

Republic of the Philippines  
Province of Bohol  
Municipality of Garcia-Hernandez

## PROJECT PROPOSAL

**I. PROJECT TITLE** : Enhancement of Virgin Coconut Oil Processing

**II. RATIONALE** :

The Philippines is one of the supplier of copra products for century worldwide, in which, currently, virgin coconut oil is known and recognized in the international market as food supplement. Virgin coconut oil is accordingly 50% lauric, a medium-chain fatty acid of which the only other source is mother's milk. When ingested into human body, lauric acid becomes monolaurin, an anti-viral and anti-bacterial agent that destroys lipid-coated viruses such as HIV, herpes and influenza. It speeds up metabolism because it is quickly converted to energy, allowing people to burn calories and lose weight without straining the digestive system.

In line with the Millennium Development Goals (MDGs) and in support of the regional framework development plan to eradicate extreme poverty and to combat HIV/AIDS and other diseases, this project would certainly a right vehicle towards of achieving such goals.

Based on the Poverty Database Monitoring System, Barangay West Lungsodaan has 102 families or about 69% of the 148 families are living below income threshold. One of the identified and municipal assisted project in order to address the above-said problem, is the West Lungsodaan Virgin Coconut Oil Organization. It is a group of 20-individuals mostly housewives of low-income families forming together and presently producing a household based Virgin Coconut Oil processing. Considering financial constraints, their production is also limited wherein they cannot even supply local demand.

As of this moment, there is a need to upgrade/improve their capabilities by providing enough equipments, space and technology. In terms of raw materials this project be materialized, it could help reduce the number of families below such threshold.

### **III. PROJECT OBJECTIVES:**

- a) To provide an opportunity to establish a community-based enterprise;
- b) To generate employment, thus reducing poverty problems;
- c) To improve living conditions of the families living below income threshold;
- d) To provide local food supplement affordable to all consuming public, and
- e) To generate more local revenues.

### **IV. PROJECT COMPONENTS/ACTIVITIES**

- a) Strengthening the existing organization
- b) Signing of Memorandum of Agreement (MOA) between the Municipal Mayor representing the organization and the funding agency for funding
- c) Establishment of Virgin Coconut Oil processing facilities

## V. INPUT REQUIREMENTS:

- a) The proposed project needs technical men who will assist in the conduct of actual feasibility study of the project.;
- b) Space for a Building/facilities/equipments is needed;
- c) Building;
- d) Skills trainings and values formation, and
- e) Other infrastructure support facilities.

## VI. IMPLEMENTATION SCHEDULE:

ACTIVITY	2007							
	Jan	Feb	Mar	Apr	May	June	July	Aug
Reorganization and strengthening of existing organization 'Conduct values formation seminar'	X							
Conduct capability building skills training	X							
MOA signing		X						
Construction of VCO Building				X	X	X	X	
Procurement of VCO processing facilities and infrastructure support facilities						X	X	X
Actual operation of VCO processing facilities and establishment of marketing linkages								X
Marketing linkages established and operational								X
Monitoring & evaluation								X

## VII. EXPECTED OUTPUTS:

The expected outputs of the proposed project once realized would contribute a great impact to the community in terms of economic development in the area and would surely helped in the eradication of poverty problem as envisioned in the Millennium Development Goals.

## VIII. PROJECT BENEFICIARIES:

- a) The direct beneficiaries of the proposed project are the 80 % of the existing 102 families living below threshold income of West Lungsodaan as identified in the LPRAP survey.
- b) The indirect beneficiaries are the coconut farmers of Garcia-Hernandez and the general public.

## IX. IMPLEMENTATION ARRANGEMENT:

- a) Municipal Government of Garcia-Hernandez shall have the following responsibility:

- Assist in the strengthening of the existing organization particularly in management aspects.
  - Provide financial support particularly in providing local counterpart of the project
  - Evaluate and monitor during the pre-implementation and implementation stage of the project
  - Recommend suggestion based on the findings and evaluation, and
  - Provide marketing linkages
- b) Funding institution/NEDA
- Review project proposals and recommend for the approval and release of budgetary requirements needed.
- c) Organization
- Provide labor counterpart as their equity of the said project; and
  - Commitments for the success and sustainability of the project.

#### **X. ESTIMATED BUDGETARY REQUIREMENT:**

a) Estimated project cost:

Lot acquisition for VCO building (200 sq.m @ P400.00/sq.)	P 80,000.00
Building cost including electrical installation	400,000.00
Tools & Equipments	
1. Two (2) sets of Stainless coconut shredder	15,000.00
2. Stainless coco milk extractor	15,000.00
3. Assorted containers/jars	5,000.00
4. Stainless funnels	2,000.00
5. Cap Sealer/Heat Gun-220V	3,000.00
6. Assorted accessories ( lump sum ) . .	10,000.00
Capability building (Values formation & skills trainings) includes supplies venues & trainor's honorarium etc	50,000.00
Initial Capital for the purchase of nuts & packaging (lump sum) . .	<u>20,000.00</u>
<b>Total</b>	<b>P 600,000.00</b>

b) Project financing:

Components/Activities	COST IN PESOS			
	NEDA PEP Counterpart	Local	Beneficiaries	Total
Strengthening of the existing organization through capability building (Values formation & skills training)	-	P 50,000.00		P 50,000.00
Purchase of Tools and Equipments			P 60,000.00	60,000.00
Initial Capital for the purchase of nuts and packaging		20,000.00		20,000.00
Lot Acquisition and construction of building	P 400,000.00	80,000.00		480,000.00
Technical Assistance				

(MSWD office)		5,000.00		5,000.00
Supervision during construction of building (Municipal Engineer)		10,000.00		10,000.00
Monitoring & Evaluation (MPDC)		5,000.00		5,000.00
<b>TOTAL</b>	<b>P 480,000.00</b>	<b>P170,000.00</b>	<b>P 60,000.00</b>	<b>P 710,000.00</b>
NEDA PEP Counterpart	<b>67.61%</b>			
Local Counterpart		<b>23.94%</b>		
Beneficiaries Counterpart			<b>8.45%</b>	

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Approved:

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