

ASIAN DEVELOPMENT BANK

JFPR: PHI 36021

GRANT ASSISTANTCE
(Financed by the Japan Fund for Poverty Reduction)

TO THE

REPUBLIC OF THE PHILIPPINES

FOR

SOCIAL PROTECTION FOR POOR WOMEN VENDORS

IN MINDANAO CITIES

To be implemented in conjunction with
Loan 1843-PHI: Mindanao Basic Urban Services Sector Project

August 2002

CURRENCY EQUIVALENTS

(as of 15 July 2002)

| | | |
|---------------|---|-----------|
| Currency Unit | - | peso (₱) |
| ₱ 1.00 | = | \$ 0.0198 |
| \$ 1.00 | = | ₱ 50.04 |

ABBREVIATIONS

| | | |
|--------|---|--|
| ADB | - | Asian Development Bank |
| BME | - | benefit monitoring and evaluation |
| DILG | - | Department of Interior and Local Government |
| DSWD | - | Department of Social Welfare and Development |
| GFI | - | government financial institution |
| JFPR | - | Japan Fund for Poverty Reduction |
| LBP | - | Land Bank of the Philippines |
| LGU | - | local government unit |
| MABS | - | microenterprise access to banking services |
| MBUSSP | - | Mindanao Basic Urban Services Sector Project |
| MFI | - | microfinance institution |
| NGO | - | nongovernment organization |
| PIO | - | project implementation office |

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to the US dollars.

CONTENTS

| | Page |
|---|-------------|
| I. INTRODUCTION | 1 |
| II. BACKGROUND AND RATIONALE | 1 |
| III. THE JFPR PROJECT | 2 |
| A. Objectives | 2 |
| B. Scope | 2 |
| C. Costs, Financing, and Funds Flow | 4 |
| D. Implementation Arrangements | 5 |
| E. Poverty Reduction Impact | 7 |
| F. Risks, Assumptions, and Assurances | 7 |
| IV. THE PRESIDENT'S DECISION | 7 |
| APPENDIXES | |
| 1. Project Framework | 8 |
| 2. Project Structure | 10 |
| 3. Profile of Poor Women Vendors in Mindanao | 11 |
| 4. Sample Basic Training and Information Modules and Seminars | 13 |
| 5. Microfinance Networking for Mindanao's Poor Women Vendors | 15 |
| 6. Summary Cost Estimates | 17 |
| 7. Funds Flow Arrangements | 18 |
| 8. Eligibility and Selection Criteria for LGUs and NGOs | 20 |
| 9. Implementation Arrangements | 21 |
| 10. Poverty Impact Assessment | 22 |

I. INTRODUCTION

1. The Government of the Philippines has requested the Asian Development Bank (ADB) to prepare, through the Japan Fund for Poverty Reduction (JFPR), an innovative poverty reduction project to pilot social protection for poor women traders at selected public markets in Mindanao. The Project was prepared through a participatory process involving the stakeholders. This report is based on the findings of the Appraisal Mission and understandings reached during a regional workshop with representatives from local governments units (LGUs), nongovernment organizations (NGOs), microfinance institutions (MFIs), and the Department of the Interior and Local Government (DILG) on the project objectives, scope, implementation arrangements, and cost estimates. The Government concurred with the project concept on 12 December 2001.¹

II. BACKGROUND AND RATIONALE

2. Although the Gender-Related Development Index puts the Philippines in the middle class of development, ranking 62nd out of 132 countries², wage rates for women generally are one half of those of men. Only half of the female labor force of about 12 million is gainfully employed, over three million of these in subsistence self-employment. Most Filipino women still suffer from a dearth of economic opportunities and the lack of social protection that would enable them to fulfill their multiple roles in society more efficiently.

3. ADB has approved the Mindanao Basic Urban Services Sector Project (MBUSSP),³ which will provide basic urban services for two million urban residents, a third of whom live below the poverty line. Mindanao is the Philippines' second largest island but still the poorest, with an average poverty incidence of over 50%. The MBUSSP will restore and upgrade urban infrastructure such as water supply and sanitation, drainage and flood control, and solid waste management facilities, as well as roads, bridges, and public markets. However, since urban infrastructure, by virtue of being a public good, serves the general public, the MBUSSP is not specifically targeted at poor women and their social protection.

4. About 20% of project investment under the MBUSSP is expected to go into public market facilities and infrastructure. Public markets are hubs of economic activity in the urban areas and surrounding regions. People from urban and rural areas, whether formally employed or self-employed in the informal sector, come to public markets to buy and sell goods. Because large volume of production and distribution of goods and services clear through these markets which function with few barriers, they provide self-employment opportunities for informal sector workers—even those constrained by limited resources and capital, both physical and human, and expertise.

5. More than 80% of vendors in public markets are poor women, most of whom can barely afford to pay for regular market stalls and have no access to affordable credit and a supporting network. Earnings are just enough to cover their most basic needs. Women in the informal sector live in substandard conditions, work long hours, and are largely unprotected against health and safety risks. Women of all ages engage in market activities, often while taking care of

¹ The proposed Project first appeared in ADB *Business Opportunities* advertisement on 18 April 2002.

² United Nations Development Programme. *Human Development Report 2001*. The index values were derived from data based on an individual's life expectancy at birth, the adult illiteracy rate, the educational enrollment ratio of the female population, and disparities in estimated earned income between females and males.

³ ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Land Bank of the Philippines in the Philippines for the Mindanao Basic Urban Services Sector Project*. Manila.

their children. It is irregular work with no social protection or organized support, and the children are exposed to an unsafe environment. Role stress from the conflicting demands of time, energy, and economic needs is a constant for these poor women, who must contend as well with the lack of adequate infrastructure and proper supporting environment.

6. Women are disproportionately burdened with the hardships of poverty because they are expected to earn and at the same time to bear and rear children and perform household chores. These multiple roles force tradeoffs: women find they must sacrifice outputs from one role in order to increase outputs from another. To earn more, for example, they often have to sacrifice homemaking or caretaking or even their own health. But the gains are usually marginal and, despite the sacrifices, the women remain poor because of low productivity.

7. Development assistance for poor women must pay special attention to these multiple roles and create an enabling environment. Most development assistance is gender neutral, providing improved infrastructure that are not targeted to meet the particular needs of poor women in the informal sector. Attempts to strengthen a particular subsector or particular role, such as maternal and child health, or women's reproductive health care, or education for women, or stand-alone microcredit programs for women, and are also not specifically designed to address the special needs of women in the informal sector in the context of their multiple roles.

8. The JFPR Project responds to the challenge of helping poor women vendors overcome the constraints of performing multiple roles and balancing use of time that keep them from participating fully in development and fulfilling their economic, biological, and cultural roles. The issues are not merely economic but relate as well to the division of social safety net. They call for innovative interventions that will address these interrelated issues and the multiple roles of women while increasing their capital and knowledge assets and giving them access to a social safety network.

9. The Project aims to focus its activities in eight public markets selected from about 40 cities and towns that will benefit from the MBUSS. It will pilot and demonstrate innovative approaches to establishing appropriate economic and social support programs, provide lessons, and strengthen the design of future interventions for women in public market facilities in the other cities and towns covered under the MBUSSP.

III. THE JFPR PROJECT

A. Objectives

10. The JFPR Project will contribute to ADB's overarching goal of poverty reduction by complementing the counterpart loan project through piloting and demonstrating innovative interventions designed to reduce the poverty of women vendors in selected public markets in Mindanao. The specific JFPR project objectives are to (i) provide sustainable and gender-sensitive social protection for Mindanao's poor women vendors; (ii) improve the quality of their working environment, given the conflicting demands of their multiple roles and economic needs; and (iii) establish a sustainable framework for gender-sensitive urban services through public markets. The project framework is given in Appendix 1, and the project structure is summarized in Appendix 2.

B. Scope

11. To achieve these objectives, the Project will be implemented through four main components: (i) establishment of sustainable gender-sensitive economic and social support

programs by providing for (a) a resource center, equipped with audio-visual aids and reference materials, to stimulate and improve women's self-help capacities, and (b) support for networking arrangements to increase access to existing microfinance windows; (ii) improvement of the quality of the working environment for poor women vendors by providing (a) day care/drop-in facilities for infants to pre schoolers, (b) basic health care for mother and child services, and (c) washing and storage facilities to support vending activities; (iii) establishment of a framework for gender-sensitive urban services by (a) assessing the lessons learned from the pilot activities, (b) formulation of the framework, and (c) dissemination of the lessons learned to other public markets in the region; and (iv) project management and poverty impact assessment. From among the 40 LGUs participating in the MBUSSP, up to eight public markets will be selected for inclusion in the JFPR Project. Five LGUs⁴ have already expressed their intention to participate in the Project. The poor women vendors targeted by the Project are described in Appendix 3. Experience learned under the JFPR Project will then be incorporated in other sites financed under the counterpart loan. It is envisaged that some more municipal LGUs will then use loan proceeds to scale up the JFPR Project. Paras. 12-15 describe the four components in more detail.

12. Establishment of Economic and Social Support Programs. Resource centers will be established at the selected public markets, equipped with audio-visual equipment, which will facilitate video training on practical entrepreneurial skills, personal and environmental hygiene, nutrition, child care, legal rights, and other common issues. Easy-to-read printed materials will complement the video training. The centers will also provide business development seminars and workshops, and legal experts and paralegal workers will be invited on a regular basis to provide services on women's legal rights. Participating women vendors can improve their entrepreneurial skills and learn how to be more effective economic agents and caregivers through the centers. Brief descriptions of basic training and information modules and seminars are given in Appendix 4. To stimulate this process, special consideration will be given to developing an annual graduation strategy for outstanding women entrepreneurs who improve their incomes and business skills with the support of the resource center. The strategy will ensure that a certain number of women vendors reach the target level of entrepreneurial skills and steady income and, with the help of grants, eventually become independent stallholders or business owners. Graduated beneficiaries will be continuously monitored and provided support through an organized network. In parallel, local NGOs will organize the poor women vendors into associations, primarily to address their key constraint, which is access to affordable credit, since the overwhelming majority of all women vendors (informal as well as formal) are currently forced to resort to moneylenders at exorbitant interest rates, mainly due to ignorance of existing microfinance windows and due to complex and time-consuming bureaucratic procedures. While the JFPR Project will not itself provide microcredit due to the institutional availability of such funds in the Philippines, it will facilitate local NGOs networking with existing MFIs to ascertain their requirements and ensure that the poor women vendors receive assistance to meet such requirements. The microfinance networking activities proposed under the Project are discussed in Appendix 5. The women vendors associations formed under the Project will coordinate a mutually supportive social network and civic consciousness, and will promote continuity and sustainability of economic and social support programs among Mindanao's poor women traders.

13. Improvement of the Quality of the Working Environment. A room, appropriately equipped for drop-in and daycare services, with accompanying facilities for maternal and child basic health care will be provided at the selected public markets. For an affordable fee, the poor

⁴ Parang, Panabo, Gingook, Butuan, and Valencia. Their letters of intent to participate in the JFPR Project are found in Appendix 10 of the Appraisal Mission's Memorandum of Understanding.

women vendors can avail of drop-in and daycare services for their children under the safe supervision of a qualified nurse. This will enable them to focus on their income-earning activities. At the same time, they can also consult with the nurse on basic health issues. Doctors will be invited on a monthly basis to provide further consultation and more specialized care. The running expenses for the nurse/daycare workers and doctors will be borne partly by the participating LGU and partly from the collected fees. Washing facilities and a storage room, and, where required, cold storage facilities, will also be provided to enhance poor women vendors' business activities, since many women sell perishable items such as vegetables and fruits. The physical structures to set up the different facilities, i.e., drop-in/daycare center, maternal and child health care services, the resource center, and the washing and storage facilities, including basic office space, will all be constructed at the selected public markets and dubbed as women service centers. The participating LGUs will appropriate the required lots at their expense, while the expenses for construction, furnishing and equipment of the women service centers will be covered by the JFPR Project.

14. Establishment of a Framework for Gender-Sensitive Urban Services. After assessing the overall processes and impact of the project activities, lessons learned from the JFPR Project will be analyzed and developed into a framework for gender-sensitive provision of urban services through public markets using a participatory process. The lessons learned and the recommended framework will be discussed in a conference/workshop by representatives from Mindanao-based groups including the LGUs, NGOs, MFIs, DILG, the women vendors associations and the Department of Social Work and Development. The proceedings of the conference/workshop will be published, and other relevant information materials will be distributed to disseminate the findings and recommendations of the Project to a broader audience.

15. Project Management and Poverty Impact Assessment. This component will be undertaken by NGOs selected under the JFPR Project, which will ensure a highly participatory management approach that will involve beneficiaries in forming a support network, deciding information needs, and monitoring the relevance and quality of services provided. These NGOs will develop guidelines for poverty impact monitoring and, through local research institutes, conduct independent poverty impact assessments.

C. Costs, Financing, and Funds Flow

16. The Project is estimated to cost \$1,408,000 equivalent, of which ADB will finance \$1.0 million through the JFPR on a grant basis. National Government and LGU contributions are estimated at \$238,800; NGOs at \$144,400; and the poor women at \$24,800, largely in kind. Of the JFPR-financed costs, about 39% will be for the sustainable economic and social support programs component, 37% of the JFPR financed costs for the improved working environment component, 5% for the establishment of framework for gender-sensitive urban services, and 19% for the project management/poverty impact assessment component. The cost estimates are summarized in Appendix 6, and the Funds Flow in Appendix 7. Detailed cost estimates are available on request.

17. The JFPR funds will be channeled from the JFPR account at ADB to an imprest account, which will be handled and maintained by the project implementation office (PIO). The PIO will maintain two sub-accounts, one for financing the various project activities at the proposed public marketplaces, and one for project management under the PIO. In the initial year, the PIO will request ADB's advance approval of the budget and activity plan for 3-month periods of project implementation. In the second and third years of implementation, the budget and activity plans can be approved on a 6-monthly basis. The PIO will disburse JFPR funds to the responsible NGOs or other implementing agencies in each participating city or town upon request and after

receiving the appropriate documents. The account will be replenished and liquidated on the basis of statements of expenditures prepared by the PIO. The maximum ceiling for imprest account is \$100,000 while the ceiling for the statement of expenditures is \$10,000. DILG will provide the counterpart contribution from the National Government (mainly financed from the counterpart fund and in kind). The LGUs contributions will be mainly in kind and as counterpart subloans (such as market construction under subloans, allocation of city or town property for establishing the women service centers, accommodation and use of existing facilities for the local implementation units, and temporary assignment of staff). Participating NGOs/MFIs will contribute mainly in kind to establish MFI networking through the Grameen Bank approach and to administer microcredits. The targeted poor women vendors will contribute mainly in kind plus a nominal fee for the use of facilities.

D. Implementation Arrangements

1. Executing and Implementing Agencies

18. The Executing Agency (EA) for the Project will be the DILG, which will undertake LGU capacity building and provide project implementation support under the MBUSSP. DILG is also the Executing Agency of the MBUSSP. DILG will nominate a JFPR project coordinator from its staff (preferably a qualified woman).

19. An NGO will be engaged for project implementation according to ADB's *Guidelines on the Use of Consultants*. It will operate the PIO and coordinate with the participating LGUs. Each participating LGU will nominate one JFPR focal point from its staff to coordinate closely with the PIO and the MBUSSP project implementation units. Appendix 8 shows the eligibility and selection criteria for LGUs and NGOs.

20. A steering committee will be set up to provide the overall policy guidelines and oversee implementation. Under the leadership of DILG (Mindanao Region), the steering committee will include representatives of regional (and Mindanao-based) government agencies involved in poverty reduction (such as the League of Local Governments, DSWD, and National Anti-Poverty Commission), the participating LGUs and NGOs, women vendors associations, and the management of the selected public markets. The DILG representative of the steering committee will participate the meetings of steering committee for the MBUSSP to ensure close coordination of the two projects. During the first year of implementation, the JFPR Project steering committee will meet 6 months after project start-up and semiannually thereafter to discuss progress and provide strategic guidance and advice. The Project will be implemented over a 3-year period. Project implementation details will be outlined in a letter of agreement to be signed by the Government, ADB, and the selected NGO. Appendix 9 indicates the implementation arrangements for the JFPR Project.

2. Procurement and Consulting Services

21. Any procurement under the Project will be conducted in accordance with ADB's *Guidelines for Procurement*. For the recruitment and selection of the implementing agency, an NGO will be selected by DILG in accordance with ADB's *Guidelines on the Use of Consultants*.⁵ ADB's approval will be required for engaging the NGO. To provide technical or other assistance as may be required, individual consultants will be subcontracted by the implementing agency,

⁵ Effective 1 April 2002, the selection of consultants under ADB's *Guidelines on the Use of Consultants* includes the use of the quality and cost-based selection method, which involves the simultaneous submission of technical and financial proposals and the use of price as an evaluation criterion.

with ADB's approval. During project implementation, the detailed terms of reference for such consultants will be submitted to ADB for approval.

3. Performance Monitoring Indicators

22. Performance monitoring will be conducted at several levels. At the project implementation level, monitoring will revolve around the effectiveness, efficiency, and appropriateness of implementation activities; procurement procedures; achievement of milestones; sufficiency and appropriateness of inputs; and quantity and quality of participation by stakeholders. At the output level, results will be measured in terms of poverty reduction as defined by improved scores on the human development index and minimum basic needs indicators. Monitoring will focus on replicability and adaptability, impact on the LGU, gender-related poverty reduction, and process documentation. Baseline and benchmark tools will be prepared by the PIO, which will engage a local research institute to prepare an independent poverty impact assessment of the JFPR Project. The local research institute will be responsible for the monitoring of poverty indicators.

4. Reporting

23. The PIO, through the DILG, will submit semiannual progress reports to the steering committee and ADB. The reports will summarize financial and physical accomplishments, as well as project impact, as defined by the monitoring indicators described in paragraph 22. The reports will include a description and evaluation of the various activities conducted during the reporting period. Recommended solutions will be identified to address key bottlenecks to implementation. Any major change in scope will be subject to review by and approval of ADB. The PIO, through the DILG, will also submit in advance to the ADB for approval, the budget and activity plans for each 6 months of project implementation. A project completion report will be submitted within 3 months of project close down. This will include the results of the evaluation by all the stakeholders. Annual audits by an independent auditor will be undertaken at the end year 1 and year 2. Audit reports will be submitted to ADB no later than 6 months after the end of each year. The independent auditor will be selected by DILG with ADB's concurrence.

5. Cooperation and Partnership

a. Linkages to the ADB-financed MBUSSP

24. To ensure the conceptual link between JFPR-financed activities and MBUSSP-financed urban services, several conditions have been built into the eligibility and selection criteria (Appendix 8). Specifically, the proposed JFPR activities must be implemented (i) only in MBUSSP pilot subprojects with a public market component, or in municipalities whose local governments have expressed interest in availing of MBUSSP financing to construct or rehabilitate their public markets; and (ii) by LGUs willing and committed to assess and disseminate lessons learned from the Project for replicability in future MBUSSP public market subprojects. The lessons learned from this JFPR Project will then be adopted in future MBUSSP subprojects in other cities and towns that are planned for implementation during the latter period of the counterpart loan, since JFPR will pilot only in eight public markets, and the demand for improved public market facilities is already three times this number.

b. Civil Society and NGO Involvement

25. The nature of the JFPR Project requires intensive involvement of NGOs and civil society groups. DILG and the participating LGUs emphasize the need for a highly participatory approach among the local stakeholders and civil society groups, since they recognize their own

limitations when it comes to providing the appropriate human resources and expertise in this field. A highly competent regional NGO will, therefore, manage the whole Project and implement the specific components, in close collaboration with the relevant divisions and units from the regional government and the LGUs, and local NGOs. Relevant community-based organizations such as the market vendors associations and federations, women's cooperatives, and bank and nonbank MFIs will be involved from the beginning to guarantee sustainability.

c. Sustainability

26. By project completion, the women vendors' associations will have been organized and developed to promote continuity and sustainability of the economic and social support programs. The appropriate user fees (which can vary from P5 to P20 per week, depending on the capacity, initial requirement, and other variables) will be charged and collected at the start of the Project to instill as early as possible the discipline of user payments. Improved incomes resulting from the increased access to microfinance and the knowledge gained from the information center will strengthen the associations' ability to encourage their members to graduate from the program as successful women entrepreneurs.

E. Poverty Reduction Impact

27. The Project will focus on helping poor women vendors to move above the poverty line on a sustainable basis. The targeted beneficiaries will receive organized support for their multidimensional roles, and subsequently for improving the quality of their working conditions. The experience and the resulting support network from the Project will help LGUs and NGOs cope better with development issues related to women in poverty. The approach could be replicated in other areas of Mindanao through the MBUSSP and throughout the country. An estimated 1,600 poor women and their households (which is an additional 10,000 people) will directly benefit from the Project through the sustainable gender-sensitive economic and social support programs and improved quality of the working environment. The poverty impact assessment presented in Appendix 10.

F. Risks, Assumptions, and Assurances

28. The major risk for the Project is the possible failure of the poor women vendors to organize themselves into strong, cohesive associations. Primarily through the microfinance networking component, capacity-building activities are programmed under the Project to ensure that the poor women vendors of Mindanao transform themselves into groups capable of accessing affordable capital and providing sustainable social safety nets to their members.

IV. THE PRESIDENT'S DECISION

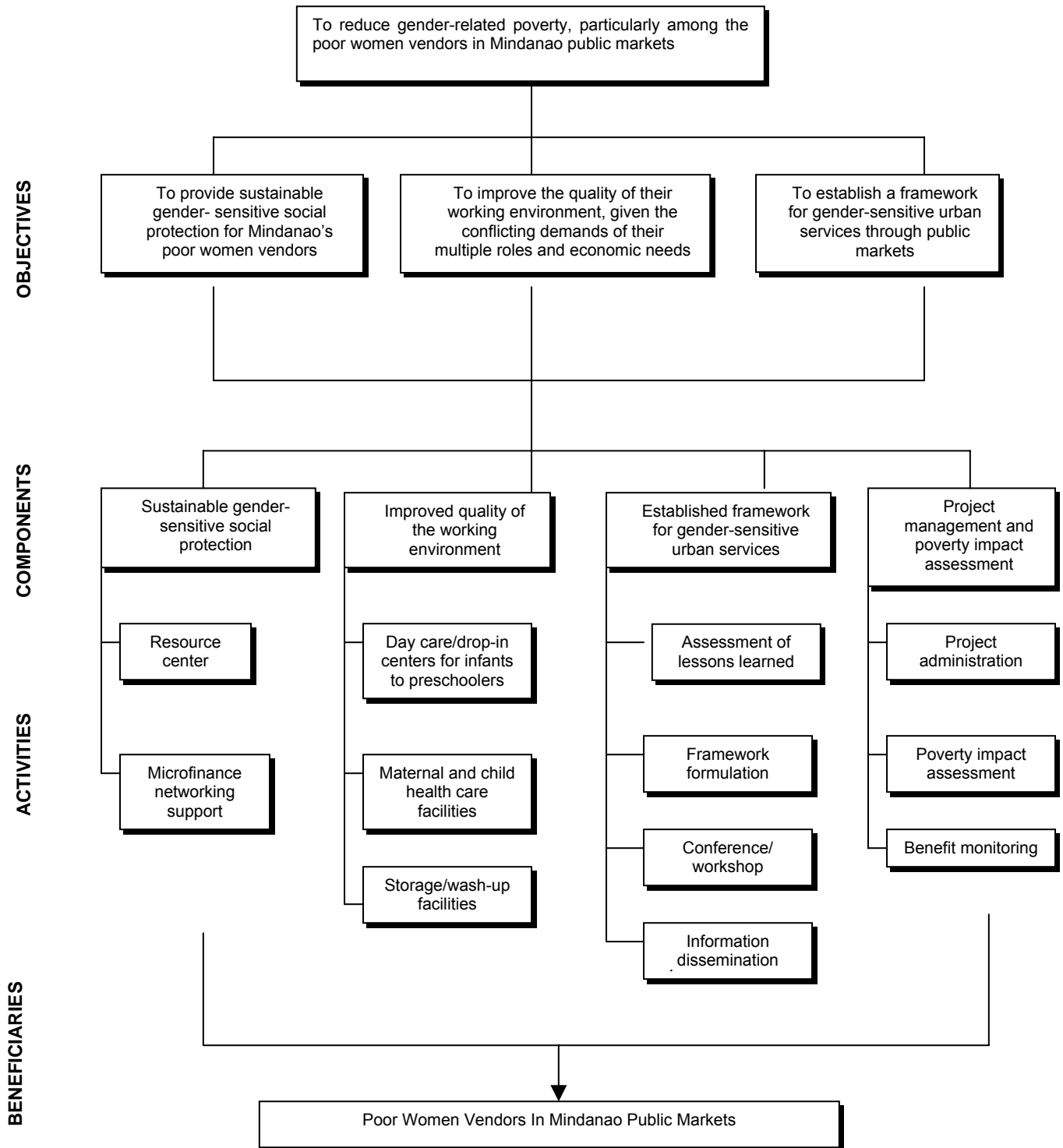
29. The President, acting under the authority delegated by the Board, has approved ADB administering grant assistance to the Government of the Philippines in an amount not exceeding the equivalent of \$1,000,000, to be financed from the Japan Fund for Poverty Reduction on a grant basis, for the purpose of Social Protection for Poor Women Vendors in Mindanao Cities, and hereby reports such action to the Board.

PROJECT FRAMEWORK

| Design Summary | Performance Targets | Monitoring Mechanisms | Assumptions and Risks |
|--|---|--|--|
| <p>Goal</p> <p>Reduce gender-related poverty among poor women vendors in Mindanao</p> | <ul style="list-style-type: none"> ▪ At least half of public markets under the associated loan, Mindanao Basic Urban Services Sector Project (MBUSSP), establish gender-sensitive resource centers for poor women vendors. | <ul style="list-style-type: none"> ▪ Local government and nongovernment organization (NGO) statistics ▪ Project completion report of MBUSSP | <ul style="list-style-type: none"> ▪ National and local governments' commitments for a gender-sensitive development remains strong. |
| <p>Purpose</p> <p>Improve the quality of life of poor women vendors in Mindanao by (i) offering gender-sensitive social safety nets, (ii) improving the quality of their work environment, and (iii) establishing a model for gender-sensitive services through public markets.</p> | <ul style="list-style-type: none"> ▪ At least 8 towns will establish the service centers in their public markets by 2005. ▪ About 1,600 poor women vendors in Mindanao cities will have access to the service centers. | <ul style="list-style-type: none"> ▪ Microfinance institution (MFI) reports and records ▪ Semiannual project reports | <ul style="list-style-type: none"> ▪ Local Government Units (LGUs)/cities in connection with MBUSSP are committed to gender-sensitive market development projects. |
| <p>Components/Outputs</p> <ul style="list-style-type: none"> ▪ Economic and Social Support <ul style="list-style-type: none"> (i) Increased access to formal and informal training on business skills (ii) Access to microcredit services ▪ Improved working environment <ul style="list-style-type: none"> (i) Access to day care facilities for infants and toddlers (ii) Access to maternal and child health care facilities | <ul style="list-style-type: none"> ▪ At least one out of two poor women vendors in target project areas are organized into network associations and women vendors associations. ▪ About 1 out of 20 poor women vendors in target project areas "graduate" with access to (or formal rental of) market stalls. ▪ Target beneficiaries attend at least two or more training sessions provided by the resource centers. ▪ Day care, and maternal and child health care facilities utilized at more than 90% capacity during project implementation ▪ Administer vaccinations and inoculations for infants and children of over 90% of the member women vendors. | <ul style="list-style-type: none"> ▪ Socioeconomic survey ▪ Training activity reports ▪ Semiannual reports ▪ Benefit Monitoring and Evaluation (BME) report ▪ Documentation of medical records, statistics, advocacy activities, and related events ▪ Actual execution and implementation records of activities that were planned and agreed upon. | <ul style="list-style-type: none"> ▪ MFIs extend microcredit activities. ▪ Information centers actively perform roles and functions. ▪ LGUs assist in organizing activity. ▪ MFIs provide counterpart funds to facilitate the planned activities in timely manner. ▪ LGU and Department of Interior and Local Government (DILG) provide counterpart funds in timely manner. |

| Design Summary | Performance Targets | Monitoring Mechanisms | Assumptions and Risks |
|---|---|--|---|
| (iii) Access to storage/wash-up facilities | <ul style="list-style-type: none"> ▪ Reduced waste of food products by using cool storage and wash-up facilities | <ul style="list-style-type: none"> ▪ BME report ▪ Semiannual reports | |
| <ul style="list-style-type: none"> ▪ A framework for gender-sensitive urban services ▪ Project management <p>Activities</p> <ul style="list-style-type: none"> ▪ Establish implementation structures; contract initial NGOs and service providers. ▪ Commence implementation activities. ▪ Evaluate project activities. | <ul style="list-style-type: none"> ▪ Dissemination of the framework to all the urban LGUs in Mindanao <ul style="list-style-type: none"> ▪ Start: July 2002 ▪ Complete: September 2002 ▪ Start: October 2002 ▪ Complete: October 2005 <ul style="list-style-type: none"> ▪ Start: October 2005 ▪ Complete: December 2005 | <ul style="list-style-type: none"> ▪ Japan Fund for Poverty Reduction (JFPR) monitoring reports <ul style="list-style-type: none"> ▪ JFPR monitoring reports ▪ Semi-annual reports | <ul style="list-style-type: none"> ▪ Sufficiently capable NGOs/MFIs can be found in project areas. |

PROJECT STRUCTURE



PROFILE OF POOR WOMEN VENDORS IN MINDANAO

1. Approximately 70-80% of vendors in Mindanao public markets are women. A rapid assessment of these vendors indicates that about 20-25% are poor women who can barely afford to rent market stalls, prompting them to resort to peddling their commodities through informal sharing arrangements or makeshift facilities such as tables and buckets. Earning an average of ₱ 3,000-₱ 6,000 on a monthly basis, these poor women are from among the poorest urban households, belonging to the bottom 40% of the urban income distribution. While other vendors regularly pay ₱ 10/day for their market stalls, the poor women vendors are issued tickets by the local government market administrators, priced from ₱ 2/day to ₱ 6/day, to legalize their selling activities.
2. The poor women vendors of Mindanao come from all age groups, ranging in age from 15 to 50 years. The majority of them are elementary graduates or high school dropouts. Most of them trek or commute an average of 10 kilometers from distant barangays to the city markets in order to generate income to meet their family's daily basic needs. The average family size of the poor women vendors of Mindanao is six. Their husbands are mostly farmers and laborers; other husbands are unemployed, assisting their wives in market vending activities. The poor women vendors work long hours, from 3:00 to 8:00 in the morning; and again, from 4:00 to 8:00 in the evening.
3. Role stress from the conflicting demands of time, energy, and economic needs is a constant for these poor women, who must contend as well with their lack of access to the necessary capital and adequate social safety nets to support themselves and their children. The majority of the Mindanao poor women vendors have to bring their children to the public markets, specifically the toddlers, in order to continue nursing or taking care of them while earning a living for the entire family. This is particularly true for lactating mothers. Public markets in Mindanao are replete with toddlers and young children who are either confined within the vicinity of their mothers' selling facilities or loiter with other children, unfortunately learning to engage in illegal activities such as stealing. The poor women vendors also often neglect their maternal and reproductive health care needs, unwilling to sacrifice their daily income for the time required to visit a doctor outside the market or, worse, unable to afford the medical services and attention.
4. Lack of access to microfinancing at more affordable interest rates is a key constraint for most of these poor women. Unable to obtain financing from banks due to their stringent requirements, particularly for collateral the "five-sixers," who are more formally known in the Philippine financial sector as lending investors. Typically charged 10-20% per month, the poor women vendors, including those able to pay for regular market stalls, end up paying off their loans at 120-240% per annum. While eager to seek microfinancing, many of these poor women are unaware or ignorant of the steps and activities required to avail of such loans. In addition, they are also unwilling or unable to spend too much time away from the market and their income generating activities.
5. The poor women vendors of Mindanao will benefit immensely from a learning center that will enable them to augment their meager educational background in order to improve their microentrepreneurial and maternal skills. Table A 3.1 provides summary statistics for the women vendors of Mindanao, including the poor woman peddlers who constitute the primary target beneficiaries of the proposed Japan Fund for Poverty Reduction Project.

Table A3.1: Summary Statistics on Women Vendors in Mindanao Public Markets

| Data/Activity | Vegetables Subsector | | Fruits Subsector | | Fish Subsector | | Dry Goods Subsector | |
|---------------------------------------|----------------------|--------------------|------------------------------------|-----------------------|------------------------------------|------------------------------------|--|--------------------------|
| | Women Vendors | Poor Women Vendors | Women Vendors | Poor Women Vendors | Women Vendors | Poor Women Vendors | Women Vendors | Poor Women Vendors |
| A. Basic Socioeconomic Profile | | | | | | | | |
| Monthly Income (P) | 10,000/mo | 4,000/mo | 30,000/mo | 6,000/mo | 30,000/mo | 6,000/mo | 10,000/mo | 5,000/mo |
| Age | 25-55 yrs | 15-50 yrs | 40 yrs | 35 yrs | 30 yrs | 30 yrs | 30 yrs above | 20 yrs above |
| Family Size | 5-7 | 7-10 | 6 | 6 | 5 | 5 | 5 | 5 |
| Education | College | High school | College graduate | College undergraduate | Elementary graduate | Elementary graduate | High school graduate | High School dropout |
| Occupation of Spouse | Laborer | Farmer | Jobless or assisting in the market | Farmer | Jobless or assisting in the market | Jobless or assisting in the market | Both in business | Laborer/ farmer |
| Proximity to Public Market | 500 m - 1 km | 2-7 km | 5 km | Over 5 km | 30 km | Over 30 km | Within City | From Different Barangays |
| B. Vending Activities | | | | | | | | |
| Years in Vending | 15 yrs | 10 yrs | 25 yrs | 25 yrs | 20 yrs | 3 yrs | 15-20 yrs | 3-5 yrs |
| Reasons for Vending | Childrens' Education | Meet daily needs | Childrens' Education | Meet daily needs | Only Business learned from parents | Meet daily needs | Childrens' education | Meet subsistence needs |
| Stall Rental | Awardee | Informal | Awardee | Informal | Awardee | Informal | Awardee | Informal |
| Sales Volume (P/month) | 20,000 | 5,000 | 60,000 | 10,000 | 80,000 | 10,000 -15,000 | 20,000 | 10,000 |
| Working Hours/Day | 12 | 8 | 12 | 8 | 17 | 8 | 10-12 | 8-10 |
| Source of Financing | Banks | Lending investors | Banks | Lending investors | Lending investors | Lending investors | Rural banks Cooperatives Lending investors | Lending investors |
| C. Project-Related Activities | | | | | | | | |
| Bring Children to the Public Market | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Information Requirements | Credit Skills trng | Credit Skills trng | Credit Skills trng | Credit Skills trng | Credit Skills trng | Credit Skills trng | Credit Business trng | Credit Business trng |
| Common Health Problems | Fever | Malnutrition | Fever | Fever | Fever | Fever | Fever | Fever |
| Need for Refrigeration Facilities | Yes | Yes | Yes | Yes | Yes | No | No | No |
| Need for Washing Facilities | Yes | Yes | Yes | Yes | Yes | Yes | No | No |
| Need for Microfinancing | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

km = kilometer; m = meter; trng = training

Sample Basic Training and Information Modules and Seminars

| MODULE/SEMINAR | DESCRIPTION | TARGET PARTICIPANTS |
|--|---|--|
| A. Business Planning and Development Seminars | | |
| Basic Business Principles | Introduction to fundamental business concepts and principles | Poor women vendors |
| Effective Marketing | Tools and techniques for successful marketing | Poor women vendors |
| Basic Accounting | Short introduction to the principles and application of accounting | Poor women vendors |
| Microenterprise Development | Introduction to the principles and tools of microenterprise development, including lessons learned from successful micro-entrepreneurs in Mindanao | Poor women vendors and spouses |
| Microfinancing | Introduction to the fundamental principles and concepts of microfinancing, including successful programs in Mindanao | Poor women vendors |
| Advanced Business Training | Designed for those who have taken the basic business seminar program and who demonstrate consistent application of lessons learned | Poor women vendors |
| B. Maternal and Reproductive Health Care | | |
| Maternal Health Care | Briefing on antenatal, natal, and postnatal periods, what to expect, and assistance programs available | Poor women vendors |
| Reproductive Health Care | Lectures on family planning, sexually transmitted diseases, menopause, and reproductive rights | Poor women vendors |
| C. Gender Sensitivity¹ | | |
| Gender and Development Orientation | Introduction to the concepts of gender and development and relevant local government programs and activities | Poor women vendors and spouses |
| Gender Sensitivity Training for Men | Orientation on gender and development and applications | Poor women's vendors and sons, male market vendors |
| Gender Responsive Planning | Basic principles and application of gender-responsive planning, as applied to market vending activities and other potential microenterprise opportunities | Poor women vendors and spouses |

¹ Training programs currently being conducted by some Mindanao Local Government Units (LGUs) through established women's centers (e.g., Butuan Women's Center). These programs will be made available to the proposed Japan Fund for Poverty Reduction (JFPR) project as part of the LGUs' counterpart funding contribution.

| D. Women And Empowerment | | |
|---|---|--|
| Women's Literacy Program | Reading and writing skills development program that addresses the basic problem of illiteracy among the poor women vendors in public markets | Poor women vendors |
| Legal Rights Counseling Program | Awareness program dealing with land security, marital issues, violence against women, sexual harassment, and other legal issues impeding the development of poor women in the marketplace | Poor women vendors |
| E. Livelihood Skills Development Program² | | |
| Out-of-School Youth Skills Development | Skills development program aimed at enhancing the income generating activities of out-of-school youth, focusing them on productive activities instead of crimes and delinquency in the public markets | Out-of-school children of poor women vendors |
| Women's Skills Development Program | Skills development program aimed at enhancing the microenterprise development capabilities of the poor women vendors in the public markets | Poor women vendors |
| F. Information Dissemination Program | | |
| Healthy Cooking | Short talks, videos, and print materials on proper nutrition and diet for the family | Poor women vendors |
| Home Repair and Maintenance | Short talks and tips, videos, and print materials on home repair and maintenance | Poor women vendors and spouses |
| Parenting and Child Care | Short talks, videos, and print materials on effective parenting and child care | Poor women vendors and spouses |
| Health and Hygiene | Short talks, videos, and materials on proper health and sanitation practices | Poor women vendors |

² To be complemented with the LGU, Department of Social Welfare and Development, and the Department of Trade and Industry.

Microfinance Networking for Mindanao's Poor Women Vendors

A. Background and Rationale

1. Microfinance collectively describes programs that extend small loans to poor people for self-employment projects, enabling them to generate income that allows them to care of themselves and their families. Often, microfinance programs offer a combination of services and resources to their clients, in addition to credit for self-employment, including saving facilities, training, technical assistance, and peer support. Various studies have proven that microfinance institutions (MFIs) in developing countries have the potential to become profitable institutions and are capable of competing for investment funds in the financial market.

2. The experience worldwide indicates that microfinance is an effective tool for combating poverty, prompting many countries such as the Philippines to use it as the main weapon for poverty reduction. Microfinance programs representing different approaches and operating in different cultures have shown that very poor people can achieve strong repayment records. The creditworthiness of the poor, however, has proven to be gender-sensitive. Although women are often denied access to finance by legal and traditional barriers, the experience to date confirms that women as a group are consistently better in promptness and reliability of repayments.

3. MFIs in the Philippines have grown remarkably, both in size and magnitude, in the past decade. However, their impact has been minimal in terms of outreach and sustainability. For MFIs engaged primarily in banking, the major constraint has been their reluctance or inability to deal with the unsecured, uncollateralized borrowings of the poor. For nongovernment organizations (NGOs) that are willing to be more innovative in undertaking microfinance, the problems are perceived to be related to their limited ability to mobilize and manage resources in a market-driven economy. In the public markets of Mindanao, the failure of MFIs to reach the poor women vendors is a fact, considering their dependence on lending investors, who charge exorbitant rates ranging from 10% to 20% per month. The poor women vendors of Mindanao are clamoring for access to capital at more affordable rates, which they believe is possible under microfinancing. The Japan Fund for Poverty Reduction (JFPR) Project, through appropriate networking activities, will enable these poor women vendors to access microfinance in order to enhance their income-generating capability, enrich their lives, and free themselves from the stresses they constantly confront due to their multiple roles in society.

B. Microfinancing Trends

4. In the Philippines, the Peoples Credit Finance Corporation is the executing agency for a \$26.3 million program funded by the Asian Development Bank (ADB) aimed at financing the credit requirements of NGOs, peoples organizations, and private financing institutions implementing the Grameen Bank Replication Program.¹ The program involves relending to target microenterprises in agro-processing, handicrafts, trade, and other income-generating projects. A separate credit line of \$7.4 million supports a portion of the start-up costs for establishing new branches of MFIs; training of branch managers, field, and office staff; and other logistical requirements for operating a sustainable MFI. Moreover, government financial institutions (GFIs) such as the Land Bank of the Philippines have allocated funds for microfinance totaling ₱7.0 billion, but they remain underutilized.

¹ Established in 1983 in Bangladesh, the Grameen Bank has become a world model for alternative banking outside the financial mainstream. The Grameen targets ultra poor families, with loans starting as low as \$12-\$15. Since the mid-1990s, it has been making loans of \$500 million, averaging \$140 each, to its 2 million clients in 35,000 villages, 94% of whom are women.

5. In Mindanao, the Rural Bankers Association of the Philippines and the United States Agency for International Development launched the Microenterprise Access to Banking Services (MABS) Project in 1998. MABS assists Mindanao-based rural banks to develop the capability to profitably provide both loan and deposit services to microenterprises, transforming them into successful MFIs. MABS assistance is divided into two phases: (i) an initial intense phase of about 6 months focusing on an internal assessment of the bank's institutional capability for microfinance, establishment of and business planning for a microfinance unit, microfinance product development, and microfinance technology and systems installation; and (ii) a follow-on less intense phase of about 18 months to address and resolve any problems arising from the project assistance. There are approximately 60 rural banks currently participating in MABS, including Green Bank, Butuan City branch, and the Rural Bank of Panabo, which are servicing two of the initially selected pilot sites under the JFPR Project.

6. A number of NGOs and cooperatives based in Mindanao are also engaged in microfinancing. Many of them operate as part of a bigger network or coalition such as the Alliance of Philippine Partners in Enterprise Development, Philippine Network for the Hardcore Poor, Credit and Savings for the Hardcore Poor, and Opportunity International. The successful ones such as Hagadan sa Paguswag Foundation, Inc., the Panabo Multipurpose Cooperative, and Institute for Small Farms and Industries, which report a repayment rate of at least 95%, adhere to the principles and practices adopted by the Philippine Coalition for Microfinance Standards to ensure outreach, portfolio quality, sustainability, capital adequacy, and liquidity. The Philippine Coalition for Microfinance Standards encourages their "Micro-NGOs" to (i) target the very poor, (ii) be gender sensitive to women as specific clients, (iii) simplify procedures for reviewing and approving loans, (iv) use convenient and user-friendly delivery of credit and support services, (v) implement clean loan recovery procedures and strategies, (vi) develop graduated loan incentives for good payers, (vii) charge sustainable interest rates for loans, and (viii) promote savings generation.

C. Proposed JFPR Activities

7. Despite the proliferation of microfinancing programs, projects, and activities in Mindanao, poor women vendors in the public markets continue to suffer from lack of access to more affordable credit. The JFPR project will not provide microfinance directly to the targeted beneficiaries, given that MFIs appear to have adequate sources of funds, either through internally generated savings or through borrowings from the microfinance windows of GFIs. Instead, the Project will facilitate access by the poor women to microfinancing through the following activity.

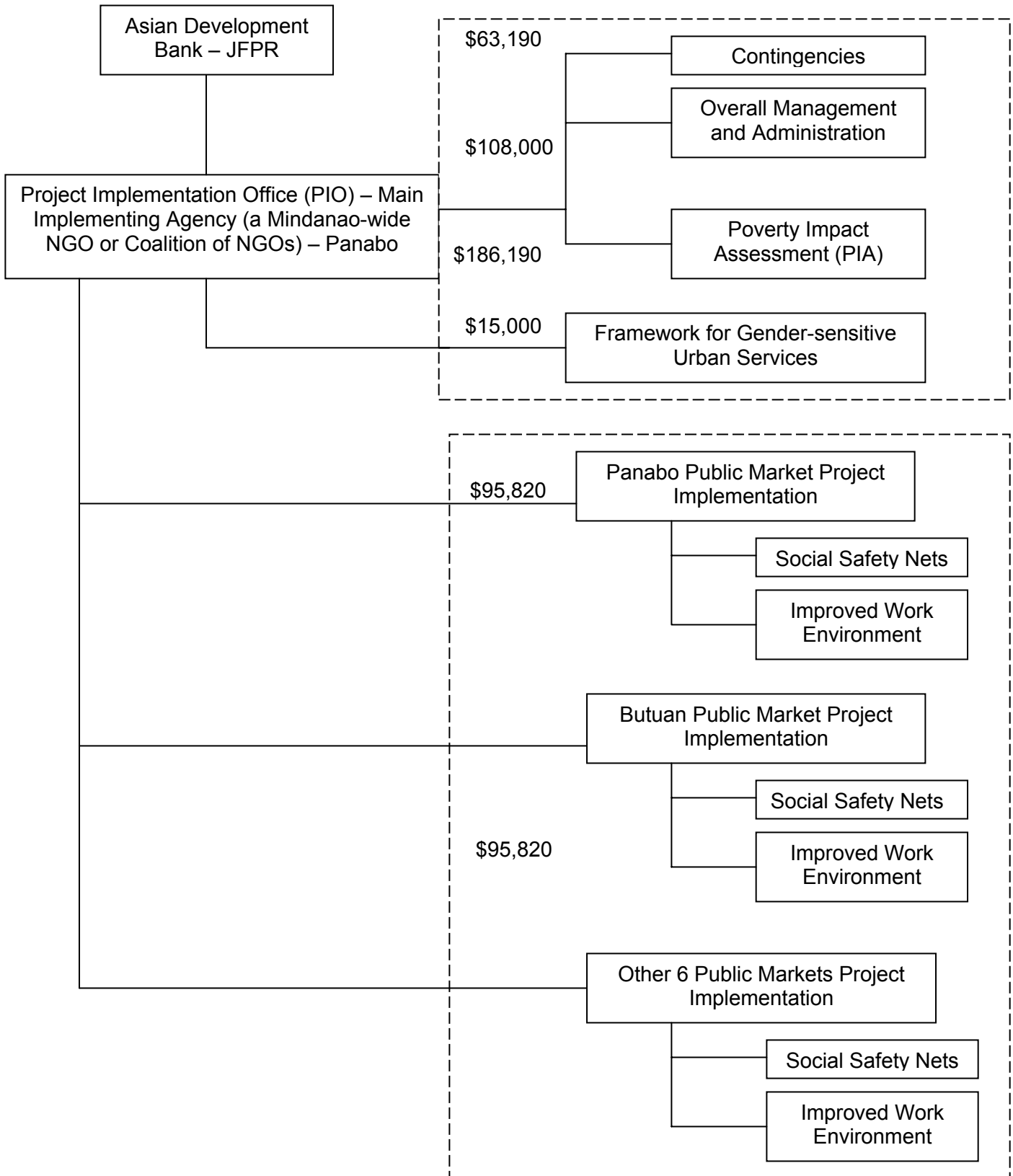
- **Networking Support for Poor Women Vendors.** Local NGOs or cooperatives will organize the poor women vendors into an association, assisting them in transforming themselves into a mutually supportive network for credit access, social protection and civic consciousness. In this sense, the Grameen Bank approach would be an effective form of grouping five or six women as a team, through which they support each other while working as a peer pressure group for maintaining high repayment rate of the microcredit. Special consideration will be given to developing an annual graduation strategy for outstanding women vendors/entrepreneurs who improve their income and business skills with the support of the JFPR Project. These networking activities can be in the form of meetings and workshops designed to promote understanding of the requirements, as well as developments affecting the MFIs' policies and operations.

Summary Cost Estimates
(\$)

| Input | Project Components | | | | Total Estimated Project Costs |
|--|--------------------------------|---|--|--|-------------------------------|
| | Component 1 Social Safety Nets | Component 1 Improvement of Work Environment | Component 1 Establishment of a Framework for Gender-Sensitive Urban Services | Component 1 Project Management and Administration, PIA and BME | |
| A. Bank Financing (JFPR) | | | | | |
| 1. Revolving Credit Facilities | 0 | 0 | 0 | 0 | 0 |
| 2. Civil Works | 0 | 151,200 | 0 | 0 | 151,200 |
| 3. Equipment, Materials, and Other Capital Costs | 0 | 84,000 | 0 | 0 | 84,000 |
| 4. Supplies | 0 | 20,000 | 25,000 | 0 | 45,000 |
| 5. Training, Workshops, Seminars | 392,960 | 0 | 12,250 | 0 | 405,210 |
| 6. Consulting Services | 0 | 0 | 10,000 | 15,000 | 25,000 |
| 7. Project Management and Administration | 0 | 62,400 | 0 | 108,000 | 170,400 |
| 8. Other Inputs (Incentives MFIs, NGOs costs) | 0 | 56,000 | 0 | 0 | 56,000 |
| 9. Contingencies | 0 | 0 | 0 | 63,190 | 63,190 |
| Subtotal | 392,960 | 373,600 | 47,250 | 186,190 | 1,000,000 |
| Percentage | 39 | 37 | 5 | 19 | 100 |
| B. Stakeholders Contributions | | | | | |
| 1. Central Government Contribution | 0 | 0 | 3,000 | 0 | 3,000 |
| 2. Local Governments' contribution | 72,000 | 148,000 | 5,000 | 10,800 | 235,800 |
| 3. NGOs/MFIs and Civil society's contribution | 128,000 | 16,000 | 400 | 0 | 144,400 |
| 4. Contribution from the beneficiaries | 0 | 24,000 | 800 | 0 | 24,800 |
| Subtotal | 200,000 | 188,000 | 9,200 | 10,800 | 408,000 |
| Total Project Costs | 592,960 | 561,600 | 56,450 | 196,990 | 1,408,000 |
| Percentage | 42 | 40 | 4 | 14 | 100 |

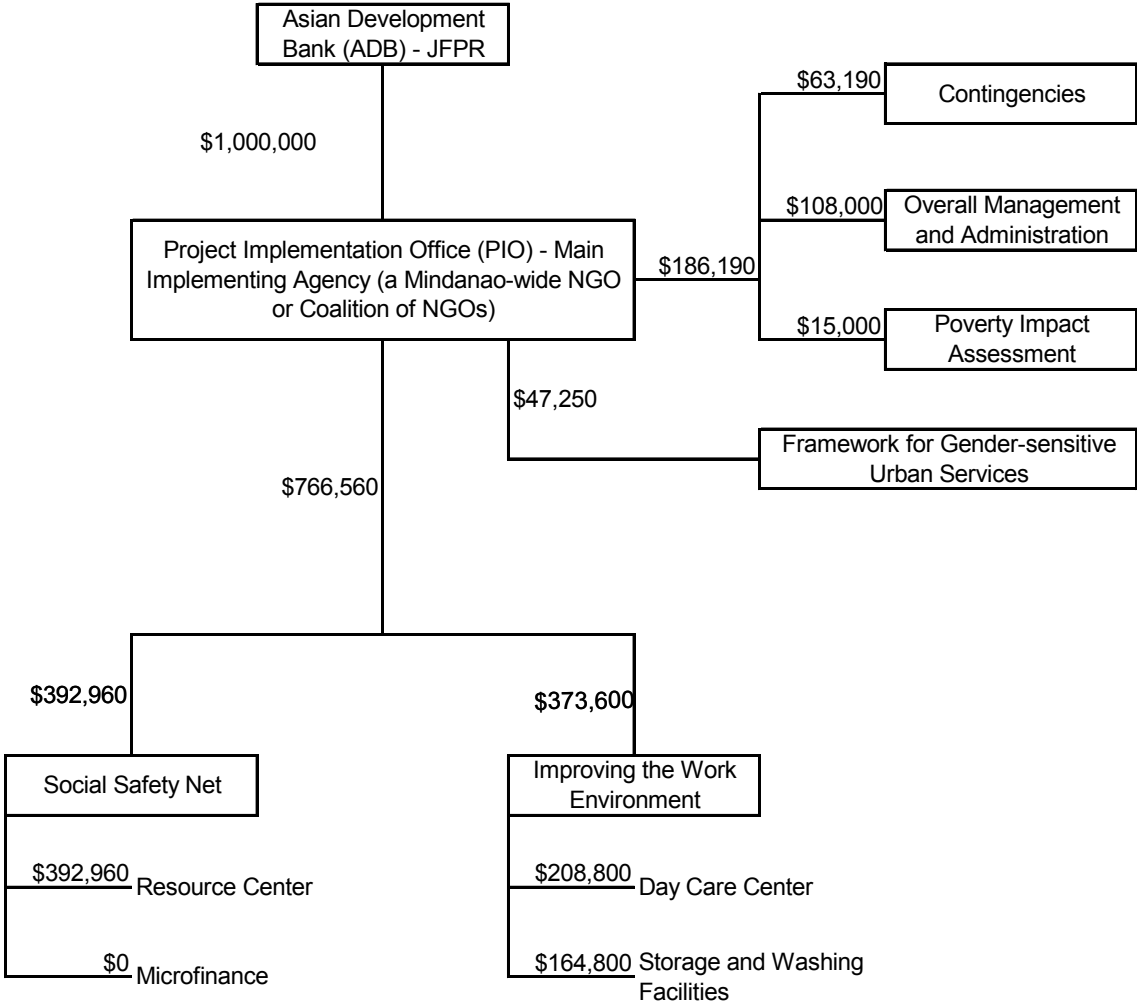
JFPR = Japan Fund for Poverty Reduction, MFI = Microfinance institutiona, NGO = Nongovernment organization.

FUNDS FLOW ARRANGEMENTS



JFPR = Japan Fund for Poverty Reduction; NGO = nongovernment organization.

FUNDS FLOW ARRANGEMENTS BY COMPONENT



JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization.

ELIGIBILITY AND SELECTION CRITERIA FOR LGUS AND NGOS

A. LGU Eligibility and Selection Criteria

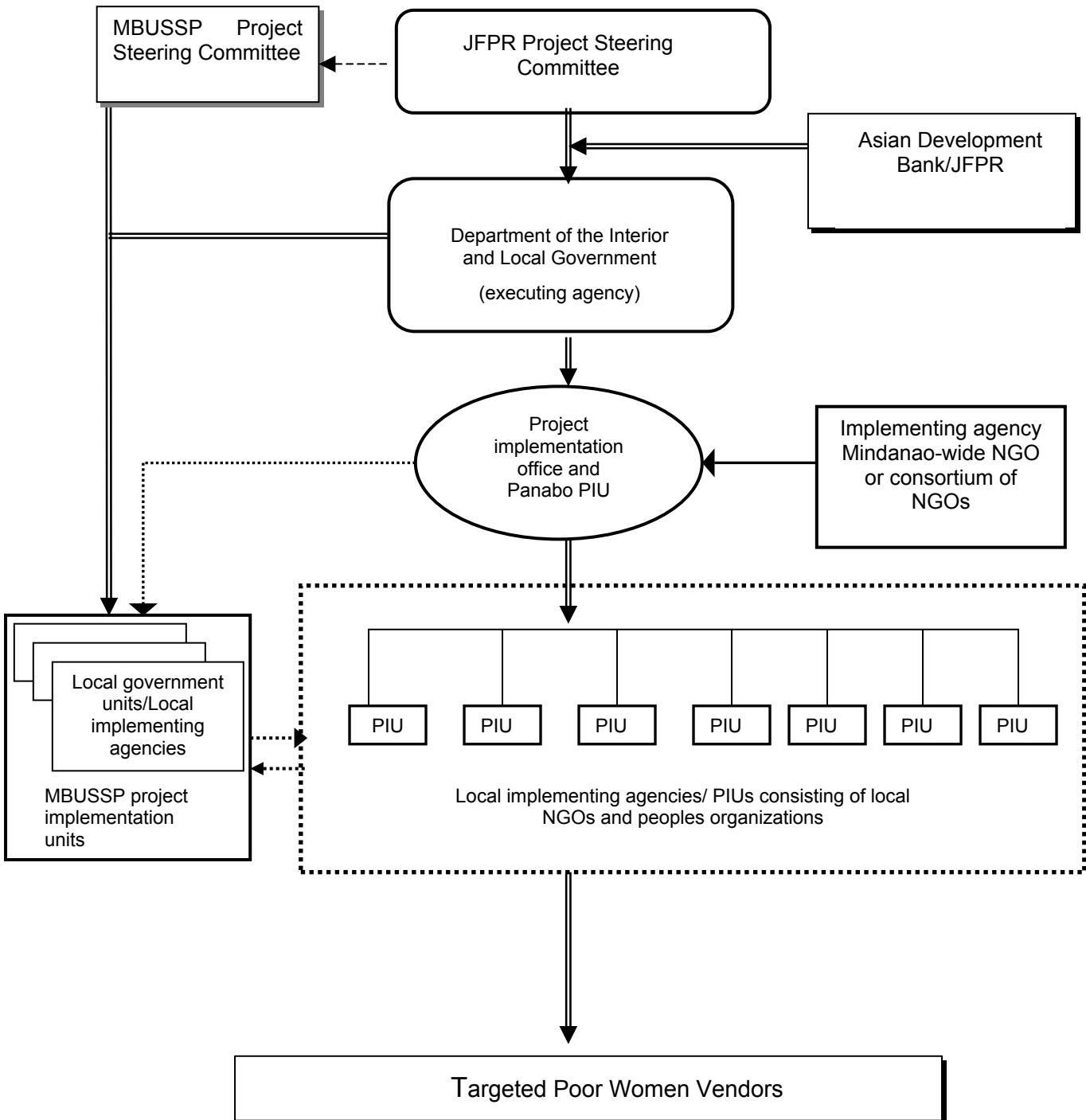
1. Under the Mindanao Basic Services Sector Project (MBUSSP), all Local Government Units (LGUs) in income classes I-VI in Mindanao are covered. An LGU is eligible if (i) its minimum urban population is over 20,000; (ii) there is no military conflict in the subproject location, and construction will be safe; (iii) the LGU has a rating of either prime, high, or medium grade based on the Land Bank of the Philippines' (LBP) Local Government Financial Credit Rating System; in the case of lower-medium grade LGUs, LBP management's approval is necessary; and (iv) the LGU can demonstrate financial capacity to borrow, estimated at 20% of development fund from internal revenue allotment minus current debt services.

2. All LGUs selected to participate in the MBUSSP are eligible under the proposed Japan Fund for Poverty Reduction (JFPR) Project. The following selection criteria will be applied: (i) the LGU is among the MBUSSP pilot subprojects with a public market component or is listed as among those LGUs that expressed interest in availing of MBUSSP financing to construct or rehabilitate its public market; (ii) the LGU is actively implementing a gender and development program; (iii) the LGU has demonstrated its interest and commitment to participate, through a letter from the mayor confirming its intent and willingness to participate in the Project and to contribute the necessary counterpart fund contributions, in cash or in kind; and (iv) the LGU has the ability to develop and implement an information dissemination program in Mindanao that will focus on the lessons learned from the Project and the framework established for gender-sensitive urban services through public markets.

B. NGO Eligibility and Selection Criteria

3. All Mindanao-based nongovernment organizations (NGOs) are eligible to participate in the JFPR Project as an implementing agency. One NGO will be selected to manage the project using the following criteria: the NGO (i) has a track record in project management, community organizing, gender-sensitive urban development, and microfinancing in Mindanao; (ii) has a demonstrated capability to work with LGUs in the identified project sites; (iii) has the capacity to network with microfinancing institutions; (iv) has the potential to contribute financing and other resources to the project; (v) is committed to ensuring, through appropriate approaches, the sustainability of the project; (vi) should have appropriate accounting capabilities satisfactory to ADB's auditing requirements; and (vii) has the ability to develop and implement an information dissemination program in Mindanao on the lessons learned from the Project, particularly as they relate to a framework for gender-sensitive urban services through public markets.

IMPLEMENTATION ARRANGEMENTS



JFPR = Japan Fund for Poverty Reduction, MBUSSP = Mindanao Basic Urban Services Sector Project, NGO = Nongovernment Organization, PIU = Project implementation unit

POVERTY IMPACT ASSESSMENT

A. Poverty Trends in Mindanao

1. Despite government efforts to improve the living conditions of the poor in the country, the poverty incidence or the number of poor families below the poverty threshold level in the Philippines increased from 31.8% in 1997 to 34.2% in 2000. Among the island groups, Mindanao continues to be the poorest, with poverty incidence of 47.8% (Table A10.1). The number of urban poor is highest in Mindanao, accounting for about 33% of the island's total population. Of the estimated 9.854 million urban population in the country, about 2.6 million or 27% reside in urban Mindanao.

Table A10.1: Poverty Statistics of Mindanao (2000)

| Region | Poverty Threshold (P per capita per year) | Urban Poverty Threshold (P per capita per year) | Poverty Incidence (head count in %) | Urban Poverty Incidence (head count in %) | Urban Poor Population ('000) |
|-------------|--|--|--|--|---------------------------------|
| Philippines | 13,916 | 15,677 | 34.2 | 20.4 | 9,584 |
| NCR | 18,001 | 18,001 | 9.7 | 9.7 | 873 |
| Luzon | 14,476 | 16,260 | 31.6 | 21.2 | 2,882 |
| Visayas | 11,664 | 12,098 | 41.7 | 25.3 | 1,561 |
| Mindanao | 12,332 | 13,641 | 47.8 | 33.1 | 2,556 |
| Region 9 | 11,046 | 12,727 | 46.5 | 27.0 | 309 |
| Region 10 | 12,131 | 12,907 | 45.7 | 31.8 | 682 |
| Region 11 | 12,546 | 13,886 | 41.2 | 28.5 | 800 |
| Region 12 | 12,247 | 14,396 | 50.9 | 39.5 | 414 |
| ARMM | 14,017 | 15,630 | 68.8 | 63.9 | 352 |

ARMM= Autonomous Region of Muslim Mindanao, NCR= National Capital Region

Source: Philippine Poverty Statistics: 2000 Preliminary Results, National Statistical Coordination Board.

B. Poor Women Vendors of Mindanao

2. Women constitute half the urban population of Mindanao. Many of them are engaged in vending activities, particularly in the public markets, which serve as the central economic hub in local communities. Approximately 70-80% of vendors in Mindanao public markets are women. About a fourth of them are poor women who comprise the informal sector and can barely afford to rent market stalls. Consequently, they resort to peddling their commodities through informal sharing arrangements or makeshift facilities, usually in the peripheries of the public markets. Earning an average of ₱ 3,000 to ₱ 6,000 on a monthly basis, these women are among the poorest urban households in Mindanao, belonging to the bottom 40% of the urban income distribution.

3. The average household size of the poor women vendor is six. Typically, their husbands are agricultural workers or laborers or worse, unemployed. The poor women vendors bring their young children, particularly the toddlers, to the public markets to be able to fulfill their maternal responsibilities while simultaneously engaged in income generating activities. However, this practice increases the health risks and other social costs borne by the family of the poor women vendors. The poor women vendors herself is constantly at risk, as far as her maternal and reproductive health is concerned due to the poor environmental and sanitation conditions of her working environment. And yet, her economic, cultural, and social responsibilities prevent her

from spending too much time away from the public market to consult medical practitioners who can properly counsel her on both general and specialized health care issues.

4. The poor women vendors of Mindanao are severely constrained by their lack of access to affordable credit. Most of them regularly avail of financing from lending investors who charge 10 to 20% per month. Without the ability to break away from borrowing at high interest rates to finance their daily vending activities and family needs, these poor women will continue to suffer from the vicious cycle of poverty.

C. Poverty Impact and Benefit Distribution

5. The JFPR Project has been designed to respond to the multidimensional challenge of reducing gender-related poverty, with pilot innovative interventions designed to alleviate the plight of poor women vendors at selected public markets in Mindanao. An estimated 1,600 poor women or poor urban households will directly benefit from the proposed Project through the sustainable gender-sensitive social safety nets and improved quality of the working environment components. Through the microfinance networking subcomponent, an additional 3,200 women vendors or urban households who are regular stall renters but are still heavily reliant on lending investors for their financing requirements will also be potentially benefited.

6. The focus of the Project will be on supporting the poor women vendors to move above the urban poverty threshold on a sustainable basis. The targeted beneficiaries will receive organized support for their multidimensional roles, and subsequently improving the quality of their working conditions. The experience and the resulting support network from the proposed Project will help LGUs and other NGOs cope better with development issues related to women in poverty. The approach could be replicated in other areas of Mindanao through the MBUSSP and throughout the country, indicating that widespread indirect poverty reduction benefits from the Project can be anticipated.