011, Estosan Garden Hotel, Cotabato City

DAY 1: April 4, 2011 (Monday)**I. Opening Program**

The workshop started at 9:20 AM with an invocation given by Ismael Satul, a representative of ARMM Regional Office, and it was followed by singing of the national anthem.

Mr. Ali Mala, the Supervisor of the LIP-ARMM local staff, acknowledged the presence of the participants by agency or sector.

Messages:

- In an opening statement, **Ms. Shiho Akamatsu**, Project Formulation Advisor of JICA Philippines, was very pleased to be part of the workshop and was hoping that the workshop would have a successful outcome. She recalled that during the first workshop held last October 2011, there were active discussions among the participants and the facilitators, and she considered it a very successful workshop. She further stated that the interim report has already been drafted, after an intensive study was conducted, and its output would be presented in this workshop. Accordingly, the interim report has been a big step in the study and the final report would depend much on the outcome and contributions from various stakeholders. The immediate task of the study team for this workshop would be to receive the comments and suggestions to the interim report in order to give better clarity and validated information. This workshop would also focus on the gaps or issues as well as to identify priority areas, economic potential in the ARMM and appropriate and effective approaches. Furthermore, she reiterated JICA's commitment to contribute this share of effort. She hoped that this second workshop would be as active and as successful as the first one because this would be an important milestone in the completion of the study. In her final statement, she extended her appreciation for the concern of the Philippines regarding Japan's tragedy.
- **Atty. Ishak Mastura**, Chairman of the Regional Board of Investment (RBOI), spoke in behalf of Atty. Nasser Sinarimbo who was not able to grace the opening program because of busy schedule in line with the deadline of submission of budget at the regional office. He then extended the heartfelt

sympathy of ARMM Regional Government on what happened to Japan. The people of ARMM were humbled to see the presence and continued efforts of the Japanese counterpart in this project even at this time of tragedy. Lastly, Atty. Mastura gave JICA high regards because it has acknowledged ARMM's identity as Bangsamoro by agreeing to coin the words, Japan-Bangsamoro Initiative for Reconstruction and Development (JBIRD).

J. Overview of the Workshop

Mr. Michimasa Numata, Deputy Team Leader of LIP-ARMM, presented the overview of the 2-day workshop, starting with its purpose of enhancing the understanding of various stakeholders on issues relating to the local industry promotion in the ARMM. On the first day of the workshop, the findings of LIP-ARMM Interim report were presented by the Experts and were validated by the participants during the open forum.

In the later part of the afternoon's session, the participants were grouped into three, according to expertise or by sector. The agriculture sector was facilitated by Mr. Shingo Furuichi, the fisheries sector by Mr. Mitsuo Inuma, while the livestock sector was handled by Mr. Masayoshi Nakatani. The break-out groups were tasked to make a Study Analysis matrix that would help formulate strategies for the promotion of the local industry in the ARMM. The discussion on the study analysis matrix was continued on the second day of the workshop, and ended with presentations of the outputs during the plenary. After which, a closing program was held.

K. Study Tour in Thailand for the Local Industry Promotion in the ARMM

Before the next topic was given, Mr. Ali Mali acknowledged first those who participated in the third country study tour, who were the following:

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Harrison A. Haron | – | DTI-Sulu |
| 2. | Sarah D. Mamadra | – | DTI-Regional Office |
| 3. | Saidah D. Panawidan | – | DTI-Lanao del Sur |
| 4. | Jalika D. Mangacop | – | DA-Regional Office |
| 5. | Badrudin S. Esmael | – | DA-Regional Office |
| 6. | Norolhaya D. Mamariong | – | RPDO |
| 7. | Farida M. Biruar | – | RBOI |
| 8. | Estrellita J. Ibrahim | – | DOST |
| 9. | Mariquit C. Alano | – | BFAR |

As an introduction, Mr. Ken Araki, the coordinator of the said tour, carried on by stating that the purpose of this activity was to learn the current situation and challenges of Thailand's local industry promotion. And with these insights and lessons learned, the participants would consider approaches or strategies applicable to ARMM's local industry promotion. The group visited places regarding One Town-One Product (OTOP) and had workshop in a university on analyzing issues on local industry promotion.

Dr. Jalika D. Mangacop then discussed what transpired during the 14-day study. The group visited four places in Thailand, namely: Bangkok; Ratchaburi; Trang, and; Pattalung. The following were the specific sites where the group went with their findings:

Furthermore, the following were the observations of the group:

- At Sri Muang Crops Market, the participants were able to see how market stall owners sell their products. They were told that these products were sold to them directly from farmers or growers; hence eliminating the middlemen.
- Trang Provincial Community Development Department was similar to Cotabato City in the Philippines.
- The IMT-GT Plaza encouraged them to put Philippine products there for promotion in Thailand.
- The Thakham Samphan Women Group has good packaging for their products.
- Thung-Ruang-Thong Women Group also has good packaging for their products, and they have supply throughout the year. Raw materials are kept refrigerated to make it last long.
- Lamsinth Women Group was using “senyorita” variety for their banana chips.
- In all of the sites/groups visited and interviewed, they all mentioned that the Ministry of Interior has been supporting them in terms of providing the buildings, land, and other infrastructures/assets for their marketing activities.

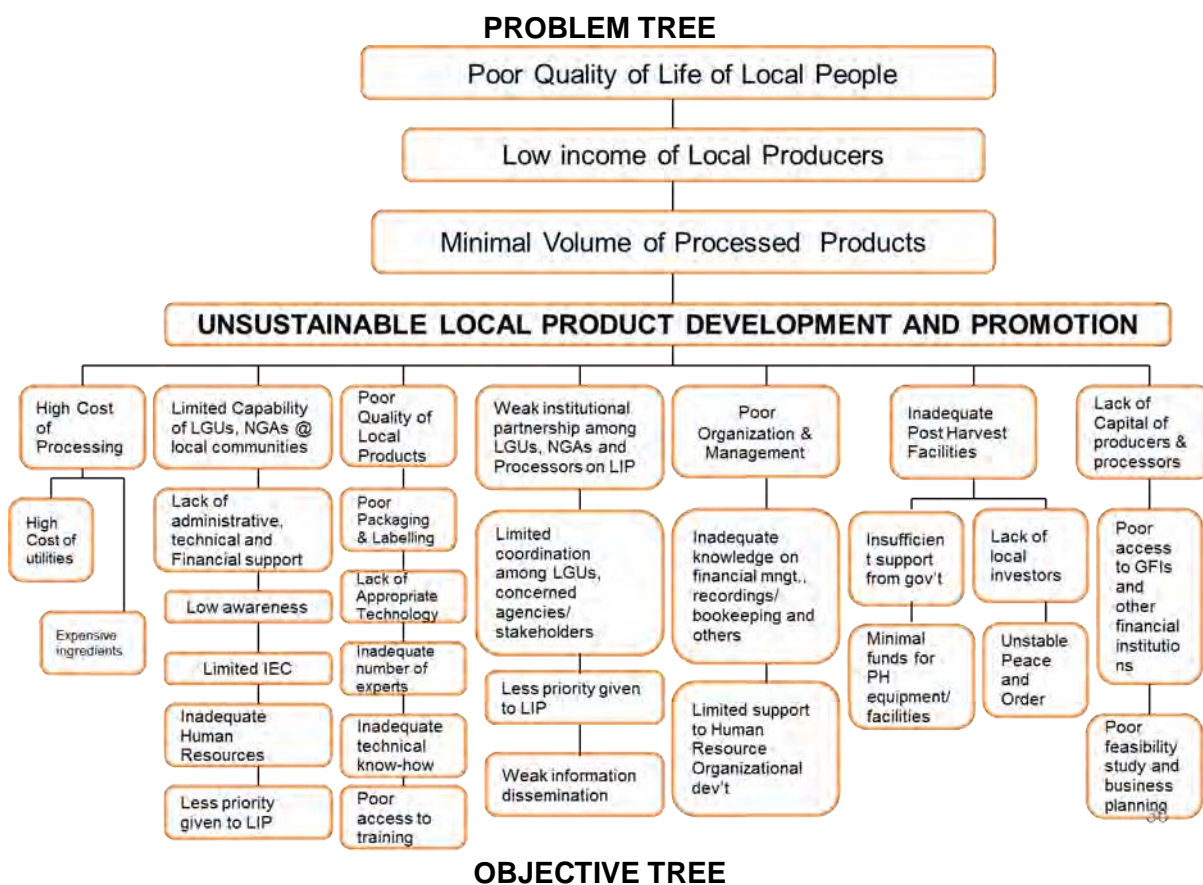
After the site visits, the participants were brought to Prince Songkhla University, where they were handled by two Experts/coordinators. They had lectures on Thailand’s Small and Medium Enterprises (SMEs), Project Cycle Management, and Mind Map Technique. After these inputs, the participants were tasked to come up with Stakeholders Analysis, Problem Tree Analysis, Objective Tree Analysis and Approaches.

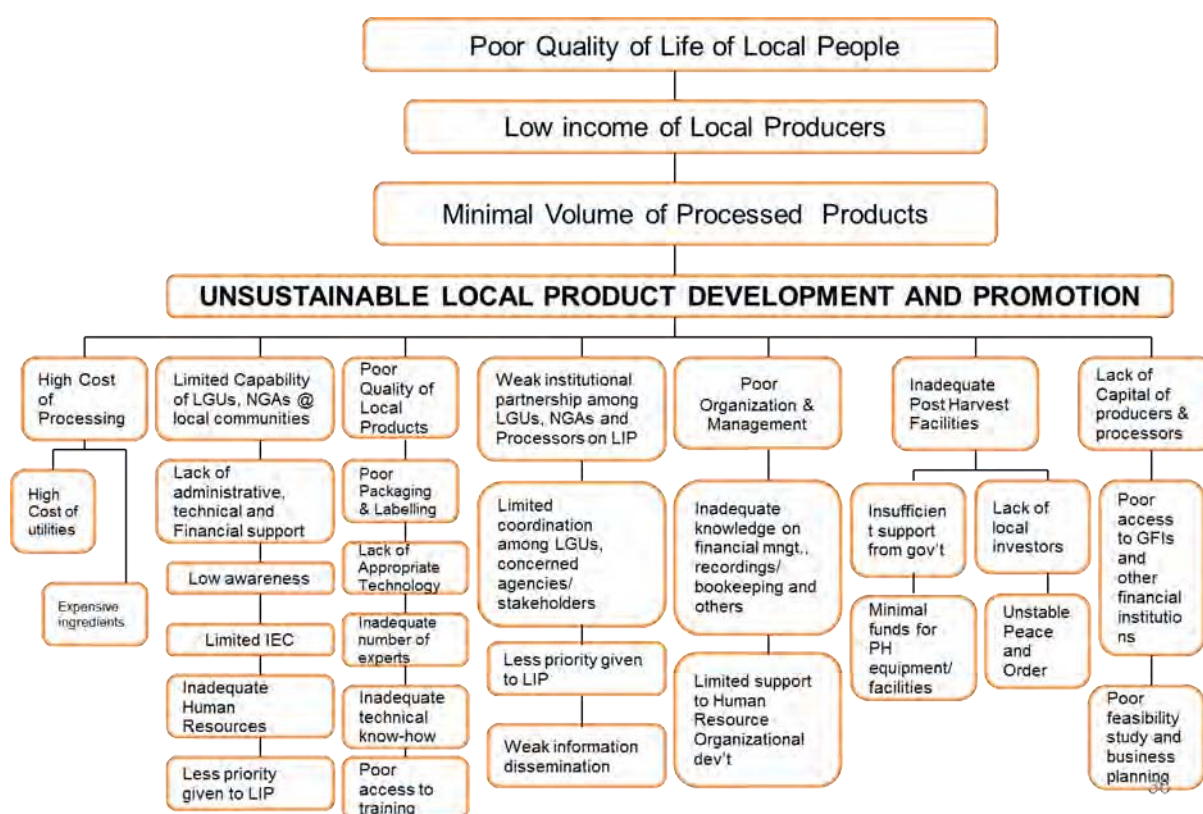
STAKEHOLDERS ANALYSIS

CATEGORY	TYPE OF STAKEHOLDERS
1. Producers	Fruit Growers Cassava Growers
1.1 Crop Sector	Vegetable Growers Planters Coconut
1.2 Livestock/Poultry Sector	Palm oil Farmers Growers Abaca
1.3 Fishery Sector	Rubber Growers Producers Coffee Rice Farmers Corn Farmers Goat Raisers Poultry Contract Growers Seaweed Farmers/Growers Tilapia Pen/Cage Operators Bangus Pond/Cage Operators Municipal Fisherfolk

CATEGORY	TYPE OF STAKEHOLDERS
2. Processors	Traditional Household Entrepreneurs Weavers (Fiber and Mat) Artesan/Craftsmen Food Processors (Native/local delicacies, bakers) Women's Organization (Bangsamoro, RIC) Agumil BJ Coco Oil Mill Matling Corporation Civic Organizations (4-H Club Members)
3. Distributors	Forwarders (Transport Group) Traders (Wholesalers and Retailers) Business Chambers Fish Vendors Meat Vendors Supermarkets Agri-Pinoy Barangay Trading Post
4. Policy Makers	National Government Congressmen ARMM Regional Government Local Government Units Traditional Leaders (Ustadz, Imam, Council of Elders) MMHCBI
5. Business Supporters 5.1 Public Institutions 5.2 Private Institutions	Academe (MSU, USM) GFIs (Agricultural Credit Policy Corporation, Quedancor, Agricultural Credit Enhancement Fund, DBP, LBP) Rural Banks Credit Unions Pawnshops Social Security System NGOs Consultants Local Investors Media
5.3 External (Donor Agencies)	JICA AusAID USAID UNICEF OXFAM Save the Children Food and Agricultural Organizations Asian Development Bank World Bank

CATEGORY	TYPE OF STAKEHOLDERS
6. Competitors	Lamsan Trading (Cassava Processor) La Frutera Incorporated (Banana Growers) BJ Coco Oil Mill (oil Processor) Matling Corporation (Fruit Grower and Processor) ARDEXCOR (Banana Grower) Agumil (Oil Palm Processor) MINRICO (Veneer Plywood Processor) Wao Development Corporation (Pineapple Producer) Mt. Kalatungan (Banana Producer) Philippine Trade Corporation (Corn Processor) MINTEX (Garments and Textile Producer) Barter Traders Kidnappers Abu Sayyaf Group Secessionist Group (MNLF, MILF)
7. Consumers	Overseas Filipino Workers Migrants Indigenous Peoples Local People Foreigners/Visitors





APPROACHES

Approaches	Beneficial to Core Objective (4)	Cost (3)	Possibility/ Feasibility (Easiness to Implement) (2)	Emergency (Urgent Matter to Solve) (5)	Acceptability to Society (1)	Total
Provision of Infra/PH Facilities	5	3	3	5	1	65
Strengthen Advocacy, Information, Education and communication	5	4	5	5	5	72
Access to Capability Building	5	5	5	5	3	73
Credit Facilitation	4	2	3	3	5	48
Strengthen Institutional Arrangement	5	3	5	5	4	68

Intensify Product Development and Promotion	5	4	4	5	5	70
Implementation of appropriate technology and projects	5	4	3	5	5	68

LESSONS LEARNED:

1. Strong government support
 - Provision of financial and technical assistance, facilities and equipment
 - Provision of incentives through award system (1-5 stars)
 - Strong IEC and capability building
2. Convergence of all stakeholders (LGU-NGO-Academe-Private partnership)
3. Strictly enforce all laws, rules and regulations (GMP-HACCP, Halal) Good Manufacturing Practices
4. Promote OTOP – focus commodity per village
5. OTOP as secondary generating livelihood in the community
6. Direct access to market, no middlemen (farmer to consumers)
7. OTOP members can access to all facilities in the government, free of charge
8. No registration fee policy to all OTOP members
9. Members of the group patronize their own product as way of promotion, then sell to local people/village
10. SMEs supportive to OTOP - assist in product promotion
11. OTOP is a continuing program of the government
12. Maximize utilization of raw materials (from root to tip).
13. OTOP implementation is lodged to Ministry of Interior (DILG in the Philippines)
14. Free product promotion during OTOP Fair in Bangkok (Semi-Annual and Annual).
15. Income/Sales of the organization is transparent to all members.
16. No cooperative, only association/community groups.
17. Government supportive to Halal industry (provides logistic). They had only one recognized Authority (CICOT)
18. Strong tourism promotion (Underwater Wedding during the month of February). They promote eco-tourism as their industry.
19. Presence of donors and credit windows; less requirements in accessing loan (trust).

SUGGESTIONS:

1. Policy support from the ARG
 - Formulate guidelines/manual of operations on LIP-ARMM
 - E.O. to implement OTOP in the region/province/municipality
 - Free registration/permits
 - Incentives to OTOP members

- E.O. to all line agencies and LGUs for the inclusion of Local Industry Program in their annual budget

2. Creation of TWG to oversee the implementation of LIP in the region (REDC members)
3. Provision of Post-harvest facilities and equipment
4. Strengthening of advocacy and IEC
5. Establishment of standard and testing laboratory for food safety and quality assurance
6. Promotion of partnership with private sector
7. Provision of capacity/capability building to stakeholders

L. Summary of Interim Report Chapters 1 - 3

Ms. Awano Haruko, LIP-ARMM Deputy Team Leader and Microfinance Expert, presented the Economic Situation, Policy Business Status and Microfinance of the Interim Report. She commented that the presentation had some updated information compared to the printed Summary of the Interim Report as distributed.

On the Social and Economic Situation in the ARMM, the following were highlighted:

- Based on the period from year 2000 to year 2007, there was a high population growth in the ARMM with an annual percentage of 5.7 as compared to Mindanao's rate of 2.5%. This indicated that number of young generation is increasing; hence, it is necessary to improve the education system as well as to create employment for them.
- In 2006, ARMM had higher poverty incidence of 62% as compared to Mindanao's 47%. Moreover, ARMM had the lowest GRDP in the entire Philippines in 2008; hence, there is a need to increase the economic development in the region.

Industry Situation in the ARMM:

- The primary industry accounted for 60% of the total GRDP; hence, there is a big potential to improve the productivity in all sectors.
- There are many businesses not yet registered at DTI, and these are concentrated on the service sector.

National Industry Promotion Policies:

- DTI National will launch new MSME development plan this coming June, 2011 focusing on three main approaches: local based economic development; sector development, and; market system development.
- DTI is also implementing several programs nationwide, but in many cases, ARMM is not involved. These programs include a) cluster based industrial development strategies, b) diagnosis system of MSMEs, and c) promotion of

quality and performance management for regional offices in DTI. These programs have been successful which have helped several industries/businesses increase their sales as much as threefold.

Mindanao Program – Mindanao 2020:

- Mindanao Development Authority launched in December, 2010 a 20-year Peace & Development Framework Plan for Mindanao 2011-2030 with its vision of an improved quality of life and peaceful and sustainably developed Mindanao.
- MinDA together with DTIs all over Mindanao have formulated action plans for promotion of BIMP-EAGA (Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area)

Industry promotion programs/activities of ARMM:

- ARMM also has major industry promotion programs such as the creation of the Regional Economic Zone Authority (REZA), promotion of Halal industry and the One Town-One Product (OTOP). However, the progress of these programs is limited due to financial constraints.
- ARMM needs to strengthen its linkages with the national programs of DTI.

Status of Local Industry/Enterprises in the ARMM:

- There are 23 enterprises registered at RBOI-ARMM, however only 14 are operational (9 in Maguindanao, 4 in Lanao del Sur, and 1 in Sulu.) The main reasons of non-operations of the 9 enterprises are: management problems, insufficient feasibility studies, and unclear land title.
- In 1980, projects were initiated by Southern Philippines Development Authority (SPDA) in the ARMM such as the large agriculture project in Lanao del Sur covering 26,000 hectares, 2 fish cage projects in Lake Lanao and Lake Buluan respectively, and Integrated Marine Fisheries Development project in Tawi-Tawi. In 1993, the ownership and management of the projects were transferred to ARMM government. However, all the projects failed due to a lack of information to and understandings by residents, diversion of funds, lack of supervision, lack of participation by stakeholders, lack of trainings, a lack of funds from ARMM, insufficient management capacity, peace and order problem, etc.
- Results of Business Study with 518 businesses in 5 provinces:
 - i. **Business Profile** - Many enterprises are small-scale or family/community based, and most of which started their businesses based on the resource and demand situation in the community or to succeed family business and by obtaining skills from family/community. Major challenge at the start is a lack of capital and majority started with their own money or borrowing from family/relatives. 24% are not registered at any authorities due to lack of information and needs.

-
- ii. **Financial Status** - Majority of the enterprises has a capital of less than Php 250,000 and over half do not keep P/L and cash flow statements.
 - iii. **Procurement and Marketing** - About 60% procure materials/goods and sell within the ARMM, mostly in their provinces
 - iv. **Access to finance, trainings / BDS & networks** - Very limited, majority has not utilized loans from financial institutions but 61% need loans. 21% received trainings/BDS mostly from LGUs, with smaller ratio in islands (8-13%). However, the half indicated the need of those services. Only 10% belongs to business associations/networks.
 - v. **Opportunity and Challenges**
 - Strength : Good quality of their product
 - Opportunity: Good quality and abundant supply of material/product, growing market
 - Perception on their industry: 87% considered their industry will grow.
 - Challenges:
 - Management: lack of fund, increase of operational cost, unskilled labors
 - Technical: lack of facilities/equipment, high cost of inputs, lack of tech know-how
 - Marketing: Unstable prices, competition, lack of transportation, strategy, information
 - External: Infrastructure, security, lagay
- Implication from the analysis of the businesses: In addition to capacity building of the enterprises (BDS, trainings, networking, marketing), it is important to improve the business environment in particular finance, infrastructure and transportation, security, support system by LGUs and local leaders, and clarification of land ownership.

Status of Microfinance:

- There is a demand among enterprises (61%) to loan for use as working capital or acquire business assets. But based on experience, only 4.3% was able to access loans from formal institutions due to constraints such as long processes, need for collateral and other requirements. For farmers and fishermen, on the other hand, the need is as high as 80% for use as working capital, and almost all do not have any experience of loan from financial institutions. Constraints for access to financial institutions include instability and seasonal of income, availability of services, repayment methods or requirement.

-
- There are 13 MFIs including 2 rural banks operating in the ARMM. But their coverage is limited to only 34 LGUs with larger coverage in the island provinces. There are also 94 cooperatives all over ARMM that offer loans to its members. But the performances of most cooperatives are unknown.
 - Challenges for MFIs to expand to ARMM:
 - a) Insufficient infrastructure such as roads and communication
 - b) Unstable security (in the case of Basilan, MFI had to close 2 branches there because their staff were kidnapped)
 - c) Low level of economic and marketing activities
 - d) Past bad performances of cooperatives (for Land Bank)
 - Opportunities:
 - a) Good repayment rate by major MFIs such as CARD (in Ampatuan, the repayment rate was 100%) and KCCDFI
 - b) CARD plans to expand in Marawi City and several LGUS in Maguindanao
 - c) Land Bank launched the “Food Supply Chain Program” (already started with the seaweed farmers in Panglima Sugala, Tawi-Tawi and in Buluan, Maguindanao)
 - d) MFI (SCFI) succeeded in their agri loan pilot project in Region XII and plans to expand to other areas.
 - Possible Solutions for MF in the ARMM:
 - a) Promotion of MF services to enterprises, farmers and fishermen
 - b) Utilization of the Food Supply Chain Program by Land Bank
 - c) Strengthen cooperatives to provide loans to member farmers, especially so in rural areas where there is difficulty of MFs to go into the area.

After the presentation, Ms. Awano entertained two questions from the participants. Mr. Nestor Delasas, the Provincial Planning and Development Coordinator of Tawi-Tawi, wanted to clarify why there were only 2 MFIs in Tawi-Tawi that were covered by the Study because there are many of them in the province. He further noted to look into this again and validate the information or the total number of MFIs in the province. Ms. Awano acknowledged his suggestion because this would be very helpful to the Study.

Professor Delfine Papa of MSU-Maguindanao remarked that one of the challenges to the promotion of the local industry is the involvement of different stakeholders in bridging the gaps on information dissemination, training, capitalization and marketing. It would be necessary to identify these agencies so that any effort exerted to the local industry will be successful. Ms. Awano replied that one of the suggestions for the promotion of local industry would be the convergence of stakeholders.

M. Potential Product Survey: Agriculture

Mr. Shingo Furuichi, LIP-ARMM Agriculture Expert, presented the result of the potential product survey with concentration on the agriculture sector. He began by stating that the study on the potential products was done through three activities namely: survey by

local consultants, field survey by Experts where security situation was stable, and interview with stakeholders. The identification of the potential products was primarily based: a.) on the previous studies conducted by JICA such as the Human Capacity Development Program and the workshops of LIP-ARMM; b.) from the data of the Provincial Development Plans of the five provinces, and c.) on set criteria (i.e. a product which is produced in the ARMM, a product whose processed products can be produced by small holders and their value can be maintained, and a product which may target overseas market and whose processed products may also be recognized by overseas markets). As a result of these, 10 products were selected, namely: coconut, coffee, cassava, mangosteen, cacao, banana, mango, abaca, rubber, and palm oil.

The evaluation of these products was rated based on the following:

1. Production – production volume and scale
2. Production Technique – level of production technique, productivity, and quality management
3. Value Added – production status of processed products and quality control of processing process
4. Distribution – establishment of distribution network and infrastructure
5. Marketability – demands in the ARMM, domestic and international markets
6. Acceptability – aptitudes of products for society, culture and economy of ARMM

Coconut

- The acceptability of coconut is the highest being the tree of life. Apart from oil, there are many products produced by this product. Maguindanao is the highest producer of coconut. However, the supply is still limited in the ARMM. China has high demand to use coir and husk. As a measure, it would be good to introduce integrated farming to encourage small farm holders.

Coffee

- The acceptability of coffee is also high because it is a staple commodity in the ARMM and it is becoming popular among young people with the establishments of many coffee shops. The major suppliers are Sulu, Maguindanao and Basilan. There is a prevailing problem in its production especially in harvesting because most farmers do not practice selective harvesting.

Cassava

- Cassava can be used both as a food and for industrial purposes. The demand for production is high and there is a negative gap to export. ARMM accounts for 50% supply in the entire Philippines. Intercropping is advised.

Mangosteen

- The marketability of mangosteen is low. However, if the value addition is noted, its rate is high because almost all parts of this crop can be utilized for processing. However, processing is limited in the ARMM. There is a big producer in Kidapawan whose products go outside the Philippines. The

harvested/production area is the smallest among major fruits in the Philippines. Sulu is recognized as the main producer, but its production technique is very primitive. Sulu can apply the technology being practised in Kidapawan.

Cacao

- The marketability of cacao especially in the other countries rated the highest; however its production is still limited in the ARMM. There is no cacao processing in the ARMM.

Banana

- The banana industry is already matured; there is not so much room for intervention. Banana is suitable to grow in the Philippines and already has export markets. Organic farming is also seen as a good ground for export. There are banana processors in the ARMM at household levels. Maguindanao is the top producer in the ARMM with 60% share.

Mango

- Mango’s marketability is already established. It is already being exported to 48 nations; share of mango in Japan and Hong Kong is 65%. Sulu and Maguindanao are the top producers.

Abaca

- There is a stable demand of abaca in the international market. There is no manufacturing firm using this fiber in the ARMM. The top producers are Lanao and Sulu.

Rubber

- There is a high demand of rubber because of industrialization, hence the demand is boosted. Farmers only produce rubber in the form of latex, and there is no processing in the ARMM. Tapping is very critical technology, if not done properly, a rubber tree may only last for 10 years. Basilan accounts for 98% production in the ARMM.

Palm Oil

- There is an increasing demand of palm oil because of industrial growth. High productive growth and expansion should be studied. Maguindanao is the only one producing this product.

Proposed Potential Products

Products	Potential as local industry by smallholders	Good practices as examples
Coconut <i>This should be revitalized to include intercropping.</i>	Various high-value products can be processed from coconuts and by-products	Integrated farming based on coconuts in Maguindanao and enterprises/cooperatives for processing in and outside of ARMM

Coffee <i>Demand of coffee is increasing, so there is a room to produce more. Organic farming in Upi, Sultan Kudarat and Sulu.</i>	Organic farming for value addition	Environmentally friendly coffee farming in Upi and Sultan Kudarat
Cassava	Not only Muslim confectionaries but also as bio-energy source	Cottage industry processing of confectionaries in and outside ARMM
Mangosteen <i>Production is small, however, there is potential to revitalize the industry by improving production and processing</i>	Value-added like jam, preserve, juice, dry rind and extract essence	Well managed cultivation and processing in Kidapawan
Cacao <i>There is a demand in international markets.</i>	Dried fermented quality beans	Cultivation and post-harvest in Basilan and Davao region and processed products in South Cotabato

After the presentation, *Mr. Kazuo Sudo* of JICA asked how the Study Team came up with the figures in the chart. *Mr. Furuichi* replied that these were based on six evaluation aspects with a rating from 0 to 5. It was difficult to quantify each evaluation item, but there was a need to show the data visually. Hence, the chart was adopted. There were also guidelines or basis for evaluating each of the items.

Engr. Parasa Atalad, Basilan Provincial Planning and Development Coordinator, was concerned about rubber and coconut which are the major products of the province. Accordingly, Basilan is the only province in the ARMM that is producing rubber and problems of this industry are on the processing plant and expansion of area. Only big plantations are able to produce more because of the high cost of rubber seedling which is at Php25 each. The small farmers find it hard to buy the seedlings in volume; hence, they need financial assistance for them to be able to produce their own rubber seedlings. In the case of coconut, it was unfortunate that Basilan doesn't have milling company. *Mr. Furuichi* replied that this feedback will be included in the final report.

Dr. Cairoding Riga, Lanao del Sur Provincial Planning and Development Coordinator, observed that there was no discussion on bamboo. He hoped that this product will be considered in the Study. In reply, *Mr. Furuichi* said that he actually analyzed bamboo in the interim report, but in the presentation it was not discussed. All the products in the ARMM are potential; it doesn't mean to say that those products that were not discussed in this workshop are not as essential as the ones presented. The functions of the concerned government agencies as well as the efforts of private sector must also be considered.

Dr. Antok Tumanda of MSU Maguindanao noticed that the value added was concentrated on the local by-products. He commented that it was not economical to ship coco coir and dust to China, but only to nearby countries. He also stated that there was no coconut processing in the ARMM and if possible to take into consideration other

value-added coconut products such as glycerine and lip balm that would help boost the coconut industry in the region. Mr. Furuichi thanked him for this information.

N. Potential Product Survey: Fisheries

Mr. Mitsuo Inuma, LIP-ARMM Fisheries Expert, continued with his presentation on the fisheries sector. He reiterated how the identification of potential products was done. Accordingly, it was based on three papers: 1.) the local consultant survey report in the preliminary report; 2.) the provincial development physical framework plan (2008), and; 3.) the result of the first workshop conducted by LIP-ARMM.

For fisheries sector, there were six products selected: marine fish, seaweed, milkfish, tilapia, mud crab and abalone.

Marine Fish:

- According to the fisheries activities in the ARMM, grouper is one of the major fish in the region. In some areas in the island provinces, the fish culture is becoming popular. Its production level might not be high, however, if aqua-culture activity will be promoted, this will be increased. Grouper is a high value fish in the international market and the local market is also large. If distribution channel is improved and infrastructures, such as warehouse and cold storage, are established, ARMM can maintain the quality of the fish and can be of export quality.

Seaweed:

- Seaweed is largely grown in the ARMM areas especially in Tawi-Tawi and Sulu. The technology level is not difficult, however, quality management is not much available. It is recommended to improve the quality of the seaweed for international market. There is still a chance to produce more and be at par with other competitor countries.

Milkfish:

- Milkfish in the Philippines is its national fish, and there are various kinds of milkfish cuisines in this country. Unfortunately, milkfish production in the ARMM is small and limited. There are large scale fishponds found in Maguindanao areas like Parang and Sultan Kudarat that still use traditional culture method to grow the milkfish. There is a need to look on how to increase its productivity. Half of the supply of milkfish in the ARMM markets comes from non-ARMM areas and there is an opportunity to sell milkfish in non-ARMM areas.

Tilapia:

- Tilapia is popularly consumed in the ARMM areas especially in Lanao del Sur. In Maguindanao, Lake Buluan is one of the production areas in the ARMM region; farmed at pen and feeding is natural organism. Tilapia is cultured at ponds; how to culture tilapia in the lake area should be considered.

Mud Crab:

- There are some mud crab farmers in Parang and Sultan Kudarat that have potential to sell in local markets and some international markets. There is a need to improve on its technology in order to improve production. Mud crab is one of the high value products; access to local market should also be improved.

Abalone:

- Abalone production just started few years ago. Tawi-Tawi is already starting its production. However small, abalone activity in this province should be promoted. This is a high value product especially in Chinese cuisine. Its demand is high, and there is a need to find local and international markets. Abalone production is still small, however the potential is high.

Summary of Potential Product Analysis

	Production	Production Technique	Value-added	Distribution	Marketability	Acceptability
Groupers	3	3	3	5	5	4
Seaweed	5	3	3	5	5	4
Milkfish	2	2	1	3	3	5
Tilapia	3	3	3	3	4	5
Mud crab	2	2	1	3	4	4
Abalone	2	2	2	3	4	4

O. Potential Product Survey: Livestock

Mr. Masayoshi Nakatani, LIP-ARMM Livestock Expert, presented the potential product survey on livestock. The feeding condition and resources is much favourable in the ARMM as compared to other areas in the Philippines because there are much grasses even during dry season. Based on the survey, goat is important and has high potential in the ARMM, but it needs more production. For cattle, many farmers are not eager to raise this animal. Chicken, on the other hand, is very popular in the ARMM that even farmers have poultry in their own backyard. It was recommended to in order for farmers/growers to understand fully the technical manuals that would be developed, it should be written in a graphical way by means of cartoons or drawings and translated in local terms.

P. Food Processing

Mr. Hiroshi Koaze, LIP-ARMM Food Processing Expert, presented the next topic on food processing. He started by stating that the purpose of food processing is to prolong the shelf life of the products as well as to add some values to it. Accordingly, preserving food is not easy because the food doesn't contain only one compound. It contains moisture and organic matters such as carbohydrates, proteins, fats, etc., and it has a little amount of mineral, vitamins and etc. These give functionalities to the food which is called primary function nutrients. The secondary function is joy of eating, while the tertiary function is health (medicinal improvement).

The most popular fruit in Japan is banana, and 95% of the consumption comes from the Philippines. There are also plenty of tropical fruits in the ARMM. The processing of these products depends on the market and its packaging, and its quality must always be constant.

Accordingly, organic farming is gaining popularity in the international market. Coffee can be organically grown and intercropped. Virgin coconut oil is also a potential product in the region. Delicacy making is another good activity to promote where people can do it in their own kitchen. If this will go on commercial production, its processing should be improved.

The concerns on food processing include hygiene and sanitation, quality fluctuation, traditional and simple processing, basic processing requirements (training/workshop), daily diet and food preference. It was recommended that in order to promote food processing industry it is best to evaluate existing resources and condition, to gather relevant data and information, to ensure that what is being produced is something safe, to make action plan on how to improve it, to implement this action plan, and finally, to do some checking.

Q. Quality Control

Mr. Yutaka Takano, LIP-ARMM Quality Control/Management Expert, explained how to maintain the hygiene at the work place. Quality control goes hand in hand with technology; if there is not enough technology, quality control is poor.

Based on the survey, the problems and constraints of quality control situation of the food processors are:

1. Inappropriate technology in processing
2. Lack of skilled staff/worker in the process
3. Low quality of processed product
4. Lack of hygienic control in the process

Additionally, the following were the results of the survey:

- There was a high demand (68%) for technological knowledge among the processors in the ARMM.
- Only a few (13%) was able to attend training or assistance from the Department of Health.
- Despite that most food-related enterprises concern the hygiene, the level of the hygiene seems to be basic.

R. Marketing

Mr. Ken Araki, LIP-ARMM Marketing Expert, started with the definition of marketing as a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others. The value of a product depends on its quality, freshness/cleanliness, appearances/packaging and brand/reliability. Adding value to a product is determined

by the customers and not by the producers. Hence, it is important to know the preferences of the customers in promoting/marketing one's products.

Many people say that the ARMM has large potential for local industry development. But it is useless in market unless the potential can have value to customers.

S. Open Forum

	Question	Answer
Dr. Alimen Sencil, USM Kabacan	<i>How did you come up with the qualitative analysis/chart?</i>	Mr. Furuichi: We scored each evaluation item ranging from 1 to 5 based on its qualitative equivalent (refer to the attached document for the scoring).
Ishak Paguita, DAF-ARMM	<i>The gap is not on value added. In some commodities, we have excellent production. We can accept in general terms that we have problems in the techniques/ technology. Can we ask to consider bamboo as one of the potential products? Bamboo was already recommended by DTI and bamboo supports other products.</i>	Mr. Furuichi: According to the TOR provided by JICA for this Study, handicraft was not included. However, when we had the Project Steering Committee meeting and the 1 st workshop, there was a recommendation to include handicraft in the Study. There was a difficulty in obtaining the statistical data of this product, except for the province of Lanao del Sur. There was no data on the actual production as an industry. Accordingly, the bamboo is grown naturally and being used as a tool in agriculture activities, but for further processing of bamboo there is not that much. Hence, it was decided not to concentrate much on bamboo.
Delfine Papa, MSU-Maguindanao	<i>We should understand that in this study, the Study team has limitation and standard to follow. Bamboo may be good, however, proposing it is another story. What are some of those tolerable values that we can propose?</i>	Mr. Furuichi: We numerically expressed the products in terms of its potential. But we didn't rank these products.
Dr. Rogelio Bahinting,	1. <i>Will there be a 2nd batch of study tour for the</i>	1. Mr. Numata: There will be no further study tour because

	Question	Answer
DAF-Basilan	<p><i>provincial line agencies?</i></p> <p><i>2. Regarding the infrastructure in the island provinces, I would like to add another problem which is unstable electricity. If we could have submersible cable from Zamboanga City going to the island provinces, this could augment the local industry promotion particularly on rubber for Basilan. We also have to emphasize the unstable security as the second main problem. In Basilan, there is a promising harmony in the province.</i></p> <p><i>3. In Basilan, rubber is identified as one of the priority products of DA. Sulu and Tawi-Tawi have considered it to be its 2nd product to be promoted.</i></p> <p><i>4. In line with livestock production, there is already a promotion for the halal industry specifically for native chicken. We also have goat production demo in every municipality in the</i></p>	<p>JICA didn't provide funds for this.</p> <p>2. Mr. Roel Briones: The security issue/problem needs government support. Ms. Awano: In Basilan, the number of crimes increased from 2009 to 2010. Refer to my presentation on page 8.</p> <p>3. Mr. Furuichi: The value addition aspect of rubber which can be conducted by small-scale farmers is very low. Rubber is only shipped in the form of latex and there is no final product produced by the growers. The production of rubber doesn't educate the farmers; we want farmers to think creativity or any improvement in terms of technology in order to increase their productivity. Farmers who engage in industrial crops such as rubber and palm oil don't think much on farm management.</p> <p>Mr. Bahinting: Regarding semi-processed products, farmers can do this which can give them more income.</p> <p>4. Mr. Nakatani: In the final paper, I will include your suggestion.</p>

	Question	Answer
	<i>province. We need support in terms of marketing aspect such as halal slaughter house, bagsakan center and farmers' field study.</i>	
Mr. Robert Tan, Tawi-Tawi Chambers	<i>Coral farming can alleviate poverty in the ARMM. I would like to ask the help of Mr. linuma on clarifying the statement "to cut coral is illegal".</i>	Mr. linuma: The market price of coral is high, but I don't think that the market size is big because it is not for human consumption. Its target is ornamental market only. The distribution technique needs high skills in handling and management. There is a lot of investment needed to do this coral farming and a high risk in productivity. There is not much economical effectiveness because of high standard skill.
Mr. Mohmin Sulaik, DAF ARMM	<i>My concern is addressed to Ms. Awano regarding access of farmers to banking institutions. Is there any possibility, as a result of the study, to put up a Japanese bank in the ARMM?</i>	Ms. Awano: It would be difficult for foreign institution to come to ARMM. There are already Filipino-owned MFIs in the ARMM. There may be gaps, but I would like to believe the possibility that MFIs can adjust to the needs of the farmers. We need to encourage or teach farmers on cooperativism. I still have to visit several institutions and include them in the final report.
Mr. Jul Arastam, Sulu Chamber	<i>The goal of the LIP-ARMM is to maximize the use of our resources. Sulu and Tawi-Tawi are top producers of seaweeds and we would like to level up its productivity. Sulu has already seaweed processing plant built in 1999 which was supported by DA, but it didn't operate well. How can we reactivate or improve on this?</i>	Mr. linuma: In the island provinces, it is necessary to have stable electricity, enough fresh water supply and fuel in order to operate the processing plant. These can incur high cost or can be expensive. Our immediate intervention is to focus on how to improve the skills of seaweed farmers in order to have higher productivity and to produce quality of seaweeds. Then, the next step is how to market at a

	Question	Answer
		higher price. Ms. Awano: The capacity for management including the marketing is also very important.
Mr. Larry Santos, RBOI	<p><i>My concern is on the palm oil production data. I would like to correct that the 205 hectares production area stated in the presentation doesn't cover Maguindanao but Basilan during 1950's. Currently, there are 4,000 hectares production area in Maguindanao and Lanao del Sur.</i></p> <p><i>Moreover, regarding the predator that is attacking the coconut, the Philippine Palm Oil Development Council has already decided to look into this kind of problem. In fact, in 2007 cure for this has already been introduced and in 2010 during the Congress of Palm Oil Growers held in Palawan, this was discussed also.</i></p> <p><i>Another correction that I would like to make is that there are already four mills in Mindanao, instead of only two, 2 in Lagusan, 1 in Buluan and another one in Tacurong. Additional two mills are to be established in Palawan and Bohol respectively.</i></p>	Mr. Furuichi: I will get the corrected data from you later.
Engr. Mlang Madal, RPDO	<i>We are currently crafting the medium term development plan, and we propose to form alliances among LGUs.</i>	Ms. Awano: We also suggested about this in the interim report. This can be effective for small LGUs. Regional government to meet MFIs in the region in order to know more about its services.

	Question	Answer
RPDO	<i>My concern is how we can solve poverty alleviation in the region given the challenges and issues presented.</i>	Ms. Awano: It is very difficult to solve the challenges raised. We are still in the process of discussing this with you. We need to discuss with you specific issues and how to tackle these.
Ms. Kit Alano, BFAR Region	<i>Regarding the coral farming raised a while ago, CITIS is an international law and we don't have the capacity to amend that law. As an additional info, we don't process smoked tilapia in Balindong, Lanao del Sur.</i>	
Mr. Mauricio Civiles, DILG	<i>Regarding the presentation of the third country training, OTOP is lodged with DTI and not with DILG. The suggestions presented have been answered already. The OTOP in the region started already in 2002 and the promotion of partnership with private sector has already been established. We just need to further enhance these and implement.</i>	
Mr. Nestor Delasas, PPDO Tawi-Tawi	<i>There are identified efforts in Mindanao. I would like to inform our partners that Tawi-Tawi has already big airport that can accommodate bigger planes. Tawi-Tawi is becoming the front door in BIMP-EAGA for marketing of ARMM in the international market. We also have RORO port facilities, sea craft going to Sempurna, Malaysia. Tawi-Tawi has already established its circumferential road and road bridges that connect mainland to island</i>	Mr. Briones: We have already included the ongoing circumferential road construction in the report. All other information will be included as well.

	Question	Answer
	<i>municipalities.</i>	
Asec. Marites Maguindra, DTI	<p><i>I am probably expecting so much from the output of the presentations. My concern would cut across the processing, hygiene and infrastructures that support quality control. I was hoping that the presentations would unveil some technical information in terms of marketing, road networks and infrastructures that support processing and quality control such as laboratories. I would like to know the concentration of these in Mindanao, so that when we do action planning, we may be guided accordingly.</i></p> <p><i>I would like to recommend to the team who went to Thailand to revisit their recommendations because it seems that there is a lack of understanding on what has been going on in the region regarding local industry promotion.</i></p>	<p>Dr. Koaze: We are concerned about the safety of the food and when we asked some processors how they check the quality of their products, they said that they send samples to BFAD Manila. In BFAD Davao there are food inspectors, and they plan to have local center to analyze food samples. In the ARMM, there are only two inspectors covering the 5 provinces. All analysis is being conducted in Cotabato. Moreover, DOST has constructed a laboratory here. There is a need for monitoring and extension of hygienic practice here. We are expecting to have a more practical workshop for food practitioners.</p> <p>Mr. Briones: We presented some processing plants such as the palm oil plants in Buluan and Isulan which are under capacity. There are also two processing plants in Makilala. Matalam, Hagonoy, Quezon and Valencia (Wao sugar cane farmers).</p> <p>Asec. Maguindra: This information should form part of the documentation.</p> <p>Dr. Mangacop: We can reconvene the team and discuss further on this matter.</p>

T. Break-Out Groups Session

After the open forum, the participants were grouped into three according to expertise or field and by the following sectors: Agriculture, Fisheries and Livestock. There were 34 participants in the Agriculture sector, 14 in Fisheries while 16 in Livestock. In each grouping, the facilitator explained the procedures in making the Study Analysis Matrix. The participants were to discuss and write on the meta cards the issues and then the measures concerning selected potential products in terms of production, processing, distribution, marketing, funds/financial services, organization/cooperative, technical/management support and others. These were then posted on the board and the facilitators consolidated the answers.

DAY 2: April 5, 2011 (Tuesday)

OUTPUT OF THE AGRICULTURE SECTOR

Coconut	Production	Processing	Distribution	Marketing
Problems	<ol style="list-style-type: none"> 1. Low productivity of coconut for copra 2. Less optimized intercropping is practiced 3. Rampant cutting of coconut trees 4. Limited source of planting materials 5. immature harvesting of coconut 6. "Sandaw" – Low productivity of coconut due to drought 7. Coconut land conversion to other mono-cropping activities and subdivisions 8. Brontispa Disease and pests (Insects) 9. High Labor Costs 10. Coconut is hard to grow in higher elevation 11. No rehabilitation program from PCA 12. insufficient policy support from LGU 13. Non devolution of PCA to ARMM 14. Less advocacy of 	<ol style="list-style-type: none"> 1. Low quality of Copra 2. Low quality of Post-harvest handling 3. Insufficient local policy support 4. Inadequate technical skills training 5. Need more processors in the provinces 6. Coco oil mill processed up to copra-cake stage processing only 7. Natural fermentation is applied to process vinegar and toddy so that uniformity of quality and hygienic management is doubtful. 8. No labelling showing quality on processed products 9. Post-harvest related policies (drying) 10. Limited processing capability for copra. 11. No storage/warehouse for farmers 	<ol style="list-style-type: none"> 1. High cost of freight/transportation. 2. Large collection of Coco Coir and Dust to process into geo textile and soil improvement materials 3. Transportation cost of processed product to manila is high. One of the reasons why coco coir and dust plants closed down. 4. Bad condition of farms to market roads. 5. No storage/warehouses 6. Unstable raw material supply in volume for coconut oil mills 7. Copra is marketable in far distant area like Iligan City and Cagayan de Oro City. 8. Presence of middlemen(s) who extract high interest from farmers 	<ol style="list-style-type: none"> 1. Incidence of "cheated" or tampered weighing scale are common practices by middlemen 2. Price monopoly 3. In the islands, producers are price takers because they are indebted to the traders who provided necessary items. 4. Unstable price 5. Quality check is not conducted properly by traders 6. Poor marketing info by PCA 7. Farmers are becoming lazy due to existing sharing. 8. High cost of transportation

	Provincial PCA			
Measures	<ol style="list-style-type: none"> 1. Contact local PCA office 2. replanting 3. Advocacy on the utilization of Sodium Chloride 4. High yielding varieties and their nurseries are to be established and accessibility to them by farmers are improved 5. High advocacy to emphasis on good income from non-traditional products like coco sugar, vinegar, and etc... 6. High advocacy to go back to the "tree of life" production spearheaded by PCA 7. Farmers should be updated of the technologies by PCA and DA for replanting and fertilizing, better varieties, coconut based integrated farming 8. Introduction of Larwig from palm oil farms to address Brontispa problems. 9. Ban Cutting of coconut trees 10. Impose stiffer penalties 	<ol style="list-style-type: none"> 1. Establish village type processing plant 2. Kukum dryer copra processing needs to be promoted more by PCA and oil mills 3. Provision of Post-harvest facilities <ol style="list-style-type: none"> 4. Gov't to do research, develop and promote non-traditional products like coco sap, honey, sugar, and etc. 5. Farmers should be trained on the use of technology for the remaining materials 6. PCA-DOST to monitor the existing processing at DOS-AREA 7. Utilization of desiccated coconut materials 8. Technology for farmers to attain quality copra for a better price 	<ol style="list-style-type: none"> 1. Direct marketing to the processing plants 2. To get the names of all the traders for the cost and rates 3. LGU should determine the road accessibility 4. Utilize RORO at regulated freight cost 	<ol style="list-style-type: none"> 1. Technology for farmers to attain quality copra for a better price 2. update price bulletin thru TRI-Media 3. DA-PCA collaboration to update price to coco farmers 4. Provide loan to coconut farmers 5. Strengthen CO for coco farmers-> price bargaining 6. Empower farmers/cooperative for direct selling. 7. Provide loan to coconut farmers

	for cutting of coco trees 11. Devolution of National PCA to PCA ARMM 12. Training of Trainers for transfer of technology on increasing production, pest and disease management 13. Extension of Gov't financing to coconut farmers especially inputs and replanting materials			
Coffee	Production	Processing	Distribution	Marketing
Problems	1. Low productivity of ARMM 2. Inadequate quality of seedlings 3. Insufficient planting materials 4. high cost of inputs 5. Lack of intercropping techniques and pruning. 6. Wrong timing of planting 7. Wrong technique of harvesting 8. No drying facilities 9. No storage facilities 10. Limited coffee farmers 11. Senile coffee trees 12. native coffee was planted by farmers 13. Coffee farming activities are still based on traditional practices. (Sulu, Mag.)	1. Lack of post-harvest facilities 2. Poor quality of processed beans 3. Lack of coffee mills. 4. Poor technology for processing 5. Poor packaging materials 6. Traditional way of Coffee Milling	1. Lack of consolidated farmers association for distribution linkages. 2. Lack of accessibility of farmers 3. High cost of transportation 4. Processors are very far from production area.	1. Closure of all buying stations in the ARMM. 2. Coffee farmers earn less in remote areas where middlemen dictate price. 3. ICOCA is not visible in the ARMM 4. Abnormal fluctuations of coffee prices 5. Lack of marketing awareness 6. Price is dictated by traders 7. Poor access to market

	<p>14. Less information on coffee production technology 15. Limited knowledge on coffee production 16. Lack of Nursery per province 17. Low knowledge on what breed of coffee to plant according to its adaptability 16. No incentives for extension workers 17. Conversion of coffee areas to rubber.</p>			
Measures	<p>1. Advocacy on the economic benefits of coffee to increase growers 2. Incentive for extension workers 3. Establishment of coffee nurseries from barangays, municipalities to provincial level. 4. Planting of high yielding and early maturing clones of coffee 5. Utilization of organic fertilizers 6. Proper technology for coffee planting 7. Proper maintenance,</p>	<p>1. Provision of technology on coffee processing 2. Utilize donor agencies for equipment/facilities 3. Train coffee farmers for new technology. 4. Conversion of native coffee into commercial coffee. 5. Establish processing plant at community level. 6. Utilization of coffee wasted material into organic fertilizer. 7. Establish modern coffee mill.</p>	<p>1. Strengthen farm to market roads</p>	<p>1. Information dissemination on coffee prices from legitimate buyer 2. Empowerment of farmer/cooperative association 2. Attendance to coffee congress 3. Marketing matching and AgriFairs.</p>

	<p>application of fertilizers</p> <p>8. Encourage farmers to plant coffee can be intercropped w/ other crops like banana, coconut, and etc.</p> <p>9. Rejuvenation of Senile coffee trees</p> <p>10. Conduct training on coffee production</p> <p>11. Conduct TOT on establishment of nurseries to marketing.</p> <p>12. Training on post-harvest technology</p> <p>13. Coffee should be priority commodity.</p>			
Mangosteen	Production	Processing	Distribution	Marketing
Problems	<p>1. No Gov't focus on the industry</p> <p>2. High cost of planting materials</p> <p>3. Lack of technology transfer</p> <p>4. Low productivity</p> <p>5. Climatic condition of area is considered in growing mangosteen</p> <p>6. No available planting</p>	<p>1. No access to processors</p> <p>2. Insufficient village level processing</p> <p>3. No processing of Mangosteen in Sulu</p> <p>4. There is no uniformity on quality among final processed products like Jam.</p> <p>5. lack of awareness on its medicinal value</p>	<p>1. Lack of distribution channels and farmers are dependent on long-been-practiced distribution.</p> <p>2. Limited farmers planting mangosteen</p>	<p>1. No access to market</p> <p>2. Lack of Capital</p> <p>3. Transaction at farm gate are in bundles, but in cities, it's by weighing</p> <p>4. Very low prices during peak seasons</p> <p>5. Lack of market linkages outside of Sulu.</p>

	<p>materials</p> <p>7. Mangosteen is believed to be bienniality fruit.</p> <p>8. Very primitive cultivation is practiced in Sulu.</p> <p>9. Lack of post-harvest facilities</p> <p>10. Highly Perishable fruit</p>	<p>6. Insufficient raw materials</p> <p>7. Lack of facilities for processing</p> <p>8. Poor R&D on mangosteen processing from pulp to carp</p> <p>9. No GMP, HACCP and Halal certification</p>		
Measures	<p>1. There should be Gov't intervention</p> <p>2. Establish BPI accredited Nursery in every province</p> <p>3. Technical knowledge on mangosteen production</p> <p>4. Intercropping w/ other crops: Coconut, Rubber, Banana, Lanzones, vegetables.</p> <p>5. Using organic fertilizer every quarter</p> <p>6. Develop IEC technoguide on proper technology for mangosteen</p> <p>7. Conduct school on the AIR on Mangosteen production</p> <p>8. Main land areas should plant mangosteen.</p> <p>9. R&D for the variety suited for low land.</p>	<p>1. Info drive on the importance of the production and its importance to the international market.</p>	<p>1. Organize farmer's coop</p> <p>2. Organized farmers into cooperative/association</p> <p>3. More farm to market roads</p> <p>4. Utilizing C-130 air transportation initiative of Sen. Gordon.</p>	<p>1. Come up with a marketing scheme for local and international market circulation.</p> <p>2. Advertisement of the products</p> <p>3. Establish linkages with buyers outside of Sulu.</p>

	10. No road map on mangosteen production. 11. Develop Tissue cultured mangosteen seedlings to shorten maturity period.			
Cassava	Production	Processing	Distribution	Marketing
Problems	<ol style="list-style-type: none"> 1. Limited growers 2. Less Demand 3. Lack of high yielding variety of cassava. 4. Limited cassava varieties 5. Lack of technologies on mass production of cassava 6. No gov't banks to support farmers of cassava on financing. 7. no cassava farmers organization 8. Inadequate cassava cuttings 9. rampant land conversion, e.g. CARP program 10. Limited area for home consumption. 11. Lack of updates on the cassava technology 12. Some areas not conducive for cassava 13. Decreasing production 	<ol style="list-style-type: none"> 1. Lack of P.H.F 2. Lack of technology on cassava processing. 3. Insufficient post-harvest facilities. 4. Lack Home based processing with grater provided by gov't in Tawi-Tawi 5. Cassava home based processing very labor intensive without mechanical grater. 6. Packaging/processing problems on cassava production 7. Closure of milling factory in Sultan Kudarat. 8. Lack of training on packaging and labelling on cassava production. 9. Home based processing is less sanitized. 	<ol style="list-style-type: none"> 1. Poor farm to market roads 2. no way for cassava exportation 	<ol style="list-style-type: none"> 1. Low Price 2. Tapioca demands a good price but no buyers are available "no market access". 3. No stable buyer 4. No contract buyer 5. Develop promotion on cassava by products and packaging technology 6. Middlemen control price fluctuations.

	due to housing/subdivisions 14. Diminishing quality of cassava tubers due to continuous recycling of cuttings.			
Measures	<ol style="list-style-type: none"> 1. Utilization of high yielding varieties of cassava tested suitable in the area. 2. Establish Tissue culture laboratory. 3. Funding support for cassava production. 4. Unsustained research work on cassava in Tawi-Tawi. 5. Expand areas for cassava production 	<ol style="list-style-type: none"> 1. Establishment of processing plants on cassava production 2. Skills training on drying sliced cassava tubers for long term preservation 3. Support initiatives on processing 4. Distribution of more cassava grater with engine and presser 5. Provision of cassava small-scale cassava powder mill. 	<ol style="list-style-type: none"> 1. More farm to market roads. 2. Gov't – Private partnership for distribution to eliminate middlemen. 	<ol style="list-style-type: none"> 1. Establishment of proper linkages on marketing and partnership in cassava production. 2. Market matching and agri fair. 3. Price support from Government 4. Establish linkages to Malaysian Consumers 5. Provision of bagsakan centers 6. Gov't policies to consolidate and secure market for direct selling 7. Strengthen local enterprise division of LGU.
Cross-Cutting Issues	Fund/Finance	Organization/Cooperatives	Technical Management Services	Others
Problems	<ol style="list-style-type: none"> 1. High interest of Loan from traders but without collateral 2. Cooperative cannot provide financing to farmers 	<ol style="list-style-type: none"> 1. No close supervision from the organizers and commitment of members. 2. Lack of man power and 	<ol style="list-style-type: none"> 1. Weak partnership among service providers (DA, DTI, and etc.) 2. Individualism 	<ol style="list-style-type: none"> 1. Climate Change 2. Peace and order posed by social injustices. 3. Income is most stable

	<p>due to lack of funds.</p> <p>3. Farmers cannot afford to save and do not have custom to savings. Rice is subject to savings.</p> <p>4. Farmers face heavy debt problem due to high interest for inputs and consumption.</p> <p>5. Fund for expansion of skills and training is lacking</p> <p>6. incapable of paying debt/loan.</p> <p>7. Poor credit network.</p> <p>8. No trust and confidence from lending institutions.</p> <p>9. Volume of requests</p> <p>10. Discrimination of financial access.</p> <p>11. No loan window intended for small farmers.</p> <p>12. Dole out mentality</p> <p>13. Some cooperatives are not capable to provide loan/financial assistance to members.</p>	<p>mobility</p> <p>3. No self-reliant members.</p> <p>4. Mismanagement</p> <p>5. Inactive members</p> <p>6. Lack of teamwork among members</p> <p>7. No transparency on transactions</p> <p>8. Lack of capability training of members.</p> <p>9. Unable to sustain capital build up</p> <p>10. Dependence of cooperatives to government subsidy.</p> <p>11. Negative attitude</p> <p>12. Cooperative needs starting capital to all members, cars, tractors, and processing facilities.</p> <p>13. Cooperatives are organized just to get funding.</p> <p>14. unclear vision of cooperatives</p> <p>15. Unspecified community organizing skills.</p> <p>16. "Kamag-anak Inc." mentality</p>	<p>3. Basic statistical data/information are lacking in the ARMM.</p> <p>4. Weak information collection and dissemination from ARMMIARC.</p> <p>5. Less exposure on Technology and project management.</p> <p>6. Lack of monitoring from gov't agencies.</p> <p>7. No submission of reports.</p> <p>8. There are extension officers in PCA; however, extension capacity is low.</p> <p>9. DOST service is limited due to lack of funds and facilities</p> <p>10. DOST service cannot be extended due to limited accessibility in the ARMM Region.</p> <p>11. High dependency of food safety analysis in Manila laboratory.</p> <p>12. Limited exposure skill in agricultural production.</p> <p>13. Poor access to technology and information.</p>	<p>due to seasonal earning as nature of agriculture.</p> <p>4. Low return of investment due to practice of traditional farming</p> <p>5. Less productive commodity value system, adoption of relevant technologies.</p> <p>6. "Ningas Cogon" attitude</p>
--	--	--	--	---

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Measures</p>	<ol style="list-style-type: none"> 1. Open to marginalized individuals 2. Bargain for low interest loan 3. Advocate for special loan window for banks. 4. Avail ACEF-ACPC, Quedancor, DBP and Landbank 5. Establishment of credit institutions with skilful/knowledgeable management. 6. Sustain values federation trainings 7. Advocate self reliance 8. Credit policy and procedure campaign thru Islamic way. 9. Advocate religious payment of loan. 10. Tap MFI's to provide low interest loan to farmers. 	<ol style="list-style-type: none"> 1. Review of policies of the Bureau of Cooperatives 2. They have to be trained about management leadership 3. All organization/cooperatives transactions must be transparent. 4. Proper and close supervision of the organization to be effective 	<ol style="list-style-type: none"> 1. Strengthen teamwork in organizations. 2. Design SP convergence paradigm : * Role of each SP in the system * Counterparts (Financial, technical, and moral) 3. Conduct nee-based trainings for beneficiaries. 	<ol style="list-style-type: none"> 1. Value reorientation for beneficiaries 2. Conduct leadership trainings. 3. Value formation is very much needed. 4. Proper coordination with conflict actors in the service areas.
---	--	--	---	--

OUTPUT OF THE FISHERIES SECTOR

Potential Product		Production	Processing	Distribution	Marketing
Grouper	Problem	1. Fish resource management problems <ul style="list-style-type: none"> • Grouper catch is not stable • Use of cyanide chemical in catching live grouper • Insufficient local policy on fishing regulation 2. Seed/Fry supply problem <ul style="list-style-type: none"> • Grouper fry supply not regularly available or it's seasonal • Grouper fry depends on wild catch • Insufficient supply of fries/fingerlings • Procurement of broodstock is not 	1. Quality management or control <ul style="list-style-type: none"> • Quality control of dried fish production is not well • Poor packaging of dried grouper • Crude techniques in drying groupers 2. Technical assistance <ul style="list-style-type: none"> • No technical capacity/assistance from LGAs 3. Processing facilities <ul style="list-style-type: none"> • No processing plant in the area • Unsanitized drying technique 	1. Ice supply and cold storage <ul style="list-style-type: none"> • Ice supply is not sufficient at production areas • Lack of cold storage facilities 2. High cost of distribution <ul style="list-style-type: none"> • Transportation cost of the products is too high • High cost of handling transport facilities 3. Holding facilities for post-harvest <ul style="list-style-type: none"> • Holding facilities needed • Insufficient post-harvest facilities 4. Handling technique	1. Market facilities (wet/flea market) <ul style="list-style-type: none"> • Fish market facilities are outmoded; needs improvement 2. Shortage supply <ul style="list-style-type: none"> • Cannot sustain demand in the market • Linkage to production 3. Control of fish market price <ul style="list-style-type: none"> • Prices are not stable; buyers dictate the prices 4. Difficulty of direct sale <ul style="list-style-type: none"> • Fisherfolks have no direct access to market 5. Limited market/outlet <ul style="list-style-type: none"> • Only identified outlet in the market

Potential Product		Production	Processing	Distribution	Marketing
		attractive to catchers 3. High cost input of fish culture <ul style="list-style-type: none"> • High cost of inputs in production • Commercial feeds are too expensive (60% of production cost) 4. Capital investment (Fund) <ul style="list-style-type: none"> • Poor access to funds to intensify production • Insufficient funds and personnel for effective local coordination 5. No practical technology for fish farming <ul style="list-style-type: none"> • Best aquaculture practices is not recognized by the pen/cage operators 		<ul style="list-style-type: none"> • Poor handling technique • Poor packaging of dried grouper 	
	Measure	1. Establishment/promotion of hatchery for seed/fry production	1. Technical training <ul style="list-style-type: none"> • Technical training/practices of 	1. Establishment of post-harvest facilities <ul style="list-style-type: none"> • Ice plants and cold 	1. Market linkages/networking <ul style="list-style-type: none"> • Commercial attaches

Potential Product		Production	Processing	Distribution	Marketing
		<ul style="list-style-type: none"> • Grouper fries are produced at local hatchery • Promotion of hatchery for production of seedstocks • Improvement of hatchery technology and facilities • Availability of experts in the management and operation for seedstock production • Appropriate selection of seedstock for cage farming <p>2.Reduction of Production Cost</p> <ul style="list-style-type: none"> • Lessen the production cost in mariculture farming • Formulation and production of local and low-cost feeds <p>3.Financial Support</p>	<p>processing products (dried fish, etc.)</p> <ul style="list-style-type: none"> • Upgrading the packaging of dried grouper • Dried fish industry, there is a need to upgrade the methodology of the product <p>2. Provision of processing facility</p> <ul style="list-style-type: none"> • Provision of dryers (brine solution, etc.) • Laboratory is needed <p>3. Introduce/adaptation of HACCP</p> <ul style="list-style-type: none"> • HACCP procedures • Sanitized facility of fish drying <p>4. Research/Development Promotion</p>	<p>storage are established at production areas</p> <ul style="list-style-type: none"> • Blast freezer <p>2. IEC program of fisheries products</p> <ul style="list-style-type: none"> • Strengthening the IEC program in the promotion of fishery products <p>3. Improvement of sea transport</p> <ul style="list-style-type: none"> • RORO transport in ARMM provinces should be in placed/operational <p>4. Need live fish facilities</p> <ul style="list-style-type: none"> • Live transport facilities 	<p>(embassies of various countries)</p> <ul style="list-style-type: none"> • Strengthen market match-up • Strengthening the collaborative efforts of the government sector, private sector and the stakeholders in marketing program <p>2. Improvement of market facilities</p> <ul style="list-style-type: none"> • Market expansion, sanitation and hygiene <p>3. Promotion of local fish products</p> <ul style="list-style-type: none"> • Promotion events of ARMM fish products (live, fresh, processed) • Satellite shop at major cities to promote local products from ARMM

Potential Product		Production	Processing	Distribution	Marketing
		<ul style="list-style-type: none"> • Financial assistance to local farmers/fisherfolks • Needs adequate funding for research study and development • Establishment of research and development activities <p>4. Environmental Awareness</p> <ul style="list-style-type: none"> • Fish catch of marine fish is monitored • Promotion of coastal resource management should properly emphasized in the locality 	<ul style="list-style-type: none"> • Initiation of research and development activities 		
Seaweed	Problem	<p>1. Lack of appropriate technologies</p> <ul style="list-style-type: none"> • Absence of appropriate technology in farming <p>2. Seedling supply quality</p>	<p>1. Lack of processing facility</p> <ul style="list-style-type: none"> • Inadequate post-harvest facilities • Insufficient drying and storage 	<p>1. High cost of transportation</p> <ul style="list-style-type: none"> • High value transportation cost from farmer to plant processing 	<p>1. Market price problem</p> <ul style="list-style-type: none"> • Unstable price of dried seaweeds • Price monopoly • Price is controlled by

Potential Product		Production	Processing	Distribution	Marketing
		<ul style="list-style-type: none"> • Limited supply of quality seedlings <p>3. High cost of farming inputs</p> <ul style="list-style-type: none"> • High cost of seaweed farm inputs • Problems on planting materials <p>4. Natural problems</p> <ul style="list-style-type: none"> • Rampant sea turtles/fish in selected areas <p>5. Disease</p> <ul style="list-style-type: none"> • Ice-ice disease <p>6. Environmental change/pollution</p> <ul style="list-style-type: none"> • Pollution • Global climate change <p>7. Illegal fishing</p> <ul style="list-style-type: none"> • Decline or production due to cyanide fishing • Exploitation of illegal 	<p>facilities</p> <ul style="list-style-type: none"> • Processing plant not operational (Sulu) • Lack of drying and storage facilities <p>2. Problem in processing technique</p> <ul style="list-style-type: none"> • Traditional way of seaweed drying <p>3. High energy cost</p> <ul style="list-style-type: none"> • High cost of electricity to operate processing plant (island provinces) <p>4. Lack of potable water</p> <ul style="list-style-type: none"> • Lack of potable water especially in Tawi-Tawi 	<p>2. Infrastructure problem</p> <ul style="list-style-type: none"> • Dilapidated local ports (in islands) 	<p>middlemen</p> <ul style="list-style-type: none"> • Middlemen intervention affects market price • Cost of pricing demand <p>2. Lack of local exporters</p> <ul style="list-style-type: none"> • Absence of local-based direct exporters <p>3. Monopoly market</p> <ul style="list-style-type: none"> • Market is dominated by big producers, buyers and middlemen • Big player cartel/monopoly <p>4. No functioning of farmer organization</p> <ul style="list-style-type: none"> • Seaweeds organized groups not functional

Potential Product		Production	Processing	Distribution	Marketing
		fishing 8. Dispute of farming area <ul style="list-style-type: none"> • Limited area for farming • Conflict usage on seaweed farming sites 9. Security Issue <ul style="list-style-type: none"> • Lack peace and security measures in production sites 10. Quality control <ul style="list-style-type: none"> • Absence of in-house/mechanism for quality control 11. Lack of policy support <ul style="list-style-type: none"> • Lack of policy support from national government seaweeds authority 12. Lack of Financing Access <ul style="list-style-type: none"> • Lack of financing window for seaweeds 			

Potential Product		Production	Processing	Distribution	Marketing
		production			
	Measure	<ol style="list-style-type: none"> 1. Establishment of nursery to support growers <ul style="list-style-type: none"> • Whole year round seedling supply • Establishment of seaweeds bank • Promotion of tissue culture laboratory 2. Proper system of zoning arrangement <ul style="list-style-type: none"> • Proper zoning and identification of farm sites • Local government resolution declaring area for farm sites • Expansion areas in BaSuITa still untapped for seaweed 3. Research and development <ul style="list-style-type: none"> • Regular monitoring on 	<ol style="list-style-type: none"> 1. Improvement/establishment of facilities <ul style="list-style-type: none"> • Improvement of processing plant in Jolo, Sulu • Establishment of processing plant for semi-refined products • Establishment of semi-processing plant in Panglima Sugala, Tawi-Tawi (alkali-treated chips) 2. Reduction of power/fuel cost 3. Establishment of quality control unit 4. Improvement of Quality <ul style="list-style-type: none"> • Technology to effect added value to seaweed 	<ol style="list-style-type: none"> 1. Construction of several boat landings 	<ol style="list-style-type: none"> 1. Market promotion <ul style="list-style-type: none"> • Information on market venue • Updating market venture 2. Functioning farmers organization <ul style="list-style-type: none"> • Strengthen seaweed farmers cooperative/organization to minimize marketing practices 3. Support to local-based exporters <ul style="list-style-type: none"> • Encourage/support locally based exporters 4. Promotion of partnership trading <ul style="list-style-type: none"> • Legalize partnership with Malaysia concept (markets) 5. Marketing strategy

Potential Product		Production	Processing	Distribution	Marketing
		water quality parameters on the farm site <ul style="list-style-type: none"> • Research and development activities • Government agencies should strengthen their research and development in producing quality seaweed 4. Advocacy awareness/ education <ul style="list-style-type: none"> • Environmental protection and advocacy • Refer to BFAR-ARMM fisheries code/IRR 	production <ul style="list-style-type: none"> • Development of technologies on other product-lines • Improvement of post-harvest technology 		establishment <ul style="list-style-type: none"> • Adoption marketing seaweed similar concept of marketing in fishing port complex to eliminate traders monopoly

Potential Product		Funds/Financial Services	Organization / Cooperative	Technical Management Support	Others
Local Fisheries Industry	Problem	1. Bureaucracy of Financial Intermediaries <ul style="list-style-type: none"> • Financial institutions are too bureaucratic 	1. Organizations not properly/fully <ul style="list-style-type: none"> • Recurrence of fly-by-night cooperatives 	1. Technical personnel of BFAR is not enough to cater the needs of fisheries 2. Weak promotion of	1. Intrusion of Luzon/Visayas based fishing vessels 2. Need for policy promotion and

Potential Product		Funds/Financial Services	Organization / Cooperative	Technical Management Support	Others
		<ul style="list-style-type: none"> • Difficulties in accessing credit/loan • Standard requirements by funders are difficult to meet • No initiative • Sip-sip <p>2. Funding problem from national government</p> <ul style="list-style-type: none"> • Inadequate funds from the national government <p>3. CITES (Coral Farming)</p> <ul style="list-style-type: none"> • CITES – Convention of International Threatened and Endangered Species; afraid of international law (BFAR) <p>4. Lack of coordination between LGU and financial institutions</p>	<ul style="list-style-type: none"> • Weak cooperatives due to mismanagement of officials <p>2. Presence of usurious money lenders due to ultra-vires acts of officials</p> <p>3. Lack of support from LGUs</p>	fishery industry	development 3. Poaching
	Measure	1. Lending institutions need to lessen the loan	1. Empowerment of fisherfolk	1. Increase the number of technical personnel in	1. Establish database system (producers,

Potential Product		Funds/Financial Services	Organization / Cooperative	Technical Management Support	Others
		requirements 2. Need for legislation on funding to support the industry <ul style="list-style-type: none"> • Financial institutions are too bureaucratic 3. Addendum to CITES on coral farming 4. Government subsidies to organized fisherfolks 5. Need to review policy guidelines	organizations <ul style="list-style-type: none"> • Creation of fisherfolks/farmers organizations by area • Provide incentives to fishery folks/farmers • Review the list of duly registered and bonafide organizations • Capability building for fisherfolks organizations and cooperatives 	BFAR 2. Establishment of research and development center especially on seaweed tissue culture and fry production.	traders, buyers, organizations)

5. Public Hearing Meeting (July 2011)

July 28, 2011 @ Estosan Hotel
Cotabato City

**DEVELOPMENT STUDY OF PROMOTION OF LOCAL INDUSTRY IN THE
AUTONOMOUS REGION IN MUSLIM MINDANAO (LIP-ARMM)**

MINUTES OF THE MEETING

The meeting proper started at about 09:30 in the morning by a Muslim prayer led by Mr. Faisal Nahul (Provincial Fishery Officer of Tawi-Tawi Province followed by the Philippine National Anthem.

The participants were acknowledged by Mr. Alimudin Mala (LIP Local Supervisor), after which the emcee called Assistant Regional Director (ARD) Mlang U. Madal for an opening remarks from the ARMM government, that is, in the absence of the Deputy Executive Secretary (ES) Mr. Abdullah Cusain.

RPDO ARD Madal expressed his appreciation of the in-depth study done by the JICA consultants on the LIP in ARMM as well as the different interventions done by JICA in the Philippines especially in the ARMM. He has foreseen a fruitful discussion on the results of the study and he invited every sector to participate.

The remarks of the ARD (in behalf of the office of the ES) was answered by remarks from the JICA Philippines through the Senior JICA Representative Mr. Shinichi MASUDA.

Presentation of the LIP study was started by the Team Leader Dr. Hiroaki TERASHIMA through brief summary of Draft Final Report or DFR from Chapter 1 to Chapter 8, revised according to instructions from JICA. The presentations were done in the following chapter sequences;

Chapter 1 - Brief summary and introduction by Dr. TERASHIMA

Included in his presentation was the objectives and scope of the study. Dr. TERASHIMA repeated yesterday's concern on the FDR to be done in September but the final report (FR) shall be completed by October, 2011.

Chapter 2 - Current situation by Ms. AWANO

Included here were the social and economic conditions in ARMM where about 89% are composed of Muslims. Opportunities in education, poverty reduction and economic activities are left far behind compared to other regions. Even Halal matters need to have capacity developments despite majority populated by Muslims. Regional and Local Development Plans are incorporated here with support institutions like chamber of commerce, service providers, financial institutions and international donors.

Chapter 3 - Regional Development Study through LIP in ARMM by Ms. AWANO

Explained here by Ms. AWANO was their proposal for regional perspective appropriate approaches to the LIP and this could be helped by visiting LGUs, cooperatives and companies to look on the challenges and possible approaches related to the LIP. There is a big role for the LGUs on Public-Private Partnership (PPP) to mobilize and encourage cooperatives and private sectors to be active.

Chapter 4 - Economic Analysis of Local Industries and Businesses in the ARMM by Ms. AWANO

Explained here were the status of local industries and businesses which were more on agriculture and food ventures and most were small scale and community-based businesses. Analysis resulted to a need for capacity development of the enterprises through BDS, training/s, networking, and marketing. In addition, there is a need to improve business environment to include financing, infrastructure and transportation, security concerns, land clarification and LGUs support.

Chapter 5 - Potential Products Survey

Although Mr. FURUICHI is only assigned for crops, he initially presented the outputs of other sectors like fisheries and livestock. For details, he explained the agriculture prioritized products for the LIP, the abaca, cassava, coconut, cacao, coffee and mangosteen. Showing pictures of all the potential agricultural products which were all taken in the ARMM, he is positive that all such products can be produced in the ARMM although they may differ in production scale compared to other regions outside the ARMM.

Mr. FURUICHI explained only the potentiality of the products because he said that the issues can be tackled in the action planning.

5A1. Abaca in the Philippines is the biggest producer and exporter in the world market. Fiber is exported majority from Lanao del Sur (LDS) to Germany. The target of the proposal is to start in a small scale fiber conversion as fundamental approach, say start from Sinamay.

5A2. Cassava has a big company M (Matling, Malabang, LDS) starch processor

while the Island Provinces produce for staple but good for rural scale market only. Processed products are only seen in rural and it should be marketed in urban.

5A3. Coconut as tree of life in ARMM is not yet utilized in its full potentiality.

5A4. Annual consumption for cacao in 2010 was 30,000 ton in the Philippines and production was only 6,000 ton. There is still a big demand in the world and domestic markets for the next 10 years.

5A5. Coffee in the Philippines has advantages in terms of production because of the availability of the four types of breeds, the Arabica, Liberica, Excelsa and Robusta. You (Filipinos) drink coffee daily and have franchising but Philippines still import coffee from Malaysia and Thailand.

5A6. Mangosteen is not so much produced in the Philippines because of the misconception of difficulty in producing it. Mangosteen is highly produced in Sulu. There is a medical supplemental function of mangosteen which is the Xanthone.

Mr. IINUMA explained the potentiality of the six fishery products selected according to the surveys done and he said that these can be produced both for domestic and international markets. However, the producers must know the enough quantity and enough quality needed. He then explained the issues and constraints on the selected products for promotion in the ARMM.

5F1. Grouper production needs farmers to be trained in management and quality production.

5F2. Seaweeds quality needs to be improved since many small farmers just dry their harvested seaweeds anywhere. To have good market and prices, farmers need to be organized.

5F3. Milkfish farmers use traditional way of production and how to improve this is an important point. Farmers use only wild fingerlings.

5F4. Tilapia farmers of Maguindanao and Lanao need to have ways to overcome shortage of fingerlings supplies. Their production technology is also traditional. Further, processing on dried tilapia and tilapia smoked fish needs to be improved in quality concerns.

5F5. Abalone farming in the ARMM is low in seedling sources. BFAR in Tawi-Tawi is assisting the hatcheries but there is still a need on how to expand this capacity of seed production. Also a concern is the management of abalone in cages.

5F6. Mudcrab is of high potential in the ARMM and outside the ARMM but stability of quality supply is to be overcome.

Mr. NAKATANI explained that the three livestock selected products to be

promoted, namely native chicken, cattle and goat are all very familiar for the Filipinos and these are all of high potentiality in the ARMM. Although there is so high demand in market, there are still insufficient supply for chicken meat, cattle meat and goat meat. Why? It's because of insufficient technology in farmers' level. There are many goat farmers but they don't have goat houses which are necessary for goat raising. "I made a goat house for demonstration and this will be brought to a university in USM for students' reference", said Mr. NAKATANI. Transfer of technology to the farmers' level is very important.

Mr. FURUICHI explained also the displayed products during the Public Hearing and most according to him were processed outside ARMM. His message is WHY not processed in the ARMM but from the neighboring regions.

Chapter 6 - Common Issues and Constraints of Local Industry Promotion

Mr. ARAKI explained the cross-sectoral issues and constraints which are common to the LIP products to be promoted. These are enumerated as follows;

6.1 Distribution infrastructure included poor road networks, land and sea transport system which are inadequate, fish port and livestock facilities still need to be improved.

6.2 Financing lies on the capacity and fund availability of MFIs and cooperatives. Another issue is that the product loan designs are not in conformity with the demands and needs of farmers and fishermen. Further is the remote locations which are difficult to access.

6.3 Issues on quality control include low technical know-how, lack of administrative support and preparedness, lack of financial support for facilities needed and high fees requirements.

6.4 Capacity Development included poor access of producers or processors to business development service providers. This BDS are necessary because of weak management capacities of the producer farmers and fishermen.

6.3 Speaking of Halal industry, there is inaccuracy and limited awareness/advocacies of Halal certification including limited practical application or implementation as show window to farmers and communities. There are only small amount of production which are still of low quality products. Highlights of these weaknesses on Halal include slow institutional set-up and low commitment. Further according to Mr. ARAKI, there is shortage of capable human resources.

Chapter 7 - Recommendations for Local Industry Promotion

Dr. TERASHIMA mentioned here that the Master Plan of the Local Industry Promotion is in conformity with the Philippine Development Plan of 2011-2016 as well as that of the ARMM Regional Development Plan for 2011-2016, that is, a bottom-up strategy at the level of small scale local agricultural and fishing villages.

The overall structure of strategies was presented by the LIP Study Team Leader as follows;

- Production and processing for all sectors on agriculture, fisheries, livestock and poultry not setting aside sanitation with certifications on good hygiene and halal as part of quality control.
- Distribution and infrastructure facilities shall be put “in place” to maintain quality and avoid deterioration of products of local farmers and fishermen.
- Marketing with provision of market information (needs and prices) and channeling to fit with the range of the targeted market.
- Financing institution services from both private and government be promoted and accessible to producers, processors and traders. This includes strengthening of production groups and cooperatives for capital build up, savings and credit activities.
- Organizational Strengthening/BDS that is, providing trainings for Provincial DTI officials in partnership with BDS providers, CDA and LGUs supports to bring these services to producers’ group.

Chapter 8 – Action Plans

Mr. IINUMA briefly explained Action Plans for the afternoon session per sector, that is for the presented strategies and detailed contents of the action plans.

Having shown all the presentations, the Questions and Answers (Q and A) portion came next. The emcee called Dr. Josephine Migalbin who acted as the moderator of the said Q and A portion.

QUESTIONS AND ANSWERS

Moderator: Dr. Josephine Migalbin

<p>Dr. Danda Juanday of BDA: Is the ARMM government ready to tell the government (GPH) that what we really need is a Halal System? We cannot feed our poultry with feeds which are not Halal. We cannot borrow from the banks because it is not Halal. These are few reasons why our industry here is not working. The systems should be Halal. If not, any product will not be accepted by our people. "Are we ready to go Halal," the parting question of Dr. Juanday.</p>	<p>Dir. Iskak Paguita of DAF: In 2003 and 2005 through DAF, the ARMM government started conceptualizing the Halal Industry up to the level of Halal System. JICA sent representatives of the ARMM to Malaysia for the advanced Halal System of the Malaysian government. In 2009, the Canadian government helped the ARMM develop the Halal Industry Master Plan whose process was a bottom-up strategy.</p>
<p>Moderator: Dir. Paguita, Dr. Juanday has a question, "Are we ready to go Halal?"</p>	<p>Dir. Paguita This entails a process, maybe a decade to finally develop the Halal Industry but step by step, we are going to that direction.</p>
<p>ARMM Business Council: We are talking of the Halal System and I think there is a need to invite the Halal Certification Board for a forum or seminar for a half day session to talk on the Halal System.</p>	<p>Clarified and elaborated further by the Moderator</p>
<p>Tawi-Tawi: The Halal Plan has not moved. It lacks legal mandate. The Regal Legislative Agenda (RLA) needs to approve and push the plan so that we can move in the provinces. There are already the Halal Board, Halal Movement, advocacy, promotions but we need to have proper directions.</p>	<p>Dir. Paguita: I would like to add to my previous answers. "Yes we are ready. The Halal national guideline was formulated based on the ARMM standards. DBP has now window for Halal financing in this Halal Industry. The questions then would be "Are we making ourselves qualified to borrow? How can we do our share?" There is now the International Forum on Halal. We should not let ourselves be left behind. We should not rely everything from the ARMM government. It is now time for us to do our share.</p>
<p>Dr. Danilo Josue-MSU Mag: We have done a lot of extension works but after the project, the same status of our people. Why do we lag behind our Christian brothers. We answered this by looking at the attitude side. The rule of united and integrated family. We need to cultivate this culture and turn it positively.</p>	
<p>Dr. D. Juanday: My concern this time is on the result of the study. I hope we take these results positively. Before the start of this afternoon session, I would like to inject that we should be in agreeable to put a policy on every sector to entail Halal. Include Halal policy at the start of respective sector action plan. ARMM per se should be a Halal System itself.</p>	
<p>Ms. Anelyn Binancilan from MinDA: What was the methodology or criteria used in the selection of the priority products for the competitive advantage of the ARMM. MinDA now is on the direction of how to</p>	<p>Mr. FURUICHI: JICA instructed us to consolidate initial data from JICA including from HCDP and provincial offices. For agriculture we gathered 30 listings then we conducted workshops for further ranking of the identified products from the three sectors. Then I set the criteria. For instance I did not include rice because it is a staple food because elasticity of rice is low and it is food security products. Next criterion is a product that can be produced and/or processed by small scale</p>

<p>market the ARMM to investors so I would like to know some details on this industry study because MinDA would be of advantage to be here so we would know how we can address Conflict-Affected Areas in Mindanao (CAAM).</p>	<p>farmers or groups like cooperatives or associations. Other criteria for crops include fruits, cash crops and industrial crops. From 30 listings, these were reduced to eleven candidate crops. From eleven we prioritized again potentiality using criteria of productivity, production technology, distribution and marketability and so evaluation and ranking were done for the first top five priority products. Banana was not endorsed because it is already established both domestic and international markets. Finally I selected six priority products where farmers can start in small scale and yet can be processed locally and maybe recognized by international market.</p>
<p>Moderator: How about livestock and fisheries, how did you come up with your prioritization as inquired by MinDA?</p>	<p>Mr. NAKATANI: Similar procedure. We based from data collection and several workshops and evaluation. Mr. IINUMA: The same processes done for fisheries.</p>
<p>Dir. Jalica Mangacop of DAF: I am referring to the last page on performance management system, is this referring to our clientele, to us (DAF) or any other else?</p>	<p>Ms. AWANO: Such recommendation is introduced by regional government of the ARMM. Our understanding is also, the government introduced the management system but not yet so complete, so the Annual Performance Report of RPDO ARMM was issued. Our recommendation is that departments would make annual plan to include <ol style="list-style-type: none"> 1. How many farmers will be trained. 2. How many businesses will be trained by BDS? </p>
<p>Dir. Jalica Mangacop of DAF: So we may suggest that it should be performance indicators. Say, number of farmers trained or number of trainings conducted.</p>	
<p>DILG Mr. Mauricio: About Mr. ARAKI's report on transportation constraints. Nothing was mentioned about energy and communications aspects. Are these not a problem for investors? Do we have already 24 hours energy in the ARMM?</p>	<p>Mr. ARAKI: Of course we recognized those issues but we focus more on constructions/infrastructures because energy and communications are very general issues.</p>
<p>ARD Madal of RPDO: Similar questions in our minds, "Are we ready to go Halal?" Despite Western culture all around the ARMM, there were already many Halal initiatives done. Halal Industry Food Development is here but how will this plan works or how will it move the Halal way. During the HCDP time, it was originally a Halal project but because JICA has difficulty in understanding many nomenclatures, it is now HCDP. Halal is a way of life.</p>	
<p>Second thing is that there are some basic data which are now overtaken by events and need to be updated. Say, the poorest of all provinces are in the ARMM. Updated NSO report says, it's Caraga which is the poorest province nationwide. OMA has a new name Commission on Muslim Filipinos (CMF). The notice on REZA which is still starting infrastructures. Currently, REZA has done many infrastructures now. Also, the LIP study says a high transportation cost in shipping. The transportation cost from Polloc Port to Manila is far lower than costs from Davao to Manila.</p>	
<p>Engr. Robert Tan: Tawi-Tawi Chamber</p>	<p>Dr. TERASHIMA: We are only showing</p>

<p>1) Bring the ARMM technical man to our Muslim region to observe and study our feeds that would promote a Halal livestock. Then say, a feed plant that would supply for Halal livestock. 2) We have the one of the longest solar dryer in the world. After this study, who will fund for post harvests facilities needed. Is it JICA or the ARMM?</p>	<p>recommendations to solve issues and constraints. It is you (ARMM) who will implement and use local resources. Ms. AKAMATSU: In support to Dr. TERASHIMA, the ARMM government shall be the one to implement plans with the support of stakeholders present here today. JICA would like to support plans but in limited manners only.</p>
<p>Engr. Robert Tan: If we just wait for the ARMM to implement the project, I wonder when we can have the facilities. People have been using the highways as solar dryers long time before and until now.</p>	
<p>RBOI Mr. Santos: In addition to the answer on the inquiry of Madame Ann from MinDA, I know it is your first time to attend. JICA has done several consultations in identifying the priority products. From a long list it became to this six priority products for agriculture as well as the same process for other sectors. Another is the Halal. I suggest for this afternoon action planning. We just adapt these because Halal is already in the regional action planning so that we don't need for another Halal Planning anymore.</p>	
<p>Dr. Bahinting: 1. On fisheries, say from farm to plate, but I would like to ask what the study or action plans could do on seaweeds cartel of marketing aspects. 2. On livestock, the study is promoting the native livestock but what we are doing now is on upgrading the native stocks.</p>	<p>Mr. IINUMA: I don't know of the situations on the cartel, but the idea is to raise quality of seaweeds products to have good prices. Mr. NAKATANI: Yes, I mentioned already the use of hybrids for upgrading like the Anglo-Nubian. I encourage you to continue and show these things to others as models.</p>
<p>Prof. Delfin Papa of MSU Mag: Halal is an Islamic term, conforming to religious requirement. From such, and policy is already in-place in the ARMM, what we need is conforming to development of culture processing technology and production technology. Let us redefine technology to address Halal.</p>	
<p>Mr. NUMATA: Thank you for the analysis of the professor. Actually 90% is the aim of the study and we are emphasizing production, quality and hygiene. In very practical manner, we have to start from the bottom at the beginning. That's why we selected the primary industry which do not require sophisticated technology to make them Halal. Since industry in these areas are in their basic stages, we are actually making the production technology easier for people to have good economic impact and we are actually complying to Halal requirement in promoting this industry.</p>	
<p>Nestor N. Delasas of Tawi-Tawi: Addressed to RPDO ARD Madal: "Is the Regional Halal Development Plan being approved? The National Gov't. has copied the Halal concept and they made initiatives on this, but how about the ARMM government. I remember this plan was not approved". Another is I would like to ask the Team Leader Dr Hiroaki</p>	<p>RPDO ARD Madal: Reminder for the PPDC about the approval of the Halal Development Plan. The Chairman of each Provincial Halal Plan is the Provincial Governor. The REDPB delegated the planning to the ARMM Inter-Agency Technical Working Group to have the draft of Halal Development Plan and such plan was approved at the level of the Inter-Agency Committee and this was not hampered. The initiatives are still going on at the inter-agency level like formulation of the Halal feeds and the Halal Certification Board is already doing its functions. There was already an executive Order #60 issued October 21, 2009 for the Halal Food. Practically that is</p>

<p>TERASHIMA. “After completing this study, who will approve this. Are we going to pass for deliberation by the Regional Legislative Agenda (RLA), the Regional Development Planning Board? This I ask because the ultimate end of this is resources and the approving bodies are the RLA and the Regional Economic Development Planning Board (REDPB). Please give us direct answers so that we can look forward because we will be left alone to implement the project/s.</p>	<p>the approval of the Halal Master Plan at the regional level. It is now at the hands of each Provincial Government to implement the Provincial Halal Food Development Plan. Meaning, even if the Halal Plan is not yet adopted by the Board, the inter-agency initiatives are still going on. Also JICA has already funded a Halal Laboratory building but still lacking state of the art Halal facilities needed from the National government. Among agreements, the ARMM should be the led in implementing the Halal. However, the National Gov’t started initiatives in Region 12 by establishing a regional Halal hub in Koronadal City. So the challenge for ARMM is how to implement through policy where the provincial and municipal LGUs should go hand-in-hand.</p>
<p>Moderator Dr. Migalbin: Yes Region 12 now is provided with the Halal resource hub at DOST Region 12 in Koronadal City. USM has allocated five hectares area for the production of all sources of Halal feeds, We have also started our Halal canteen. We had the lady founder of USM. So it is a challenge for each and everyone of us.</p>	<p>Dr. TERASHIMA: The action plan has an implementing body for each of the activities to include the LGUs, producers and the regional government as well as the academe.</p>

The afternoon session was done for the reviews and further input recommendations by respective sectors of agriculture, fisheries, livestock and poultry, finance and marketing. The revision of each sector will be done by the respective Expert.

Adjourned: 16:30

Documenter/Emcee
Ishak S. Pasawilan
Coordinator

BREAK AWAY SESSION

(13:30 to 16:00)

(Agriculture, Fisheries, Livestock, and Finance/Marketing)

1. Agriculture

Among the break-away four groups of participants, agriculture has the most number followed by the fisheries, the marketing and finance, then the livestock and poultry.

Mr. Furuichi started his presentation by the common issues and constraints in promotion of the local industry in agriculture such as the following issues;

- Low technology in production and processing
- Information dissemination on new technologies of farming especially integrated farming
- Low government support and capacity on post harvest facilities to maintain quality harvests

From the mentioned issues, Mr. Furuichi recommended appropriate activities in the Action Plans he presented, each of the six prioritized crops in agriculture.

- Increasing production while improving quality of products
- Technology dissemination both food and fiber processing
- Capacitating ARMM government body to implement, coach, mentor and evaluate such action plans
- Encouraging to use local resources available including local human resources.

For strategies recommended, Mr. Furuichi suggested that for each product to be promoted, it needs to have structures of implementation where DAF-ARMM gives instructions to ARMMIARC and with main coordination of DAF-ARMM to each of the following;

- Abaca to FIDA Lanao Sur to Region 10, Maguindanao to Region 11
- Cassava to PhilRootcrops at Visayas State University, Visca, Baybay City
- Coconut to PCA 14 ARMM, provincial PCA, PCA Carmen, Cotabato, PCA Zamboanga City
- Cacao to Cacao Agribusiness Zone Center and MARS Cacao Development Center at Malagos Resort, Calinan, Davao City.
It was here that Ms. Gilda Villalba of ACDI-VOCA suggested to include their institution in the coordination structure together with MARS Cacao Development Center.
- Coffee to Nestle Experimental and Demonstration Farm at barangay Magdum, Tagum City (Davao Oriental).
- Mangosteen to DOST on food processing and DTI for marketing and trade fairs.
- Other coordination includes agricultural schools, state universities and colleges, concerned agencies related to the promotion of the product.

It was also emphasized by Mr. Furuichi that each of the product for promotion has a small scale farmers as targets, with pilot phase target areas and expansion phase target areas for a total of 10 years project.

It was also explained that there is a major role that LGUs need to do in the actual implementation of these prioritized products. From instructions of the DAF-ARMM down to DA province and municipal levels, LGUs support is very important especially in its

support to cooperatives, associations, groups and any civil society organization (CSO) involved in such kind of venture.

2. Fisheries

Proceedings

- Mr. Mitsuo linuma presented to the group the proposed action plans of priority products promotion in fisheries sector, such as grouper, abalone, milkfish, seaweed, tilapia and mud crab. The provinces where these products are best suited for promotion were also identified.
- He further explained fisheries products general challenges for promotion in the ARMM where there are various issues for improvement from production, post harvest management and marketing.

As the discussion continues Mr. linuma presented the proposed action plans per commodity identified, where comments and suggestion from the participants are welcome, as follows;

Seaweed

Suggestion/ Comments	Response
- Since Tawi-Tawi is the highest producer of raw dried seaweed in the ARMM why not proposed a seaweed semi-processing plant in province as part of the action plan (Mr. Raul Oriá)	- In having a seaweed processing plant has many factors to be considered which Tawi-Tawi may not qualify as of now, like the need for continues supply of electricity, fresh water and the likes (LIP-ARMM Team)
- In the implementation structure, the marketing of the seaweed products is not included in the chain. This should be place for all to be aware where to market the end products.	- Mr. linuma noted on this.
- There is a need to include the provincial LGU in the Program Coordination as suggested by Tawi-Tawi PPDO Mr. Nestor Delasas	- Mr. linuma noted on this.

Grouper

Suggestion/ Comments	Response
- In the implementation structure again, the marketing of	- Mr. linuma noted on this.

<p>products should appear in the chain.</p> <ul style="list-style-type: none"> - The Provincial LGU should be included in the coordination too. - The name of the hatchery in Tawi-Tawi should change to Tawi-Tawi Multi-Species Marine Finfish Hatchery, because Lato-Lato is the name of Bgy. Where the hatchery is in placed 	
<ul style="list-style-type: none"> - In the proposed plan of operation, Mr. Nestor Delasa suggested to reword the rehabilitation of Lato-Lato marine hatchery facility into Enhance technical capabilities of Tawi-Tawi Multi-Species Marine Finfish Hatchery 	<ul style="list-style-type: none"> - Mr. linuma noted on this.

- The rest of the commodities discussed have common suggestions, the inclusion of Provincial Local Government under the Coordination of the implementation structure, also the Marketing Chain should appear too.
- The session ends with high optimism from the participants to have the proposed action plans be realize in the future through a cohesive efforts from the stakeholders involve. The participants were satisfied by the deliberation and presentation of Mr. linuma.

3. Livestock

There are ten (10) participants joined for the livestock breakaway session. Those are coming from DAF ARMM and Lanao, DA ARMMIARC, and DTI Maguindanao, USM and SMU.

Mr. Nakatani started the session by delivering his report on the Project for Development of Goat, Beef Cattle and Native Chicken Raising. He made emphasis on the project purpose which is the productivity and quality of goat, beef cattle and native chicken to be improved by an introduction of appropriate livestock raising techniques.

- Target areas and group:

- He further stated that the target areas are in 5 provinces of ARMM; Maguindanao, Lanao del Sur, Basilan, Tawi-Tawi and Sulu with existing raising areas on goat, beef cattle and native chicken which aimed at the small-scale farmers which are performing goat, beef cattle and native chicken raising.
- Expected Outcome:
 - Mr. Nakatani assumed a 30 % of goat raising farmers, who are technically supported by the Project in the pilot phase, can increase the number of goats.
 - While farmers of the second phase will have 20 % of farmers are the first trial to goat raising.

Mr. Nakatani's presentation was very brief, concise and understandable. He strongly mentioned any project will not success without very good corroborations among the related organization such as DAF ARMM, Lanao, DA ARMMIARC, DTI Maguindanao, USM and SMU.

Since most of the participants were livestock technicians, they had so useful time to exchange their knowledge and d experience to make successful the project.

After him, Mr. Numata proceeded on his report on the quality control and management (in behalf of Mr. Takano).

- Mr. Numata presented the Project for improving the work environment of food related organizations in the ARMM, to hygienic one by means of obtaining Sanitary Permit, License to Operate (LTO), and/or Halal Certificate.
- Target areas and Groups:
 - Same with the previous report, it also targets all 5 provinces in ARMM with Food related organizations of each province. Wherein primary product producers are:
 - Food processors, Food warehousing, Ice makers, Food Transporters, Food Brokers, Food wholesalers, Food retailers, Caterers, Food Package manufacturers, Food additive manufacturers, Food equipment and utensil manufacturers
- He also made emphasis on the general activities of the action plan on quality control management.
- Mr. Numata also presented a diagram that illustrates the structure of project management of the organizations and personnel to implement the project and explained their responsibilities.

Questions/Comments	Response
Are there any sanitary inspectors in ARMM?	Yes, we have under DOH and Local Government Unit though very limited. One Sanitary Inspector may be handling 5 municipalities.
Are we implementing/inspecting food chains, food processors, etc. for sanitary purposes?	Yes, as far as our visits to some areas of ARMM like Sultan Kudarat, they are implementing the sanitary inspection because it is one of the requirements of an establishment owner before they can be given a business permit to operate. However, it is very seldom. As per observation, DOH and IPHO are more focused on sanitary inspecting in hospitals.
Do we have a checklist on Sanitary Inspection?	Yes, DOH ARMM have a checklist. In fact, during the experts' visit in Sultan Kudarat Rural Health Center, they provided us a copy of the checklist.

4. Finance/Marketing Workshop Proceedings

- ❖ Ms. Awano started the break-away session with her presentation on the action plan for finance specifically entitled as "Project for promotion of financial services for farmers, fishermen, and MSME's in ARMM".
- ❖ Ms. Awano basically gave a briefer on the following topics:
 - Background of the proposed project
 - Ms. Awano stressed the fact that there is a huge demand for financing farmers, fishermen and MSME's in ARMM but service providers are very limited.
 - She then discussed the major challenges and its corresponding appropriate action plans.
 - Project purpose and period
 - She briefly explained the purpose of the project and that is to increase production of farmers, fishermen, and processors by improving their access to financing. She stated that the project period will be 10 years; 3 years for the pilot phase, 7 years for the implementation.
 - Target areas and groups

- Ms. Awano stated that the target areas for the Pilot Phase are the provinces of Maguindanao, Lanao del Sur, and Tawi-Tawi. On the implementation phase, expansion will be on Basilan and Sulu.
- She identified that the target groups are the existing and newly established MFI's/Rural Banks/Financial Cooperatives.

Questions/Comments	Response
Why is the province of Basilan and Sulu not included in the Pilot Phase of the project?	They were not included due to the severity of the security issues. It will be most likely difficult to work in this kind of situations especially for us Japanese.

- Expected outcome and impacts
 - Ms. Awano presented figures to represent the expected outcome on the project and highlighted the expected impact would be the 30% increase of the income of the farmers, fishermen, and the processors.
- General activities
 - Ms. Awano explained the general activities of the project and presented sample diagrams that illustrate the value chain of financing for seaweed farmers and rice traders in Tawi-Tawi and Maguindanao.
 - She also presented the type of trainings and assistances to groups that are to be utilized in the project.
- Management Structure
 - Ms. Awano presented a diagram that illustrates the management structure of the project and the process flow of tasks and responsibilities of every identified agency that is part of the structure.

Questions/Comments	Response
I think that the structure is very idealistic considering the political situation here in the ARMM.	What are presented in the diagrams and the process flow are only the ideal management structure. Comments and suggestions are welcome to better contextualize the structure.

- Possible collaboration with other projects
 - Ms. Awano presented the identified the possible agencies and its respective projects that could be possibly tapped for collaboration for the proposed project.

- ❖ Ms. Awano Presented the Business Development Services on behalf of Mr. Shimoyama
 - Same procedures, Ms. Awano presented background of the proposed project, time framed, management structure, general activities, target groups and concerned agencies and potential partners in providing BDS

Questions/Comments	Response
<p>The DTI provincial coordinators of Tawi-Tawi, Basilan and Sulu recommended the government-private sector partnership in providing BDS to the community, they particularly pointed out strong and potential partners like in Tawi-Tawi and Basilan can be the Business Chambers while in Sulu can be the MSU and Notre Dame University</p>	<p>Ms. Awano said, she will inform Mr. Shimoyama who is in-charge of Human Capacity Development to consider the recommendation</p> <p>Mr. Ali Mala, the Local supervisor of LIP-ARMM added that, it was an initial discussion and idea to be in partnership with private sector in providing BDS to the community while the provincial staff of DTI is being capacitated. The idea also came out because ARMM is too large to cover by limited staff of DTI at provincial level</p> <p>Mr. Ali also informed participants that the local staff of LIP-ARMM has already conducted survey to identify potential BDS providers in the five provinces of ARMM including nearby cities who are willing to provide services in ARMM</p>

- ❖ After Ms. Awano's presentation, Mr. Araki immediately proceeded to his presentation on the action plans on the marketing aspect of the promotion of the local industries in ARMM.
- ❖ Mr. Araki also presented the following topics:
 - Background of the project
 - Project purpose and period
 - General Activities
 - Management Structure
- ❖ Mr. Araki utilized diagrams to better present the involved agencies and organizations' process flow of the activities of the action plan.

List of Participants

No.	Name	Agency/Organization
1	Omar A. Nor	ABBICI
2	Gilda P. Villalba	ACDI/VOCA
3	Sarah Jane del Rosario	ANFWPC
4	Arlyn Mangoba	ANFWPC
5	Kanakan B. Duloan	ARMM Business Council
6	Alexander P. Manuel	ARMM Business Council
7	Engr. Akan G. Tula	BAS-ARMM
8	Datu Zacaria M. Utto	BAS-ARMM
9	Sapia G. Ghulam	BAS-Maguindanao
10	Veronica S. Kiel	BAY Maguindanao
11	Erlinda D. Posadas	BAY Maguindanao
12	Swaib M. Mohamad	BDA
13	Julie O. Maliga	BDA
14	Sumail Mamporok	BFAR
15	Hj. Alano A. Alihuddin	BFAR
16	Sophia G. Mokamad	BFAR-ARMM
17	Dr. Nilo S. Katada	BFAR-ARMM
18	Subaer C. Gandamra	BFAR-Lanao
19	Datun M. Nur	BFAR-Maguindanao
20	Yusoph M. Mamutuk	BFAR-Marawi City
21	Badrudin Zabidi	BFAR-MFFTC
22	Tony J. Taradji	BFAR-Sulu
23	Faisal A. Nahul	BFAR-Tawi Tawi
24	Halkat N. Ibrahim	BFAR-XII
25	Wilmino B. Liboon	BSCMMPC
26	Merlie O. Liboon	BSCMMPC
27	Bahiya A. Kid	CCSPC-Cotabato City
28	Farida K. Dimalen	CCSPC-Cotabato City
29	Analiza S. Macacua	CCSPC-Cotabato City
30	Hayat M. Pilas	CDA-ARMM
31	Macmodin A. Ali	Cemilardef
32	Renato P. Gacayan	Cemilardef
33	Danilo S. Josue	Cemilardef
34	Abubakar M. Abdullah	Cooperative
35	Khanappi Ayao	Cooperative/NGO
36	Dr. Jalika Mangacop	DA-ARMM
37	Kadiguia R. Abdullah	DAF
38	Badrudin S. Esmael	DAF-ARMM
39	Jamer M. Guimba	DAF-ARMM
40	Raheima Amba	DAF-ARMM
41	Abdulkalim S. Piang	DAF-ARMM
42	Albaya S. Sagad	DAF-ARMM
43	Dr. Rogelio M. Bahinting	DAF-ARMM

44	Dadtungan B. Radzak	DAF-ARMM
45	Iskak Paguita	DAF-ARMM
46	Naga M. Tucalo	DAF-Lanao del Sur
47	Muhaimin E. Adjid	DA-Sulu
48	Aida T. Jumli	DA-Tawi Tawi
49	Rizalina Tiannok	DA-Tawi Tawi
50	Mauricio F. Civiles	DILG-ARMM
51	Estrellita J. Ibrahim	DOST-ARMM
52	Alice Gamas	DOST-ARMM
53	Sarah Mamadra	DTI-ARMM
54	Melanie T. Langco	DTI-ARMM
55	Arnold L. Yap	DTI-Basilan
56	Catalina L. Icalina	DTI-Maguindanao
57	Abdullah M. Sumael	DTI-Maguindanao
58	Marlon S. Mamokan	DTI-Maguindanao
59	Harrison A. Haron	DTI-Sulu
60	Termizie G. Masahud	DTI-Tawi Tawi
61	Aida M. Robas	FIDA
62	Tito T. Oria, Sr.	JICA
63	Shinichi Masuda	JICA
64	Shiho Akamatsu	JICA
65	Bing Totañes	JICA
66	Samrah S. Karon	JICA
67	Mary Bernadette P. Suarez	JICA
68	Hernan Pineda	JICA
69	Abdulracman U. Disalongan	KAFF-MPC Coop
70	H. Radzak Kasim	KAFF-MPC Coop
71	Myra Aisah A. Pentaliday	LGU-Cotabato City
72	Saripoden Aguam	LGU-Lanao del Sur
73	Basher Bula	LGU-Marawi City
74	Engr. Paulo D. Cagara	LGU-North Upi
75	Ishak S. Pasawilan	LIP-ARMM
76	Muslima L. Benito	LIP-ARMM
77	Shingo Furuichi	LIP-ARMM
78	Masayoshi Nakatani	LIP-ARMM
79	Dr. Hiroaki Terashima	LIP-ARMM
80	Michimasa Numata	LIP-ARMM
81	Haruko Awano	LIP-ARMM
82	Ken Araki	LIP-ARMM
83	Mitsuo Iinuma	LIP-ARMM
84	Alimudin Mala	LIP-ARMM
85	Pendatun Patarasa	LIP-ARMM
86	Daryl Valdez	LIP-ARMM
87	Noryaha Yusoph	LIP-ARMM
88	Mahmod Gayak	LIP-ARMM
89	Solaiman Mala	LIP-ARMM

90	Taib Abdulazis	LIP-ARMM
91	Abdulnasser Guiamaden	LIP-ARMM
92	Harrizon Ybañez	LIP-ARMM
93	Ahmad R. Mohammad	LIP-ARMM
94	Salubaddin Abdulwajir	LIP-ARMM
95	Badrudin K. Tabara	LIP-ARMM
96	Amerhassan B. Lucman	LTAM-Cooperative
97	Dr. Danda N. Juanday	MDP Inc.
98	Anelyn Binancilan	Minadanao Development Authority
99	Joyce S. Lacandula	MMC
100	Krizza Mae L. Balog	MMC
101	Delfin C. Papa	MSU-Maguindanao
102	Estrella C. Tabora	MSU-Maguindanao
103	Luminog M. Nur	MSU-Maguindanao
104	Thomas M. Sabal	MSU-Maguindanao
105	Panganda M. Tanggote	NIMSA Inc.
106	Ysmael N. Baraguir	NSO-ARMM
107	Johaira Pandita	ODA-ARMM
108	Abduladzis A. Guiaman	PCA-Maguindanao
109	Haron A. Sambutuan	PCA-Maguindanao
110	Col. Peter L. Elardo (Ret)	People Alliance for Progress MPC
111	Parasa B. Atalad	PPDO
112	Sadat E. Rajahpandalat	PPDO-Maguindanao
113	Nestor N. Delasas	PPDO-Tawi Tawi
114	Salik A. Balabagan	Pusaka Seaweeds
115	Indora P. Catada	Puyo Handicraft
116	Larzon G. Santos	RBOI-ARMM
117	Leilali A. Limba	REZA-ARMM
118	Engr. Mlang U. Madal	RPDO-ARMM
119	Isah B. Abduljalil	RPDO-ARMM
120	Norolhaya D. Mamariong	RPDO-ARMM
121	Julkiram A. Arastam	Sulu Chamber
122	Abdulbasith U. Calulong	Tambul-MPC
123	Robert Tan	Tawi-Tawi Chamber
124	Boy Ruben Deduro	Tawi-Tawi Chamber
125	Engr. Sukarno B. Datukan	UAS-PTIA
126	Renanta V. Diestro	UAS-PTIA
127	Josephine R. Migalbin	USM

6. Discussion Notes of Steering Committee

1st Steering Committee Meeting **Minutes of the Meeting**

Development Study of the Promotion of Local Industry in the ARMM, Philippines
June 7, 2010 - Grand Men Seng Hotel, Davao City

The meeting started at 2:45 in the afternoon.

Highlights of the Meeting:

- Atty. Naguib Sinarimbo, the Chairman of the Project Steering Committee (PSC), started the meeting with a brief opening remark. He then requested Mr. David Ali, Executive Director of ODA, to acknowledge the participants of the meeting.
- Agenda Item 3 – There was no amendment to change the agenda of the meeting. Hence, the agenda was approved by the body.
- Atty. Sinarimbo apologized for coming in late because he needed to address first the issue at Act for Peace. He stated that the Local Industry Promotion Study has to move forward the soonest possible time because it is a viable study and can be sustained. There is also a very good composition of the PSC.
- Mr. Masafumi Nagaishi, Senior Representative of JICA, expressed his sincere appreciation to the ARMM government. JICA Study Team was tasked to conduct this Study to help improve the business industry in the ARMM. It was with hope that vibrant communities can help promote prosperity in the region. There are potentials in Mindanao because of the abundant resources here. The study will analyze these potentials as well as the constraints of the local industry in the ARMM, and will provide capacity development to ARMM staff.
- Agenda Item 2 – Confirmation of the Membership of the PSC

Atty. Sinarimbo presented the composition of the PSC, as follows:

Chairman	Atty. Naguib G. Sinarimbo	Executive Secretary – ORG
Vice-Chairman	Atty. Asnaira M. Batua	Regional Secretary – DTI
Members	Atty. Lomala Balindong	Regional Secretary – DAF
	Mr. Diamadel E. Dumagay	Executive Director – RPDO
	Atty. Ishak V. Mastura	Chairman – RBOI

	Mr. Haroun Alrashid Alonto Lucman, Jr.	Regional Secretary – DILG
	Mr. David Ali	Executive Director – ODA
	Uz. Mohammad Shuaib Yacob	Executive Director – BDA
	Mr. Masafumi Nagaishi	Sr. Representative – JICA Phil.
	Dr. Hiroaki Terashima	Team Leader – LIP ARMM Study

Originally, BDA's representation in the PSC was an Observer. It was recommended that BDA become a Member of the PSC, which Uz. Mohammad Shuaib Yacob, Executive Director of BDA, gladly accepted. This was purposely recommended in order to reach out and engage more people/stakeholders in the development of the region. The body moved the motion and seconded to confirm the composition of the PSC with the inclusion of BDA as a Member.

- Agenda Item 4 – Presentation of the Inception Report by Dr. Hiroaki Terashima, Team Leader of LIP-ARMM

Dr. Terashima explained the Inception Report through a PowerPoint presentation. After the presentation, Atty. Sinarimbo opened the discussion for any clarification or comment on the report. The following were the highlights of the discussion:

- Mr. David Ali stated that DTI is the primary partner of JICA in this study and the role of DTI in the design of the study is not very clear. He wanted to clarify the roles DTI in the actual participation and coordination in the Study. He further observed that the Study Team will be hiring local consultants in the provincial level to conduct the survey. He asked if it would be possible to utilize DTI staff to do the survey instead of hiring sub-contractors. In this case, the Study will further enhance the human capacity of the DTI staff as well as assure the sustainability of the Study.

Dr. Terashima responded to the inquiry of Mr. Ali by saying that DTI and DAF are the main counterparts of the Study Team in this Study. Main local industry is the primary industry so DTI and DAF will play an important role. He requested DTI and DAF to accompany the study team to do the survey. With regards to sub-contracting local consultants, Dr. Terashima would still like to push through with this set-up in order to efficiently proceed the Study with DTI as the counterpart.

Asec. Marites Maguindra, Assistant Secretary of DTI, reaffirmed the statement of Mr. Ali that the partnership of JICA and ARMM Government is anchored in the philosophy of the development of ARMM human capacity. This Study will not just have DTI as the counterpart but also as the lead player in this activity. DTI should also be involved in doing the analysis so that after the Study shall have ended, DTI will be equipped with the know-how in doing the same activity in the future. She was

confident that DTI personnel have the competency to implement the Study because they have been exposed to this kind of work and that they are working on the ground. She then reiterated that the roles of DTI and DAF be clearly stated in the inception report.

Atty. Ishak Mastura, Chairman of RBOI, further explained that DTI has been tapped by CIDA to facilitate agri-fishery resource development. At the time, CIDA could not have a direct contract with the governmental organization, it just paid for travel fees to DTI officials.

- Atty. Mastura suggested to include on page 17 of the inception report the resource mapping conducted by DTI as an existing survey. Also, RBOI does annual review of the investment priority plans as well as stakeholders consultation in order to identify which industries are competitive in the area. His office is open to share these records to the Study Team.
- Atty. Sinarimbo concluded that based on the rationalization of the aforementioned statements, the roles of DTI should be clearly stated in the inception report. He requested the Study Team to reconsider the proposal of DTI.

Dr. Terashima agreed that DTI is a counterpart in the implementation of the study and one of aims of this study is capacity building of DTI personnel. He said that it is not possible to subcontract with DTI, the governmental organization in the Study under the JICA's regulation. On the other hand, the Study Team will look into the more detailed roles of DTI as well as the other agencies engaged in this Study.

- Mr. Nagaishi asked how often the PSC meets during the course of this Study. He suggested looking into the involvement of DTI as a whole, not just during the survey but also in the analysis, evaluation and monitoring phases of the Study.

Dr. Terashima responded that regarding the PSC meeting, PSC should decide the frequency of the meeting. He proposed to have it in quarterly basis and ad hoc meetings when necessary. Regarding the involvement of DTI, the Study Team has will hold several workshop for DIT and other counterparts or stakeholders. The team will constantly discuss relevant issues with them as well. . It is also important to point out that the participation of the focal persons from the different line agencies.

- Engr. Baintan Ampatuan, Chief MICAD of RPDO, noticed that Marawi City and Lamitan City are not specified as component cities in the area of coverage of the study. She also clarified that in Figure 7 on page 26 of the report, Cotabato is being referred to here as the City and not as the Province.
- Mr. Terashima clarified that he meant for the Cotabato city.

- Mr. Mauricio F. Ceviles, Chief PDMU of DILG, inquired why CDA is not part of the PSC since it is one of the supporting agencies as outlined in Figure 2 on page 8. He further suggested to include the Provincial Planning Development Office, the Municipal Agriculture Office and the Municipal Local Government Office in the chart.
 - There was a correction on page 38 to change the schedule of the submission of the Interim Report from January 2010 to January 2011.
 - Having no further clarification from the body, the PSC agreed to move the confirmation and approval of the inception report subject to the inclusion of the relevant suggestions and feedbacks.
- Agenda Item 5 – Nomination of Focal Persons for Each Relevant Agency
The following were nominated to be the focal persons for this Study:

DAF	Ike Paguitan
DTI	Asec. Marites Maguindra
RBOI	Farida Biruar
RPDO	Norolhaya Mamariong
DILG	(to be confirmed)
ODA	Juhaira Pandita
DOST	(to be confirmed)
CDA	(to be confirmed)

- Atty. Sinarimbo requested Mr. David Ali to write DOST and CDA regarding the nomination of focal persons of their respective agency.
- Atty. Maguindra inquired if these focal persons already comprise the Technical Working Group (TWG).

Dr. Terashima responded that the Study Team will just follow the recommendation of the PSC in regards to the creation of the TWG.

Atty. Sinarimbo recommended to let the Study proceed first and evaluate later if there would still be a need to have a TWG.

Atty. Mastura added that the focal persons would suffice the need since the Study is just a study.

- Agenda Item 6 – Bidding Process of Local Sub-Contractors

Dr. Terashima presented the bidding process of local sub-contractors. He stressed out that the Study Team will follow JICA's sub-contracting procedure and long-listing of the sub-contractors would be done by the Study Team. He suggested that the participants could recommend the sub-contractors, if any. He also articulated that any clarification and questions on bidding process of local sub-contractors should be clarified with him. There was no question and clarification regarding the bidding process.

- Agenda Item 7 – Explanation of the Workshop Plan

There will be workshop scheduled on August 2-3, 2010 to be held in Cotabato City for the Study briefing where ARMM and LGU officials and other stakeholders will be invited. It was suggested to prepare a press kit or media conference for the launching of the Study.

- Agenda Item 8 – Schedule of 2nd Steering Committee

The schedule of the next PSC meeting is set in October 2010 after Ramadan. The venue and exact date will be announced later.

- Agenda Item 8 – Closing Remarks

Atty. Sinarimbo expressed his gratitude to JICA, the Study Team and the representatives of the different line agencies and other stakeholders. It has been the position of the Regional government to support this kind of study, more importantly because there is a need to identify which industry is competitive in the region. Moreover, in order to market the region, the region has to show a feasible and viable industry so that investments will come in. Presently, the revenue generated is not sufficient to survive the region. The option there is to come up with revenue generating programs other than those collected from taxes. The timeliness of the study is vital to help and move the region towards development.

The meeting was adjourned at 4:45 in the afternoon.

List of Participants for the 1st Steering Committee Meeting

No.	Name of the Agency	Person in-charge
1	Office of the Executive Secretary	Atty. Naguib Sinarimbo (Regional Secretary)
2	DTI	Atty. Asnaira M. Batua (Regional Secretary)
3	DTI	Asec. Marites Maguindra (Assistant Secretary to DTI)
4	DAF	Atty. Lomala Balindong (Regional Secretary)
5	RPDO	Engr. Baintan Ampatuan for Dir. Dumagay
6	DILG	Mr. Mauricio Civiles for Regional Secretary
7	RBOI	Atty. Ishak V. Mastura (Chairman)
8	ODA	Mr. David Ali (Executive Director)
9	BDA	Uz. Mohammad Shuaib Yacob (Executive Director)
10	BDA	Ms. Julie Maliga (Coordinator for JICA Projects)
11	JICA Philippines	Mr. Masafumi Nagaishi (Senior Representative)
12	JICA Philippines	Mr. Takashi Komori (Proj. Formulation for Assist. for Mindanao)
13	JICA Philippines	Ms. Shiho Akamatsu (Project Formulation Advisor)
14	JICA Philippines	Ms. Mary Bernadette Suarez (Project Officer)
15	JICA Philippines	Ms. Samra Karon Coordinator-Cotabato Field Office
16	LIP-ARMM	Mr. Hiroaki Terashima (Team Leader)
17	LIP-ARMM	Mr. Mitsuo Iinuma (Agriculture/Fisheries 1)
18	LIP-ARMM	Mr. Hisamitsu Shimoyama (Organization/Human Resource Development)
19	LIP-ARMM	Ms. Miyoko Maekawa (Regional Development Expert)
20	LIP-ARMM	Mr. Roel Briones (Distribution/Infrastructure)

21	LIP-ARMM	Ms. Mari Ono (Coordinator)
22	LIP-ARMM	Mr. Alimudin Mala (Local Supervisor-Cotabato)
23	LIP-ARMM	Mr. Ishak Pasawilan (Coordinator-Cotabato)
24	LIP-ARMM	Ms. Muslima Benito Secretary-Cotabato
25	LIP-ARMM	Mr. Pendatun Patarasa (Coordinator-Zamboanga)
26	LIP-ARMM	Ms. Naomi Fernandez (Sub-Coordinator-Zamboanga)
27	LIP-ARMM	Mr. Daryl Valdez (Secretary-Davao)
28	DAF	Mr. Rajiv Balindong Ramos
29	JICA Philippines	Mr. Masashi Yamamoto
30	RRUC-ARMM	Mr. Romeo Sema
31	ARMM	Mr. Efren Sissay
32	TMS-ORG ARMM	Romeo Diocolano
33	JICA Staff	Ronald Mayarin Vila

2nd Project Steering Committee Meeting

Minutes of the Meeting

Development Study of the Promotion of Local Industry in the ARMM, Philippines
October 14, 2010 – Estosan Hotel, Cotabato City

The meeting was called to order at 9:15 in the morning by Chairman Naguib G. Sinarimbo.

Highlights of the Meeting:

Agenda Item 1: Confirmation and Adoption of the Agenda

The agenda was unanimously approved as distributed. The meeting was held in order to:

- a. Confirm and adopt the focal persons of concerned line agencies for the Study;
- b. Update on the progress of the field study;
- c. Present the schedule of project activities and the next Project Steering Committee (PSC) meeting, and;
- d. Give a brief guidance on the schedule and selection of trainees for the International Training Program.

Agenda Item 2: Reading and Adoption of the Minutes of the 1st PSC Meeting

The minutes of the previous meeting held on June 7, 2010 at Grand Men Seng Hotel, Davao City were reviewed and approved. However, amendments were noted during the meeting to:

- a. Correction of DOST focal person from Mr. Abdulgalib Halud to Ms. Estrellita J. Ibrahim, and;
- b. Reverting the status of Bangsamoro Development Agency (BDA) to observer.

Agenda Item 3: Confirmation and Adoption of Focal Persons to the Study

The composition of the Focal Persons to the Study as approved by the PSC is as follows:

Agency	Name
DAF	ASec. Iskak Paguita
DTI	ASec. Marites Maguindra
RBOI	Ms. Farida Biruar
RPDO	Ms. Norolhaya Mamariong
DILG	Mr. Mauricio Civiles
ODA	Ms. Juhaira Pandita
DOST	Ms. Estrellita Ibrahim

CDA	Ms. Hayat Pilas
-----	-----------------

There was an issue raised to add alternate focal persons from each of the agencies stated above. Dr. Terashima pointed out that one focal person would suffice the need of the Study since the focal person's responsibility is to be a liaison of his/her agency. Atty. Sinarimbo confirmed that there is no need for an alternate focal person, however, should there be an instance when the focal is not available for any need of the Project, it would be the responsibility of the concerned agency to designate an alternate focal person provided that this person has full understanding and knowledge about the Study.

Agenda Item 4: Progress of Field Study (by Ms. Haruko Awano)

After the present situation and progress of project were presented, Ms. Awano further stated that the LIP-ARMM Study Team has already visited the major cities in Mindanao. The Study Team can share the data/information that was gathered regarding the list of major enterprises in these cities.

Atty. Sinarimbo inquired how come the Study Team was able to visit USM in Kabacan, but not MSU in Marawi since this is the best university in the region and it has campuses in Maguindanao, Jolo and Tawi-Tawi. He further suggested that it is good to visit this institution. Ms. Awano replied that Japanese experts are not allowed to go to Marawi City as well as the island provinces of the region because of the security restriction by the Japanese Embassy. However, the Study Team can request its local staff to visit these places and gather relevant information.

Atty. Ishak Mastura, Chairman of RBOI, asked if the Study also focuses on small-scale handicrafts or traditional crafts and products because this industry is already being displaced due to lack of support and training. Examples are the brass-making and chest-making in Tugaya, Lanao, and the malong weaving in Sultan Kudarat. Dr. Terashima responded that handicraft is also within the scope of the Study and that the Team hopes to visit these places. Mr. Mastura suggested that the Study Team may contact DTI to get the listing of these small-scale businesses.

Agenda Item 5: Schedule of Project Activities and 3rd PSC Meeting (by Dr. Hiroaki Terashima)

Dr. Terashima notified the body that the schedule of some of the activities stated in the Inception Report have been modified:

ACTIVITY	ORIGINAL SCHEDULE	REVISED SCHEDULE
Submission of Interim Report	January 2011	February 2011
3 rd Country Training	January 2011	February 2011
2 nd Workshop	February 2011	March 2011

The first workshop will be held this coming October 19 to 20, 2010 at Estosan Hotel, Cotabato City. The purpose of this workshop is to enhance the understanding of the basics of local industry promotion among the counterparts. The participants

will come from the same group who attended the first briefing session with additional participants from PPDO and BFAR.

The Study Team can provide the first draft of the interim report in January 2011, and the details of the report will be explained in the next PSC meeting which is scheduled in January 2011 also.

Agenda Item 6: Brief Guidance for International Training Program (by Dr. Hiroaki Terashima)

The purpose of this training is to observe the present situation of the local industry in another country. Thailand is a suitable place for the training because it has participatory approach to local development, and being near to the Philippines, it is the first country to develop OTOP. There are also universities in Thailand which have researches on how to develop communities. This will be a two-week training scheduled in February next year. The Study Team considered participants coming from DTI and DAF because they are the major counterparts of the Study. Moreover due to budget limitation and easy facilitation of small group, it was decided to take only 10 participants to the training. This was supported by Atty. Sinarimbo stating that the selection is arbitrary on the part of the Study Team, who will then decide which agencies and who will take part in the training to suit the objectives of the project.

There will be five participants coming from DTI whose expertises are the following:

1. Policy/Regulation -
2. Business Development Services
3. Food Processing
4. Finance
5. Marketing Specialist

For DAF, there will be five participants who are engaged in:

1. Agriculture (2)
2. Fisheries (2)
3. Livestock (1)

It was brought out that the details or criteria for selecting the participants will be prepared by the Study Team in consultation with the PSC. This will also be discussed with DTI and DAF. The nominees should be submitted by December 2010.

Agenda Item 7: Other Matters Discussed

Atty. Mastura announced that there is a plan of the Region to revive barter trading. He asked if JICA is interested in this project wherein the sourcing of goods or product from other countries comes in cheaper prices. Examples of these products are palm oil and fertilizer. He then invited the Study Team to expand its scope of study to this industry and it might be interesting to have future collaboration

with this project. This is an AusAID Project aiming at uplifting the economy of Muslim Mindanao in order to be at par with other regions.

Mr. Numata responded that this is an interesting idea and maybe after this project it might be considered. As for now, the project will only focus on its scope of work. However, the Study Team may visit the offices of RBOI and the Executive Secretary to gather information on this.

Closing Remarks:

In closing, Atty. Sinarimbo reiterated the gratitude of the regional government to the Study Team. It was a pleasure to exchange ideas and he congratulated the Team for the initial work done. He also shared a concern on the security aspect of the Team in which he recommended to allow local persons to help reach out to the areas. He further stated that the major security stakeholders are not within the jurisdiction of the Region but with the central government. However, the Region can just urge them to provide necessary improvement on the security aspect. The regional government is committed to the serious partnership with JICA as well as the Team. Partnership with JICA has been a fruitful one and hope the partnership will continue.

The meeting was adjourned at 11:10 in the morning.

3rd Project Steering Committee Meeting Minutes of the Meeting

Development Study of the Promotion of Local Industry in the ARMM, Philippines
February 2, 2011– Estosan Hotel, Cotabato City

The meeting was called to order at 9:20 in the morning by Chairman Naguib G. Sinarimbo.

Highlights of the Meeting:

Agenda Item 1: Opening Remarks

- a. Acknowledgement of Participants by Mr. David Ali, Executive Director of ODA**
- b. Opening Message by Atty. Naguib Sinarimbo, ARMM Executive Secretary and PSC Chairman**

Atty. Sinarimbo expressed his appreciation to Mr. Matsuda, JICA representative, for personally attending the meeting. He then acknowledged the presence of the members of the Study Team, representatives from JICA and other attendees of the meeting.

He stated that the Local Industry Promotion Study is timely for ARMM region because the regional government is currently formulating its mid-term development plan. This undertaking requires consultation from various agencies and stakeholders of the regional government. Hence, there is a need to take into consideration the preliminary results of the interim report, taking into notes the comparative advantages which may be included in the mid-term development plan of the region. There is also a need to look into the local industries outside ARMM in order to extract strategies on how to promote its own industries, and the possibility of jointly funding the industries that we intend to promote.

- c. Opening Remarks by Mr. Shinichi Masuda, JICA Senior Representative**

Mr. Masuda was very appreciative for the attendance of the members of the PSC and the focal persons. He stated that during the previous PSC meeting in October, the Study Team updated the progress of its study. And today, the team will be presenting the interim report which partly discusses the current situation in the ARMM. He further informed that the Study Team has experienced a lot of difficulties because of the security guideline of JICA which prohibited the Japanese Experts to visit some areas in the region. Nonetheless, the Team has done the best effort to make a good report. He also stressed out that it is important to identify which sectors are important and to make strategies or plans that are feasible and tangible with which ARMM government and private partners could work hand in hand. The Team has already identified products which can be competitive and promising in the local industries of ARMM. This Study is very timely because MinDA (Mindanao Development Authority) just drafted the Mindanao 2020 and the ARMM government is developing its

mid-term development plan. He was hopeful that this Study will contribute to these undertakings.

Agenda Item 2: Reading and Adoption of the Minutes of the 2nd PSC Meeting

Atty. Sinarimbo requested Ms. Naomi Fernandez, member of the Study Team, to read the minutes of the previous PSC meeting.

Mr. Diamadel Dumagay, Executive Director of RPDO, then commented that ARMM industry comprises at least 80% of small and medium enterprises. Examples of this industry are the bag-making, mat-weaving and malong and tubao making that make use of indigenous materials. He supported the suggestion of Atty. Ishak Mastura, Chairman of RBOI, as stated in the minutes of the 2nd PSC meeting to include this industry in the scope of the Study.

Mr. Iskak Paguita, DAF Focal Person for the Study, remarked to drop his title as ASec as stated in the minutes of the meeting.

Agenda Item 3: Confirmation and Adoption of the Agenda

The agenda was unanimously approved as distributed. The meeting was held in order to:

- e. Present the Project's Interim Report;
- f. Explain the Third Country Tour in Thailand, and;
- g. Explain the next workshop.

Agenda Item 4: Presentation of the Draft Interim Report

Dr. Hiroaki Terashima, Study Team Leader, initiated the presentation of the draft interim report. He stressed that this is just a draft interim report and finalization of this report will be concluded by the end of this month. The interim report consists of more than 300 pages, however, for presentation purposes, only the summary will be discussed.

Table of Contents		
Chapter 1	Introduction	<ul style="list-style-type: none"> – Objectives of the study – Area of Coverage – Scope of the Study – Study Period (April 2010-August 2011). This might be revised due to security situation in the area.
Chapter 2	Analysis of Current Conditions	<ul style="list-style-type: none"> – Social and Economic Conditions in the ARMM – Policies, Regulations and Programs on Regional Development and Local Industry Promotion – Institution related to Local Industry Promotion in ARMM

		<ul style="list-style-type: none"> – Technical and Financial Institutions – Human Resource – Donor Support – Case Study for Regional Development through Local Industry Promotion in the ARMM
Chapter 3	Economic Analysis of Local Industries and Businesses	<ul style="list-style-type: none"> – Current Status of Businesses Registered at RBOI – Current Status of Industry Promotion Projects initiated by the Government – Current Status of Businesses – Result of Business Study – Overall Environment for Business and Industry Environment in the ARMM – Current Status of Micro Finance
Chapter 4	Potential Product Survey	<ul style="list-style-type: none"> – Brief Overview of the Survey – Potential Products in Agriculture Sector – Potential Products in Fisheries Sector – Potential Products in Livestock Sector – Processed Products – Infrastructure and Physical Distribution – Consumer Marketing

Ms. Haruko Awano, Deputy Study Team Leader, presented the summary of Chapter 2: Analysis of Current Conditions and Chapter 3: Economic Analysis of Local Industries and Businesses of the interim report. She discussed on the following points:

A. Economic Situation in the ARMM

- In 2008, ARMM had a low annual growth rate of 1.9% which was less than half of the average growth rate of Mindanao at 4%.
- There was a concentration of the primary industries which was distinct in the ARMM, accounting for the 60% of GRDP, while the 10% came from industrial industries.
- The labour productivity shows that ARMM got only half of the average rate of the country and in Mindanao. With this, there is still a huge potential of all the sectors to improve.

- There are enterprises concentrated in wholesale and retail. However, when compared with other regions in the country, the number of businesses in the ARMM is relatively low. The enterprises registered at DTI are concentrated at limited municipalities only. There is also a role of LGUs to encourage business establishment in their respective municipalities to be registered.

B. Industry Promotion Policies/Programs

- DTI National formulated a new MSME Development Plan and has also implemented programs nationwide with the exclusion of ARMM region in its area of coverage. Such programs stated were cluster-based industrial development strategies, diagnosis system of MSMEs, and promotion of quality and performance management for DTI regional offices.
- ARMM has its own policies, budget and various activities for the promotion of its local industry. Programs such as REZA, Halal Industry Promotion and OTOP are being implemented in the region. However, the progress of these projects is limited because of financial constraints. This is also the reason why in some cases, DTI-ARMM cannot join in the national industry programs and activities which poses a widening disparity between ARMM and other regions in the country. It was recommended for DTI-ARMM to consider participating in nationwide programs.

C. Status of Local Industry/Enterprises in the ARMM

- Out of the 23 big enterprises registered at RBOI, only 14 of them are operational. The common characteristics of these enterprises are location which is concentrated in specific LGUs with good security situation, utilization of natural resources, strong management partners and secured market, and openness to outside investors or human resources. There are also challenges being faced by these enterprises such as unstable supply of raw materials, high transportation cost, insufficient infrastructure and the need to develop new markets. It was good to note that there are successful investors in the ARMM, one of which is the Uni Fruiti who finds good quality of banana and pineapple in the region.
- There were four (4) projects initiated by SPDA and were transferred to ARMM government. However, these projects were not sustained due to of lack of funds, insufficient management capacity and peace and order problem among others.

D. Results of Business Study with 518 Businesses in 5 Provinces

- Most of the businesses are involved in micro-enterprises and many of them are not registered because of lack of information and perceived idea that they don't have to.
- More than half of the businesses do not keep basic records of P/L and cash flow of their business transactions.

- Many of these businesses buy and sell products only within their respective provinces. However, 70% of them plan to expand their markets outside their provinces.
- Only 20% were able to receive trainings and the ratio is much lower in islands.
- The biggest challenges being faced by these enterprises are lack of funds, insufficient infrastructure and unstable security. They expect support from LGUs and in addition to capacity building; there is a need to improve business environment in order to promote investment and business in their area.

E. Status of Microfinance – Preliminary Results of MF Study

- There is a high demand for loans. But their accessibility is very limited to a few. For farmers and fishermen, fluctuating and/or seasonal income is one of the challenges, and the repayment scheme is not suitable to their income cycle. Because of this, many resort to borrowing money from relatives, friends or money lenders who charge high interest rate. For the businesses, many requirements and conditions such as collateral is a major constraint.
- In terms of supply, there are existing formal and non-formal institutions in the ARMM, however, they are operating in several municipalities only and targeting certain sectors such as women and retailers. There are NGOs who signify their intent to expand in other municipalities but they are constricted to do so because of insufficient infrastructure, unstable peace and order situation and low economic and marketing activities in the area.

Dr. Terashima continued the presentation on Chapter 4: Potential Product Survey of the interim report. He discussed on the following points:

A. Survey Overview

- The survey for potential products was conducted in 10-15 municipalities for each of the provinces in the region.
- Study team experts were able to conduct field survey/interview in selected area within and outside the region where security situation is stable. For other areas where experts were not permitted to go to, they were able to invite and interview different stakeholders in Zamboanga City, Iligan City and Cotabato City.

B. Products with High Economic Potentials

- For agricultural products, coconut, coffee, mangosteen, cacao, banana, and cassava were identified to be of high potential.
- For fishery products, the potential ones are milkfish, grouper, seaweeds, mud crab, abalone and tilapia.
- For livestock, goats, cattle and chicken.
- In the interim report, radar graph was used in the analysis of each of the products mentioned above. Since this is just a draft interim report, there may be some corrections to be done and finalization of this report will be concluded

by the end of this month. Full analysis of these products will be presented in the final report.

- In the analysis of coconut, the production and market distribution are not so high, but the acceptability is high.
- Milkfish is a popular product in the Philippines. The production situation in the ARMM is not so high and this needs to be developed as a potential product because the demand is high.
- Goat is also popular in the ARMM and its acceptability is high, however its productivity and distribution channel are low. There is already an ongoing project of the Human Capacity Development component of JICA to help develop goat-raising in the ARMM.

C. Major Distribution Route of ARMM Products

- Dr. Terashima also showed the current distribution channels of the products in the region. And it was noted that there is still a need for infrastructure to be put in place in order to promote the local industry in the region.

After the presentation, Atty. Sinarimbo commented that there is a need to have a candid assessment and honest view of the current situation in the region in order to help the ARMM government in considering the strategies needed in developing the local industry in the region.

Open Forum:

Questions/Comments	Responses
<p>Atty. Ishak Mastura: <i>Based on the initial result of the study, what are your recommendations to improve on the policies in the promotion of the local industry specifically in terms of logistics arrangement to be able to connect and integrate more markets within the ARMM, in Mindanao and in the country?</i></p>	<p>Mr. Michimasa Numata: <i>It was presented that there is a lack of infrastructure and distribution network in the ARMM. External conditions such as road network and marketing capacity need to be developed. However, these conditions cannot be solved in the near future or immediately. We have to think and prioritize what kind of products to be promoted taking into consideration these constraints.</i></p> <p>Ms. Haruko Awano: <i>The major products being sold outside Mindanao are fruits and processed products. One of the problems is high transportation cost. In fact, some of the businesses had to shut down its operation because of this prevalent problem. This is one factor to consider in determining strategies on how to reduce high cost of transportation.</i></p> <p>Dr. Hiroaki Terashima: <i>Distribution channel is not provided in some parts of ARMM and we have to consider strategies on how to improve this. One of the</i></p>

Questions/Comments	Responses
	<p>problems also is low productivity; if we increase the amount of production, we can promote the industry. Example is milkfish, ARMM doesn't give importance to this; hence, there is a need to develop production strategies and improve the distribution channels.</p> <p>Mr. Michimasa Numata: <i>There is still a potential demand within the ARMM region, and there is a need to improve product quality and make it more accessible to the people.</i></p> <p>Ms. Haruko Awano: <i>It takes time to improve the infrastructure; however we can also tackle other issues by improving the management and encouraging competition of land transport. The possibilities to have small-scale infrastructure and other short term interventions can also be considered.</i></p>
<p>Atty. Ishak Mastura: <i>As mentioned previously, handicrafts can be potential products in the region. What if we put premium or value to these products so we can price it at a high value for international market? You might want to look into this industry.</i></p>	
<p>Atty. Ishak Mastura: <i>Have you included the roles of consolidators or middlemen in the Study?</i></p>	<p>Dr. Hiroaki Terashima: <i>The situation of the middlemen in the marketing and distribution is not the same for all products. We don't need so much improvement on this but we have to strategize the distribution points.</i></p>
<p>Mr. Diamadel Dumagay: <i>If we look at the socio-economic policies, one of the most important policies in the national government is promoting the ARMM. One of the potentials is the agri-fishery industry. Look at the allocation of resources or budget given by the national government to institutions such as DTI. There is a need to work out the allocation resources. Secondly, investors would like to look into the ARMM investment policies such as the incentive scheme and tax holidays. Thirdly, around 69% have less than Php 250,000 as capital. This is just a small amount. 61% do not have access to any financial</i></p>	

Questions/Comments	Responses
<p>support from institutions. This has implication on the availability of assistance in the local market. In the findings, 60% of the products are circulated within the region. We have to identify what products are included in the remaining 40% that are being distributed outside ARMM in order to identify which markets to develop. We have to come up with a strategy that can promote local industry in the ARMM. We are now in the process of formulating the mid-term development plan; we have to look at this study as a tool. Also, we have to conduct consultative meetings with concerned agencies in order to improve the strategies.</p>	
<p>Mr. Iskak Paguital: In the previous years, there were already studies conducted and goat production came out as a viable industry. One of the possible outputs is a packaged promotional investment proposal/instrument to attract foreign investors. Example is the success of banana export in Datu Paglas. From DAF, we can have a viable proposal that we can bring to foreign investors. There is a need to increase financial assistances.</p>	<p>Ms. Haruko Awano For financial assistances, I would like to use the word of financial services. Because there were failures of financial assistances made by the government agencies in the past and the national government takes a stance to promote financial services by private institutions. I recommend the same to the ARMM. For cooperatives to get loans from the Land Bank, there are several challenges. One is their past bad debt, the second issue is the availability of crop insurance by Philippine Crop Insurance Company, and the third is the land title including the land already seized by the Land Bank under Agrarian Reform. It is necessary to solve the issues to avail the loans from the bank.</p>
<p>ASec. Marites Maguindra: I was looking into the technology and infrastructure requirements of the potential products being presented. Can we specify which infra and technology are needed by each of the products and where it is needed? We can suit the requirements in a specific industry and determine strategic location in providing infra. This has to be included in the report in order to give us perspective in what infra and technology can best fit the needs in the local industry promotion.</p>	<p>Dr. Hiroaki Terashima: This is just an interim report, and there may be other considerations to be included in the report such as the infra and technology requirements, and to include also its possibilities and constraints. We may not be able to cover all products in the ARMM, but we will try to input such information in the Final Report.</p> <p>Mr. Shinichi Masuda: As our next step, we need to discuss strategies or approaches on how we can tackle these</p>

Questions/Comments	Responses
	<p>issues to include short-term and long-term action plans. Consider also the various stakeholders involved in the local industry promotion.</p>
<p>Mr. Kazuo Sudo: <i>In chapter 4, each potential product is being described; look also into the issues and problems of each of these products. There are 3 municipalities in the ARMM (Wao, Bayabao and Datu Montawal) why these municipalities? The radar chart is very much subjective. How did you score this?</i></p>	<p>Dr. Hiroaki Terashima: <i>We may describe these matters with concerned agencies; in some cases, it is difficult to select the potential products. The radar chart showed situation of a specific product, and we realize that this is not perfect information. The scoring may be subjective because in some cases it is difficult to make this objective. Hence, we need to collect additional inputs and in the final report, we can show some clarifications. Regarding the 3 municipalities, there are higher possibilities of improving local industries in these areas. We also have to take into consideration the distribution points and it is hard to consider all municipalities. For example, Wao is a very accessible location.</i></p>
<p>Mr. Naoyuki Ochiai: <i>In the interim report, we found out why ARMM has low economic rate. One of the reasons is unstable security situation. I would like to hear from ARMM how to tackle this big issue so that investment could come here for economic expansion.</i></p>	<p>Atty. Naguib Sinarimbo: <i>Security is not among the powers granted in the region; it is still retained in the national government and the policies still emanate from the central government. ARMM regional government has no control in the security. The only effort that we can extend is to support the ongoing peace talks, both for MILF and MNLF. It is essential that we complete the peace process and the signing of peace agreements. There is a need to materialize or implement what are being stated in the agreements. The Regional Governor has made it clear that he will not stand in the way of the conclusion of the final peace process. With the meeting of GRP-MILF in Kuala Lumpur, it is a good sign that the process is still being moved in the track. Nonetheless, we are conscious that there are still serious security issues down from the ground with the presence of the MILF and MNLF, coupled with the existence of the Abu Sayyaf Group operating in the island provinces of ARMM. I think the real peace that we all dream of will come after</i></p>

Questions/Comments	Responses
	<p><i>the signing of the peace agreements with the major rebel groups. No amount of peace efforts within the LGUs and the civil society organizations would succeed if the peace agreement will not be materialized followed by the major armed groups being demobilized. It is very encouraging to see the presence of International Monitoring Team and other agencies that have helped humanized the conflicts in the area.</i></p> <p>Atty. Ishak Mastura: <i>There is a negative impact to label Moro armed groups as terrorists. There is an ongoing program called Bayanihan, a counter-insurgency project involving different stakeholders in the ARMM. It remains to be seen if this project will succeed and where to get its budget is a major concern. The issue of security is not just a concern in the ARMM but also nationwide. There must be a continuity of peace efforts in the region and suggest IMT to be more involved on this.</i></p> <p>Mr. Michimasa Numata: <i>The security is a factor to consider and we want to develop this idea in a practical way. We will have close contact with security institutions.</i></p> <p>Ms. Haruko Awano: <i>Regarding the security situation in businesses, in the islands provinces, there are more risks to succeed and to be prominent in businesses because of fear of being kidnapped. It also affected the business services such as microfinance. In Basilan, a MFI had to close two or three branches after their staff were kidnapped. We also consider the relationship of economic development and improving security situation. Where there was a strong leadership of LGUs to develop economy and to create jobs, improvement of security issues were seen as demonstrated in Datu Paglas.</i></p>

Agenda Item 5: Third Country Training in Thailand

Mr. Ken Araki presented the overview of the Third Country Training in Southern Thailand which will be held on February 5 – 20, 2011. Thailand was selected as an ideal place for the training because of its close similarity with the Philippines in terms of the Muslim population in the area as well the presence of a number of successful industries. The objective of this training is to acquire knowledge and methods on how to promote local industry. For the duration of the tour, there will be lectures on local industry, site visits and observations, and a learning participatory development method.

The members of the team compose of 10 participants from ARMM line agencies and 1 Japanese Expert from the LIP-ARMM Study Team. There will also be 2 local coordinators in Thailand who will assist in the tour. They will be visiting markets, cooperatives and factories in Trang Province and Bangkok and the workshop will be done in a university. The output or results of this training will be presented in the next workshop of LIP-ARMM scheduled in April 2011.

Agenda Item 6: Next LIP-ARMM Workshop

The next LIP-ARMM workshop is set tentatively on April 6 – 7, 2011 in Estosan Hotel, Cotabato City. The purposes of this workshop is to explain the interim report to relevant line agencies and partners, to present the report of the study tour, and to discuss the findings for formulating strategies on selected industries. Same participants who attended the last workshop will be invited.

Agenda Item 7: Closing Remarks

Atty. Naguib Sinarimbo thanked Mr. Ochiai for attending the meeting. He then congratulated the study team in coming up with the interim report which seems quite intensive and will stir interest from the regional government as well as from other major stakeholders of the study such as the local government units, the policy making body of the region, the Regional Assembly, and the REDPB (Regional Economic and Development Planning Board). It is also essential to present this to the highest policy making body of the region and allow comments from the different provincial governors and the mayor of the City Marawi to further enhance the report to include the recommendations made in this meeting.

The following points were highlighted by Atty. Sinarimbo as a result of the meeting:

1. Programs of various line agencies in particular DTI need to be reconnected with the programs of the national agencies in order to access broader scope of activities for the promotion of the local industry.
2. There is a need to address immediately the issue on land title disputes and inability to present land titles, being the reasons for non-operational of some businesses in the region. The Department of Agrarian Reform will have to look into this and settle this issue.
3. RPDO and other agencies will have to look into the tri-partite agreement with the land bank and among major stakeholders in the business.
4. Hope to address the challenges presented in the meeting such as the lack of infrastructures in the region. It is good to look into the road network study in the ARMM conducted by JICA.

5. There is a need to seriously address the low economy scale of the region. One of the steps is to bring down the cost of transportation looking at the different factors to consider.
6. There is a need to intensify marketing strategies and linkages.

Moreover, he further reiterated to integrate the result of this study in crafting the mid-term development plan of this region. This study should be a tool in extracting useful information and consider the recommendations of the study in order to help the region move forward.

The meeting was adjourned at 11:55 in the morning.

4th Project Steering Committee Meeting May 24, 2011

MINUTES OF THE MEETING

Highlights of the Proceedings

The meeting was called to order at 2:16 in the afternoon by ASEC. Marites Maguindra of DTI-ARMM.

1. Opening Remarks

1.1. Mr. David Ali, Regional Director of ODA acknowledged participants of the meeting.

1.2. Opening Message by the executive secretary; Mr. Abdullah Kusain

Mr. Cusain relayed to the PSC members the sincere apologies of Atty. Naguib Sinarimbo, the Steering Committee Chairman, for not attending the steering committee since Atty. Sinarimbo was called for an emergency meeting in Malacanang Palace in Metro Manila. Atty. Sinarimbo explicitly told Mr. Cusain the priorities should be sufficiently argued and propounded. Mr. Cusain stressed that the interim report was compiled well and it was very well thought, and he is hopeful that the output of this study should be very well implemented as well. He also expressed gratitude for the presence of the participants in the meeting.

1.3. Opening message by Mr. Shinichi Masuda, JICA Senior Representative

Mr. Masuda expressed his gratitude for inviting him to the PSC meeting and as well as for the participants who have given their time to attend the said meeting. He stressed the timely implementation of LIP-ARMM since the ARMM government is also formulating its mid-term development plan and Mindanao Development Authority's recent "Mindanao 2020 development plan". Mr. Masuda also stressed the continuous support of JICA to the ARMM and he was hoping for the best for the study and for everyone.

2. Reading and Adoption of Minutes of Meeting

ASEC. Marites Maguindra requested the reading of the previous PSC meeting. Mr. Pendatun Patarasa, LIP-ARMM Coordinator, read the minutes of the 3rd PSC meeting instead of Ms. Naomi Fernandez.

Engr. Maguindra suggested skipping on to the reading of the documentation on the questions/comments and responses portion of the previous steering committee meeting to cut time and to move on to next agendum.

Mr. Shingo Furuichi corrected that the Banana is not included in the priority products on the local industry promotion. He also stressed that although handicrafts industry was not included in the Study, Study team currently considers Abaca for action plan because there was the voice on handicrafts promotion from floor in the last PSC meeting.

Engr. Baintan Ampatuan commented on the transfer of projects from SPDA ARMM. She suggested specifying the specific agency that the projects were transferred to and not just putting the ARMM Regional Government in general on the report. The adoption of the 3rd PSC meeting is conditioned on the inclusion of the comments of the participants on the said minutes of the 3rd PSC meeting.

3. Presentation of the Direction of Local Industry Promotion

Dr. Terashima initially explained the sample action plans that are still subject to the steering committee members' comments and explained the contents of the action plans. Dr. Terashima also explained the plan of contents of the brochure that the study team is currently working on.

Mr. Shingo Furuichi found some corrections on the handout about the plan of contents of the brochure. The corrections were on the number of pages allotted for the respective contents of the brochure. He then briefly explained the rationale of the allotment of the pages.

The following are the questions/comments and its respective responses on Dr. Terashima's presentation:

Questions/Comments	Response
Mr. Abdullah Cusain: Will be a half page for incentive schemes for investment in the ARMM?	Ms. Haruko Awano: This part of the brochure will have two (2) pages of the brochure.
Engr. Baintan Ampatuan: Is the indicated vision of the masterplan here final? Shall we also replace/rephrase the word "embedded" in that phrase? Because I think it's not appropriate.	Dr. Hiroaki Terashima: This is just a draft. Yes we will change those phrases to make it more appropriate.
Engr. Baintan Ampatuan: May we know the time frame of the master plan?	Dr. Hiroaki Terashima: The time frame is 10-15 years. Mr. Michimasa Numata: It's difficult to put a specific time frame because it will all depend on the time of product/commodity to promote. Like for example Fishery and

livestock are easier to grow, but for agricultural products such as copra, it takes time to produce it if we start from planting.

Mr. Mauricio S. Civiles: I would just like to clarify the items/products indicated on chapter 7. Do all of them have action plans?

Dr. Hiroaki Terashima: Yes, every product will have an action plan. We just gave the coconut action plan as a sample.

Mr. David Ali: In chapter 8, will there also be a recommendation on the roles of local government units? Since these local industries promotion is LGU based and LGU's play an important role in the success of these industries.

Dr. Hiroaki Terashima: We may have some comments on it like for example on the human capacity building and financing aspects, but we need some help from the LGU so that we can include some comments on that particular part.

Ms. Haruko Awano: We understand the importance of LGUs in local industry development and analyzed these in the report. It is also encouraging that RBOI is promoting NILE (Network for Investment Local Executives) to encourage LGUs for investment promotion. We will include the recommendations based on the analysis of those results and recent moves.

Engr. Baintan Ampatuan: I would like to know what is really the intention of these objectives like the "total utilization of local resources in the ARMM and outside ARMM"? Is this achievable? What indicators could we use to identify that the objectives are met after a certain period.

Dr. Hiroaki Terashima: In the action plans, indicators will be included.

ASEC. Marites Maguindra: Does the use of "total utilization of resources" means absolute totality?

Dr. Hiroaki Terashima: Utilization of the resources will be fitted to the available technology in the ARMM. Some activities or technology available in other regions or cities may not be appropriate in the ARMM. We have to consider the small-scale activities in the ARMM and start the action plan from there.

Engr. Baintan Ampatuan: We should change the word "total" and change it to "maximization" because for us, if we use the word "total" it means the totality or everything.

Mr. Michimasa Numata: We will change the words with your consultation. We always appreciate your suggestions.

Engr. Baintan Ampatuan: On chapter 8, do institutional recommendations included in Chapter 8? Because in objectives 1 & 2, these talks about institutional set-ups.

Mr. Michimasa Numata: We are considering the inclusion of recommendations on institutional arrangement if it's really necessary. The study team is still discussing about including it. At this moment enhancing the existing institutions are more practical.

ASEC. Marites Maguindra: We should

make use of the word “organizing” instead of “formulation” on the objectives 1 & 2 to make it more appropriate.

Dr. Jalika Mangacop: Can we have a glance at the final report before releasing it to avoid hurting the constituents of DAF-ARMM? Because we already had an experience from a JICA project that many constituents of DAF-ARMM were hurt because of the content of the report. So I just don't want that to happen again.

Dr. Hiroaki Terashima: Yes of course. Maybe after this agenda we will set a schedule to explain the contents of the final report.

ASEC. Marites Maguindra: What happened to the other products indicated in chapter 4? Do they also have their action plans?

Mr. Shingo Furuichi: I'm not saying that all of those products are priority products in Chapter 4. They are candidate products to be prioritized or subject products to be studied and analyzed. And then, 6 are selected as priority products.

Mr. Abdullah Cusain: May we know why Banana is no longer included in the priority products?

Mr. Shingo Furuichi: The banana industry has already matured. It has international market and is well recognized. That's why I did not include it.

Engr. Abdulgani Manalocon: Why does corn not included in the priority products

ASEC. Marites Maguindra: Corn and rice are basic or staple food. We do not need to promote it.

Mr. Shingo Furuichi: Before selecting the priority products, we listed around 30 commodities for local industry promotion from workshops and previous studies. It is physically impossible to study on all of those 30 commodities so we set criteria to select candidate products to be studied and analyzed. So I first cancelled out the staple food which is food security commodity.

Mr. Kazuo Sudo: I'm wondering how you should deal about the Halal Industry Development issue since it involves a lot of organizations/agencies, and this issue is one of the key issues of the ARMM government.

ASEC. Marites Maguindra: The Regional Economic Development Committee is discussing on how to harmonize to strengthen the Halal Industry. Halal Industry has to take its place on the promotion of local industry. Currently It is still the area of discussion among agencies. We really have to revisit the Halal industry development master plan to be congruent on the culmination of the Local Industry Promotion in the ARMM. Even the Human Capacity Development Project of JICA is touching the Halal industry development more specifically through the goat raising.

Mr. Kazuo Sudo: What is the status of the Halal industry development master plan?

ASEC. Marites Maguindra: The framework of the master plan has 3

components; Certification, Production, and marketing. The certification aspect is now done by the private sector. The production component needs a lot of reengineering and revitalizing so that it can respond to the market demands of the Halal industry. Basically the production and marketing components are still work in process. It may have slowed us somehow but nevertheless we are working on it.

Dr. Jalika Mangacop: Why is our long-lived mudfish not included?

Mr. Mitsuo Inuma: When I made the field study plan, I included mudfish but I came to know that mudfish has a very limited market compared to the commodities that I considered to be prioritized. There are so many commodities that have a potential but I have to focus on the commodities that have a higher local market potential and as well as international market potential.

Dr. Jalika Mangacop: We have to consider Mudfish since it is our signature fish and considering Liguasan Marsh where the mudfish is naturally spawning. They don't need huge capital to culture unlike the grouper or abalone where it needs a lot of capital to culture.

Dr. Hiroaki Terashima: During the study, we did focus group discussions in identifying commodities. The identified products to be prioritized were properly explained during the previous workshops and steering committee meetings. Those products were actually identified by the participants itself during the focus group discussions in the previous workshops.

Mr. Michimasa Numata: We did not say that those commodities/products that were not included in the priority products to be promoted don't have any potential. We just have to prioritize because we can't accommodate all.

4. Discussion on the next workshop and other related matters

Dr. Hiroaki Terashima briefly discussed about the tentative schedule of activities of the project and he cited the possible dates of the 5th and final steering committee meeting and the public hearing to discuss the draft final report by the end of June. He also stressed the intention of the study to extend by two months due to some delays in the study more specifically caused by the security situation in the ARMM and some other parts of Mindanao. The draft final report will be shared by the steering committee members for commentary by the end of June. The draft final report will then be resubmitted by the end of July for final review, and by September or October; we will have the final report of the study.

Dr. Terashima also cited that the participants to be invited on to the public hearing will be from the government, private, and the academe sectors. Basically, the same participants who attended the previous LIP-ARMM workshops will be invited.

Questions/Comments	Response
Mr. David Ali: Will it be possible to present the final report to a cabinet meeting for the purposes of generating more policy recommendations?	Dr. Hiroaki Terashima: Of course we can, we are very proud to present the final report to the cabinet members of the ARMM.
ASEC. Marites Maguindra: Part of the formality of the public hearing is to present it to a cabinet meeting so that they could also generate some inputs.	Mr. Michimasa Numata: We will consult with you how and when shall this cabinet meeting be done because these activities should be fixed in schedule. We will coordinate you to plan and set a date for the cabinet meeting.
ASEC. Marites Maguindra: We will work it out through constant coordination and make sure that it will all fit to the schedule of the cabinet members and the LIP-ARMM study team members.	
Mr. Abdullah Cusain: Is there any possibility to come up with the final report before Sept. 30?	Dr. Hiroaki Terashima: In this timing, it is very difficult to promise it, but we anyway try to do so.

5. VI. Closing Remarks

ASEC. Marites Maguindra again expressed her gratitude for the presence of the participants of the meeting and as well to the time and effort exerted by the participants most especially to the LIP-ARMM study team. She then stressed that although leadership may change in these coming months after the regional elections, the continuous support of the middle management will still and will always be present. She then expressed her hopes that JICA and the Japanese experts will be untiring in supporting the development of the region.

The meeting was adjourned at 4:35 in the afternoon.

5th Project Steering Committee Meeting July 27, 2011

MINUTES OF THE MEETING

The meeting was called to order about 14:30 by the presiding officer (PO) Mr. David Ali (ODA Executive Director) in the absence of the PSC Chairman Atty. Naguib Sinarimbo.

1. Agenda 1: Mr. David Ali gave the opening remarks explaining the reasons why the PSC Chairman as well as the Vice Chairman was not able to attend the scheduled meeting.
 - 1.1 Mr. David Ali then acknowledged the participants. There were 33 participants who attended the session including the Experts and the LIP local staffs.
 - 1.2 The Deputy Executive Secretary Mr. Abdullah Cusain delivered his opening remarks.
 - 1.3 Mr. Shinichi MASUDA's message as JICA representative was moved later due to a delayed travel as mentioned by Ms. Shiho AKAMATSU.
2. Agenda 2. Presiding Officer (PO) Mr. David Ali called again the body regarding the agenda of the meeting. A member raised a motion to confirm and adopt the agenda of the current meeting. Nobody raised any objection and so Mr. David Ali declared the agenda as confirmed and adopted by the Body.
3. Agenda 3. The Presiding Officer then gave five minutes to the members of the Body to read, to comment and to raise any concern for discussion on matters arising from the previous minutes of the 4th PSC meeting.

An IMT representative Mr. Naoyuki OCHIAI was acknowledged by the PO.

Being everybody silent after the time allotted for review, Dr. Hiroaki TERASHIMA broke the silence by explaining that the minutes of the 4th PSC meeting was the main concern of his presentation for today's meeting.

The explanation of Dr Terashima was recognized by the PO. The PO further acknowledged the presence of RPDO Assistant Regional Director (ARD) Mlang U. Madal.

A DTI representative raised a concern that during the Regional Cabinet meeting at CDO, the concern of the Body for the LIP to be presented to the Cabinet was not materialized.

Mr. Larry Santos of RBOI requested to correct the description on the NILE of RBOI, as Networking on Investments for Local Executives.

A DTI follow up of Dr. Susan S. Anayatin was a concern on the early submission of the LIP final report before the end of September so that it could be a part of those matters to be turned over to the succeeding administration. The PO said that this concern was also stated by the Executive Secretary Atty. Naguib Sinarimbo during the previous 4th PSC meeting. The PO further said that the

matter was already stressed by Dr. TERASHIMA and they are trying their best efforts to cope up with the said date.

RBOI Mr. Santos moved for the adoption and confirmation of the minutes of the previous 4rth PSC meeting as discussed and amended. It was seconded then ruled by the PO as approved having no objection from the motion.

4. Agenda 4 Dr. Terashima next presented the overview summary of the draft final reports of the LIP study team stressing some revisions on Chapters as instructed by JICA. The overview presentation started from the introduction portion which included case studies, to Chapter 1 until Chapter 8 on the Action Plans of each potential product to be promoted. Emphasis on the presentation included Chapter 6 on the issues and constraints (originally as Chapter 5) regarding each product to be promoted and Chapter 7 on the corresponding recommendations (originally as Chapter 6) from the LIP Study Team. "The details shall be presented by tomorrow's Public Hearing Meeting including quality control management, microfinance and marketing," according to the LIP Team Leader Dr. TERASHIMA. Further, he informed the Body that more inputs are still open from the two days meeting.

Before the Questions and Answers portion, the PO called for the message delivery of the JICA representative Mr. Shinichi MASUDA.

Mr. MASUDA appreciated for their presence in the meeting and he said that the side of the ARMM government is very important especially DTI and DAF and the need to capacitate stakeholders and key players down to municipalities and communities so that fast tracking can be determined. He wished also for an open discussion on the LIP matters during the meeting.

The PO then invited the members of the PSC body for the Questions and Answers portion to raise their opinions on issues, comments, inputs that could be included in the final report.

QUESTIONS AND ANSWERS

<p>Mr. Ike Paguita (DAF): The study is very substantial but I'm worried in its sustainability aspect in terms of the implementation of its Master Plan in ARMM especially with the dynamics in ARMM government. A Post Plan Support Group or mechanism is necessary to carry out this LIP to continue and sustain its momentum.</p>	<p>Dr. TERASHIMA: We understand your concern but this study can be a starting point. The local people are very important and the local resources.</p>
	<p>Mr. FURUICHI: I agree on maintaining the momentum to the next step which is implementation. In our proposed Action Plans, mainly local resources will be utilized. For instance on coconut. Implementer will be DAF-ARMM but with support from PCA and state universities and colleges as technical supports. We hope the implementation structure we designed is adaptable.</p>
	<p>Ms. AWANO: We confirmed that the proposed strategies and action plans are in line with the new Regional Development Plan of the ARMM government, such as support to potential products and strengthening cooperatives and expect. Therefore, we consider that the plans will contribute for the implementation of the new ARMM Regional Development Plan.</p>
	<p>ODA Mr. David Ali: I think sustainability lies in the hands of the ARMM. The ES has made a decision to sustain all JICA projects to be implemented with other ODA projects. Mr. David Ali invited Mr. Paguita to have an audience with the E.S. to express his concerns on sustainability.</p>
<p>RPDO ARD Madal: Presented are laudable strategies but corollary to Mr. Paguita's concerns on sustainability, a structure on inter-agency mechanism is already present and so I don't support creating a new body, unless this existing mechanism will be altered by the incoming Officers-in-Charge (OICs). The Regional Economic Development Planning Board (REDPB) structure is existing already.</p>	
<p>DTI Dr. Susan Anayatin: I have not seen Research and Development strategy in the study. The seaweeds industry is now dwindling but no initiatives done to R&D on this industry.</p> <p>For initiatives like this (LIP study), there is a need to popularize strategies of the whole plan. The existing strategy mentioned by ARD Madal is only in the regional level. Then initiatives of implementation will be at the local level. However, how do we mobilize the LGUs to establish ownership.</p>	<p>Dr. TERASHIMA: Action Plan is foremost. Then important is to deliver the basic steps. Disseminate the technology and skills as the first step.</p> <p>Mr. IINUMA: About how do we promote for instance seaweeds, it should be down to the LGUs. Please contact us if there are other additional information you want us to include.</p> <p>Mr. NUMATA: We suggest practical approach or concrete steps to materialize the plans.</p>
<p>CDA Ms. Hayat M. Pilas: Since cooperatives are one of the prospects, we are ready to assist by providing data related to this study.</p> <p>Also, a matter of correction, please look on page 85 on budget of CDA. I would like to correct some figure. It should only be P5M for personnel services instead of P50M (a big discrepancy).</p>	<p>Dr. TERASHIMA: Yes we will try to correct. Thank you for your comments.</p>
<p>Mr. Abdullah Cusain: Dr. Terashima, I'd like to invite you to look at the pictures of pages 143 and 145 in which letters are not properly written.</p>	<p>Dr. TERASHIMA: Yes. We will correct.</p>

<p>Dir. Sahi of DILG: On sustainability concern. We consider that the LGUs should be actively included in the plan. We advocate <u>cluster approach</u> or alliance type like the successful SLAM (Southern Liguasan Alliance in Maguindanao) in Buluan cluster and IDC (Iranun Development Council) in Parang cluster. LGU alone cannot completely sustain any program due to financial, infrastructure or technical aspect.</p>	<p>Ms. AWANO: On the management structure of action plans proposed, LGUs are already included. For example, in the action plan of the agriculture, the MAOs will work under the instruction from the ARMM government.</p> <p>Dr. TERASHIMA: We will consider this in our action plan.</p>
<p>Input of ARD Madal: Challenging action is bottoms-up approach. How the LGU resources and ARMM government would meet to bring the technical know-how to the grass roots level. There should be the coordination, cooperation then collaboration and a policy issuance on the local level.</p>	
<p>DOST Ms. Estrellita J. Ibrahim: On page 66 it was stated the importance of DOST Regional Standards and Testing Laboratory Services and we appreciate this. Secondly, one existing project of DOST is the Food Safety Team approval in ARMM in 2009 both for big and small establishments. This is also in preparation for the halal industry. We have free consultancy services for food processors.</p>	
<p>DAF Dir. Paguita: There are project cycles 5-6 years. Maybe, there is still a need for the presence of JICA support group like in processing, sanitation and especially the value chain stages, we need the Japanese government aside from our own ARMM government support. Our wish and a request, please don't leave the LIP study. We need JICA for a post industry and post tasking implementation.</p>	<p>Dr. TERASHIMA: We are developing the action plans for sustenance of the plans. The objective of the study is to develop each of the action plans for yourselves.</p>
<p>DTI Dr. Susan Anayatin: Regarding DOST Laboratory and Training Center. Last year we made use of the DOST laboratory for 20 mothers and 7 teachers from Maguindanao in training preparation for health snacks for canteens. It's a nice building with lots of equipment and we thank JICA for the support but still lacking facilities because it is hot working area. It needs improvement.</p>	
<p>RBOI Santos: The RBOI NILE (Network Investment for Local Executives) in cooperation with DILG (the only agency who can direct mayors to attend) and in coordination with DTI is a good strategy in promoting LIP. To conduct the NILE in the first year of the LCE for sustenance, one NILE per province will be a very good start for the LIP.</p>	
<p>JICA Kazuo SUDO: In Chapter 7 there are varieties of action plans. Please examine carefully considering the ARMM budget appropriation situations. Are the budget cost estimates practical?</p>	<p>P.O. David Ali: Thank you Mr. Sudo. We'll look on the matter. Financial situation is always a challenge in the ARMM.</p>
<p>P.O. David Ali: On the part of ARMM, there are no more inquiries. On the part of JICA?</p>	<p>Dr. TERASHIMA: We will talk on brochures.</p>
	<p>MR. FURUICHI: We are to produce brochures. Aside from the comprehensive reports, We put also successful case studies, but we extended study outside ARMM but in Mindanao due to difficulty to find cases as references as well as business service providers. We included how to start business in ARMM. These brochures will</p>

	serve as references for mainly producers and consolidated producers in ARMM plus investors. In addition, we also submitted manuscripts to JICA HQ and JICA Phil. for comments. We welcome Mr. Ali for comments on the brochures.
RBOI Santos: I have initial finding, as if the person is being promoted in ARMM and not the product. I suggest don't include the person but only the product.	PO David Ali: The person is pointing on the product to be promoted.
	MR. FURUICHI: My idea is that social and economic development should be performed by not only products but also people in ARMM. Development should be centered on the people working on his product. Besides, the people on the pictures agreed that they can be resource persons in future, and that their information is no the brochures.
	DAF Paguita: Brochures are alright. A little more need on the exposure of the product and people are project farmers.
	PO David Ali: Brochures are really good and okey.

5. Agenda 5 Discussion on other related matters

Other matters: Deputy ES A. Cusain: Do we have some schedule changes? New set of officers have new set of priorities. We hope to have come up final report before the end of Sept.	Dr. TERASHIMA: We will try.
PO David Ali: What about the activity tomorrow?	Dr. TERASHIMA: Explained excerpt of tomorrow's activity. Details be done tomorrow.

6. Agenda 6 Closing Remarks from the Chairman of PSC (Presided by Mr. David Ali)

PO David Ali: Being no more concerns raise, in behalf of our principals the ARMM government, our gratitude to this study. Thank you Mr. Masuda for coming over. Thank you for the great efforts of the Experts, the JICA representatives, the ARMM partners. The study will value the project.	
Dr. TERASHIMA: Final PSC meeting will be this coming September.	PO David Ali: So we can relay the Final PSC meeting so our principals can attend.
RBOI Santos: I move for the adjournment of this meeting.	PO David Ali: Having no objections, I declare this session adjourned. Thank you. ADJ. 16:25

Prepared by: Ishak S. Pasawilan 8/2/11

6th Project Steering Committee Meeting
September 19, 2011

MINUTES OF THE MEETING

Highlights of the Proceedings

The meeting was called to order at 2:47 in the afternoon by Atty. Asnaira M. Batua of DTI-ARMM. The invocation was led by Dr. Abubacar Datumanong.

1. Opening Remarks

1.1. Mr. David Ali, Regional Director of ODA acknowledged the participants of the meeting.

1.2. Opening Message by Atty. Asnaira M. Batua of DTI-ARMM

Atty. Batua sincerely extended her appreciation for the efforts of the study team and all stakeholders that cooperated in conducting the development study. She then immediately proceeded to the opening remarks by the JICA Senior representative, Mr. Shinichi Masuda.

1.3. Opening message by Mr. Shinichi Masuda, JICA Senior Representative

Mr. Masuda expressed his gratitude for inviting him to the PSC meeting and as well as for the participants who have given their time to attend the said meeting. He stressed his appreciation on the efforts of the study team on the development study. He stressed the challenge posed to the people in ARMM to carry out the actions to be done and lead in promoting the local industry in ARMM.

2. Reading and Adoption of Minutes of Meeting

Mr. Alimudin Mala of LIP-ARMM synthesized the minutes of the 5th PSC meeting. Mr. Mala reiterated the discussions and resolutions in the 5th PSC meeting.

3. Presentation of the second version of the Draft Final Report by Dr. Hiroaki Terashima

Dr. Hiroaki Terashima started his presentation by briefly discussing the current situation of the development study. He stressed the inclusion of the minor comments received during the last presentation of the 1st version of the Draft Final Report. He then presented the structure of the draft final report by running through the table of contents and briefly explaining the contents of every chapter as he was going through his presentation. He highlighted Chapter 7 of the report which is the recommendations on the promotion of local industry in ARMM. Dr. Terashima synthesized the action plans and strategies written for every industry in this chapter. In his brief presentation of chapter 7, he also stressed the key roles of the ARMM government and its respective departments/offices in the carrying out the formulated action plans.

After Dr. Terashima's presentation, 10 minute break was employed.

The following are the questions/comments and its respective responses on Dr. Terashima's presentation:

Questions/Comments	Response
Mr. Iskak Paguita: He suggested in establishing a special farm in the implementation of the action plans. Nevertheless, he appreciated the action plans formulated in the report. He also expressed his concern in the sustainability of the implementation of the indicated plans especially on the budget aspect. He also suggested the inclusion of budget amount to be allocated in every action plans so that it will be forwarded to the ARMM government.	Dr. Hiroaki Terashima: He stressed the "step by step" application in implementing the action plans. He recommended the start of small scale projects so that it won't need big budgets.
Mr. Iskak Paguita: What I am saying is only a certain fund allocation, not huge because ARMM has no huge funds. That funds just to sustain the LI plan. DAF is receiving regular budget from the office of the regional Governor. Funds may be allocated from the regular budget.	Dr. Hiroaki Terashima: So your suggestion is include the recommendations of fund allocation from the ARMM government to the LI plan.
Mr. Larzon Santos: After the local industry promotion, I suggest there should be an organization of these stakeholders because if we do not put them into one, marketing will still be a problem.	
The P.O. Atty Asnaira Batua turned over the floor to the Executive Secretary Atty	

<p>Naguib Sinarimbo.</p> <p>Atty. Naguib Sinarimbo arrived at the meeting and expressed his apology for not coming on time and his appreciation on the report. He highlighted his efforts in relaying to the transition team in ARMM the findings of the development study. He stressed that he wanted to make this study as the guide for the national transition team in the development of the region. He stressed that the current administration is ensuring the implementation of the projects, whether it has already started or still on the pipeline, be continued even after the transition of ARMM officials.</p>	
<p>E.S. Atty. Naguib Sinarimbo: For LIP, I promised the Under Secretary Oster Panadero to submit to him next week a copy and if we cannot cope up by the end of September, these second versions will do, so the national team can look on the LIP. By this LIP, we hope to be partnered with national and donor agencies.</p>	
<p>Engr. Mlang Madal: Mr. Madal pointed his observation in the contents of the report. He cited the following points</p> <ul style="list-style-type: none"> • On page 49 number (4) (2nd draft version) . . . RPDO drafted the new RDP in April, 2011. This is already approved, so no need putting drafted. . • On page 130 on water minimum charge of commercial consumption of 10cu.m. costs ARMM from PhP137 to PhP26,495. I commented on this before but this remained unchanged. • On page 132 Table 4-13: the Japanese characters need to be changed. • On page 437, item 7-3-2 1st line. Mindanao 2020 is an inter-regional development plan • Amendment • Consistency of presenting the 	<p>Dr. Hiroaki Terashima: Dr. Terashima appreciated all the suggestions and corrections cited by Engr. Madal.</p>

<p>sectors (Livestock, Agriculture, Fisheries)</p> <ul style="list-style-type: none"> • Regional Development Plan is already approved. • Inclusion of the development done under the auspices of REZA. • Inclusion of the information that cites the presence of corn starch processing plant in Sultan Kudarat. • Inclusion of the tapping of local government executives in the implementation of the action plans. • Inclusion of strong policy support 	
<p>Engr Kalid Dumagay (of DILG): Many projects implemented at the communities and many are not operational. The MAO is not devolved at the municipal level. How can we encourage LGUs to support the efforts of the Regional government?</p>	
<p>E.S. Atty Naguib Sinarimbo: There are currently two set ups in the Region for agriculture, the provincial Agriculturist and the Provincial Agricultural Officer. The LGU to buy into our project is a challenge to us. The Policy framework will have to come from the DILG and this is a challenge to the DILG, what policy could be implemented for the MLGUs and BLGUs to buy in into our projects. The Regional govt doesn't operate in a vacuum.</p>	
<p>Engr Kalid Dumagay (of DILG): We may start at the leagues established by LGUs in project implementations.</p>	
<p>Mr. Iskak Paguita: commented on the documentation report in annex 44 under open forum on his wrongly documented statements.</p> <p>Annex 44 under open forum – Table G. Some existing industries visited . . . 1st row,</p>	

2 nd column Bamboo industry was established just for environmental purposes not economic. In regards to PAOs and Provincial agriculturists, they have respective technicians at the LGU level but the MAOs cannot pay them. Maybe the DILG can lobby or have policy on this to the national government for LGUs to pay the MAOs so they can work together in implementing projects at the LGU level.	
E.S. Atty Naguib Sinarimbo: I have recommended all studies in ARMM to be included in the transition reports of the ARMM for the next OICs to look into.	

4. Discussion on the presentation of trail version of LIP-ARMM brochure

Mr. Hisamitsu Shimoyama presented the brochure that the study is preparing. He extended his appreciation to the PSC members for the help that they provided the study team in the preparation of the brochure. He also briefly explained the main objective of the brochure which is to encourage the readers to indulge to starting a business most specifically in the different sectors that the development study has focused upon. He stressed that the brochure will guide the readers to the steps in starting their own business/livelihood activities. He said: The study is recommending for production technologies of commodities to approach MAOs, PAOs, DAF-ARMM and BFAR. It is recommended also to approach DOST for processing technologies and for business related matters to DTI.

Questions/Comments	Response
Mr. Iskak Paguita: Change the picture of chicken in the chicken section	
Asec. Marites Maguindra: On the picture maps. Coffee is not pointed to Maguindanao. Please check other commodities.	
Mr. Larzon Santos: On incentives scheme.	Mr. Hisamitsu Shimoyama: There are some confusion but we will visit again your office on this matter.
Mr. Mauricio S. Civiles: Making Lamitan as City (Lamitan City not Lamitan Municipality)	
Dr. Jalika Mangacop: On matrix chain re: livestock intercropping with fruits of Mr. Ali. Intercropping is only applied to crops and not goats. Mango should be removed because it is not appropriate for	Mr. Ishak Pasawilan: Dir. Jal misinterpreted the chain graph. It is indicated at the caption on the title. Goat raising is not intercropping but the title says integrated with

intercropping with coconut.	livestock. Re: Integrated with livestock and intercropping with fruits of Mr. Ali.
Asec. Marites Maguindra: Enlarge picture on the section breaker:	
Mr. David Ali: “Mudcrab fattening” not “Mudcrab fattening”	
Asec. Marites Maguindra: What kind of seaweed technology applied in the diagram	
Ms. Norolhaya D. Mamariong: Inclusion of the two cities among the 5 provinces of ARMM.	

5. Presentation of Letter of Acceptance of the Draft Final Report

Mr. Hisamitsu Shimoyama explained the purpose of the letter of acceptance to be signed by the members of the PSC. Mr. Larzon Santos then motioned to adopt the presented letter of acceptance and the 2nd version of the draft final report subject to minor revision.

Mr. Shimoyama: On the acceptance letter.

Dir. Madal: Who are the signatories?

Atty. Sinarimbo: Just to make it sure this can be accepted for implementation.

Mr. Santos: I move to adopt the letter of acceptance and the big reports subject to amendments.

Asec. Maguidra: Mr. Shimoyama: There I second.

Atty. Sinarimbo: Moved, seconded and no objections, I declare the motion approved.

6. VI. Closing Remarks

Mr. Masuda greatly appreciated the wonderful discussions regarding the presentation of the draft final report.

Closing remarks from Executive secretary Atty. Naguib Sinarimbo:

The study is a valuable document for the ARMM government. The central government was unable to identify the potentials seriously. The study will push to this direction.

Secondly, the Regional government is committed in supporting the project. This will find its way to the Medium Term Development Plan of the region as

well as the Philippine Development Plan. This can be done by including the study in the transition support plan of the incoming administration. The challenge then would be to champion the study with the cabinet and the REDPB.

The meeting was adjourned at 5:56 in the afternoon.