



INCLUSIVE AND INNOVATIVE PATHWAYS TO COVID19 RECOVERY:

Social Entrepreneurship as Strategy in Leaving No One Behind and Building Back Fairer in the Philippines

RESPONSES AND INNOVATIONS OF SOCIAL ENTERPRISES AND RESOURCE INSTITUTIONS



Responses and Innovations of Social Enterprises and Resource Institutions

Social enterprises (SEs) face the challenge of reimagining how to sustain serving poverty and marginalized groups that are being hit the most by the pandemic while the sector itself recovers. At the same time, they can play a crucial role towards the country's inclusive recovery as they harness their experience and expertise in developing innovative solutions towards equitable and sustainable economic development. Several SEs are responding by providing relief services to its workers/suppliers/clients and members, as well as adapting their operations to comply with safety measures (Cooperative Development Authority, 2020). Still, there is a need to systematically determine their strategic needs and roles to ensure that appropriate policies, programs, and development initiatives could be installed for their long-term recovery and “building back better and fairer” efforts.

The COVID-19 Social Enterprise Action Research (SEAR) was done toward this end. Initiated by the Institute for Social Entrepreneurship in Asia (ISEA) and Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition, SEAR sought to inform the development of a responsive relief and recovery effort for the social enterprise sector in the Philippines and an agenda for the sector to make a significant contribution towards building back better and reimagining an equitable and sustainable future.



Photo by Uriel Mont from Pexels



Photos Courtesy: GREAT Women Project II

Immediate Responses

Gathering Data on the Situation of Partners. All the key informants gathered data on the situation of the SEs and the poverty sectors they serve, through formal research methods (e.g. survey, rapid appraisal) and informal means (calling them, asking how they are, finding out their needs). **Providing Relief to Workers and Poverty Sectors.** The survey revealed that about 38% of the SEs provided relief goods in poor communities where social enterprise operated while 17% distributed and/or mobilized food supplies for health/medical front liners. Almost all the cooperatives that participated in the key informant interview gave relief packs (mostly food items) to their staff and/or members as well. Others provided cash assistance. SEs and resource institutions likewise distributed new health essentials (face masks, gloves, alcohol), medicines, and vitamins to their staff and/or poverty sectors served. Negros Organic Fair Trade Association (NOFTA) provided food to local frontliners while a dairy cooperative in Bicol gave excess milk to frontliners as well. The staff of Center for Community Transformation (CCT) and its ministries volunteered and mobilized resources to distribute weekly food items not just to partners but the whole community as well. They did it on their own, without any prompting from the management. Their sense of volunteerism was described by organizational leaders as an outpouring of caring because the staff took their work as a calling, beyond being just a job and source of income.

Sustaining/Reducing Workers' Salaries and Benefits. The survey revealed that close to half of the SEs surveyed paid the full salaries of staff despite reduced or no operations. For the SEs interviewed, two paid their staff in full despite the uncertainty. One did the same for a month but stopped due to limited resources. One tapped into savings and gave Php6,000 per month while another reduced the salary of staff and SE workers by half to keep them all until December. With shortened and/or flexible working hours, other SEs paid their staff based on their working hours, which was often half a month's salary.

Ensuring Workplace Safety. All the SEs set up measures to prevent the spread of the virus in their offices. They provided staff with protective gear (face shields, face masks), conducted regular disinfection, set up dividers, and imposed social distancing. Given the nature of its services, HealthDev Clinic was even more stringent in its safety measures. Services were by appointment only. Patients had to answer an online risk assessment form before getting an appointment. All staff wore PPE and an interval between patients was necessary for disinfection and change of PPE (more necessary for dentists). Moreover, air purifiers (High Efficiency Particulate Air or HEPA filters) were installed, and physical barriers were set-up.

Soliciting the Support of Clients and Funding Agencies.

After being turned down by the Department of Labor and Employment (DOLE) for cash assistance for its workers and becoming frustrated over the regulatory requirements of government, the Philippine Reef and Rainforest Conservation Foundation, Inc (PRRCF) set up what it called a “future fund” where it asked supporters and loyal visitors/clients to pay their future visits to its ecotourism site in advance. The support and kind words sent by those who participated in the initiative gave hope to PRRCF whose ecotourism-based enterprise, Danjungan Island, lost revenues due to the pandemic.



Photo Courtesy: PRRCF Website

PRRCF likewise sought support from international funding agencies offering grants for recovery. The Foundation for These-Abled, Inc (FTI) likewise submitted project proposals to funding partners because the cooperatives owned by persons with disabilities did not get any support from DOLE or any other government agency.

Realigning of Plans and Budget. Most of the SEs realigned their plans and recalibrated their budget and financial targets as a response to the impact of the pandemic and implemented cost-cutting measures.



Photo Courtesy: BGMPC FB Page

Maximizing Strong Relations with Government.

Davao Federation of Fishers and Farmers’ Cooperative (DACOFARM) in Mindanao was thankful for the good relations established with local government units, from barangay to provincial levels. Both the federation and primary cooperatives were readily provided with necessary permits and travel passes. Moreover, their local government units (LGUs) purchased the rice needed for relief from them. Even if the federation was not able to supply rice to primary cooperatives in other provinces due to border restrictions, it was able to sell most of its stock to the LGU/s. Member coops were also able to borrow the LGU truck to haul their products and use the gym for storage.



Photo Courtesy: BGMPC FB Page

Similarly, the Negros Organic Fair Trade Association (NOFTA) attributed the good relations with the mayor and barangay officials for the facilitation of quarantine/ travel passes for association leaders. Through the travel pass, they were able to slowly address the difficulties in marketing, production, transactions, and other concerns. The same attribution was made by the Federation of People’s Sustainable Development Cooperative (FPSDC), which acquired a pass from the Department of Trade and Industry (DTI). The pass was shared with its suppliers, which addressed the disruption in market links early on.



Photo Courtesy: ATFI

Availing of Government COVID-19 Support. Many SEs applied for or were planning to apply for government support. The Philippine Rural Reconstruction Movement's (PRRM) Camiguin Micro-Finance Program, availed of Landbank's I-RESCUE, a program which aims to provide additional funds and loan restructuring under more flexible terms and conditions to eligible borrowers. Another partner, Vizcaya Fresh!, applied for a Php6,000,000 zero-interest loan from the Department of Agriculture (DA), through the facilitation of DA Region 1. Similarly, ATFI submitted a proposal to DA, through the Negros Occidental provincial agriculture office, to acquire stimulus funds to use as capital for both farm production and marketing.

Several SEs applied for the cash assistance program implemented by the DOLE. PRRCF was informed that the program had run out of funds and to apply for SSS instead. However, the letter from DOLE came two days later than the deadline set by SSS for application. HealthDev Clinic was told that they were not a priority. It also tried SSS but was rejected as well. FTI relayed that cooperatives owned by persons with disability met the same fate. More heartbreaking was the report that most of them did not receive cash assistance from the Department of Social Welfare and Development's (DSWD) social amelioration program (SAP). On the other hand, Agrizkaya was rejected by DOLE but was able to get PHP5,500 for each regular employee for two months from the Social Security System.

Information Dissemination on COVID-19. AlterTrade Foundation, Inc (ATFI) observed that the government did not give enough warning or orientation, especially to farmers, on COVID19 and the necessity, as well as extent, of home confinement and travel restrictions. Hence, they were not prepared for the consequences. As a way of educating their partners, ATFI launched an information-dissemination campaign meant to help the farmers understand COVID-19. It used popular methods, translated orientation materials in the vernacular, and distributed them in printed form as farmers had no access to online platforms. The endeavor helped the farmers understand the situation and come up with appropriate and safe interventions to address the consequences of the lockdown.

Assisting Poverty Sectors in Accessing Government Relief. NGOs supporting community social enterprises monitored the support provided by the LGUs to their partners. They directly coordinated with the LGUs or advised their partners on what to do to ensure that they receive relief goods and/or cash assistance. Eastern Visayas Partnerships for Rural Development (EVPRD) viewed the experience as a learning opportunity for Central Farmers Association (CEFA) to deal with the LGUs. ATFI and Bote Central likewise ensured that its partners/ workers received assistance from their LGU/s.

Loan Payment Moratorium and Restructuring. All the SEs engaged in microfinancing/savings and credit granted a moratorium on payment, penalties, and interests, as well as restructured the loans. On the other hand, a water service cooperative went house-to-house to collect payments from members, no matter how much. Meanwhile, those with loans were also granted moratorium on payment and penalties. However, FTI reported that the interest rate for the loan by cooperatives owned by persons with disabilities was not waived.

Moving Towards Recovery and Building Back Better and Fairer

Adjustments in SE Processes

A little over a third of the survey participants developed new/shifted marketing strategies (e.g. direct trading between cooperatives or social enterprises; online and door-to-door delivery of food packages, etc.). Those interviewed made changes on the processes involved from production, processing, marketing, or delivery of products.

Taking Advantage of Technology and Social Media for Connection, Coordination, Marketing, and Delivery

Even with the absence of face-to face interaction, all the SEs made use of mobile phones and online platforms to regularly coordinate with their stakeholders and/or market their products. Center for Community Transformation (CCT) remained in touch with their community partners through phone calls, text messages, and online chat groups. The chat groups among workers/laborers were primarily for counseling led by pastors. Company owners learned of the initiative and encouraged their supervisors to join, which led to expanded chat groups. It became even bigger as family members of those in the groups also joined. Cooperatives made use of mobile phone and Facebook messenger to collect and release payments/ loans. Others adopted online mechanisms for all transactions (from registration of members to payment of loans). HealthDev Clinic, on the other hand, made use of media platforms for setting appointments and promoting its services.



From selling vegetables in major outlets, Vizcaya Fresh! resorted to online selling, packaging, and delivery. Despite the closure of its coffee shop in Iloilo, the roastery owned by Ekolife OFW Marketing Cooperative continued its operations and opened its doors to delivery. It was earning enough to pay the wages of workers. Similarly, Bote Central and FPSDC strengthened their online marketing platforms. The latter now includes not only FPSDC's brand, Food and Cottages (F&C), but food and non-food products of member cooperatives and non-member coops as well. PRRCF's Wala Usik Tianggian + Kapehan was also about to start the delivery of sustainably produced community food products. A BDSFI-supported marketing arm for women entrepreneurs in San Pablo, Mga Likha ni Inay, also resorted to delivery using tricycles.

Coop to Coop Support and Trading

DACOFARM intensified the mutual cooperation between and among its member cooperatives by instituting a coordination mechanism so that primary cooperatives could supply each other's needs (e.g. one coop with sufficient rice supply could provide stocks to another in need). Cooperative partners of Agriterra, such as Soro-Soro Ibaba Development Cooperative (producing feeds and hogs) and the Highland Farmers' Association (producing vegetables also started initiatives towards coop-to-coop trading.

Strengthening of Local Markets

Vizcaya Fresh! closed its stores outside of the province but opened/revived two more within. Others intensified the use of Facebook to sell products locally for easier deliveries. A dairy cooperative, for instance, could not deliver milk for processing so it resorted to selling the milk by household.



Photos Courtesy: Balangay's Best

Diversification and Alternative Livelihood Development

Social enterprises that were focused on the production, processing and marketing of food or non-food products found the need to diversify and engage in alternative livelihood development to ensure food security and sustain the livelihoods of their stakeholders. This was exemplified by two partner organizations of Trias Southeast Asia in Camarines Norte namely the Tao-Kalikasan Foundation of the Philippines Inc (TKFPI) and the Labo Progressive Multi-Purpose Cooperative (LPMPC).

Tao-Kalikasan Foundation of the Philippines Inc, (TKFPI) is a community-based forest management association engaged in handicraft production and trading to support the livelihoods of member farmers and micro-entrepreneurs especially women and youth. During the pandemic, TKFPI ensured that enterprises and livelihoods were continued and food security initiatives of their affiliated organizations and individual members were supported. To accomplish these, they conducted trainings with small numbers of participants per batch and observed safety and mobility protocols.



Photo Courtesy: PATAMABA



Photo Courtesy: Isabel Corthier

Labo Progressive Multi-Purpose Cooperative (LPMPC) is an agricultural cooperative engaged in the production and processing of pineapple products including pineapple juice, puree, jams, decorticated pineapple fiber and pineapple cloth. In response to the pandemic, LPMPC promoted organic vegetable production and marketing, set up tri-mobile stores to bring their products closer to the community and promoted alternative livelihood activities.

Innovations among social enterprises

Process, product, and social enterprise model innovations were undertaken by SEs to adapt to the effects brought about by COVID19. Most of the innovations were done primarily to minimize the impact of pandemic to the poverty sectors they serve. Distinct to these SE experiences is the adoption of one or two innovation approaches (e.g. combining process and product innovations) or doing several changes under one approach (switching to on-line marketing and delivery for urban market, combined with retailing at the local/rural level) to sustain operations and support the sectors they serve.



Photos taken from Vizcaya Fresh! Facebook Page

Process Innovations

Process or system innovation takes place when enterprises utilize or apply changes or improvement in terms of equipment, technology, tools, techniques, methods of accounting or customer service. This usually results in increased productivity and possible reduction of costs of production.

Several SEs adjusted their processes to adapt to the restrictions imposed during the community quarantine, taking advantage of the opportunities for funding and utilizing networks. For instance, AGREA Agricultural Systems International (AGREA), a farm school and agricultural social enterprise serving farming and fishing communities in Luzon, initiated the Move Food Initiative. It bought produce from farmers and converted such into nutritious meals for beneficiaries in Metro Manila. Moreover, the company utilized its strong relations with the government and the private sector, successfully acquiring permits from government agencies and partnering with truck owners to transfer goods.

Meanwhile, Roots Collective (Roots), a company that markets the products and services of other SEs, increased its online presence by shifting from retailing to “e-tailing” distribution channel. It launched its e-commerce website during the pandemic, which continued to promote products of partner SEs which used to have physical products displayed in their retail or pop-up store. Aside from this, Roots also started selling its own products, focusing on essentials such as cleaners and sanitizers. In a similar manner, WTH Foods, a vegetarian food processing company, also intensified its online presence by continuing to embark on deliveries of their plant-based product lines, primarily done through their e-commerce website. The company also utilized its test kitchen called “Botany,” in line with its research and development (R&D) efforts. Messy Bessy likewise shifted to digital marketing and commerce. Whereas online sales used to take only 10% of its total revenues, it has now reached more than 50%. Thus, it has made changes in its organizational structure, adding a “data team” to its finance, sales, marketing, and information technology (IT) units. The “data team” analyzes sales and market trends.

Coffee for Peace (CFP) and Calaboo also intensified their online presence. The former has also created another social enterprise called Kapeyapaan, which sells the products of partner farmers online. CalaBoo, on the other hand, has shifted to online, farm-to-fridge subscription, in which milk is delivered directly to households. This was actually the original plan of CalaBoo in 2016, but it did not have the infrastructure at that time. The pandemic allowed the SE to implement both online and retail operations.

Gubat Saint Anthony Cooperative (GSAC) likewise realized that it had to go online. Prior to the pandemic, shifting to digital transactions seemed like science fiction. But many of its transactions are now being made online. This shift has helped the cooperative become more creative in the way it operates. Hence, it is now coordinating with other companies for webpage design, software, marketing, and accounting. Beyond intensifying its online presence to cater to its market, Gandang Kalikasan, Inc. (GKI) applied innovations in its processes to ensure sustained engagement with their different stakeholders despite reduced sales during the first two months of the community quarantine.

Meanwhile, FPSDC is intensifying the establishment of F&C food kiosks in the stores/offices of its primary cooperatives. It is basically a display shelf of all the products of the cooperative. The intent is to make FPSDC’s products accessible to members all over the country while educating the local consumers in each area that the brand is supplied by various cooperatives and produced through sustainable means. On the other hand, Caritas Manila has found an alternative outlet to marketing, particularly, the use of Churches to make food products accessible and affordable. It is now in the process of studying onlinepalengke.com and intends to pilot the operations in Luzon to build confidence, network, production, consolidation, and marketing. On the other hand, Balangay’s Best, a company selling dried seafood from the fishers of Bantayan Island, Cebu, improved the processing of their products by buying “fresh catch” from the fishers, thereby ensuring better quality of their product line while still helping the fishers sell their catch and avoiding spoilage. The company also set up an online store, with the help of Unionbank’s Global Linker.



Photos Courtesy: Bote Central

Product Innovations

Product or service innovation takes place when an enterprise develops an entirely new product or service, or improves their existing product or service. This usually results in the development or extension of new markets. In the SEAR survey conducted, over 30% of SEs surveyed shifted operations to produce personal protective equipment or PPEs such as face masks/shields, etc. A group of women sewers in Rizal, for instance, saw the opportunity and resorted to sewing facial masks and producing soap through the support of its NGO partner, ECOWEB. The masks and soap were then bought by ECOWEB for the hygiene kits distributed as relief. Two more NGOs supporting women sewers also relayed how the women transitioned to facial mask production. Meanwhile, the Salay Handmade Paper Industries, Inc. (SHAPII) raised the production of facemasks to a higher level by shifting from producing handmade and eco-friendly paper to manufacturing PPEs using abaca fiber.



Meanwhile, Bote Central has launched a new coffee product that is totally different from the specialty, high-end coffee that the company is known for. It saw the pandemic as an opportunity for the poor and marginalized to try its “masang-masang” instant/powdered brewed robusta coffee that is three times more affordable than the leading brand of instant coffee in the market. Through the use of advanced technology, Bote Central has been able to produce the instant brewed coffee with no additives, flavorings, or aromatics, hence it is much healthier. Because the buying capacity of the masses has diminished even more with the pandemic, Bote Central is hoping that they are more open and willing to try a generic and much cheaper instant coffee. It has marketed/supplied the new product by bulk to entrepreneurs, NGO partners, and government agencies.

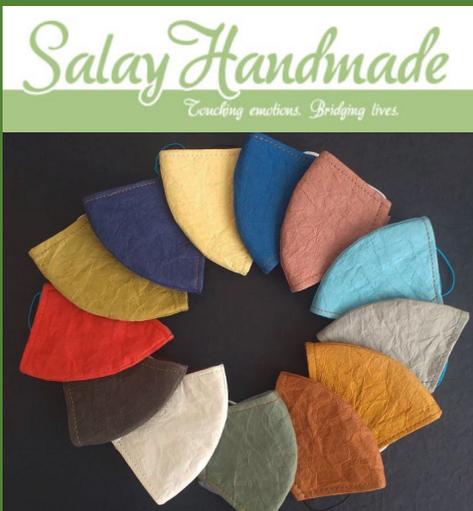


Photo Courtesy: FPSDC Website

On the other hand, MAD Travels, a company providing both educational and travel packages that benefit IPs and farmers, opted to focus on education by selling online education packages. Its online experiential learning and volunteering programs directly connect participants to meet ‘real life’ social entrepreneurs. Meanwhile, the company sold its tree-planting services and expanded its support to Pangasinan fishery workers by marketing and distributing their products. From this expansion, a totally new direction has been taken by the company, adopting a new initiative called MAD Market, which seeks to support local farmers during the pandemic by buying fresh fruits and vegetables from them and delivering such to people’s doorsteps. Most of the produce are sourced from Benguet, Mountain Province, and Rizal. Moreover, small and home-grown bakeries have been tapped to serve as suppliers for delivering baked goods as part of their delivery packages.

Similarly, Circle Hostel, a tourism-based SE, built strategic partnerships with new suppliers such as a cake supplier, a kesong puti processing company, and a vegan ice cream maker. It used its database to market these new product lines. On the other hand, Messy Bessy, a social enterprise that produces environment-friendly home and personal care items, rebooted the organization's marketing by focusing on larger sizes of sanitation products. At the same time, it introduced new products, such as fruit & veggie sanitizing wash, as well as industrial cleaners for offices. Given the strong demand for these products, they are looking into enhancing their resellers' program by simply going with the flow in terms of the opportunities.

Aside from innovations in its processes, HealthDev Clinic has invested in computer tablets to open up telemedicine through the online platform, Zoom. Such minimizes the health risks for both patient and doctor. Payment for such was made through online platforms such as GCash. At the same time, the clinic has intensified the marketing of its flu shots, even offering home service for the vaccination.



Product Innovation

From world-class handmade stationery products to world-class, environment-friendly face masks

Face masks made of abaca fiber with filtration rate seven times better than cloth masks and lower water absorption than N95 masks

Process Innovation

- ▶ Use of digital technology and social media for connection, coordination, marketing and delivery
- ▶ coop-to-coop trading, coordination and support
- ▶ strengthening of local markets

SE Model Innovation

- ▶ Shifted from conventional microfinance to social microfinance, veering away from using loans as a development tool
- ▶ Capital is infused to members' livelihoods rather than loans, eradicating accrual of interest during the crisis
- ▶ Portfolio at risk ratio is 8.5% at a time when the industry suffers as much 70% portfolio at risk.
- ▶ Experienced unprecedented growth increasing its membership from 6,300 to almost 10,000 since the pandemic began



Social Enterprise Model Innovations

Social enterprise model innovation entails changes in aspects in which the product or service is brought to market, as well as adjustments in the way SEs address the different poverty groups they serve. In the case of CalaBoo, a company supporting smallholder dairy farmers and women’s groups, the pandemic became an opportunity to improve its operations and fully implement its original 2016 SE model of “farm to fridge” milk subscription through online and retail outlets. Prior to the pandemic, CalaBoo heavily relied on the Philippine Carabao Center (PCC) for its supply of milk and dairy products. Calaboo was not able to apply its farm to fridge design as it had no control over the demand/market and logistical services were not yet available for household delivery at that time. With COVID19, the demand for milk has increased and most of PCC’s milk supply has been committed to food service, institutional clients, and regular resellers, who order by bulk. As a result, CalaBoo had to find ways to get additional milk supply directly from dairy farmers who could not transport their produce due to travel restrictions. PCC provided support in the process by helping CalaBoo acquire the necessary permits and linking it to organized dairy farmers. CalaBoo also focused on helping these farmers set up facilities for milk production and increase their stream of income. It also utilized the pandemic to train its workers, mostly women/mothers covered by the Pantawid Familyang Pilipino Program (4Ps), on processing quality dairy products, bookkeeping, and financial management. It also trained “riders” or logistics handlers on proper food handling, especially since dairy products are perishable products. With its supply of milk assured, CalaBoo has been able to apply its farm-to-fridge milk subscription, with more control of the market as they now have regular household subscribers to their milk and dairy products.

Exemplifying a social enterprise model innovation is the initiative of the Social Enterprise Development Partnerships, Inc. (SEDPI) in microfinance. During the pandemic, SEDPI shifted from conventional microfinance to social microfinance where the primary strategy is to veer away from using loans, debt, or credit as a development tool. SEDPI’s integration of government economic welfare programs such as PAG-IBIG and SSS in its social microfinance program also enabled its members to access social safety nets previously unavailable to them. Because of these innovations, SEDPI has a much lower portfolio at risk rate compared to others in the industry.



Pre-COVID SE Innovations/ Models Proven More Relevant with COVID

FPSDC intends to pursue its pre-COVID19 programs intended to strengthen the sustainability and innovations of primary cooperatives. The prototype for FPSDC’s social franchising endeavor, Handholding in Viable Enterprises (HIVE), is already on-going. It is intended for farmers who are not naturally entrepreneurial, hence in need of handholding until they achieve empowerment. The package includes processing site construction, improvement support, transfer of production techniques and technology, business development support (training, standardized operation, equipment and other logistical support, accreditation), marketing of produce, and financing and insurance. The initial products for the prototype include coconut sugar and black garlic. FPSDC is still developing the model to ensure that the learning by other interested cooperatives will not be so difficult. Related to this endeavor, is the Youth Leading in Enterprise and Agriculture Development (YLEAD) Program. It seeks to encourage the youth to engage in viable and sustainable agri-enterprises; address the problem of aging farmers; and develop and innovate viable and sustainable products. The program is a three-month certificate course in partnership with an endorsing coop, Xavier University, and other organizations. There have been initial talks with TESDA regarding certification of graduates. The idea is to teach the essentials of social entrepreneurship to students who, at the end of the course, will come up with their own product and offer their business pitch. The best pitch will be provided with capital to start up the business. This program has been temporarily sidelined while awaiting Xavier University’s preparations for its “new normal” arrangements and blended learning in its courses.

ATFI’s local economic development endeavors are likewise being intensified through the promotion of community-owned and managed food-based enterprises, anchored on a sustainable agriculture program that promotes food security/sovereignty and addresses climate change impact. The foundation has engaged farmers in capacity development endeavors toward this end. Community-based SEs owned and managed by agrarian reform beneficiaries (ARBs) are being strengthened to supply raw and processed food to the local market. Linkages with local and national government agencies are being maximized to acquire the necessary machineries, equipment, and facilities to make the SEs become more efficient in food production and processing. To support the SEs, sustainable agriculture endeavors are being pursued, especially since the impact of the pandemic has highlighted the need for local food security. Since most of the ARBs are sugar cane farmers, ATFI has already initiated food crop diversification with the farmers, as well as the integration of climate change adaptation and mitigation measures in the farming systems.

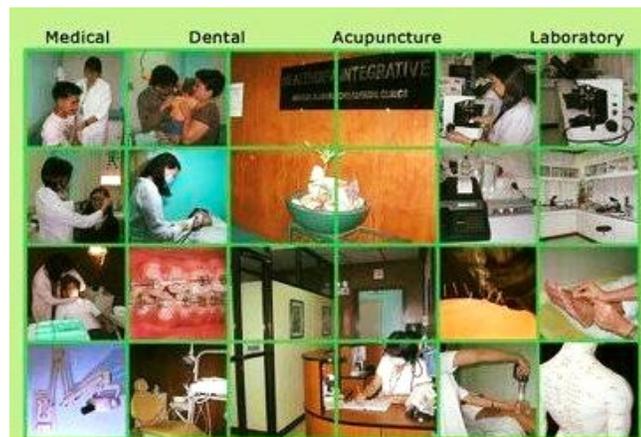


Photo Courtesy: SHAPII



Photo Courtesy: AGREA



Photo Courtesy: ATFI



Photo Courtesy: Bote Central



Photo Courtesy: Bote Central

Another pre-Covid innovation that is even more relevant now is Bote Central and Philippine Coffee Alliance’s (PCA) Kape’t Buhay (Coffee for Life). Kape’t Buhay advances agricultural entrepreneurship among coffee farmers, women and youth towards establishing and strengthening community-based coffee enterprises (CBCEs) as key actors in the Philippine coffee value chain. Through the support of Forest Foundation Philippines, the program has already transformed farmers into agri-entrepreneurs that supply their produce to CBCEs. The Kape’t Buhay framework includes innovative and novel components⁶ such as: (1) Filipino-patented coffee roasting technology; (2) onsite, hands-on “coffee doctors” who mentor and coach clustered farmers on sustainable agro-ecological methods; (3) procurement fund for CBCEs; and (4) regional expansion & modernization set-up of private bulk roasting facilities to consolidate and market farmers’ coffee produce.

The pre-COVID SE innovations/models proven more relevant with COVID19 could likewise help provide an enabling environment for the youth to engage in sustainable agriculture and SEs. By ensuring that such models are viable, it could encourage greater youth participation. EVPRD, for instance, related how one abaca woman farmer whose husband and son were working in Manila as construction workers, was able to convince both to return to Northern Samar to engage in abaca production. EVPRD believes that this will eventually become the trend as more youth would be encouraged to stay (or return for those who have left) because the Biodiversity-Friendly Social Enterprise (BDFSE) model it has advanced with its partner, Centralized Farmers Association (CEFA), is proving that farming could be more profitable and sustainable.

Effects of SE Responses and Innovations on the Poverty Sector

While poverty sectors were severely affected by the pandemic, the ones served by SEs have coped better. As discussed in the previous sections, SEs have adjusted their operations and products to provide technical, material, financial, information, and logistical support to the poverty sectors. These include provision on relief goods and cash assistance, orientation on the pandemic, coordinating with LGUs to ensure that the sectors can access government relief and support, loan payment moratorium for micro-entrepreneurs, and adopting innovations in the SE products, processes, and business model to ensure that the poverty sectors are still supported.

As a result of the efforts of SEs, sugarcane farmers were still able to harvest and start production activities, as well as benefit from the vegetables produced out of their sustainable agriculture and diversification efforts. The products of IP farmers were still bought and processed for longer shelf life. Similarly, new market and distribution channels have been established to ensure that farmer' produce and fishers' catch were bought. Meanwhile, the workers were still provided with salaries even if such were reduced; others were able to access funds from the savings they availed through their SEs. Most cooperatives likewise distributed a portion of dividends to members to help the latter cope. The entrepreneurial poor were provided moratorium for their loans. Moreover, persons with disabilities were provided with livelihood. Moreover, these sectors were assisted in accessing local and national government support for relief, response, and recovery efforts.

As a result of pre-COVID and COVID-19 interventions and support of SEs, the poor they serve have coped much better than those without SE support.



Response of SE Resource Institutions

Immediate Responses

Redefining Approaches and Models. Resource institutions are reviewing their directions and strategies given the changing landscape in trade and value chains, as well as in the overall impact of the pandemic in the country. While they affirm their mission and long-term strategies for the SE sector, they are in the process of redefining their approaches and models so that they could provide appropriate support to SEs and poverty sectors. As one key informant emphasized, “we need to reset!” Resetting means throwing away previous assumptions on SE production, processing, and marketing; helping SE start all over again; and finding new opportunities that could help the sector hurdle the challenges brought about by the pandemic. On the hand, a few key informants stressed the need to redefine their immediate roles given the negative impact on SEs and the poverty sectors they serve.

ATIKHA and PRRM have already assisted their partners “reset” enterprises, which resulted into closure of one SE, intensification of pre-COVID19 operations for another, and pivoting to adapt to the “new normal” for the rest of their partners. Meanwhile, PEF is considering taking on the role of a consolidator to shield its partners from further losses. As a consolidator, it will buy and store the goods of the SEs while the market remains uncertain. It is clear to PEF that its biggest role now is to connect their partners in the rural sector to the market. However, its main concern is the lack of competency in that area.

In terms of operational plans and budget, most key informants have already adjusted their targets this year. Those providing loans to SEs and cooperatives have already lowered their financial projections. All have overhauled their planned interventions to respond to the immediate needs of their SE partners given the impact of the pandemic on them.

Adjusting Monitoring and Evaluation (M&E) System. Resource institutions are in the process of adjusting their M&E system to ensure that transparency and accountability issues are addressed. They are considering partnering with qualified and local-based entities to validate data on SEs applying for assistance, track their progress, and evaluate/audit their performance.



Photos Courtesy: PCW, CARITAS Manila, SDCC

Establishing Health and Safety Measures. Similar to SEs, resource institutions have likewise installed health and safety measures in their offices and operations. They now observe work from home arrangements and operate on skeletal workforce for necessary office undertakings. For those who have to be in the workplace, all are required to use face masks and practice social distancing. The same is required for staff members who need to go on field for unavoidable face-to-face transactions. Examples given by CARD-BDSFI for such transactions include facilitation of the application for Barangay Micro-Business Enterprise (BMBE) registration as most barangays are still not equipped for on-line transactions; linking those in rural areas (e.g. farmers) to key market links as the former do not have the facility for on-line and phone meetings.

Data Gathering. At least seven of the resource institutions gathered data on their partner SEs at least a month after the ECQ was declared. One gathered data monthly from April to June. Such became the basis of their response and adjustments in interventions.

Meanwhile, two resource institutions mapped the government services that their partner SEs and poverty sectors could avail of. ATIKHA, for instance, convened the Southern Tagalog Regional Committee on Migration and Development made up of NGOs, LGUs, and regional government agencies focused on migrant workers (under the Regional Development Council). The Committee mapped all the reintegration services of the national and local government in the region. The Foundation for a Sustainable Society, Inc. (FSSI), on the other hand, mapped all the available government loans and services of government and shared the results with partner SEs.

Financing. Synergy and FSSI are providing stimulus funds for their partners. The one from Synergy is in the form of a grant to provide production stimulus for farmers. FSSI's is in the form of rehabilitation loans for SEs at less than 2% interest its normal rates (but not less than 7%), following a diminishing balance interest rate method. Meanwhile, all the resource institutions providing loans to partner SEs have granted a moratorium on payments, penalties, and interests for at least two months, as well as restructured the loans. In terms of loan releases, PEF consulted SE partners if they want their loans released or not given their current conditions.



Photo Courtesy: ATFI



Photo Courtesy: LPMPC



Photo Courtesy: LPMPC

Supporting SEs towards Recovery

Assisting Partners in Strategizing and Pivoting. Five of the resource institutions are helping their partner SEs assess their business models, come up with strategies given the changing landscape, and/or transform their enterprises to better adapt to the impact of the pandemic. Agriterra, an international resource institution serving agricultural cooperatives, is already assisting its partners set up a resiliency fund. The fund is intended to ensure that the coops have easy access to funds when disasters occur.

Capacity Building to Help SEs Adjust to the New Normal. ATIKHA plans to launch a webinar to enhance the capacity of SEs to access soft loans from government and other resource institutions. FSSI is in the process of training 20 partners on maximizing online platforms for communication and marketing, as well as security measures to protect computer software and online accounts.

Trias Southeast Asia Programme Officer Elvie Gayosa articulated that they are assisting their partner cooperatives and associations “...to support their members by refraining from doing retrenchments and recalibrating their approach via trainings to promote alternative livelihoods and food security to adapt to the ‘new normal’ way of life.”

Mentoring Potential SEs. ATIKHA has launched a mentorship program that mobilizes mentors, finances, technical assistance, and other resources from the public. It involves the national and local government, OFW organizations, CSOs, development agencies, and the private sector “to provide integrated services to the repatriated OFWs affected by the pandemic while promoting volunteerism among Filipinos to help repatriated OFWs succeed through sustainable jobs or business in the Philippines.” The idea is to have a mentor/ volunteer guide the OFW in her/his efforts to set up an enterprise.

Livelihood Assistance for SE Members. FTI sought assistance from its funding partners to provide livelihood opportunities to prioritized members of cooperatives that have ceased operations since the ECQ was declared. While the funds were not sufficient to cover all those in need, it was able to support livelihood efforts that can be done inside the house -- backyard gardening, cooking, livestock raising. Four individuals were provided with an on-line job to promote the products and services of the cooperative. A small amount also went to persons with disability who urgently needed medicines. A cash assistance amounting to Php10,000 was also given to partner cooperatives.

Digitalization and On-line Services. Resource institutions are converting their training modules to online training. However, one resource institution emphasized the need for the development of printed materials that communities can have access to. Resource institutions are also helping partner SEs to shift to digital marketing and transactions (e.g. application of loans, approval of loans, payments and mobile banking, marketing of products in online platforms, etc.)

Working with Government to Reinforce Support for SEs and Poverty Sectors. ATIKHA harnessed its strong links with national government agencies and LGUs to launch a new program intended to support livelihood and enterprise initiatives for repatriated OFWs. ATFI and PRRM likewise linked its partners to DA for stimulus funds, through local/regional government units. CARD-BDSFI intends to tap DTI for its shared service facility for drying fish. PEF joined a loose network of business organizations, CSOs, CSO leaders, and young professionals called COVID19 Warriors. The network combines the efforts of the private sectors with the government to help address COVID-19-related concerns. The group has mapped and monitored the needs in urban areas. It lobbied with DSWD to influence the IATF to designate logistics/delivery as frontline work so food could be transported. It likewise influenced the same agency and Quezon City LGU to do the same for micro-lenders so capital could be accessed to open up micro-economies (e.g. carinderia). Moreover, the group assigned members on the relief assistance to ensure that efforts from the private sector are complementary (e.g. feeding programs, providing food to quarantine facilities, etc.).

Towards Building Back Better and Fairer

Enhancing Resilience, Food Security and Community Markets. While focusing on food security and market access in assisting their partner cooperatives and associations respond to the pandemic, Trias Southeast Asia facilitated a dialogue with them to promote a perspective of building back better focusing on “rebuilding more sustainable models”. Such was reflected in the way Trias Southeast Asia supported their partners through three interconnected strategies: diversification of products and alternative livelihood development that included food and health essentials; development of community markets and tri-mobile stores complemented by the use of digital technology, internet and social media for marketing and service delivery; and the provision of financial and social protection support through interest-free loans and stimulus funds as well as the setting up of an enterprise recovery fund providing interest-free loans.

With the support of Trias Southeast Asia, their partner cooperatives undertook agricultural training that supported vegetable production and food security at the household level. Seed banking was set up to secure their future seed supply. With Trias Southeast Asia support, partner cooperatives organized the purchasing and distribution of product surplus linked to their existing business models. Concretely, Labo Progressive Multi-Purpose Cooperative (LPMPC) and Camarines Norte Federation of Cooperatives (CANOFECO) brought the market at their members’ doorstep by selling vegetables, fruits, and eggs along the way through mobile stores. Similarly, local community markets were set up by Gubat Saint Anthony Community Cooperative (GSAC) and San Dionisio Credit Cooperative (SDCC). Trias supported the entry of Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas (PATAMABA, the National Network of Homeworkers) and LPMPC in the social media market. Pecuaría Development Cooperative, Inc (PDCI) and LPMPC, and Tao-Kalikasan Foundation of the Philippines (TKFPI) ensured the continuous purchasing of members’ products while strengthening and establishing new market links. PATAMABA, SDCC and Talisayon Multi-Purpose Cooperative (TAMUCO) members, deprived of their pre-Covid livelihoods, were provided with livelihood training and start-up capital to be managed as revolving funds in anticipation of future disasters.





Photo Courtesy: BGMPC Facebook Page

Models for Value Chain Strengthening. Cooperatives play a big role as SEs in agricultural value chains. Agriterra, with its cooperative partners, have endeavored to craft interventions focused on agricultural value chain development that could be integrated in the long-term efforts of cooperatives as key stakeholders. The intent is to support farmers and expand their markets through coop-to-coop trading during the pandemic and beyond. Coop-to-coop trading promotes mutual cooperation between and among cooperatives with coops and their members as the main stakeholders. The more developed model is producer coop-to-marketing coop partnership where a producer coop supplies agricultural goods to marketing coops that the former would not have supplied before the crisis (e.g. a coop in Cagayan Valley delivering rice to a marketing coop in Rizal; a coop in Baguio trading with another coop in Batangas). Three other models are still evolving and being studied: (1) a producer coop supplying food to the members of credit and savings coops (members as market, especially in urban areas like Metro Manila where market coops are very few but credit and saving coops abound); (2) a producer coop supplying the clients (retailers and wholesalers) of credit and savings coops (clients as market); and (3) a producer coop supplying goods to the members of different cooperatives so the latter could sell the items to their community (members seeing the opportunity for livelihood by selling the producer coop's yield). The resource institution is studying these models, gathering actual trading results during the pandemic, to determine which model could be sustained over the long-term. CARD-BDSFI intends to continue linking its micro-entrepreneur partners to well-established SEs/traders but such would be limited at the local level. The uncertainty of when an area will be placed under lockdown has made partnerships with outside traders risky. Hence, limiting the partnership within a locality reduces the risk. Another ideal partner being eyed are the LGUs and government agencies which would serve as traders and distributors of the goods. PEF is leaning towards the model of directly linking the producers to the buyers/consumers. Given the restrictions and limitations, such a model is already being applied in two ways: one is for LGUs, in partnership with other stakeholders in the locality, to establish a central buying station where producers could bring their goods and consumers could directly buy from the producers. Such entails developing mechanisms for logistical support (e.g. transportation) and safety measures (e.g. social distancing). Another way is through e-commerce similar to the “Fish Tiangge” established by Silliman University (SU) in Dumaguete. SU developed a Facebook page for fishers to sell their catch online and directly connect with buyers within Negros Oriental.



Affirming and Pursuing Pre-Covid19 Sustainable Solutions. Tambuyog, an NGO engaged in the development of fishery-based social enterprises, is focused on its pre-pandemic goal of fishers accessing productive fishery resources under asset reform. This involves accessing areas designated for fishpond development that are considered abandoned, under-utilized, or underdeveloped (AUU). Through tenurial instruments, fishers could then engage in sustainable aquaculture which is mangrove-based and using mangrove-friendly culture methods. Such will entail partnerships with DA, LGU, CSOs, and the private sector through their corporate social responsibility (CSR) arm, as well as organizational and technical support to help the fishers manage their enterprises. In this way, fishers learn to be entrepreneurs while creating wealth and protecting the environment.

The impact of COVID19 has likewise affirmed the importance of sustainable agriculture-based social enterprises such as biodiversity-friendly social enterprises (BDSFEs) promoted by EVPRD in forest/upland areas promoting climate-resilient and diversified native indigenous trees and crops; small farmer-based agroecological/ regenerative agriculture systems advanced by IIRR; and community-based seed banking of OPV and inbred seeds linked to seed to table social enterprise systems espoused by PRRM. PRRM and ECOWEB are also promoting urban gardening among partners with the intent of transforming it to SEs even prior to COVID19. But the impact of COVID19 made it easier for them to convince their partners of the importance of such an endeavor. Not only would it ensure food on their table, they could also market excess produce.



Two other organizations supporting SEs with members who have limited access to food are engaging them in urban/backyard gardening. Tambuyog is assisting cooperatives in fishing communities while FTI has promoted a similar endeavor for its partner cooperatives in Eastern Samar. The intent is to ensure that there is food on the table for SE members.



Collective Response of the SE Sector Towards Inclusive Recovery

Engaging Government

The Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition, an alliance of social enterprise practitioners, advocates, NGOs and members of the academe advancing social entrepreneurship as an approach to poverty reduction, has intensified its efforts to engage the two branches of government: (1) Congress/legislative, through the House of Representatives and the Senate; and (2) the Executive Branch of national government and local government units (LGUs).

PRESENT has lobbied Congress to fast-track the enactment of the PRESENT Bill that has been pending in Congress since 2012. If approved into law, it would institutionalize recognition of and support for SEs. In June 2020, a new stakeholders version of the PRESENT Bill was released by the Coalition to already include provisions on resilience and preparedness of the social enterprises for disaster risk reduction and management as well as the social enterprise recovery and rehabilitation fund. It has released statements calling the two houses of Congress and executive branches of government to pass the bill. The Coalition believes that having the bill passed will recognize and support SEs as partners of government in economic recovery in the face of COVID19. It will likewise strengthen SEs as partners of the marginalized in building back better in the pandemic's aftermath.



Photo Courtesy: PRESENT Coalition

At the same time, the Coalition held dialogues with government line agencies to explore Social Enterprise Stimulus Packages and Programs as a strategy to support the recovery of the poor and marginalized sectors who have been hit the most by COVID-19. As a result of these dialogues, PRESENT unearthed COVID19 government programs and services that SEs could avail of for recovery and build back better initiatives (please refer to Annex 3). At the same time, the Coalition was able to negotiate with these line agencies to pilot and mainstream support initiatives dedicated to SEs. Specifically, it was able to to solicit the following support from DA, Department of Agrarian Reform (DAR), Department of Education (DepEd), DTI, and DSWD:

Department of Agriculture (DA)

- 1 Piloting of SE recovery initiatives through agricultural value chain development focused on high value crops, coffee and abaca.
- 2 Developing a course on social entrepreneurship with the Agricultural Training Institute (ATI).



Department of Education (DepEd)

- 1 Partnership with SEs through the Alternative Learning System Education and Skills Training (ALS-EST) as a venue for decent work and SE development. ALS-EST organizes its graduates into a cooperative or enterprise to serve as contractors for repair and rehabilitation of school facilities or suppliers of school furniture through the Community Procurement Process. SEs, through the PRESENT Coalition, could facilitate the integration of SE in the ALS-EST Curriculum towards organizing the learners into an SE.

While the prohibition of face-to-face learning has put ALS-EST on hold, DepEd will try to seek an exemption of the program because of its community-based context. For its part, the Coalition could tap community-based NGOs and SEs that can serve as local partners. Once the ALS-EST Program is back on track, it could potentially engage the close to 4 million youth recently reported by DepEd to have failed to enroll in formal school due to COVID-19 crisis.

- 2 Piloting a teachers' training on SE through the National Educators Academy of the Philippines (NEAP), with PRESENT as a learning service provider. The coalition or its member/s could submit a training course proposal for accreditation.

Photos Courtesy: PATAMABA Website, FPSDC Website, Bote Central



Department of Trade and Industry (DTI)

- 1** Tagging of SEs when they register or avail of the Department's services. To assist DTI in this endeavor, the PRESENT Coalition shall operationalize the definition of SE from the PRESENT Bill and provide a checklist of its features, which shall serve as basis for tagging. Such will help provide rich data on SEs and recognize/mainstream the sector.
- 2** Hosting a virtual trade fair for SEs to help create consciousness of the SE sector while assisting them market their products in the time of pandemic.
- 3** Hosting an e-forum for the Coalition on how SEs can contribute in the recovery of the country and build back after in the aftermath of the pandemic.

Department of Social Welfare and Development (DSWD)

- 1** The Sustainable Livelihood Program (SLP) is a potential platform for SEs and poverty reduction. The program possesses the potential to create SEs that are owned and managed by the poor as the beneficiaries are drawn from the Pantawid Familyang Pilipino Program (4Ps) and Listahanan national household targeting registry.
- 2** Procuring goods from SEs through the Community Procurement Process and Enhanced Partnership Against Hunger and Poverty (EPAHP).

With the Department of Agrarian Reform (DAR) as key proponent, EPAHP links farmers' organizations with institutional feeding programs of government in order to increase agricultural production and provide more income to farmers, all aimed at addressing hunger (e.g. food for persons deprived of liberty, patients in government hospitals, children in day care centers, students in schools, etc.), local cooperatives and other agriculture based SEs could take advantage of the EPAHP.

Department of Agrarian Reform (DAR)

- 1** DAR has a program called "ARBold Move to fight COVID-19" and redirected the budget for Social Infrastructure Building and Enterprise Development and Economic Support. This includes market matching, productivity assistance (seeds, fertilizers), livelihood assistance for women (priority for single parents, PWDs, etc.), and food pack distribution.
- 2** The Department also leads the Enhanced Partnership Against Hunger and Poverty (EPAHP). It links agrarian reform beneficiaries to institutions as hospitals, jails and LGUs as markets.



Photo Courtesy: BGMPC FB Page

Multi-Stakeholder Platforms for Inclusive Recovery and Achievement of SDGs

The Institute for Social Entrepreneurship in Asia (ISEA) together with partners have developed platforms to directly contribute to the nine Sustainable Development Goals linked to pandemic recovery, namely no poverty, zero hunger, decent work and inclusive growth, health and well-being, reduced inequality including gender equality, responsible consumption and production, climate action, peace justice and strong institutions and partnership for the goals (Goals 1, 2, 3, 8, 10, 12, 13, 16, and 17). These multi-stakeholder platforms are as follows:

- ▶ **Women's Empowerment, Livelihoods and Food in Agricultural Value Chains (WE LIVE FOOD in AVCs)** - the most developed of the platforms led by ISEA together with the Centre for Social Initiatives Promotion (CSIP) in Vietnam and Bina Swadaya in Indonesia
- ▶ **Decent Work for All in Sustainable Value Chains (DW4AllinSVCs)** - led by the World Fair Trade Organization Asia (WFTO-Asia) and the Asia South Pacific Association for Basic and Adult Education (ASPBAE)
- ▶ **Rural Revitalization, Youth and Social Entrepreneurship** - led by Sources for Action in China and the Philippine Rural Reconstruction Movement (PRRM)
- ▶ **Health for All** - led by Yayasan Dompot Dhuafa in Indonesia and the Suham Trust in India
- ▶ **Technological Innovations for Sustainable Development** - led by ISEA and Chappie Tech of Hongkong

These platforms were launched during the Social Enterprise Advocacy and Leveraging Asia (SEAL Asia) Conference in September 2020. The SEAL Asia Conference builds on ongoing social entrepreneurship initiatives and the interest of various sectors around these themes to harness collaboration to ensure the recovery of the SE sector amid COVID-19 towards leaving no one behind in building back fairer towards contributing to the the nine SDGs for pandemic recovery.



All the five collaborative initiatives have the following objectives:

- serve as a platform for learning exchange and building a community of practice around inclusive recovery and building back fairer;
- serve as cooperation platform to synergize and project their collaborative impact in achieving inclusive recovery, building back better and contributing to the 9 SDGs relevant to pandemic recovery;
- serve as collaborative platform to develop and advocate changes in government policy and programs that promote inclusive recovery and building back fairer;
- serve as collaborative platform to develop partnerships and generate resources and support from the business sector, financial institutions, social investors, national governments and intergovernmental bodies to sustain and broaden the outreach and impact of the platform as a means of implementation for the achievement of the 9 SDGs relevant to pandemic recovery.

Lastly, the Social Enterprise Recovery Initiative (may be program or fund) is a cross-cutting effort led by the PRESENT Coalition in the Philippines. Cooperation and synergy efforts of social enterprises and social enterprise resource institutions with the business sector, government, multilateral agencies and civil society stakeholders are being explored.



This learning brief details the responses and innovations of social enterprises (SEs) and resource institutions during the COVID-19 health pandemic. The paper highlights the SEs' immediate responses and changes in their product and processes, and the effects of these on the poverty sector they serve. Towards the end, the paper shows the ways in which resource institutions, the SE sector, private sector partners and the government can help towards inclusive recovery and building back better and fairer.



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