Philippines: Mindanao Agro-Enterprise Development Project

Project Name
Mindanao Agro-Enterprise Development Project

Project Number
53273-001

Country / Economy
- Philippines

Project Status
Proposed

Project Type / Modality of Assistance
- Grant
- Loan

Source of Funding / Amount
Loan: Mindanao Agro-Enterprise Development Project

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Ordinary capital resources</td>
<td>US$ 100.00 million</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth
- Regional integration

Drivers of Change
- Gender Equity and Mainstreaming
- Knowledge solutions
- Partnerships
- Private sector development

Sector / Subsector
- **Agriculture, natural resources and rural development** / Agro-industry, marketing, and trade - Rural market infrastructure
- **Finance** / Small and medium enterprise finance and leasing

Gender
Effective gender mainstreaming

Description
The project will support the Government of the Philippines to enhance agricultural diversification and food value chain development in Mindanao through (i) promoting private investments in agro-industry; (ii) improving agricultural logistics and services;
and (iii) enhancing product quality and competitiveness.

Project Rationale and Linkage to Country/Regional Strategy
Mindanao's economy is largely based on capital-intensive businesses of plantation crops, forestry, mining, and heavy manufacturing, which have limited multiplier effects on the local economy without decent job creation, technology and skills transfer, and involvement of local processing. Mindanao supplies over 40% of the country's total agricultural outputs and accounts for 60% of its agricultural exports. Agricultural value chains, including related services and industries, account for 60% of Mindanao's gross regional domestic product and 57% of its employment; however, over 80% of Mindanao farmers are subsistence or near-subsistence, and only 16% of farmers produce a marketable surplus. While women are involved in different segments of agricultural value chains from farming to trading, they often have limited access to credit, services, and technology. Mindanao produces several key commodities such as rice, corn, coconut, banana, rubber, coffee, mango, sugarcane, pineapple, and cacao, but crop diversification is limited. Many exports are produced by multinational corporations and local conglomerates. Local agribusinesses are still small and less productive, and focus on primary processing for the domestic market. COVID-19 also disrupted regional major economic drivers such as infrastructure, agribusiness and agri-manufacturing, industries, tourism, and services. The project aligns with the (i) Philippine Development Plan, 2017-2022; (ii) Micro, Small, and Medium Enterprises Development Plan, 2017-2022; and (iii) Mindanao 2020 Peace and Development Framework Plan, 2011-2030. It also supports the regional development strategies of the Mindanao Development Authority to promote agro-processing and agro-industrialization.

Impact

Economic opportunities in agriculture expanded in Mindanao

Outcome

Diversification and value addition of agro-based products increased in Mindanao

Outputs

Private investments in agro-industry promoted
Agricultural logistics and services improved
Product quality and competitiveness enhanced

Geographical Location
Mindanao

Safeguard Categories

Environment
B
Involuntary Resettlement
B
Indigenous Peoples
B
Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design
During Project Implementation

Contact

Responsible ADB Officer
Song, Hyunyoung
Responsible ADB Department
Sectors Group
Responsible ADB Division
Executing Agencies
Department of Trade and Industry

Timetable

Concept Clearance
27 Jul 2020
Fact Finding
09 Oct 2023 to 20 Oct 2023
MRM
17 Jun 2024
Approval
-
Last Review Mission
-
Last PDS Update
28 Jul 2020

Funding

Project Page https://www.adb.org//projects/53273-001/main
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