



**Survival**

**and hope**

**Annual Report 2010  
Unlad Kabayan**



# Unlad Kabayan Migrant Services Foundation, Inc.

## Annual Report 2010



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## ***Acknowledgements***

*We would like to thank our partners, beneficiaries, donors, Board of Trustees, staff and volunteers and everyone who have made this report and all that went with it possible.*

*Our efforts in bringing about change in the lives and livelihoods of the marginalized groups, migrant workers and poor communities have been fulfilling as they were challenging.*

*Maraming salamat po.*

***Mag-impok, mamuhunan,  
itatag ang kabuhayan sa sariling bayan.***

**Vision:** A people who can build sustainable livelihoods for themselves and a sustainable economy for society.

**Mission:** Promote social entrepreneurship and enterprise development by mobilizing marginalized groups and migrant workers to build sustainable local economy.

*Migration is an important livelihood strategy in the Philippines, whether this be overseas migration or internal rural to urban migration.*

*According to research by A.R. Quisumbing in 2005<sup>1</sup>, recent internal migration flows are typically in the direction of Metropolitan Manila or inter-provincial, to regional urban centers, Davao City, Cagayan de Oro City, Cebu City, and are dominated by women. The percentage of the population classified as urban increased from 36 percent in the mid-1970s to 52 percent in the early 1990s. However, of interest to policymakers is the finding that 80 percent of moves by a nationally representative sample of married women were to areas no more urbanized than the migrant's area of origin. This indicates that internal migration is directed more towards small towns and peri-urban areas. For small and intermediate-sized urban centers, in-migration from rural areas could increase local opportunities for income diversification and sustainable livelihoods, as well as decrease population and job pressure on the national urban center.*

*Development workers involved in disaster mitigation and relief must intervene not only directly in urban areas where the greater population live, but also seek to create new job opportunities in the rural and peri-urban areas to decongest the national urban center, by creating sustainable communities in the rural and peri-urban areas. Unlad Kabayan looks at the connection of rural and peri-urban community livelihoods to urban community survival.*

*Unlad Kabayan worked with migrants overseas many of whom come from rural and peri-urban communities to save and bring capital home resources to capital deficit hometowns and prepare for their eventual return. It continued pursuing projects in both rural and urban areas with both accomplishments and challenges.*

*Problems faced by the organization have mirrored problems in society as a whole. In 2008, the year ended with an economic crisis that deepened in 2009. Economic initiatives in urban and rural areas faced many challenges brought by typhoons and other extreme weather conditions. This year started with hopes of economic rebound under a new political leadership. There was growth according to reports, but the year ended with threats of repatriation of thousands of Filipino income earners in the Middle East and North Africa (MENA). Many things were learned and realized from the work experiences during the period.*

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<sup>1</sup> FCND Discussion Paper 197, Migration and the Rural-Urban Continuum: Evidence from the Rural Philippines, Agnes R. Quisumbing and Scott McNiven

**Three year goal:** Increase the capacity of target groups in the social sector and enhance the core benefits of projects towards building sustainable and resilient urban and rural communities.

This report is divided into sections that describe activities and achievements according to program objectives:  
1. Enterprise development; 2. SEEDS activities and achievements; 3. Programs and services; 4. Notes to finance report; and 5. Stories that inspire.

*Objective 1: Increase the number of individuals and communities served and enhance core benefits.*

**Expanding service areas:** This year focused on more urbanized areas: three communities that were devastated by typhoon Ketsana, Sitio Lumang Ilog in Taytay, barangay Banaba in San Mateo and barangays Suburban and Sabah in Montalban, in the province of Rizal. Two peri-urban communities of Lizada, Marapangi, and Sirawan in Davao City. Linamon, Matungao and Kolambugan in Lanao del Norte. Scoping activities in two urban and riverside communities of Bading and Banza in Butuan City.



**Beneficiary reach: Target vs actual 2009 & 2010**

<b>Areas/Communities</b>	<b>Target</b>	<b>W %</b>	<b>2009</b>	<b>2010</b>
Agusan-Surigao	365	62	123	11
Metro Manila	358	58	--	127
Lanao del Norte	490	54	241	311
Davao	657	69	91	182
Credit Assistance	1,080	52	99	165
DRR related	--	--	5,454*	272**
OFW-Overseas	1,300	95	532	712
Others	150	50	143	76
<b>Total</b>	<b>4,400</b>		<b>1,421</b>	<b>1,856</b>

\* Emergency Relief Operations in North Cotabato and Maguindanao

\*\*HH and KII respondents in Oxfam commissioned Rapid Livelihood Assessment of Ketsana affected communities.

**Total Jobs and livelihood, 2009 and 2010**

<b>ENTERPRISES &amp;</b>	<b>WOMEN</b>		<b>MEN</b>		<b>FULL-TIME WORKER</b>		<b>PT/SW</b>		<b>TOTAL JOBS</b>		<b>LIVELIHOODS</b>	
	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
<b><i>New</i></b>												
BUNEKO	7	7	43	43	39	39	11	11	50	50	100	100
Kolambugan Gen. Service	0	1	5	4	0	3	5	2	5	5	0	0
Seaweeds									0	0	52	73
Food Processing	23	35	16	28	0	0	39	63	39	63	18	20
<b>Total</b>	<b>30</b>	<b>43</b>	<b>64</b>	<b>75</b>	<b>39</b>	<b>42</b>	<b>55</b>	<b>76</b>	<b>55</b>	<b>55</b>	<b>170</b>	<b>193</b>
<b><i>Existing</i></b>												
Matin-ao Rice Center	3	3	21	18	3	3	21	18	24	21	145	145
DOCHSEI	6	15	88	59	6	16	119	66	94	74	150	83
FAMDev Farm	31	29	60	33	3	4	88	58	91	62		
LICOSE	7	9	20	4	0	0	27	13	27	13	8	5
Credit Program	217	208	172	138	148	76	210	262	389	346	99	123
<b>Total</b>	<b>264</b>	<b>264</b>	<b>361</b>	<b>252</b>	<b>160</b>	<b>99</b>	<b>465</b>	<b>417</b>	<b>625</b>	<b>516</b>	<b>402</b>	<b>356</b>
<b>GRAND TOTAL</b>	<b>294</b>	<b>307</b>	<b>425</b>	<b>327</b>	<b>199</b>	<b>141</b>	<b>520</b>	<b>493</b>	<b>680</b>	<b>571</b>	<b>572</b>	<b>549</b>

Three (3) enterprises were under incubation this year. Incubation processes were completed for two enterprises, namely; BUNEKO and KGS (Kolambugan General Services) while Daquil's Machine Fabrication remains under incubation.

**Business incubation**

**BUNEKO** (Bunot Negosyo sa Kolambugan) was inaugurated on January 8, 2010 by Hon. Imelda Dimaporo representative of the 1<sup>st</sup> congressional district of Lanao del Norte and Ms. Mariz Limpo of PACAP-AusAid.

Additional infrastructure was built this year: bio-organic fertilizer building and mixing boxes. BUNEKO employs 50 workers who were trained in production management and occupational safety.



Some 100 coco-farmers supply husks. In addition, it contracts three (3) hauling businesses that employ 15 workers (haulers and drivers). BUNEKO produced 124 tons of raw fiber with total sales of P856,000 for the 12-month production test run.



**Kolambugan General Services (KGS)** in partnership with KOWA (Kolambugan Welders Association) was inaugurated by Mayor Bertrand Lumaque on August 3, 2010. KGS does repair services of vehicles and agri-machines, vulcanizing, air-filling and car-washing. Three (3) KOWA members, two men and one woman are running the KGS operations. Other members are on call everytime KGS gets major repair contracts. Four KOWA welders work overseas in Qatar and Saudi Arabia. Three KOWAS members are on contractual employment with the municipal government.



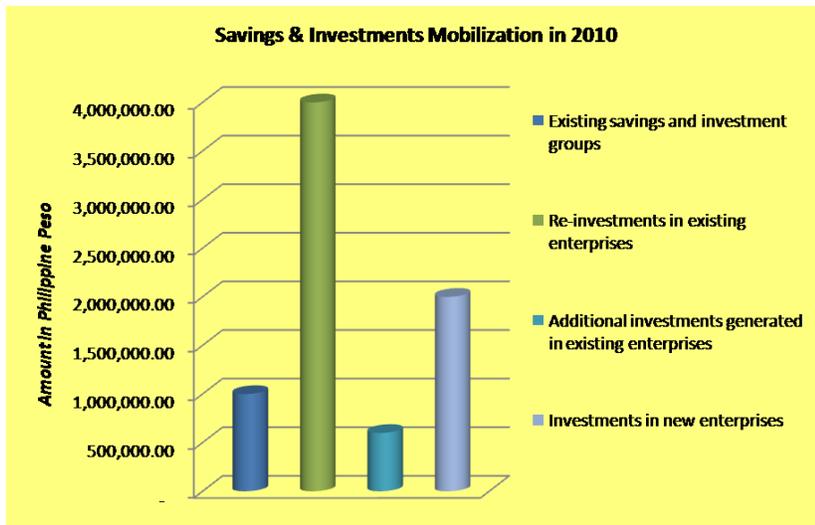
**Daquil Machine Fabrication.**

Having completed building construction and needed permits, Daquil installed the single phase transformer, lathe machines and additional tools. While processing the business permit, job orders were secured from DOCHSE and FAMDev Farm for machine maintenance.



**Savings and investment**

MSAI (Migrant Savings for Alternative Investments) campaigns generated Php7.6 million in new capital. SIGs (Savings and Investment Group) and individual migrants in the Netherlands and the UK invested at least



**Unlad Kabayan Migrant Services Foundation, Inc.**

**INVESTORS REPORT**

**Micro, migrant enterprises expand through loans**

**Credit Performance**

Financial Indicator	2008	2007
Loan released	8,143,145	3,607,000
Loan Interest	889,318	679,348
Revolving Facilities	158	124
Enterprise assisted	122	128
Jobs	457	354

**Investment update**

Name of Investor/ Date of Investment	Investment (Peso/US\$)	Earnings as of May 2009 (% per annum)	Total Investment as of May 2009
Philinvest	100	9.185	1,099.77
Investor	300	15,360	3,123.59
Investor	300	15,360	3,123.59
Investor	300	15,360	3,123.59
Investor	300	15,360	3,123.59
Total	450	48,975	7,603.84

Php600,000 in *BUNEKO, Bakas Mindoro*, and the Credit Assistance Program. Seven (7) individual owned and 3 enterprise groups were assisted. Meanwhile, SIGs in Taiwan and Singapore reported total savings of Php1 million.



**Eden farms again.**

*Eden Villanueva had been with MSAI program since 1996. She worked for 3 years in Saudi Arabia as Assistant Nurse in the Pedia Ward of the Dr. Sulaiman Al-Habib Medical Center in Riyadh. Upon her return she resumed her rice production and trading business. Her business earns monthly income of PHP 40,500. Eden knew that working abroad is just temporary, and never forever.*

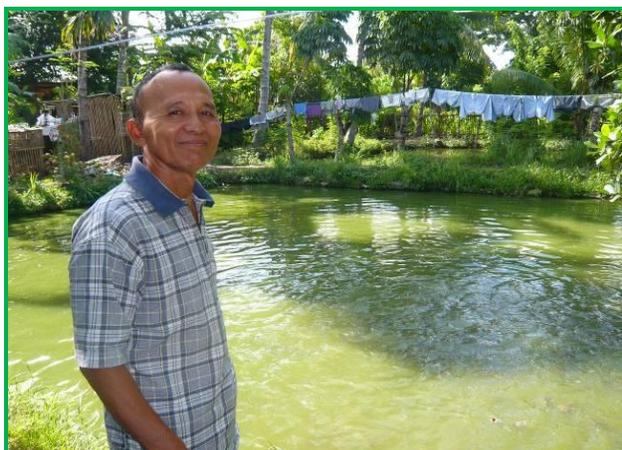
**Randy Ahorro receives investments from**

**migrants in Europe.** Randy returned home after 5 years in Taiwan. He opted to come home in 2009 during the global economic crisis instead of going into a flexible work hours scheme of the garment factory where he was employed -2 days work and 3 days leave without pay. Back in Mindoro he re-established *Bakas Mindoro* making sandals from recycled tires now expanded producing backpacks, tents and other outdoor gears. Migrants in Europe infused new capital.



**Credit Assisted**

123 community entrepreneurs availed of the credit program of the organization, mostly women, 64%. Majority of entrepreneurs were engaged in agricultural production and agribusiness. A significant number were migrants and families of migrant workers. These enterprises generated local jobs and contributed to the increasing transactions in the communities.



**Catfish Production - Ernesto Bacus** grows catfish in Lizada, Toril, Davao City. He started with 2 ponds in 2002 with a capital of P3,000. Today he added 8 new ponds and increased capital to P40,000 with increasing demand for catfish in Davao City since 2007. He employs his 2 sons as regular workers and ten (10) seasonal workers during harvest and for repairs-maintenance.

Ernesto's sister-in-law who works in Qatar invested another P10,000 in the business. He has also acquired trisibots (tricycle with motorboat engine) that he rents out to his neighbors.

*"With the increasing income from this business, I can now regularly buy and raise more fingerlings. My family has improved standard of living - better food, clothes, pay for medical bills, education. I have also renovated my old house. I encouraged my neighbors to engage in catfish production as the demand is increasing. I can help them in making a business plan and refer them to Unlad. Through the credit program I learned to plan my business and managed to save."*

**Charcoal Trading - Merlita Mendoza** worked as domestic helper in Hongkong for 14 years (1984-1998). Her husband, Salvador Mendoza also worked for 19 years in Saudi Arabia. In 1991, they were able to buy a house in Cavite out of their savings.

While abroad, Merlita invested in a piggery and rice trading in Mindoro. In 2002, when she finally returned for good she put up a general merchandise store in a public market in Cavite and manages the business until now. She employs five workers on full time.



Now at the age of 45, Merlita opened another business, charcoal trading. Although they miss some of the conveniences of living abroad, they never thought of working overseas again.

*Objective 2: Strengthen and increase the capacity and efficiency of the Strategic Service Units (SSU) Davao ISEDS Center and Lanao SEEDS Center, Metro Manila.*

The three service units work in eight (8) communities in Davao City; Lanao del Norte, and Metro Manila (3). Apart from livelihood and enterprise development, the SSUs conduct advocacy and lobby work, research and community documentation, organizing and training.

**SEEDS Lanao**

Some 20 community and migrant entrepreneurs and staff attended the 3-day training on “Social Enterprise Management” in April 2010 in Linamon, Lanao del Norte. In the course of the training, participants realized they were no longer paid workers but entrepreneurs managing business and people. That they responsible for paying their workers decent wages and ensuring that there was enough money to run the business. According to most participants, “economic and distributive justice is a difficult value to practice when every other business in town and elsewhere, even your own workers are trying to make a fast buck.” Two more sessions on financial management and systems installation took place in May and August for BUNEKO and KGS, respectively.

In Kolambugan and Linamon, increase in employment and decrease in poverty incidence were noted and recorded. At least 280 households representing 5.5% of total and 10.1% of poor households have benefited from the coir and seaweed projects, respectively.

Coir plant workers earn an average of PhP4,500 per month. They have moved from doing odd jobs and insecure income to regular work and wages. At least 120 coconut farmers earn an average of PhP7,000.00 (US\$16) additional monthly income from husk sales.

Barring major breakdowns and extreme weather conditions, BUNEKO, KGS and LASGROW expect to contribute about PhP10 million to the annual municipal GDP. BUNEKO pays P50,000 (US\$1,200) to the local electric cooperative monthly.

Three core groups were formally organized in the municipality of Matungao in partnership with the Local Government Unit (LGU). These groups represent sectors of youth (50% out-of-school), women (including mat weavers mostly elderly) and religious (Arabic) teachers. Entrepreneurial literacy is still new to them, for a start they went into savings and capital build-up while strengthening their respective organizations.



Skills in mat weaving, a time-honored tradition and income source is now a disappearing skill mostly left with elderly women. The women's organization has shown interest in its revival with new designs and uses.



LASGROW (Lanao Seaweed Growers) and production has expanded from 3 barangays (Tabigue, Manga and Mukas) to four (Simbuco) and membership increased from 52 in 2009 to 73 households this year. Income from seaweed production has also increased.

The LASGROW youth are active in mangrove forest rehabilitation project.

Finally, this year the Linamon Municipal government through Mayor Deano, the Linamon Livestock Raisers Federation and Unlad Kabayan signed a

tripartite agreement to establish a meat shop operated by the federation. Linamon LGU will provide the land and P50,000 for survey and staking. The federation has now a membership of 304 from 252 in 2009.

A municipal ordinance establishing an OFW Help Desk in Kolambugan was drafted and is now being lobbied at the Sangguniang Bayan of Kolambugan LGU. The ordinance came as a result of focus group discussion and dialogues with the migrant families in Kolambugan. If approved, the OFW Help Desk would be mandated to provide assistance to migrant families, particularly in establishing enterprises, as well as disseminating important information.



An LGU (Local Government Unit) Sensitivity Training was conducted to establish rapport and good relations among NGOs and LGUs. Some 45 representatives from local government units (LGU), NGOs, returned migrant workers and families and people's organizations. The training helped a great deal in the crafting of the ordinance.

### **SEEDS Davao**

In collaboration with the Agriculture Office of Toril District, ISEDS Resource Center continued to provide enterprise and livelihood development assistance in Lizada, Sirawan and Daliao. Livestock and poultry growers continued to increase in number. In addition to livestock raising, many beneficiaries were

encouraged to diversify their livelihood activities to include allotment gardening and growing “tilapia” and ornamental fish.

DRR orientation sessions and hazard mapping were conducted in Lizada together with Mindanao Land Foundation (Mindaland) and in barangay Sirawan. Waste segregation was encouraged and in other areas in the city junk collection businesses were supported.

Unlad Kabayan was part of the team that crafted the ordinance establishing an OFW Center in Davao City and was passed by the City Council. The Implementing Rules and Regulation (IRR) which failed to get approved under the previous administration is back to lobby stage with the new City Council.



**Banana chips production.** SafePac enterprise expanded to banana chip production in addition to dried mangoes and papaya. The banana chip section employs 30 workers. Some 40 backyard banana growers in Santa Cruz, Davao del Sur supply the *cardava* banana variety. A total of 66 workers were employed this year.

*Joc-joc Gementiza started his business with a small wooden push cart and Php3,000 financing from his aunt that supplied plastic bags and scrap metal to the latter’s junk yard. With a lot of hard work, Joc-joc and Babes, his wife, eventually became partners of his aunt’s junk business. The partnership went well for sometime until Joc-joc noticed that he was shortchanged by the aunt’s husband who did the marketing part of the business. Joc-joc decided to leave and start on his own with lower capital and more hard work. The demand for scrap metals went up and Joc-joc availed of a loan from SEEDS. Since then his business just “grewed and grewed”. He put up his own junkyard and engaged six (6) junk collectors. Junk collection area went as far as Tagum in Davao del Norte*



*While at this, Babes saw the opportunity of buy and sell business backloading goods for sale, e.g. bananas, used clothing, etc. Today, Joc-joc and Babes run a Php1 million worth of businesses. The couple was able to buy a hauling truck, farm land and residential lot*

## Metro Manila

### Disaster vulnerability and economic resiliency



### **RLA (Rapid Livelihood Assessment) in Ketsana affected communities (Annex 2)**

A study on the impact of Ketsana on the livelihood of households in 9 barangays in 3 Laguna lakeside municipalities commissioned by Oxfam-GB was used to guide the second level relief and rehabilitation program. Significant findings showed that:

- a) Financial assets (savings and credit sources) were crucial in rebuilding of livelihood and homes.
- b) Those with higher income and more stable livelihood bounced back and normalized lives faster;



The process and results of the RLA were extremely helpful in the crafting of the Ketsana Livelihood Rehabilitation Project which started in July.

### **Post-Ketsana rehabilitation project**

The Post-Ketsana rehabilitation project commenced in the 3<sup>rd</sup> quarter of the year after a consortium of NGOs was organized by Christian Aid-Philippines. Project objective is to assist in the rehabilitation of livelihoods and enhance disaster preparedness and resiliency. Focus

areas are San Mateo (Banaba), Montalban (Suburban) and Taytay (San Jose). Initial activities conducted were community dialogues, livelihood assessment and asset mapping.

In Banaba, business development assistance started for five (5) community enterprises that were earlier established along with emergency relief work: urban container gardening, tetra pot production



(recycling tetra packs into planting pots), compost production, and fiberglass products (boats, rubbish bins).

Some 1,000 households in communities of Taytay, and Montalban will be assisted through technical inputs and capital augmentation. Livelihood clusters were organized in Taytay, (rags producers, fisherfolks, scrap metal collectors, kangkong vegetable growers and pickers, and

traders/retailers). In Montalban, organized livelihood clusters were: dressmakers, scrap collectors. Community enterprises the beneficiaries would venture into are: distilled water supply and rice supply.

## Programs and services

MSAI and SIM activities and outcomes were greatly enhanced with the European Commission-UN Project “Enhancing the Capacities of Migrants as Partners in Economic Development”. Through the project the following activities and output were achieved:

**Five (5) MSAI campaigns, 20 training seminars: Entrepreneurial Literacy, 3 Training for 12 MSAI Trainers in 5 countries in Europe and Asia.**



Agreements were made with three NGOs working with migrants in Hong Kong. Enrich provides financial literacy education to domestic workers while Pathfinders assists distressed women domestic workers with unwanted pregnancy. Bayanihan Center committed to provide OFW affiliate groups with materials on MSAI. Areas of collaboration between Unlad Kabayan and the Philippine Consulate were discussed in meetings with the Labor Attache, Cultural

Office' and the Overseas Workers Welfare Administration (OWWA). Follow-up will be with OWWA and the National Reintegration Center for OFWs (NRCO) in Manila.

The MSAI Campaigns in the Netherlands, United Kingdom, Switzerland and Greece were conducted in October - November.

- Netherlands: Utrecht Bible Study Group; Koop Natin; Fe Mondejar's friends; Evangelical Church in Amsterdam; Dolly's Bible Study group
- United Kingdom: St. Barts Hospital Filipino Group; Filipino church in Ireland; Faith's group
- Switzerland: Filipino Catholic Community in Geneva; Geneva Forum for Philippine Concerns; ; Helen's Bible Study groups; Ugnayang Bayan
- Greece: Kasapi Hellas; Couples for Christ; DIWATA

Three (3) training materials were developed and will be published early next year: "Fruits of Our Labor" are stories about migrants and community entrepreneurs that inspire and hopefully motivate migrants and potential entrepreneurs. Toolkits on "Saving and Investing" and "Enterprise Management" for trainers and migrants to upgrade skills and enhance their savings practice and build confidence to venture into a business.

This time migrant families were more supportive of initiatives of migrants overseas. They were particularly active in planning for businesses at home and in lobbying local governments for legislations and services that benefit the migrant community such as those in Davao and Kolambugan.

The MSAI Campaign in the Netherlands last October resulted to a partnership Maatwerk bij Terugkeer, a Dutch foundation which provides returning migrants with financial assistance (€1,750) for their business venture. Maatwerk partners with Unlad Kabayan to assist the migrants in developing and setting up the enterprise. Unlad Kabayan will get €300 in service fees for every migrant returnee assisted.

The National Reintegration Center for OFWs (NRCO), an attached agency of Overseas Workers Welfare Administration (OWWA), and Unlad Kabayan agreed to collaborate in two areas:

- Training for OFWs and families; and
- Referral agreement with NRCO to provide business assistance services for OFWs and families

## **Research**

Meanwhile, the gendered Study on the Impact of Remittances in Davao City is still in the final writing stage with a lot of help from the ISDS. An excerpt (introduction) of the first draft of the report:

## **Women and Migration**

*Women participate in the migration phenomenon. Forty nine percent of the total estimated migrants globally in 2010 are women, equivalent to 104.7 million individuals (UNDESA, 2009). In the Philippines, the Survey of Overseas Filipinos found out that 47 percent of the 1.9 million non-irregular Filipino overseas contract workers in 2009 are females, which remitted P42.7 billion to the country during the survey period (NSO, 2010a).*

*The plight of women merits further attention because of several factors that makes their situation different from that of men. They are more vulnerable in some destination countries like Saudi Arabia where women are discriminated against (for instance, AFP, 2007 for the restrictions on women)...*

*Another noticeable trend is women OCWs are more likely to be younger than men. In 2009, forty percent of Filipina OCWs are aged below thirty years old while only 29.8 percent among men belong to the same age bracket (NSO, 2010d). In contrast, 20.9 percent of men were aged 45 years old and above while only 10.9 percent of women belong to the same age bracket. Women are leaving younger and employed in vulnerable occupations abroad in some places like Saudi Arabia where women are discriminated against.*

*There is also a still unresolved issue whether women remit more than men to their families in the Philippines. Considering the average remitted amounts per se, Filipino men remit more than women. In 2009, men remitted P105,000 on the average compared to women with an average of P56,000 (SOF 2009). But this could be due to income disparity...*

*The differences and even disparities between female and male overseas migrants made a gendered approach to the study of migrants necessary. The report aims to present using in a gendered disaggregated manner the background and experiences of migrants from their decision to left until the reaping of the fruits of their overseas employment in the form of income and its consequent remittances for consumption and investment. Also, in the process, it will point the migrants contributions to the local economy of Davao City that could be capitalized upon by the city government. It uses data from a purposive survey of migrants (N=204, 94 males, 110 females) and migrants' household heads (N=210, 41 males, 169 females) in Davao City; focus group discussions among male migrant workers (seafarers), female migrant workers (domestic helpers) and wives of migrants; and interviews with children and husbands of female migrant workers.*

*The report is significant as it presents the narrative migrants' experiences in three aspects: (1) the resulting working conditions after migration, (2) the relationship between the migrant and the family, and (3) the utilization of income, usually in the form of remittances, and its impact to the local economy as a whole. The exercise identifies key policy issues where government, especially the local government, can intervene to mitigate the costs and maximize benefits of migration. These policies could serve as a basis for a wider advocacy on the promotion of migrants' welfare and the empowerment of women. The information is also helpful to Unlad Kabayan as it explores opportunities and strategies to effectively assist migrant workers, especially those from Davao City.*

## **International advocacy**

The organization attended various international meetings and conferences as part of the its advocacy and training programs.

In May, MSAI was further promoted among academicians and researchers in a conference "Revisiting Agrarian Transformations in Southeast Asia" held in Chiang Mai University, Thailand. Major themes revolved around land ownership patterns, rural enterprises and rural trade, new production patterns. Only one small workshop was given to migration where Unlad Kabayan presented the impact of migration, remittances on rural economies. By the end of the conference, it was concluded that migration was a key element in agrarian transformations in Southeast Asia. That migration was both a result of dissatisfaction among rural populations while remittances had a lot to do with changes in land ownership patterns which elicited interest among academicians to explore researches in migration.

The Peoples Global Action (PGA) and the Global Forum on Migration and Development in Mexico City and Puerto Vallarta, Mexico, respectively was another venue for advocacy. Activities and initial outcomes of the EC-UN project Migration and Development were presented.

A meeting of partners in the remittance project of TIGRA (Transnational Institute for Grassroots and Research and Action) took place in San Francisco, Bay area in California. It assessed the initial results of project roll-out with NEXXO and other remittance business partners in preparation for expansion in other countries. Plans to expand to the Philippines, Nepal and Bangladesh were considered.

## **Credit Assistance Program**

**Some 123 small and micro-entrepreneurs** availed of loan assistance this year. Women clients made up 64%; men, 32% and group loans, 4%. Majority of entrepreneurs were engages in agriculture and agribusiness (poultry and livestock, aquaculture, mango and corn farming), 42%; followed by trading, 36%; and services, 19% (pre-school, printing, public transport). Only 2% were in manufacturing. Another 223 workers were employed by these enterprises.

Total loan released was Php13.6 million while collection was Php12.1 million. While majority were micro-entrepreneurs there were six (6) clients in the category of small enterprise with more Php3million capitalization. Two were in poultry production and distribution of dressed chicken; 2 in manufacturing, and one in printing business; one in a catering business.

A slight decrease of 1% in repayment was recorded compared to 2009. Portfolio at risk (PAR) reduced by 2% compared to last year. Unaudited figures showed a slight increase in gross income but this was off-set by higher operations that resulted to lower net income. Payments of the principal loan amount went up to 81% of total collections as compared to 71% in the previous year.

Clients reported increasing operating cost in power supply, freight and transport that some were compelled to reduce their employees. Other problems that adversely affected their businesses were extreme weather conditions and increasing value of local currency. Jobs in enterprise decreased by 30%

compared to 2009 even as job quality deteriorated. Full-time jobs decreased by 51% while seasonal jobs increased by 147%.

### Performance Summary

<b>FINANCIAL INDICATORS (unaudited)</b>	<b>2009</b>	<b>2010</b>	<b>%</b>
<b>AMOUNT RELEASED</b>	<b>10,936,200.00</b>	<b>13,616,290.00</b>	<b>24.5</b>
Manila	7,772,000.00	9,312,790.00	19.8
Lanao	1,304,200.00	2,101,000.00	61.1
Davao	1,860,000.00	1,935,000.00	4.0
Ketsana Project	0.00	267,500.00	100.00
<b>COLLECTIONS</b>	<b>7,520,028.20</b>	<b>12,145,951.75</b>	<b>38.1</b>
PRINCIPAL	5,340,287.94	9,851,634.04	45.8
INTEREST	1,307,646.07	1,694,976.12	22.9
SAVINGS	259,216.69	303,733.44	14.7
OTHERS	612,877.50	295,608.15	107.3
<b>AVERAGE LOAN SIZE</b>			
<b>REPAYMENT RATE</b>	91%	90%	(1.1)
<b>PAST-DUE RATE</b>	9%	10%	10.0
<b>PORTFOLIO AT RISK</b>	18%	16%	(12.5)
<b>COST PER PESO LENT</b>	0.10	0.09	11.1
<b>GROSS INCOME</b>	1,920,523.57	1,990,584.27	3.5
<b>OPERATING COST</b>	1,096,341.57	1,183,155.19	7.3
<b>NET INCOME</b>	824,182.00	807,429.08	(2.1)

<b>SOCIAL INDICATORS</b>	<b>2009</b>	<b>2010</b>	<b>%</b>
<b>AVAILMENTS</b>			
<b>BORROWERS</b>	<b>99</b>	<b>123</b>	<b>20.0</b>
MEN	31	39	20.5
WOMEN	63	79	20.3
ORGANIZATION	5	5	0.0
NEW	39	63	38.1
RENEW	60	60	0.0
<b>ENTERPRISE SIZE</b>	<b>99</b>	<b>123</b>	<b>20.0</b>
3,000.00 - 20,000.00	62	105	41.0
ABOVE 20,000.00 - 200,000.00	25	10	(150.0)
ABOVE 200,000.00	10	5	100.0
1M ABOVE	2	3	33.3
<b>JOBS GENERATED</b>	<b>290</b>	<b>223</b>	<b>(30.0)</b>
Men	141	99	(42.4)
Female	149	124	(20.1)
<b>EMPLOYMENT TYPE</b>	<b>290</b>	<b>223</b>	<b>(30.0)</b>
Full-time	115	76	(51.3)
Part-time	34	90	62.2
Seasonal	141	57	147.4

*Objective 3: Expand and diversify the financial resource base and increase the share of earned income to 30% by the end of three years.*

(It must be noted the financial report presented in this report is unaudited with some expected adjustments to be finalized. Attachment 1)

Unlad kabayan raised total revenues of Php14.1 million in 2010 while expenditures for the year was at P9.54 million. Revenues this year was 29% higher than projected Php10 million in the budget. The Ketsana Rehabilitation project with P5.9 million receipts was largely unanticipated at the start of the year. This raised the share of grants to 81% of total revenues. Earned income remained significant albeit with a 9% decrease. Contribution from partners and beneficiaries was very minimal at P200,000.

Total expenditures amounted to P9.54 million. There is a substantial decrease by 40% compared to 2009 expenditures. This was due largely to the variance in special project expense which was P3.2 million emergency relief operations that was fully expended during the year. Enterprise development remained the biggest expense at Php2.3 million, however, there is a significant decrease compared to 2009. The large expenditure in 2009 went to BUNEKO mobilization expense. SIM also increased significantly as a result of activities under the EC-UN project.

While new sources of funds were raised in service fees (consultancy fees) and special projects, it is admitted that these revenue sources are difficult to sustain. Increasing and diversifying revenue streams will continue to be a challenge in the coming period. The organization realizes that enterprise receipts are more stable sources of earned income. Revenue from business incubation services is projected to increase in the next year.

*Objective 4: Aim for high performance and staff retention rate of 90%.*



### **In-house training on “Office Communication Tools,” “Social Enterprise Management,” “Credit Management”**

Staff and officers participated in three in-house training conducted last year. The first training, “Office Communication Tools,” conducted by an AYAD (Australian Youth Ambassador for Development), aimed at equipping the staff on how to maximize existing communication tools (email, yahoo messenger, skype, website, etc) within and outside the organization. The “Social Enterprise Management” training, conducted in April, upgraded the skills and knowledge of the staff and enterprise managers in managing social enterprises. The “Credit Management” training meanwhile focused on equipping the staff with technical skills to efficiently and effectively improve the performance of the Credit Program.

### **Diplomacy Training Program**

The Area Manager of Unlad Kabayan office in Lanao was sent to the Diplomacy Training Program focused on Migrants Advocacy. The training program was designed to equip migrant advocates with knowledge and tools in campaigning and lobbying for migrants issues. International conventions such as CEDAW and the CMW were discussed and ways how to maximize its use.

### **Performance Appraisal**

Personnel performance appraisal was undertaken assessing the capacity of individual staff and the organization itself in meeting the demands of the work. Part of the appraisal was the impact of the training activities and identified further training needs.

## **Lessons and realizations**

1. The Rapid Livelihood Assessment (RLA) showed that financial assets, especially household savings was crucial in the ability of households to recover from disaster and their capacity to rebuild their livelihoods.

The study had shown that recovery was hastened in a big way by household savings, access to loans and cash assistance by relief organizations. It was noted how many households kept a collection of relief items including canned goods, clothing and towels that they later sold during the Ketsana relief operations.

2. When asked about the unrest in MENA countries, a few returning migrants talked about the discontent of ordinary citizens about joblessness. That disaffection had to do with the opulent lifestyles of the wealthy few and joblessness and poverty of many; unrest in Bangkok and in Tunisia.
3. Extreme weather conditions perhaps changing climate patterns had been a major factor in the crisis of agri-based enterprises. Disaster risk reduction and climate change adaptation will have to address the need to build disaster resilient economies and livelihood and soon.

**UNLAD-KABAYAN MIGRANT SERVICES FOUNDATION, INC.**

**BALANCE SHEET**

**As of December 31, 2010**

			2010	2009	VARIANCE (%)
<b>ASSETS</b>					
Current Assets					
	Cash and Cash Equivalents	P	337,669	738,831	-119%
	Trade and Other Receivables		2,167,310	455,845	79%
	Loans and Interest Receivable		17,227,014	12,927,649	25%
	Due from Accounts		9,421,178	-	100%
	Other Current Assets		1,276,808	33,368	97%
	<b>Total Current Assets</b>		<b>30,429,978</b>	<b>14,155,694</b>	<b>53%</b>
Non Current Assets					
	Property, Plant and Equipment		2,370,580	2,902,011	-22%
	Biological Assets		7,000	7,000	0%
	Other Non Current Assets		886,255	-	100%
	<b>Total Non Current Assets</b>		<b>3,263,835</b>	<b>2,909,011</b>	<b>11%</b>
<b>TOTAL ASSETS</b>			<b>33,693,813</b>	<b>17,064,704</b>	<b>49%</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
	Trade and Other Payables		(36,202)	113,270	413%
	MFED and Interest Payable		882,822	789,982	11%
	LFED and Interest Payable		961,196	661,747	31%
	Employee Benefits Payable		104,015	96,459	7%
	Government Payables		(2,538)	(901)	65%
	Due to Accounts		9,323,394	-	100%
	Other Current Liabilities		202,320	25,373	87%
	<b>Total Current Liabilities</b>		<b>11,435,007</b>	<b>1,685,931</b>	<b>85%</b>
Non Current Liabilities					
	Loans Payable		9,109,778	6,761,232	26%
	<b>Total Non Current Liabilities</b>		<b>9,109,778</b>	<b>6,761,232</b>	<b>26%</b>
Fund Balances					
	General Funds		4,858,821	2,591,504	47%
	Credit Funds		4,721,395	2,457,226	48%
	Property and Equipment Fund		2,902,011	2,902,011	
	Reserved Funds		666,801	666,801	
	<b>Total Fund Balances</b>		<b>13,149,028</b>	<b>8,617,542</b>	<b>34%</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>			<b>P 33,693,813</b>	<b>17,064,704</b>	<b>49%</b>

UNLAD-KABAYAN MIGRANT SERVICES FOUNDATION, INC.					
STATEMENT OF INCOME, EXPENSES AND CHANGES IN FUND BALANCES					
December 31, 2010					
		2010	2009	VARIANCE (%)	
<b>REVENUES</b>					
GRANTS					
	CHRISTIAN AID	P 2,031,555.00	3,065,965.51	-51%	
	PACAP	575,195.04	1,024,000.00	-78%	
	EC-UN	2,885,509.69	946,226.70	67%	
	OTHERS (KETSANA)	5,931,317.01	3,050,414.00	49%	
	Sub-Total	11,423,576.74	8,086,606.21	29%	
	PARTNER'S CONTRIBUTION	200,000.00	2,579,004.00	-1190%	
	Sub-Total	200,000.00	2,579,004.00	-1919%	
EARNED INCOME					
	SERVICE FEES	694,218.00	208,997.00	70%	
	INCOME FROM CREDIT	1,397,860.00	1,922,469.00	-38%	
	FOREX GAIN (LOSS)		86,866.00		
	BANK INTEREST	3,233.16	13,831.00	-328%	
	OTHER INCOME/ DONATIONS	253,095.07	500,548.00	-98%	
	ENTERPRISE DEV'T. PROCEEDS	138,841.50	229,731.00	-65%	
	Sub-Total	2,487,247.73	2,962,442.00	-19%	
<b>TOTAL INCOME</b>		<b>14,110,824.47</b>	<b>13,628,052.21</b>	<b>20%</b>	
<b>EXPENSES</b>					
	GENERAL ADMINISTRATION	1,731,450.98	1,771,792.00	-2%	
	ORGANIZATION DEVELOPMENT/ GOVERNANCE	183,154.30	196,677.00	-7%	
	RESEARCH & ADVOCACY	746,168.26	643,228.00	14%	
	ENTERPRISE DEV'T.	2,328,012.08	4,289,494.00	-84%	
	SEEDS (LANAO/ DAVAO)	1,227,424.85	1,461,470.00	-19%	
	SIM	1,446,881.19	558,683.00	61%	
	CREDIT	1,157,437.00	1,186,593.00	-3%	
	KETSANA (SPECIAL PROJECT)	722,629.38	3,291,119.00	-355%	
<b>TOTAL EXPENSES</b>		<b>9,543,158.04</b>	<b>13,399,056.00</b>	<b>-40%</b>	
<b>EXCESS (DEFICIENCY) OF INCOME</b>		<b>4,567,666.43</b>	<b>228,996.21</b>	<b>-168%</b>	

## Annex 1

### Inspiring stories and good practices



#### **New lives for Marcelo and Lourdes Cabante.**

Marcelo is 46 years old while Lourdes is 47. They got married 24 years ago and now with five children. Both of them stopped schooling when they were in high school levels due to financial difficulties. Marcelo is from Kolambugan, Lanao del Norte and Lourdes is from Domingag, Zamboanga del Sur.

Although they came from different places, destiny brought them together as they met in the mountains where they stayed as militants fighting for their shared ideologies. Almost happy ending for their love life, they were solemnized by a Party rite with their companies. After ten years of being combatants, Marcelo and Lourdes were captured and imprisoned. After they were freed, they decided not to go back anymore to their former work as combatants as Lourdes was pregnant with their first child.

Starting new lives, they resided in Zamboanga del Sur for 12 years as corn farmers. In 2002 they decided to return Kolambugan, to settle there permanently with their five children and this time as seaweed farmers. A year later, the couple with the other four former combatants founded the Lanao Comrades (LANCOM) with the purpose of helping each other move on to build new lives. Marcelo became the Vice-chairman of the cooperative and was also elected “barangay kagawad” of Manga, Kolambugan, Lanao del Norte.



When BUNEKO was being built Marcelo was one of the first of LANCOM members to work in the construction. He was bent on making the project a success so that it can provide employment to more LANCOM members.

*“In our younger days, we became combatants for ten years and experienced so many hardships and practical strategies in life. We were farmers, corn and seaweeds for more than ten years and we saw the limitations farmers have, insufficient income and undesirable living condition. When we heard about the coco coir plant project introduced we were so interested to be part of it and we supported its realization.*”

*“When BUNEKO started I became Production Staff and now the Production Officer. My wife Lourdes was the Chairman of the LASGROW’s Credit Committee and now member of its Board.*

*To be a production officer with little knowledge and skills is difficult. I am not qualified. I have only a high school education and this is my first time to be officer. My daily tasks include recording, time-keeping and supervision of production division, its workers and the machines and equipment. It was difficult at first but later I became familiar and the tasks were easier to handle.*



*So far, the biggest problem I face in my work is supervising the production workers: the difficulties and efficiency in their line of works and complains on their earnings. Being used to being a leader, I always have the guts and courage to make them understand that work is difficult at the beginning especially when it’s new to them; that they have to strive hard to learn and be familiar with their line of work, attain efficiency; and that they have to expect less earnings at the start because everything is at the start-up and still to be improved and they have to work harder. The different trainings, continuous mentoring and site visits were so helpful. It gave us knowledge and skills. It developed our abilities and leadership.*

*Our greatest happiness in life is seeing ourselves become more productive, striving hard to attain economic stability and resiliency. At least three in our family work in BUNEKO: I as the Production Officer, my wife Lourdes in drying of coir fiber and our eldest son Jomar operating the decortivating machine. We were employed by the enterprise because we volunteered our services at the start.*



*We earn at least Php500 a day from working in BUNEKO*

(Marcelo, Lourdes and Jomar). We spend our income for food and utilities. We are able to send our other four children to school (2 in college, 1 in high school, and 1 in grade school) and buy other needs such as clothing, etc.



*Our greatest goal in life: to have permanent jobs that will provide us regular and sufficient income for our daily needs; our four other children to finish their schooling; and Marcelo to become Barangay Captain of Manga, Kolambugan in the next years.*

*Only in this project did we have the opportunity for regular jobs and incomes for our family. And this time, there is no need to go back to the past that we had. This is the kind of new life we have been longing for and we think we have to grab and live it. Our gratitude goes to God above all, to all the people behind this project, to our children for their trust and support, and to all our companies in LANCOM who also believe and long for new lives.”*

## Story Two

**Arnel and Julieta Montefalcon.** Arnel is 39 years old while Julieta is 38. They were married in 1993 and now have 2 children (16 and 8 years old). They live in Manga, Kolambugan and both of them are seaweeds farmers and members of LASGROW.

Julieta stopped schooling upon reaching fourth year high school due to financial problems. While Arnel finished only elementary education because his parents died at the same time while he was two years old. He was brought up by his grandfather, a corn farmer in Siminor, Zamboanga del Sur.



In 1990, Arnel decided to work in Kolambugan as master baker in a bakeshop where he met Julieta who was a salesgirl in the same shop. Three years after they got married they went to Siminor and became corn farmers. Six years after, they decided to settle permanently in Kolambugan. They raised hogs and worked as helpers/labourers in harvesting coconuts and “copras” of their neighbors. They started to learn producing seaweeds in 2000 using their personal savings for capital. When they saw that seaweeds

was more profitable they stopped raising hogs and working as helpers in coconut harvesting, and concentrated producing seaweeds.

*“We started seaweeds farming ten years ago and become our primary source of living and found it more suitable for us. We still remember that before, we only harvest five lines “kutay” of seaweeds. We sold it for only Php1,000.00 per “kutay” and earn net income of only Php1,500.00 per harvest. We could not imagine now how we made that amount of income meet all our daily needs for a period or cycle of 2-3 months. During the armed conflict in August 2008, we lost what little assets we had in seaweed production.*



*When we heard about the LASGROW project, we joined it full of hopes to that our production will improve our life. It is remarkable that this project helped us more than we hoped for. Our harvest is now 30 lines or “kutay”, our sales increased to Php 60,000.00 or Php 62.00/kilogram of seaweeds and our net income to Php55,000.00 a cycle of 2 months. For 10 cycles (2008-2010), we earned and saved Php200,000.00 and gave us opportunity to improve our lives.*

*With our savings, we purchased a planting area of 25 square meters in 2009 for our seaweeds in Tabigue. We also had the chance to buy a tricycle for rental with at least Php120.00 rent income per day. With these, we are able to expand and plant more seaweed to increase our proceeds every cycle and earn additional income from rental of our tricycle.*



*We spend our income for food, household needs and schooling of our two children, Janice who is 4<sup>th</sup> year graduating student and Joniel a Grade III pupil. We are now striving harder and do our very best to sustain the project (seaweeds production) for our children to finish their studies in which we believe and see our brighter future and this is our ultimate goal in life.*

*Now, we can immediately compare our life before and now with the project. So much improvement in our income and lives happened to us. It makes me happy to see my husband's gladness and care for our tricycle. He does the fixing and washing of it every morning."*



### **Story Three**

**Ricky Pareñas.** Ricky is 40 years old, married with 1 child. He resides in Poblacion, Kolambugan. Because of his hard work and commitment, he was elected President of Kolambugan Welders Association (KOWA).

*"When I first heard about the skills training, I never hesitated, and directly applied as participant to the 15-day Basic Welding Skills Training in Kolambugan. The training was something new to me, it was quiet interesting. I used to work in Findlay Millar Timber Company but I lost my job when it closed down. After completing the training, we founded the Kolambugan Welders Association (KOWA). We were many in the group, 46 out-of school youth and unemployed and I am one of the three older members.*

*I was elected as the first President. At first, it was challenging on my part leading a group of 46 and mostly young and out-of-school. I tried my best to maintain active participation of the members in our activities. I keep track with their progress including employment both locally and abroad.*

*With the partners, we led in the site development, building construction and other necessary preparations to operate the welding shop. The capability trainings given to us really help us a lot in managing our group and eventually the welding shop.*



*There are two things I gained from this project: the welding and the managerial skills. I consider these essential in developing my personal capability and professional growth. I admit that I finished high school only but with the responsibilities that I do exercise now, my education does not limit me in pursuing my ambition towards brighter future."*

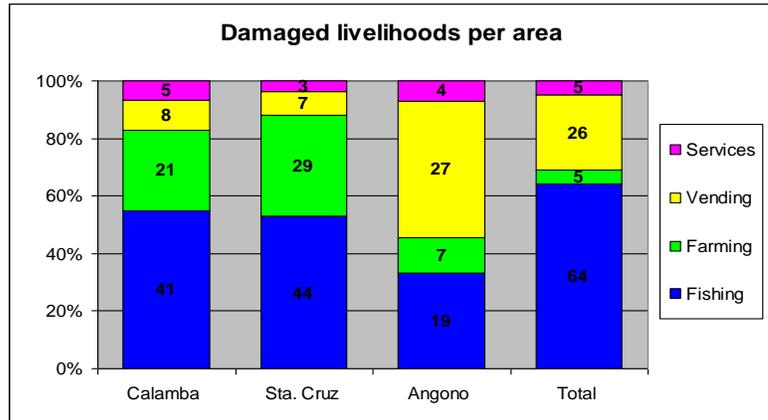
### Annex 3

Excerpts from the **Rapid Livelihood Assessment (RLA) report:**

Fishing and petty trading are top sources of income in the area. Some households raise income through cottage industries like backyard hog raising, tricycle driving, salted egg making, *taho* making and service or laborer related jobs.

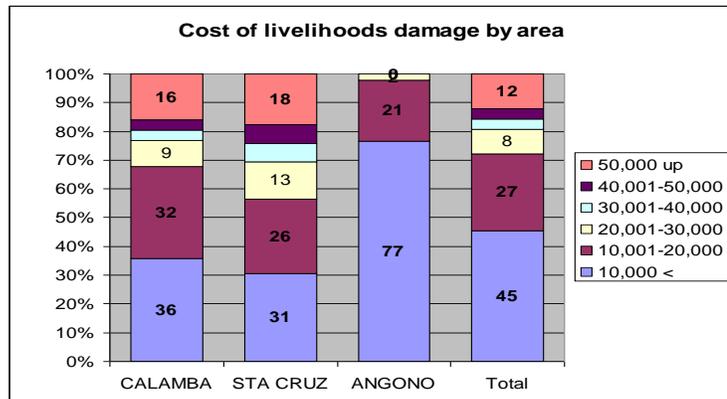
#### ESTIMATED COST OF DAMAGE TO LIVELIHOOD BY AREA

**ESTIMATED DAMAGE TO LIVELIHOODS BY TYPE, BY AREA**



The largest number of respondents 45% who were petty traders (fishing and farming) estimated the damage to their livelihood at P 10000 and below. This was followed by 27% of households who believed that livelihood damage amounted to P 10,000-20000. 12% of respondents reported livelihood damage amounting to P 60,000 and up. 8% reported damages of P 20000-30000, mostly fisher folks and farmers.

Among the self employed, fishing was the main type of livelihood in Calamba 35%. It was vending and selling in Angono; an almost equal percentage of vendors and fishing in Sta. Cruz. Services was quite large in all three areas, but farming as a percentage of livelihood was largest in Santa Cruz.

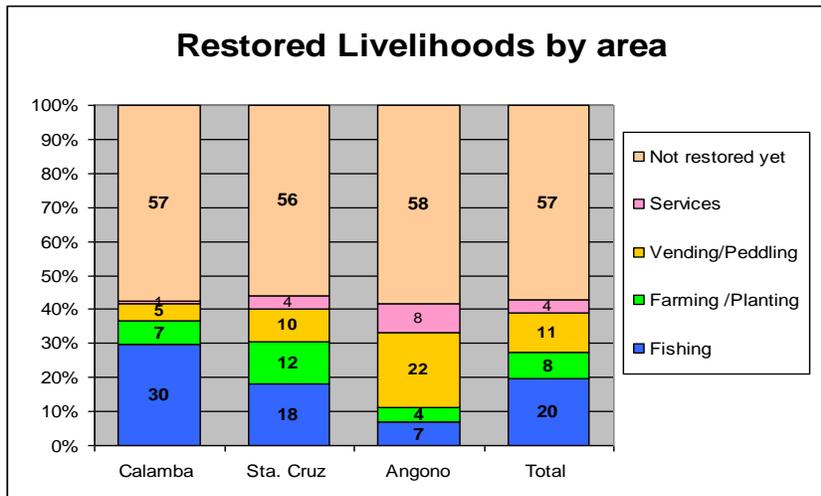


Average fish catch has declined in all three towns, Sta Cruz, Calamba and Angono before and after the typhoon. Average incomes of fisherfolk in both Calamba and Angono have likewise declined from P 200 to 150 per day in Calamba and P180 to 150 per day in the case of Angono.

#### Restoration of Livelihood Assets

For the most part, respondents lost or damaged assets have not been restored as of the time of the survey. About 146 respondents or 56.6 % of respondents had not been able to restore livelihood assets.

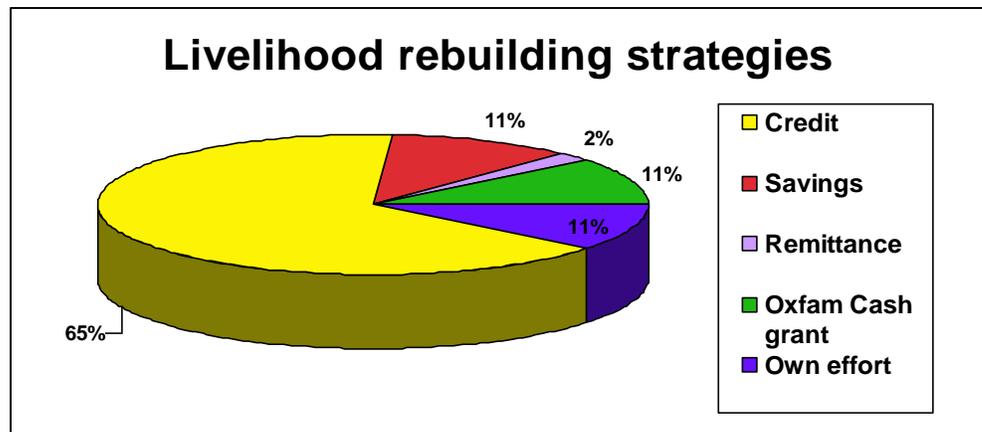
The largest restoration of livelihood assets was done in the fishing sector where 43 fisher folks (16.7% of total) had done some repairs in their fishing equipment and facilities.



Second largest restoration has taken place among the traders, sellers and vendors who have resumed their trade, restored their vehicles and paraphernalia, true in 31 respondents (12% of total). Repaired were fish cages, nets, *banca* (boat) and fishing gear.

### Livelihood rebuilding strategies

Survey indicates that 65% of respondents plan to rebuild their livelihoods through credit provided conditions are favorable. Eleven percent (11%) expect Oxfam to provide the requirements; 11% said the requirement will come from



savings. And 11% is from own efforts to raise funding. Greatest credit is foreseen in Calamba where 86% of rebuilding will be by credit; 61% in Sta Cruz and 44% in Angono.