

**Enhancing Access of the Poor to Microfinance Services in Frontier Areas (TA 4544)**  
National Anti-Poverty Commission (NAPC) and Asian Development Bank (ADB)

**FOCUSED GROUP DISCUSSION: MICROFINANCE & THE BASIC SECTORS (Documentation)**

**DATE: December 6, 2005**

**Venue: Giardino Room, Bayview Park Hotel, Manila**

**I. Participants**

<b>NAME</b>	<b>SECTOR</b>	<b>REGION</b>	<b>ORGANIZATION</b>	<b>DESIGNATION</b>
1. Loreto William	Youth & Students (YS)	Region 12 (Cotabato City)	SMYL	Chairman
2. Segundo Abrea, Jr.	YS	Region 7 (Cebu City)	Tingog Kabataan	Council Member
3. Ronald Evaristo	YS	Region 3 (Nueva Ecija)	Alalay ng Kabataan sa Pag-unlad, Inc.	Council Member
4. Jessie Elacan	YS	Region 9 (Zamboanga DN)	Sto. Nino Bayanihan Project Youth Asso., Inc.	Council Member
5. Benjamin Togonon, Sr.	Cooperative	Region 10 (Cagayan De Oro City)	MASS-SPECC	Networking Officer
6. Jose Loreto Procionos, Jr.	Cooperative	Region 10 (Ozamiz City)	MOFECO	Executive Director
7. Nathan Insung	Non-Government Organization (NGO)	ARMM (Basilan)	YIRDFI	Member
8. Rudy Villanueva	NGO	Region 7 (Cebu City)	Kaabag/Visnet	Coordinator
9. Richel Tabad	YS	Region 6 (Palawan)	Nilikha Phil., Inc.	Chairman
10. Maribeth Agdon	YS	Region 10 (CDO)	KKP	Member
11. Kalsarijani Debarosan	YS	ARMM (Maguindanao)	BWYL	Member
12. Edeliza Macalandag	YS	Region 7 (Bohol)	CFC-YFC	Member
13. Edna Aberilla	Cooperative	Region 10 (Iligan City)	CUIC	Consultant

**PARTICIPANT SUMMARY:**

- a. number of persons participated – **13**
- b. sectors represented – **3 sectors** (YS, Cooperative, NGO)
- c. regions represented – **7** (Regions III, VI, VII, IX, X, XII, ARMM)
- d. number of organizations participated – **13**

## II. Participant's Expectations on the FGD:

- Know more about NAPC Activities and its thrusts
- Enhance skills on Project Proposal Packaging
- How basic sectors can access microfinance of NAPC
- Effective regulation of microfinance on issues of rapid competition
- Deepening on microfinance and avail for local dissemination
- Get acquainted/oriented/ be aware/know more about microfinance, its ways, thrust and protocols
- Explore funding for BS-YS
- How can microfinance be maximized/availed at the local level

It was expressed by the facilitators that most of the expectations can be answered the next day during the BS orientation on NAPC and its thrusts/mandates in microfinance. While some expectations could not be met, it would be good to include in the FGD since these could be part of the training needs of the participants.

## III. FGD Proper

### A. AWARENESS ON MICROFINANCE & ISSUES, CONCERNS IN ACCESSING MICROFINANCE SERVICES

1) **What is your understanding about microfinance in general?** *(Ano ang pagkakaalam/pagkakilala natin sa microfinance?)*

MF UNDERSTANDING	SUMMARY
<ul style="list-style-type: none"> <li>▪ Relending</li> </ul>	<ul style="list-style-type: none"> <li>- Re-lending</li> </ul>
<ul style="list-style-type: none"> <li>▪ Savings mobilization</li> </ul>	<ul style="list-style-type: none"> <li>- Savings mobilization/scheme for the poorest of the poor</li> </ul>
<ul style="list-style-type: none"> <li>▪ Financing services for grassroot level enterprises, for small scale business ventures./projects</li> <li>▪ Loans</li> <li>▪ “gagmay na pautang”/group/individual</li> <li>▪ Funding mechanism for orgs, coops</li> <li>▪ Credit services</li> <li>▪ Easy terms loans/Savings</li> <li>▪ Small loans given to small borrowers</li> <li>▪ Loan given for different organizations</li> </ul>	<ul style="list-style-type: none"> <li>- Financing services for livelihood/grassroot level enterprises/small scale business ventures/projects</li> <li>- Loans/small loans to groups/ individuals/small borrowers/households/POs with easy terms</li> <li>- Funding mechanism/Loan for organizations and cooperatives</li> <li>- Credit services</li> <li>- Program/project/services created to help the Filipino people</li> </ul>

<ul style="list-style-type: none"> <li>▪ Loans/credit services source</li> <li>▪ Small amount of loans availed by households/Pos</li> <li>▪ A program/project/services created to aiming/helping the Filipino people</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Livelihood Financing</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Savings scheme for the poorest of the poor</li> </ul>	

**2) Are you aware of any MF services being offered in your area (credit, saving, insurance, remittance, transfers)?** *(May alam ba kayong serbisyo ng microfinance sa inyong lugar?)*

Probe Questions: *If (YES)*

**3) How did you learn about it?** *(Paano ninyo nalaman ang mga serbisyong ito?)*

AWARENESS	IF YES, HOW THEY LEARNED MF?	SUMMARY
YES: 12	<ul style="list-style-type: none"> <li>▪ Talk of the town basta utang</li> <li>▪ LBP orientations</li> <li>▪ Coop</li> <li>▪ Ngo/local</li> <li>▪ Barangay</li> <li>▪ Foundations</li> <li>▪ MF wholesale fund providers (PCFC, PEF, Coop Fed.-MASS-SPECC, Coco-finance)</li> <li>▪ Friend</li> <li>▪ Seminars</li> <li>▪ Mf users/availed</li> <li>▪ Common people</li> <li>▪ Programs of foundations</li> <li>▪ MFIs</li> <li>▪ Barangay 8</li> </ul>	<ul style="list-style-type: none"> <li>- Talk of the town/Friends/common people</li> <li>- Orientation from Wholesale Fund Providers (LBP, PEF, Cooperative Federation-MASS-SPECC, Coco-finance)</li> <li>- Programs of Cooperative/local NGOs/Foundations, MFIs</li> <li>- Barangay</li> <li>- Seminars</li> <li>- Microfinance users</li> </ul>
NO: 1		

**4) Do you see any action that can be taken so that access to microfinance services in your area can be improved? What are these?**  
*(Sa inyong palagay, ano ang dapat gawin upang mapabuti ang pagdala ng serbisyong microfinance sa inyong lugar?)*

ACTIONS TO TAKE (For all Pax)	SUMMARY
<ul style="list-style-type: none"> <li>▪ MF thru NGO/Coop</li> </ul>	<ul style="list-style-type: none"> <li>- Microfinance programs through NGO/Cooperative</li> <li>- Easier access/less requirements especially to the poorest of the poor</li> <li>- Information dissemination thru media, organizations, institutions in the community</li> <li>- Barangay seminars/orientations</li> <li>- More promotions, include in cooperative seminars the proper utilization/management of microfinance</li> <li>- Mainstreaming</li> <li>- Strengthen linkage between government organizations and NGOs/organize or coordinate microfinance practitioners</li> <li>- Expansion of MFIs' operations to unserved areas</li> </ul>
<ul style="list-style-type: none"> <li>▪ Easier access especially to the poorest of the poor</li> <li>▪ less requirements</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Information dissemination thru media/orgs/inst./ in the community</li> <li>▪ Barangay seminars/orientations</li> <li>▪ Include to coop seminars</li> <li>▪ Localization-education in brgys</li> <li>▪ Mainstreaming</li> <li>▪ Strengthen linkaging between GOs &amp; NGOs</li> <li>▪ More promotion-include microfinance in cooperative seminars</li> <li>▪ Include in promotion orientations on the proper utilization/management of microfinance</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Organize coordinate mfis/practitioners</li> <li>▪ Expansion of operations in areas without providers/branching</li> </ul>	

## B. INCOME SOURCES

5) **Can you please, tell us what are the income sources in your specific area?** (*Anu-ano ang mga karaniwang pinagkakakitaan o pinagkukunang-kabuhayan sa inyong lugar?*)

INCOME SOURCES	SUMMARY
<ul style="list-style-type: none"> <li>▪ Fishing</li> </ul>	<ul style="list-style-type: none"> <li>- Fishing</li> </ul>
<ul style="list-style-type: none"> <li>▪ Agri production/crops/fruits/land farming</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Business</li> </ul>	<ul style="list-style-type: none"> <li>- Agri-production/business/land</li> </ul>
<ul style="list-style-type: none"> <li>▪ Employment in gov't</li> </ul>	<ul style="list-style-type: none"> <li>farming (crops, fruits, corn, hog</li> </ul>
<ul style="list-style-type: none"> <li>▪ Employment in private enterprises</li> </ul>	<ul style="list-style-type: none"> <li>raising, palm oil, coconut)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Factory workers</li> </ul>	<ul style="list-style-type: none"> <li>- Business (trading, retailing, vendors,</li> </ul>
<ul style="list-style-type: none"> <li>▪ Trading</li> </ul>	<ul style="list-style-type: none"> <li>meat processing &amp; vending)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Retailing</li> </ul>	<ul style="list-style-type: none"> <li>- Employment in government and</li> </ul>
<ul style="list-style-type: none"> <li>▪ Production of brasswares, malongs, native decors</li> </ul>	<ul style="list-style-type: none"> <li>private enterprises</li> </ul>
<ul style="list-style-type: none"> <li>▪ Coco/rubber laborers</li> </ul>	<ul style="list-style-type: none"> <li>- Factory workers</li> </ul>
<ul style="list-style-type: none"> <li>▪ Workers in the export processing zones</li> </ul>	<ul style="list-style-type: none"> <li>- Production of brasswares, malongs,</li> </ul>
<ul style="list-style-type: none"> <li>▪ Call centers</li> </ul>	<ul style="list-style-type: none"> <li>native decors, metal works, furniture</li> </ul>
<ul style="list-style-type: none"> <li>▪ Transportation service (tricycle)</li> </ul>	<ul style="list-style-type: none"> <li>- Laborers/Workers (coconut, rubber,</li> </ul>
<ul style="list-style-type: none"> <li>▪ Corn production</li> </ul>	<ul style="list-style-type: none"> <li>export processing zone)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Agricultural production</li> </ul>	<ul style="list-style-type: none"> <li>- Call centers</li> </ul>
<ul style="list-style-type: none"> <li>▪ vendors</li> </ul>	<ul style="list-style-type: none"> <li>- Transport service (tricycle)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Agri-business</li> </ul>	<ul style="list-style-type: none"> <li>- Tourism-based livelihood</li> </ul>
<ul style="list-style-type: none"> <li>▪ Hog raising</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Palm oil farming</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Meat processing &amp; vending</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Metal works</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Furniture-making</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Agriculture (corn, coconut)</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Farming</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Tourism-based livelihood</li> </ul>	

**C. MICROENTERPRISE ACTIVITIES**

6) **Do you operate a microenterprise?** *(Meron ba kayong maliit na negosyo?)*

**Probe Questions: If (YES),**

7) **Describe the type of microenterprise (product, how produced, consumers, etc.) you own and how you operate it.** *(Maaari ba ninyong isalarawan ang uri at paraan ng pagpapatakbo ng inyong negosyo?)*

8) **Where do you sell your products?** *(Saan ninyo ibinebenta ang inyong produkto?)*

OPERATE MICROENTERPRISE?	PRODUCT/SERVICE	HOW PRODUCED/ OPERATED	CONSUMERS	WHERE SOLD
YES:8	<ul style="list-style-type: none"> <li>▪ Lemon juice</li> </ul>			
	<ul style="list-style-type: none"> <li>▪ Poultry</li> <li>▪ Hogs</li> <li>▪ brass/crafts</li> <li>▪ Videography/video editing/graphic design</li> <li>▪ Sari-sari store</li> <li>▪ Hardware</li> <li>▪ gift shop</li> <li>▪ Meat</li> <li>▪ Grocery store</li> </ul>	<ul style="list-style-type: none"> <li>- Local market</li> <li>- Backyard scale (3 sows)</li> <li>- Family owned</li> <li>- Barkada-owned</li> </ul>	<ul style="list-style-type: none"> <li>- Friends</li> <li>- Neighbors</li> <li>- Corporate teams</li> <li>- LGUs</li> <li>- Therapy houses</li> <li>- Academe</li> <li>- Local market</li> <li>- Community</li> <li>- Middle class consumers</li> </ul>	<ul style="list-style-type: none"> <li>- House</li> <li>- Neighborhood</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Inter-intra personal training</li> </ul>			
NO: 5	-----	-----	-----	

9) **How many years/months/weeks have you been operating the microenterprise?** *(Gaano na katagal ang inyong negosyo?)*

10) **How many individuals do you employ in your microenterprise?** *(Ilan ang empleyado ninyo sa negosyo?)*

11) **How many are: women? men?** *(Ilan ang babae? Ilan ang lalaki?)*

**12) What are the problems or constraints you encountered in operating your microenterprise?** (*Anu-anong mga problema at kahirapan sa pagnenegosyo ang inyong naranasan?*)

OPERATE MICROENTERPRISE	HOW LONG HAVE BEEN OPERATING?	NO. OF EMPLOYEES	EMPLOYEES		ENCOUNTERED PROBLEMS
			MEN	WOMEN	
YES:	<ul style="list-style-type: none"> <li>▪ 6 months - (2)</li> <li>▪ 10 years – (2)</li> <li>▪ 7 years</li> <li>▪ 3 years</li> <li>▪ 2 yrs &amp; 4 mos</li> </ul>	1-2 50+ 3-5/trng None (3)	2 0	0 50+ 33%	<ul style="list-style-type: none"> <li>▪ Kulang sa pondo/capital</li> <li>▪ Some are not good payers</li> <li>▪ Increase prices of feeds</li> <li>▪ Fluctuating price of lemonsito</li> <li>▪ Not stable on training</li> <li>▪ Need further training-service based</li> <li>▪ Rise of competitors</li> <li>▪ Expensive raw materials</li> <li>▪ Scaling of capital</li> <li>▪ Exposure-referrals</li> </ul>

If (NO),

**13) What are the reasons why you are not engaged in microenterprise activities?** (*Bakit wala kayong negosyo?*)

OPERATE MICROENTERPRISE	REASONS
NO:	<ul style="list-style-type: none"> <li>▪ No more time for extra activities</li> <li>▪ No entrepreneurial skills</li> <li>▪ No/lack seed capital</li> <li>▪ Full-time NGO work</li> <li>▪ Part-time teacher</li> </ul>

#### D. SOURCES OF LOAN

**14) In your area, what do you see as sources of loans by local residents or microentrepreneurs?** (*Sa inyong lugar, ano ang mga nakikita ninyong pinagkukunan ng kapital o hinihiraman ng pera ng mga residente o maliliit na negosyante?*)

Probe Questions:

**15) What do you see as the reasons for borrowing? What are the purposes of the loan?** *(Sa palagay ninyo, saan ginagamit ang hinihiram na pera?)*

SOURCES OF LOANS		LOAN PURPOSE
Formal	Informal	
<ul style="list-style-type: none"> <li>▪ Rural banks, Cooperative banks, cooperatives, Microfinance NGOs, Foundation, People's Organizations</li> <li>▪ Banks/LBP</li> <li>▪ SSS</li> <li>▪ Quedancor</li> <li>▪ Pawnshops</li> <li>▪ PPSTA</li> <li>▪ LGU-Provincial Government</li> </ul>	<ul style="list-style-type: none"> <li>▪ Loan sharks, Bombay, Turko, 5/6</li> <li>▪ Businessman</li> <li>▪ Neighbor, Friends, Individuals, Relatives</li> <li>▪ Land lords</li> <li>▪ LGU - small loans to farmers, cooperative members</li> <li>▪ Employer</li> </ul>	<ul style="list-style-type: none"> <li>▪ - Personal emergency/medical-hospitalization/death in the family/sickness</li> <li>- Educational needs (Tuition fee, school expenses)</li> <li>- Pay existing debts that matured</li> <li>- Capital for business</li> <li>- Additional capital for business</li> <li>- Family Income-generating activities, Hanapbuhay para mabuhay</li> <li>- Rice production (fertilizers, inputs &amp; land prep)</li> <li>- Projects (housing)</li> <li>- Payment of services (payable)</li> <li>- Sustain daily living, family consumption</li> <li>- Weddings, fiesta, caprichos</li> </ul>

**16) Have you tried borrowing from formal sources of loans like a bank?** *(Nasubukan nyo na bang humiram sa pormal na institution tulad ng bangko?)*

Probe Questions: If (NO),

**17) Please tell us the reasons why you have not accessed loan from formal sources?** *(Bakit hindi kayo humiram sa pormal na institusyon tulad ng bangko?)*

BORROWED FROM FORMAL SOURCES	REASON FOR NOT BORROWING
YES:5	-----
NO: 8	<ul style="list-style-type: none"> <li>▪ Super hirap ang process/too many requirements/high standards/long way process</li> <li>▪ Walang equity</li> <li>▪ Di pa naiisip gawin</li> <li>▪ No need</li> <li>▪ Need for track record</li> </ul>

**18) In your area, what specific types of loans are provided by informal moneylender?** *(Sa inyong lugar anong uri ng pautang ang ginagawa ng mga di-pormal na nagpapahiram ng pera?)*

Probe Questions:

**19) Can you give us an estimate of the average loan amount provided by informal money lenders for each type of loan? (Magkano ang karaniwang halaga na pinapautang ng mga di-pormal na nagpapahiram ng pera?)**

**20) What is the loan term? (Gaano katagal ito dapat bayaran?)**

**21) How much is the interest rate? (Magkano ang interes?)**

**22) What type of collateral? (Anong uri ng kolateral?)**

INFORMAL TYPE OF LOAN	AVERAGE LOAN AMOUNT	LOAN TERM	INTEREST RATE	TYPE OF COLLATERAL
Kabanan	1-10 thousand	Per cropping/3-4 months	5-10% /mo	- Land titles, rights sa lupa - Land/crops/real estate - Bulawan - Bahay - Property - Appliances - Cellphone - Alahas/jewelry - Sweldo - Paninilbihan/anak
Prenda	50-200 thousand	5-10 years	10-25% /mo	
Hulugan	2-5 thousand	1 day/week/month	5-10% /mo	
5/6	- 1-20 thousand - 1-2 thousand - 1-200 thousand - 3-25 thousand	- 1 mo – 1 year - 1-3 mos - 1 day to 1 year	15-20% /mo	
Baligya	- 5 thousand + - 20 thousand & below	Swelduhan	5-20% /mo	
financing	15-20 thousand	Per corn cropping	15-20% /mo	

**E. TYPES OF SAVINGS**

23) **Do you have savings?** *(Meron ba kayong ipon/impok?)*

24) **Where do you keep it?** *(Saan mo iniipon / iniimpok?)*

25) **What are the reasons for not keeping savings in formal institutions?** *(Bakit hindi kayo nag-iipon/nag-iimpok sa mga pormal na institusyon tulad ng bangko?)*

HAVE SAVINGS?	WHERE KEPT		REASONS FOR NOT SAVING IN FORMAL INSTITUTIONS
YES: 7	<b>Formal</b> - Cooperatives - Bank - ATM - Bank account	<b>Informal</b> - Lugian/piggy bank - Coin bank	- Easy access/emergency funds for cooperative members - Maliit ang interest - Distant banks
NO: 6	-----		-----

**F. NEW BUSINESS OPPORTUNITIES AND TRAINING NEEDS**

26) **Are there other business opportunities in your area?** *(Meron ba kayong nakikitang iba pang oportunidad sa pagnenegosyo sa inyong lugar?)*

27) **What are these business opportunities?** *(Anu-ano ang mga ito?)*

28) **Do you plan to put up a new business based on these opportunities?** *(Balak nyo bang magtayo ng negosyo batay sa mga nakikita ninyong oportunidad?)*

29) **Do you need training on these?** *(Nangangailangan ba kayo ng pagsasanay tungkol dito?)*

30) **What trainings would you need?** *(Anu-anong mga pagsasanay ito?)*

31) **Aside from training, please enumerate the support services you need and the expected provider of such services (national government, local government, private sector, etc.).** *(Maliban sa pagsasanay, ano pang mga serbisyo ang kakailanganin ninyo para masuportahan ang inyong negosyo at sino ang naisip ninyong dapat magbigay nito?)*

OTHER BUSINESS OPPORTUNITIES?	WHAT ARE THESE?	PLAN TO PUT UP BUSINESS?	NEED TRNG?	WHAT TRAINING?	SUPPORT SERVICES	EXPECTED PROVIDERS
YES: 13	<ul style="list-style-type: none"> <li>▪ Repacking/retailing of basic commodities</li> <li>▪ Fishing/tilapia production</li> <li>▪ Network marketing</li> <li>▪ Restaurant/carenderia/café/food house/beer house/videoke bar</li> <li>▪ Xerox copying</li> <li>▪ Travel &amp; tours</li> <li>▪ Buy and sell</li> <li>▪ Boarding house (students)</li> <li>▪ E-commerce</li> <li>▪ Highland banana production/processing for export</li> <li>▪ coconut/mango processing for export</li> <li>▪ Microfinancing/ re-lending</li> <li>▪ Microentrepreneurs hip</li> <li>▪ Palm oil production</li> <li>▪ General merchandising</li> <li>▪ Lumber-yard</li> <li>▪ Furniture making</li> </ul>	YES: 13 NO: 0	YES:13 NO: 0	<ul style="list-style-type: none"> <li>▪ Technical skills-computer, e-commerce</li> <li>▪ Business/management skills/training</li> <li>▪ Quality control-agricultural production</li> <li>▪ Social marketing</li> <li>▪ Technology on processing/poultry</li> <li>▪ Marketing</li> <li>▪ Product packaging</li> <li>▪ Highland banana production/mango processing</li> <li>▪ Finance management</li> <li>▪ Social audit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Microfinance technology/net work</li> <li>▪ Capital/ /seed capital</li> <li>▪ Technical skills/trainings</li> <li>▪ Market access/linkaging</li> <li>▪ Industry secrets</li> <li>▪ Facilities</li> <li>▪ Financing</li> <li>▪ Grassroot/community media (promotional logistics)</li> </ul>	<ul style="list-style-type: none"> <li>▪ NAPC</li> <li>▪ DOST</li> <li>▪ Financial Agencies/ Institutions/Government Banks (DBP/LBP/ Quedancor)</li> <li>▪ Bank/NGO/Cooperative/PO/ Foundation</li> <li>▪ TESDA</li> <li>▪ Related business organizations</li> </ul>

Note:

NAPC facilitators explained the 2<sup>nd</sup> and 3<sup>rd</sup> phase of the project and with the expected time frame for the educational seminars/training for the basic sectors on the 2<sup>nd</sup> or 3<sup>rd</sup> quarter of 2006, one of the participants expressed to fast-track the implementation of the training as the data collected may not be relevant should the activities be done in a later time.