

Republic of the Philippines
Province of Bohol
Municipality of Balilihan

COMPREHENSIVE PROJECT PROFILE

I. PROJECT DESCRIPTION

1. Project Title : **Balilihan Soap Manufacturing Project**

2. Project Type :

This project is a capital forming type of development initiative involving the establishment of a soap manufacturing facility in the Municipality of Balilihan. It also includes a level of technical assistance in the conduct of formal study for the project. Further assistance is also provided in community organizing and delivery of capability-building activities for the people who would manage and operate the soap facility.

3. Project Components :

The project has the following components:

- a. Formal feasibility study of the soap manufacturing business
- b. Community organizing
- c. Establishment of the soap facility to include land preparation, construction of building, and acquisition of various equipment such as hammer mill, expeller, electric heater, refiner and transport vehicles
- d. Organizing and training of personnel to operate and manage the facility
- e. Marketing and promotion

4. Project Location : Barangay Del Carmen Sur, Balilihan, Bohol

II. PROJECT STATUS

The project is proposed for funding to interested donor organizations. Initial studies have already been conducted in terms of its appropriate location, market consideration, technical specifications, financial viability and the institutional/management requirement. Detailed supporting information is available, as prepared by the Municipal Planning and Development Office and the Municipal Agriculture Office. The Municipal Government of Balilihan considered this project a priority and is committed to put up counterpart funds and in-kind contribution for the project.

III. PROJECT JUSTIFICATION

1. Project Background:

Balilihan is a landlocked municipality located 22 kilometers northeast of Tagbilaran City, Bohol's capital. It is basically an agricultural area with farming as the major source of livelihood for its people. Its major agricultural commodities include coconut,

rice, corn, rootcrops, vegetable, bananas and fruits. Some of its residents, however, are engaged in economic ventures, mostly in retailing and service types of business.

Typical in rural areas, some people in Balilihan have been experiencing certain levels of socio-economic deprivation. Based on the survey conducted in early 2006 using poverty-based indicators, about 2,130 households (65.66% of total municipal households) are living below the income threshold. The same survey also revealed that 1,102 working – age persons (11.79% of the total working age group) are unemployed. These deprivations of households consequently contribute to their inability to afford appropriate food requirements, health and sanitation facilities as well as education for their children.

With these difficulties being experienced by a number of its constituents, the Municipal Government of Balilihan is committed to initiate and implement projects that can generate employment and create economic opportunities for the people. In this way, the poor can earn income that will suffice for their basic needs and aspirations.

One of the projects being considered by the Municipal Government to contribute in achieving this end is the establishment of soap manufacturing facility in the municipality. However, being 4th income class municipality, its financial resource is not sufficient to finance such project on its own. For this reason, the project is proposed for counterpart funding from local or foreign donor organization.

The soap manufacturing facility will allow the municipality to produce soap and other coconut by-products that are useful. This will also greatly help the local coconut farmers, who will supply the required coconut for the process. The operation of the facility will not only ensure the inflow of income to coconut farmers and generate employment but also offer affordable coconut-based products to the people in the municipality.

In general, once realized, the soap-manufacturing project will improve the quality of life of the Balilinhons, more especially the farmers and their respective families, thereby alleviating poverty in community. This will also create an environment that enhances economic growth in the area, encouraging backward and forward economic linkages between suppliers, wholesalers and retailers.

2. Project Linkages:

The project complements the agriculture enhancement initiatives of the Municipal and Provincial Government. It supports the implementation of the Bohol Agriculture Master Plan particularly on the promotion of coconut-based processing. It encourages coconut development, in the line with the thrust of the Philippine Coconut Authority. Also, the project contributes to the livelihood development efforts of governments and non-government organizations in the area. Furthermore, it provides opportunity to the Municipal Government to increase its internally generated revenues, supporting its drive for economic enterprise development, eventually enhancing its financial position and fiscal management.

3. Project Objectives:

- To increase income of people, particularly the low-income coconut farmers, thereby reducing levels of poverty.

- To provide affordable coconut-based products like soap, cooking oil and other coconut by-products to the Balilinhons.
- To increase Municipal Government's income through its newly established economic enterprise redounding to better capability to support its social service programs aimed to alleviate poverty.

4. Sectoral Objectives:

- To encourage agricultural productivity through development of agri-based industries and manufacturing ventures.
- To improve coconut production and maximize its utility through development of coconut-based products.

5. Regional and National Objectives:

- To bring economic development in rural areas through agricultural productivity and industrialization.
- To reduce poverty in provinces through better opportunities for the poor.
- To strengthen Local Government Units and empower them to engage in economic enterprises that would bolster their financial stability.

IV. PROJECT FINANCING

1. Funds Needed

The total project will require **P3, 600,000.00** to cover for all of its components.

2. Project Financing

Due to limited resources of the Municipal Government of Balilihan, cost sharing and counterparting schemes are proposed to finance the project. To establish the soap facility, resources need to be invested. While the start-up and initial operation of the facility will be covered by the project, its long-term operation will be financially self-sustaining through proper management and control of finances.

3. Funding Source

The project is proposed for financial assistance from local and foreign donor organizations that are willing to be part of this venture. Assistance in terms of technical services is also welcome from National and Provincial Government entities.

4. Counterpart Funding

The Municipal Government is committed to contribute 10% of the total project cost (P360, 000.00). It will also provide for the land to be used for the site soap facility. Cost sharing can also be arranged for the procurement of 1 unit Stick Truck and 1 unit of Multi-Cab.

5. Financial Viability

The project is expected to be financially viable. While the prices of the project's coconut-based products may be quite lower than the current prices of commercially

made products, their market reach/share is projected to be promising and thereby sell in greater volumes. Based on initial analysis, the project's soap production can get up to 60% of the local demand. This projection is expected to come from Rural Improvement Clubs (RIC), Barangay Health Workers (BHW), and Purok Members. Coconut by-products are also in-demand such as the copra cake for swine raising, raw oil for refiners, coco husks for native stuff toy making, and charcoal for household consumption. Average monthly sales is projected at P81,570.00 and can cover the cost of operation of the facility.

To ensure patronage from people at the least from Balilihan, marketing and promotion of products will be made in 31 barangays of the municipality. As part of business plan, expansion of market reach to other municipalities will also be made in due time, with the assistance from the RICs and BHWs, who have links and ties with other sister organization in the province. This will eventually raise the demand for the project's products, increase the coconut requirements from farmers, add to farmer's income and better cash inflow for the project.

V. PROJECT BENEFITS AND COSTS

1. Beneficiaries

The project will directly benefit the members of the small coconut farmers association in 31 barangays of the municipality. Supplying solely the manufacturing requirements of the soap facility will provide them the opportunity to earn stable and regular cash returns from their coconut production. This arrangement will, in the long run, improve the living conditions of their families.

Establish the soap facility will also benefit the employees who will be employed for its operation. The project would employ at least 12 personnel for its initial operation.

The Municipal Government of Balilihan can also benefit from this project through the revenues that will be collected from this economic enterprise. This will increase their financial capacities to fund social services for the people.

Generally, the entire populace of the municipality, especially the poor, can benefit from this project. This would enable them to purchase basic coconut-based products at cheaper costs thereby maximizing the use of their meager financial resources. Incomes related to this project, as will be earned by wholesalers, retailers, and users of its by-products, will greatly help people in improving their living conditions and alleviate them from deprivation.

2. Social Benefits

The project would facilitate and encourage strengthening of coconut farmers associations in the municipality. This builds the social capital of its members, allowing them to be part of an economic undertaking that would improve their cash returns from their coconut production. Better and more stable cash inflows for poor farmers would provide them the chance to buy appropriate food for their families, access better health and education for their children, and improve housing facilities.

The employment that the project will generate would contribute in curbing unemployment in the municipality, for a better and productive society. More

affordable products for the people will help them live their daily lives, allowing them to meet both ends of incomes and daily expenses.

3. Economic Benefits

The soap manufacturing facility will stimulate economic growth in Balilihan through the enhancement of the forward and backward economic linkages of coconut-based products. Foremost, coconut farmers will get better income out of the sole-supplier scheme of the project. The facility will also generate employment in its operation as well as create demands for local suppliers of key components and ingredients of its products. The production of soap-based products will provide wholesalers and retailers new affordable product lines, which are more saleable to the market. This will bring them better returns of their business. At the end, consumers—the general public of Balilihan and of the expansion areas will be able to acquire these products at cheaper costs, allowing them to save some amounts for their household expenses.

4. Social and Economic Costs

There are no foreseen or actual socio-economic costs or negative effects that this project will bring to Balilihan.

VI. PROJECT IMPLEMENTATION

1. Responsible Agency

The Municipal Government of Balilihan will be responsible for the establishment, operation and management of the soap manufacturing facility. As one of its economic enterprise, the Municipal Government is responsible for the sustainable and profitable operation of the facility. The Office of the Mayor will provide the overall supervision of the project. The Office of the Municipal Planning and Development Coordinator (MPDC) and the Municipal Agriculture Office (MAO) will provide the necessary technical support for the planning and design of the project as well as in making sure that the community, particularly the farmers, will understand and support the project. On the other hand, the Municipal Engineer (ME) will be responsible in the construction and maintenance of the structures and installation of equipment of the manufacturing facility.

Technical expertise and assistance shall also be provided by Department of Science and Technology (DOST) and the Department of Agriculture (DA) in the establishment of the facility and on the proper processes that should be conducted to produce the soap and other by-products. The Department of Trade and Industry (DTI) shall also assist promotion and marketing. The Philippine Coconut Authority (PCA) can be tapped for technical assistance in terms of increasing coconut production.

Management and control of the facility's financial resources and transactions shall be the responsibility of the facility manager, in coordination with the Municipal Treasurer (MT) and Municipal Accountant (MA).

2. Implementation Schedule

| Activity | Time Frame | Responsible Office/s |
|---|---|---|
| 1. Fund Sourcing | 2006 - 2007 | MPDC, Office of the Mayor, MAO |
| 2. Finalization of Project Assistance and Design | Jan. 2007 | MPDC, Office of the Mayor, MAO, Sangguniang Panglungsod, Funding Agencies |
| 3. Conduct of formal study for the technical and financial operation of the project | Feb. – Sept. 2007 | MPDC, MAO, DOST, DA, DTI, PCA, ME, Farmers Association |
| 4. Community / Social preparation and Information for coconut farmers/ Initial marketing | June - Sept 2007 | MAO, MPDC, Barangay Councils, Office of the Mayor |
| 5. Establishment of Soap Manufacturing Facility to include land preparation, building construction, and equipment procurement/ installation | Sept. - Dec. 2007 | ME, MAO, MPDC, DOST, Bids and Awards Committee, Office of the Mayor |
| 6. Organizing and training of personnel for the facility (August 29, 2007) | July - Sept. 2007 | Office of the Mayor, MAO, DOST, DTI, DA, ME, HR Officer, MA, MT |
| 7. Full operation of the facility | 2 nd quarter 2008 | Facility Manager, MAO, ME, Local Finance Committee, Office of the Mayor |
| 8. Promotion and Marketing | 2 nd quarter of 2007 onwards | Office of the Mayor, MAO, Coco Farmers Association, DTI |
| 9. Monitoring and Evaluation | Project start onwards | MPDC, MAO, Office of the Mayor, Funding Agencies |

3. Administrative Feasibility

The Office of the Mayor will provide the overall supervision of the project. The Facility Manager will be responsible for the day-to-day operation of the manufacturing facility to include supervision of 11 personnel, production, marketing and financial management. The proper selection and hiring of personnel will be conducted with consideration to experience in handling equipment, sales, marketing and production of coconut-based products. This would make sure that people working for the project are capable enough to handle the job. During the project implantation, the Local Finance Committee will be responsible in ensuring that the terms and arrangements of the funding assistance are followed. The

MPDC and the MAO in consultation with the Municipal Mayor will conduct monitoring the progress of the project.

4. Legal and Political Feasibility

There are no foreseen legal or political impediments for the project. The municipal leadership, as well as Sangguniang Bayan are united to pursue this project.

5. Environmental Clearance

Appropriate environmental clearances will be secured for the project if required by law.

6. Social Acceptability

The people of Balilihan support this project considering the social and economic benefits that it can bring to the society.

MUNICIPALITY OF BALILIHAN

Contact Person: **MR. CHRISTOPHER LEONIDES P. RACHO**
Municipal Planning and Development Coordinator
Tel. No. (038) 411-2338 (Loc 105)