



# **LED THROUGH MICRO, SMALL AND MEDIUM ENTERPRISE (MSME) DEVELOPMENT**

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# PRESENTATION OUTLINE

- ▶ **The DTI Mandate**
  - ▶ **DTI Mission**
  - ▶ **Partner Agencies**
  - ▶ **What is LED?**
  - ▶ **Why focus on MSMEs?**
  - ▶ **Status of Philippine MSMEs**
  - ▶ **DTI Major Programs**
    - ▶ **Shared Service Facility (SSF)**
    - ▶ **Industry Clustering**
    - ▶ **SME Roving Academy (SMERA)**
    - ▶ **Bottom-Up Budgeting**
    - ▶ **Negosyo Centers**
    - ▶ **Project Kapatid Angat Lahat**
- 



# DTI MANDATE

**DTI is responsible for realizing the country's goal of globally competitive and innovative Industry and services sector that contribute to inclusive growth and employment generation.**



# DTI MISSION

## ▶ Enabling Business

- Enabling business environment/reduces cost of doing business to facilitate trade and investments
- Global competitiveness
- Value chain and industry cluster management

## ▶ Empowering Consumers

- Safe and reasonably-priced products and services
- Supply chain management



# PARTNER AGENCIES

1. Business Development Services \ (BDS) Providers
2. Local Government Units (LGUs)
3. Training Institutions
4. Chambers, Academe
5. Financing Institutions
6. Trade & Industry Associations/ NGOs
7. Other National gov't agencies

## WHAT IS LED?

Local economic development (LED) is a participatory process. Communities, civil society organizations and the private sector establish different forms of partnerships through the leadership of local governance authorities or local government. The partners work together to harness local resources, encourage investments and stimulate local commercial activities, particularly that of micro, small and medium-sized enterprises. These productive activities lead to job generation, business development and ultimately improved quality of life for citizens.

# Characteristics of Economic Development



Built on local dialogue, LED is about connecting people and their resources to enhance local opportunities and prosperity. LED is about a better quality of life for men and women in a sustainable future.

## Why focus on MSMEs?

- ▶ Micro, small and medium-sized enterprises (MSMEs) around the world contribute to job creation and income generation. Governments also recognize the role of micro, small and medium (MSME's) sized enterprises as proven engines of local economic growth.

MSME's are often:

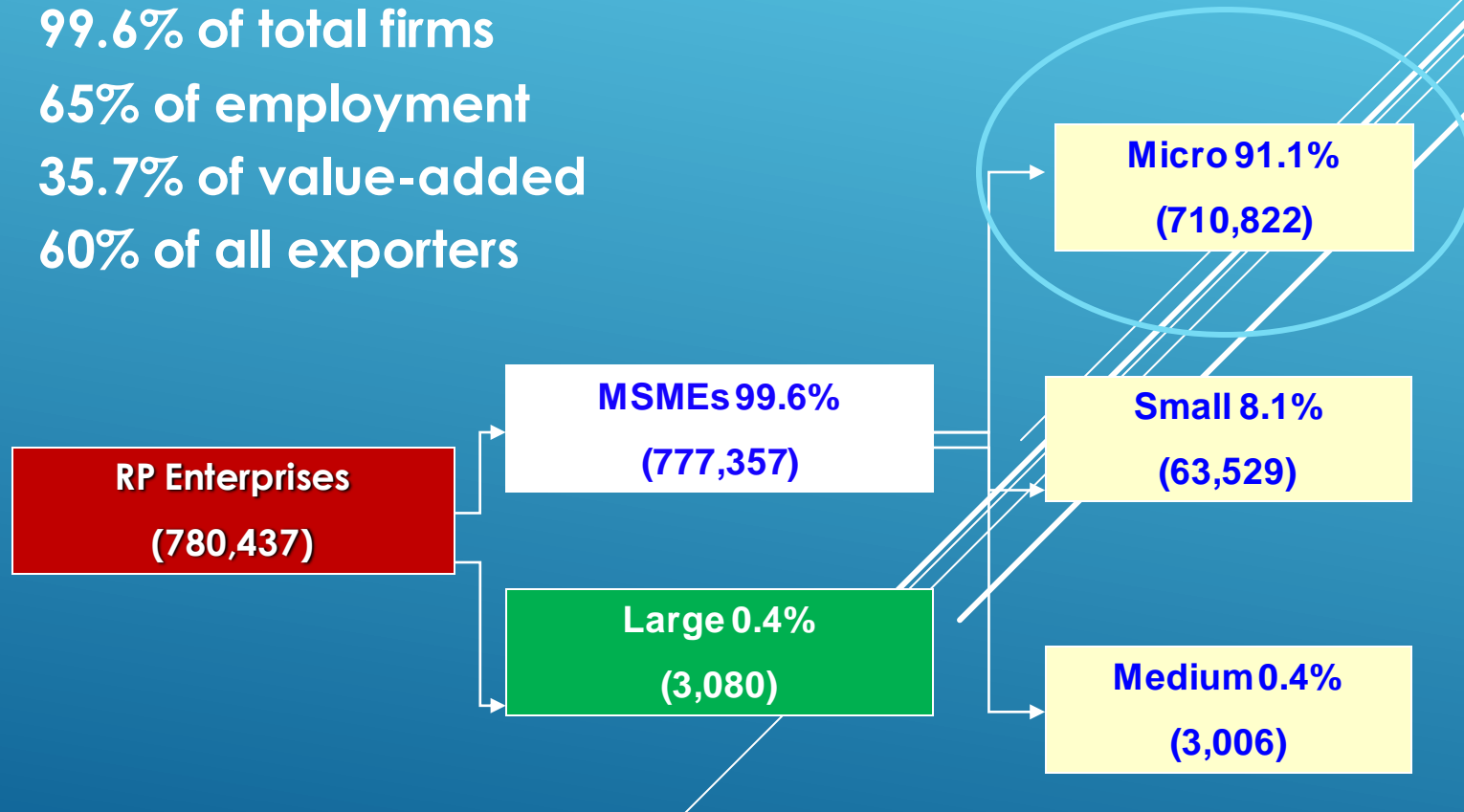
- ▶ Locally based and owned
- ▶ Users of local resources/ inputs
- ▶ Based on local and foreign demand
- ▶ Local job generators
- ▶ Valuable links and networks within the community
- ▶ As a sector, highly resistant to collapse



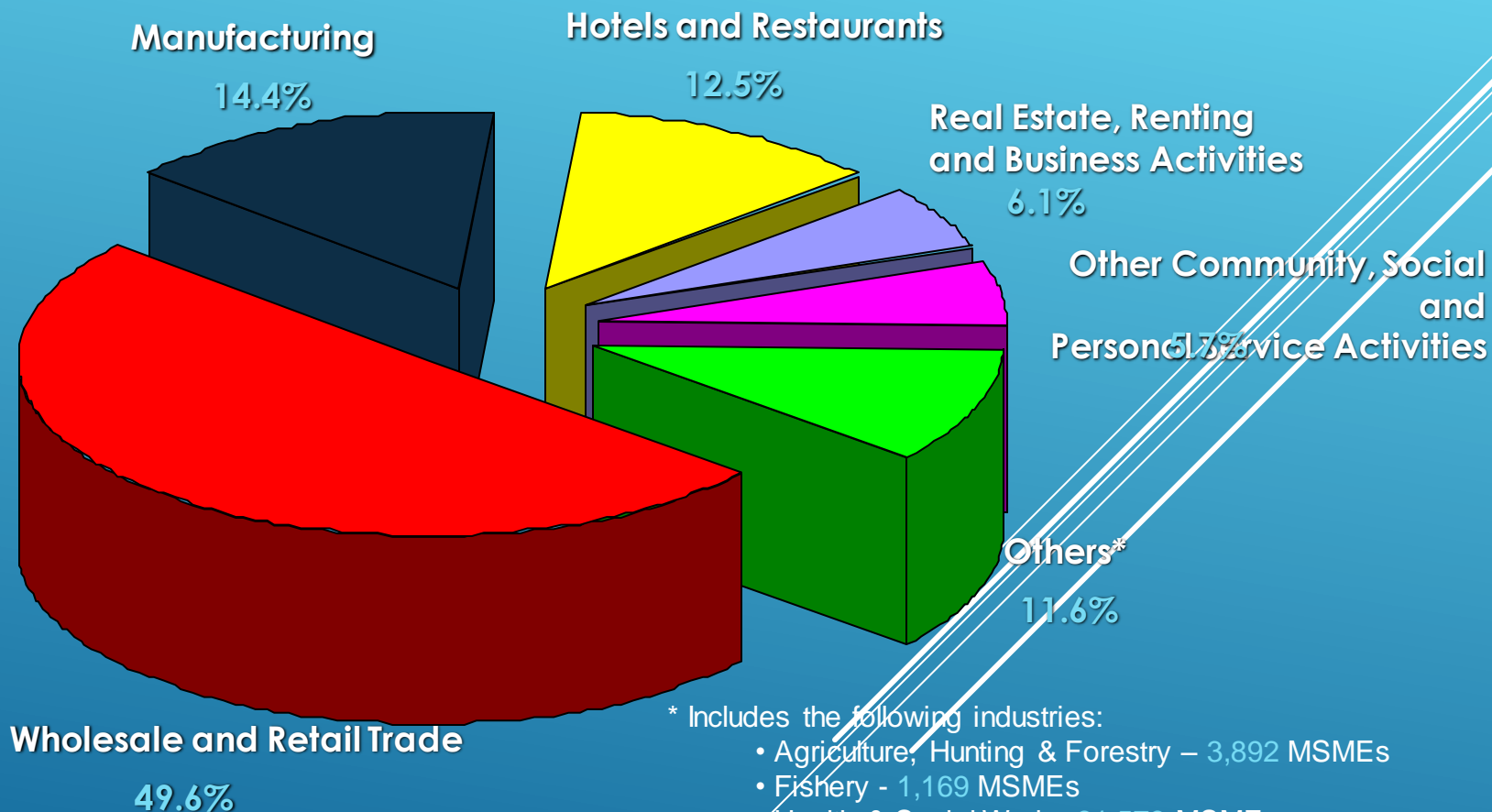
# Status of Philippine MSMEs

## Contribution of MSMEs

- 99.6% of total firms
- 65% of employment
- 35.7% of value-added
- 60% of all exporters



# Industry Share of MSMEs



- \* Includes the following industries:
- Agriculture, Hunting & Forestry – 3,892 MSMEs
  - Fishery - 1,169 MSMEs
  - Health & Social Work - 31,573 MSMEs
  - Financial Intermediation – 26,443 MSMEs
  - Mining & Quarrying; Electricity, Gas and Water, Construction; Transport, Storage & Communications; and Education



# **DTI MAJOR PROGRAMS**

- ▶ **Shared Service Facility (SSF)**
- ▶ **Industry Clustering Development Program**
- ▶ **SME Roving Academy (SMERA)**
- ▶ **Bottom-Up Budgeting (BUB)**
- ▶ **Negosyo Center Establishment**
- ▶ **Project KAPATID, Angat Lahat**

# SHARED SERVICE

# FACILITIES



# SSFS IN REGION 6

Province	SSF	No. of SSFs (2013-2015)
Aklan	Loomweaving Phase I-3 BRC	27
Antique	Coffee Processing, BRC	4
Capiz	Coco Oil Mill, Deboned Bangus, Toll Packaging, Abaca Stripping, Wearables, BRC	9
Guimaras	Hot Water Treatment, BRC	1
Iloilo	Food Processing, Abaca Stripping, Furniture & Furnishings, Packaging & Labelling, Garment, Coco Fiber, BRC	13
Negros Occ.	Hig Speed Sewing Machine, Garments, Vermi Composting, BRC	6





# HANDICRAFT OF AKLAN MULTI-PURPOSE COOPERATIVE







Tigbauan



Guintapagin ARCoop



Guintapagin ARCoop



Guimaras Mango  
Producers & Growers  
Devt. Coop.







LGU OF  
TUBUNGAN

ESPARAR MPC



LGU of Leon







## SSF on Furniture & Furnishings-UPV







## SSF on Garment Making-Lambunao







Squash noodles

# PURPOSE

*The provision of SSF shall:*

- ▶ Enable MSME's to increase their productivity
- ▶ Accelerate MSME competitiveness by giving them access to better technologies and more sophisticated equipment.
- ▶ Encourage the graduation of MSME's to the next level where they could tap a better and wider market share and be integrated in the global supply chain.
- ▶ Address the gaps and bottlenecks in the value chain of priority industry clusters.



# INDUSTRY CLUSTERING DEVELOPMENT PROGRAM

## Project Description

- ▶ Industry Clustering is an organized approach in industrial development and promotion of MSMEs. It necessitates the operation of upstream (*raw material suppliers, production inputs*) and downstream (*logistics, value-adding, packaging and marketing*) economic activities to support the whole value chain.
- ▶ Geographical concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (*e.g., universities, standards agencies, trade asso.*) in a particular fields that compete but also cooperative



# PRIORITY INDUSTRIES (REGION 6)

- Coffee
- Bamboo
- Coconut/Coco Coir
- Processed Fruits & Nuts  
(Calamansi, Pineapple & Cashew)
- Wearables & Homestyle
- Cacao



# SME ROVING ACADEMY (SMERA)

A continuous learning program for the development of micro, small and medium enterprises to become competitive in the domestic and international (global) markets





# SME Roving Academy along the EPP Framework

STAGES



OUTCOME

*Business Registered  
Client ready*

*Export Ready*

*Market Penetrated*

*Committed to Export*

*Export Market Ready*

*Sustainable Market Presence*

**SME Roving Academy**

*(Stages 1-4)*

**RIPPLES\***

*(Stages 4-7)*

**\*Regional Interactive Platform for Philippine Exporters**



**BUB**

**BOTTOM-UP BUDGETING**

Budget ng bayan sa kamay ng taumbayan.

# \* 2016 BOTTOM-UP-BUDGETING Projects

Province	LGU
Aklan	Kalibo
Antique	Barbaza (2)
	Tobias Fornier
	Valderrama
Capiz	Roxas City
	Pontevedra
	Sigma
Guimaras	Buena Vista

# \* BOTTOM-UP-BUDGETING (2016 Indicative)

Province	LGU
Iloilo	Banate
	Dueñas
	Lambunao
	Tubungan

# \* BOTTOM-UP-BUDGETING (2016 Indicative)

Province	LGU
Negros Occ.	Binalbagan
	Hinigaran
	Kabankalan
	Pulupandan
	San Enrique



# \* 2016 BOTTOM-UP-BUDGETING PROJECTS

Province	LGU
Negros Occ.	Sila
	Sipalay
	Talisay
	Victorias

# NEGOSYO CENTER

## Republic Act No. 10644: Go Negosyo Act

- An Act Promoting Job Generation and Inclusive Growth Through the Development of Micro, Small and Medium Enterprises, otherwise known as the “Go Negosyo Act” authored by Senator Bam Aquino
- Enacted into law on 15 July 2014 by His Excellency President Benigno Simeon C. Aquino III.





# NEGOSYO CENTERS

Province	Number	Location
Aklan	9	Ibajay , Altavas , Malinao, Lezo, Libacao, Kalibo, Malay, Numancia, Makato
Antique	5	Laua-an , Pandan, Tibiao, Caluya, Valderrama
Capiz	5	Mambusao , Tapaz, Pontevedra Sigma, Roxas City
Guimaras	2	Buenavista, Jordan
Iloilo	7	Miag-ao , Concepcion ,Lambunao, Pavia, Passi City, Iloilo LGU, DTI Region 6
Negros Occ.	7	San Carlos , Silay , Bacolod City Hinigaran , La Carlota , Kabankalan, Sagay City



## NEGOSYO CENTER - MIAGAO







## NEGOSYO CENTER - MALINAO



## NEGOSYO CENTER – BACOLOD CITY









**KAPATID (Inclusive Business)** is a joint undertaking of Go Negosyo and the Department of Trade & Industry that is envisioned to bring in an entrepreneurial culture geared towards a more prosperous nation. The project specifically aims to link micro and small enterprises (or MSEs) to the medium and large enterprises as the latter's suppliers and distributors - all within specific industry clusters. These linkages will enable the MSEs to engage in more sustainable and profitable business activities. To achieve these linkages, MSEs must be provided with capacity building as well as access to technology, e.g., Shared Service Facility (SSF) and financing. Under KAPATID are initiatives to conduct trainings, seminars, one-on-one mentoring, business matching and other capacity building activities that are all geared towards the successful integration of MSEs in thriving industry clusters.



### 1 MENTOR ME PROGRAM

The program aims to help Micro, Small and Medium Entrepreneurs scale up their businesses thru the weekly coaching and mentoring by business owners and practitioners on different functional areas of entrepreneurship to be held in Negosyo Centers nationwide.

**END GOAL:** To produce confident entrepreneurs with the right mindset and Business-knowhow that will be able to sustain and scale up their enterprise.



### 2 ADOPT-an-SSF

The DTI Shared Service Facilities (SSF) Project aims to improve the competitiveness of MSMEs by providing them with machinery, equipment, and tool, under a shared system. The SSF Project is being implemented nationwide with project partners termed as Cooperators.

**END GOAL:** For our MSMEs to maximize the use of SSF in its full potential by partnering with fitting "Cooperators" which are business owners and corporations.



### 3 INCLUSIVE BUSINESS

An inclusive business is a sustainable business that benefits low-income communities. It is a business initiative that, keeping its for-profit nature, contributes to poverty reduction through the inclusion of low income communities in its value chain.

**END GOAL:** To be able to achieve inclusive growth by promoting existing IB models that can be adopted by other enterprises - eventually creating an IB community that recognizes IB models designed to assist

## HOW TO SUPPORT KAPATID?

### 1 MENTOR

If you or your organization have what it takes to inspire others to level up on their entrepreneurial journey through giving lectures and mentorship on your area of expertise in Business, join our pool of mentors!

### 2 ADOPT

If you have the capacity to run, operate, and manage a specific Shared Service Facility and would like to help small entrepreneurs to be more productive, adopt a cluster of SSFs now!

### 3 ENCOURAGE

If you have an existing IB model, you can encourage other businesses to develop their own by:

1. Branding your IB program under KAPATID. Your brand and program will get mileages as we extensively promote KAPATID ICONs in our media platforms.
2. Partner with us by developing Negosyo Seminars or mentoring sessions for your organization / company / community beneficiary.

### 4 SPONSOR

Through supporting KAPATID activities, your company will be able to help us continue the programs for MSMEs and get extensive mileage and market linkages!

## CONNECT WITH US!

**FACEBOOK** [www.facebook.com/gonegosyoofficial](http://www.facebook.com/gonegosyoofficial)

**TWITTER** @letsgonegosyo

**WEBSITE** [www.gonegosyo.net](http://www.gonegosyo.net)

**E-MAIL** [mentorme.gonegosyo@gmail.com](mailto:mentorme.gonegosyo@gmail.com)

**PHONE LINE** 6379347 or 6379229



- Launched in October 2016 in Iloilo for Western Visayas
- Implemented in four provinces (Iloilo, Aklan, Antique and Capiz)
- 17 mentee graduates in Iloilo (Batch 1)
- Mentorship in Iloilo (Batch 2 with 20 mentees)
- Mentorship sessions in Aklan and Antique with 40 mentees (Batch 1)
- Conducted by PCE accredited mentors
- 10 sessions to be attended by mentees prior to graduation







## **SME Development and Sustainable Employment Program (SMEDSEP) 2003-2011**

- A technical cooperation program between the Federal Republic of Germany and the Republic of the Philippines
  - The overall goal of the program is to enable public and private institutions to create favorable business conditions in order to develop entrepreneurial potential and encourage competition in the Visayas.
    - It covered Region 6, 7 and 8
    - Includes tourism ,IT and creative sectors

## Outcome

1. Streamlining of Business Licensing
2. Institutionalization of a participatory local economic Development Planning process.
3. Growth of MSME's in the covered sectors



# Promotion of Green Economic Development (ProGED) 2013-2016

*Objective:* MSMEs as well as government institutions relevant to economic development increasingly implement environment friendly climate smart and inclusive strategies and measures.



# GREEN AWARDS



DTI Capiz Provincial Director Ms. Ermilinda P. Pollentes welcomes the MSMEs, Guest and Participants.

**Capiz Green Enterprise Awarding Day**  
**22 July 2016**  
**Capiz Eco Park**  
**Brgy. Nagba, Cuartero, Capiz**

## Negros Occidental Awards

- ❑ Philippine Chamber of Commerce and Industry's Philippine Business Conference and Expo 2015 awarded Ramon Peñalosa of Peñalosa Farms as sole recipient of the Excellence in Ecology and Environmental Awards for SME (Peñalosa was nominated by DTI)
- ❑ Virgie Chua of Virgie's Homemade Pasalubong was awarded by the Provincial Government of Negros Occidental a Seal of Good Environmental Governance Award (Chua was nominated by DTI)





# Outcome

- ▶ Establishment of Green Enterprises
- ▶ Heightened awareness on promotion of Green Economic Development
- ▶ Adoption of green technology

I believe God has anointed people to be entrepreneurs, to be bakers, to be chefs, to be beauticians, to be accountants, to be administrators, to be stockbrokers, to be engineers, to be doctors, to be mothers, to be farmers...

This is how you serve others.

This how you bless the world

-BO SANCHEZ

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**THANK YOU**

