

# Creating Stronger MSMEs amid Adversity



## 2020 ANNUAL REPORT MSME DEVELOPMENT PLAN 2017-2022



*IN THE PHOTO: Since the onset of the pandemic in March 2020, the FABLAB Bohol Makers, together with their partners, sponsors, and volunteers, have committed to produce and donate fabricated face shields, fabricated aerosol boxes, medical gowns, among others to support the country's frontliners since the onset of the pandemic in March 2020. (Fablab Bohol's Facebook Page)*



# FOREWORD



*The year 2020 has been unprecedented, particularly for the Philippine MSME sector. Considered the economic lifeblood of the country, the MSMEs are among the hardest hit by the COVID-19 pandemic. From the large-scale businesses down to the micro enterprises, it became a continuing challenge to keep business afloat in the face of lockdowns and restrictions brought by the global health crisis.*

*The **2020 Annual Report of the MSME Development Plan 2017-2022** underscores the steps taken to address these challenges. The national government, in collaboration with the private sector, international cooperating agencies, and the academe, has established COVID-19 response measures to support MSMEs toward a sustainable and resilient recovery.*

*Guided by DTI's 7-Point Strategic Framework (Mindset, Money, Mastery, Mentoring, Machines, Models, and Market) and the MSME Plan's Five (5) Strategic Goals, we have promoted the business climate by expediting delivery of assistance to MSMEs and easing regulatory burdens. We strengthened their access to finance through low-interest loans and regulatory relief measures while simultaneously addressing policy issues that impede MSME lending. We helped MSMEs improve their capacities by expanding their entrepreneurial knowledge and mastery through online mentoring. We boosted their access to technology through technology-matchmaking activities and innovations that address the new health requirements through repurposing production of essential products. We enabled greater access to market by migrating MSMEs online.*

*The MSME sector is the key to the inclusive and sustainable recovery of our economy. We at the DTI and the MSME Development Council, with the support of our local and international development partners are committed to continuously support MSMEs, empowering them to emerge from this crisis smarter, more competitive, and resilient than ever.*

A blue ink signature of Ramon M. Lopez.

**SECRETARY RAMON M. LOPEZ**  
Department of Trade and Industry  
Chair, MSME Development Council



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# MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT PLAN 2017-2022

## January – December 2020 Accomplishment Report

The Micro, Small and Medium Enterprise (MSME) Development Plan 2017-2022 (MSMEDP), which serves as the sectoral plan for the growth and advancement of the MSME sector, was developed in consultation with various stakeholders from the private sector, academia, and government agencies. It is aligned with the Philippine government's goal of boosting employment, business, and livelihood or "*Trabaho, Negosyo, Kabuhayan*" translating to "*Malasakit*", "*Pagbabago*", at "*Patuloy na Pag-unlad*" of the Philippine Development Plan (PDP) 2017-2022.

The key inputs to the Plan's formulation were also taken from the 10-Point Agenda for Development presented by President Rodrigo Duterte at his first State of the Nation Address on 25 July 2016. It was also developed in accordance with *AmBisyon Natin 2040*, the long-term mission and vision statement for Philippine development formulated by the National Economic and Development Authority (NEDA) in March 2016.

The Plan envisions for "more globally competitive MSMEs that are regionally integrated, resilient, sustainable and innovative thereby performing as key drivers of inclusive Philippine economic growth." It has identified three (3) focus areas, namely: business environment, business capacity, and business opportunities with the following five (5) strategic goals: (1) improved business climate; (2) improved access to finance; (3) enhanced management and labor capacities; (4) improved access to technology and innovation; and, (5) improved access to market.

On 04 April 2018, President Rodrigo Roa Duterte has signed Executive Order No. 50<sup>1</sup> approving the MSME Development Plan 2017-2022 which will serve as the blueprint for integration and collaboration of relevant government and private sector institutions for MSME development. The Executive Order directs concerned government agencies and instrumentalities, including government-owned or -controlled corporations (GOCC) and local government units (LGU) to adopt and implement the Plan.

The MSME Development Council (MSMEDC), through the Department of Trade and Industry (DTI) – Bureau of SME Development (BSMED) as the MSMEDC Secretariat, has been continuously coordinating and collaborating with other agencies to fully and strategically implement the Plan.

## ENTREPRENEURIAL RESILIENCE AND INGENUITY AMID ADVERSITY

Considered as the economic lifeblood of the country, the resilience of Filipino MSME entrepreneurs has been put to test with the repercussions of coronavirus disease (COVID-19) pandemic in 2020.

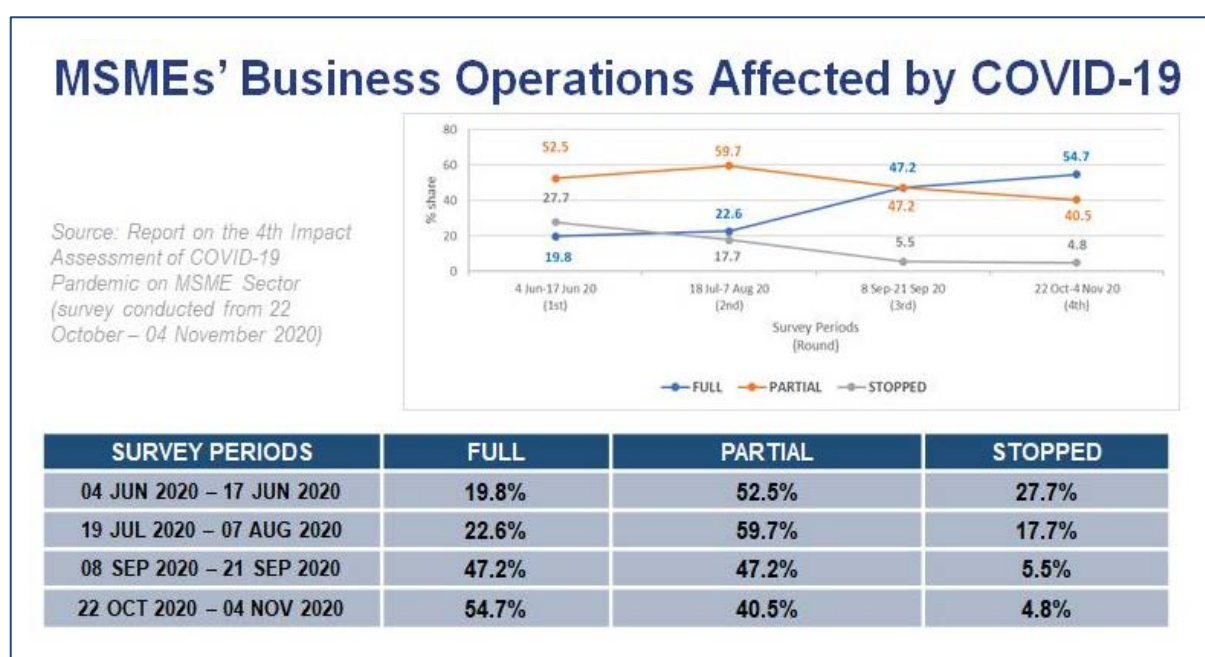
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<sup>1</sup> see full copy of Executive Order No. 50 on the first pages of the [MSME Development Plan 2017-2022](#)

MSMEs account for more than 99% of registered businesses in the country and provide 60% of jobs. But the COVID-19 crisis has made it more difficult for them to continue their business operations and participate in global value chains.

The community quarantine measures imposed since 16 March 2020 in response to the COVID-19 pandemic have forced businesses to either temporarily cease operations or operate at limited capacity due to limited movement of persons to mitigate the transmission of the virus.

The DTI has conducted a survey to see how the quarantine measures affected our businesses. Based on their responses in 2020, around 80% of businesses were unable to operate fully especially from March 16 to June 17 where restrictive quarantine measures were implemented.



The situation improved from June 18 onwards when the country has started moving to General Community Quarantine (GCQ) as 82.3% of businesses have been able to operate either partially or fully.

After October 22, those businesses that are unable to operate are down to 4.8% and with a vast majority at 95.2% of businesses able to operate fully or partially.

In terms of assistance needed by MSMEs, those under stopped operations needed the most was financing assistance, with marketing assistance usually came in second. Other assistance include compliance with government regulations, technology upgrading, and skills/management training.

*Relevant studies and surveys were conducted by various organizations to gather insights and analysis on the strengths and weaknesses of MSMEs in order to improve their competitiveness and resilience during the pandemic:*

**Asia Small and Medium-sized Enterprise Monitor 2020 Volume II: COVID-19 Impact on MSMEs in Developing Asia** conducted by the Asian Development Bank (ADB) in collaboration with the DTI.

**Assessment of the Socio-Economic Effects of COVID 19 and Containment Measures on Philippine Enterprises** conducted by UNIDO in partnership with the DTI, AIM, UP-ISSI and ADFIAP.

**Promoting SME Competitiveness in the Philippines: Compete, Connect and Change to Build Resilience to Crises** conducted by the International Trade Centre (ITC) in partnership with the DTI.

**MSME Value Chain Rapid Response Survey Wave 1** and **MSME Value Chain Rapid Response Survey Wave 2** conducted by United Nations Development Programme (UNDP) in coordination with the DTI.

As a response to the urgent need for swift and efficient implementation of essential measures to minimize the effects of the pandemic, the government enacted the Bayanihan Acts — R.A. No. 11469 Bayanihan Act 1 – "Bayanihan to Heal as One" and R.A. No. 11494 Bayanihan Act 2 – "Bayanihan to Recover as One" — to provide various relief and support programs during COVID-19.

The Bayanihan 1 provided funds worth PhP275 billion mainly for an emergency subsidy program, which provided Php 5,000 to Php 8,000 to individuals in the informal sector who lost their livelihoods due to the imposed lockdowns. While the Bayanihan 2, which was signed into law on 11 September 2020, provided a PhP165.5 billion fund meant to strengthen the government's pandemic response and recovery efforts. The funds went to several government programs for the improvement of healthcare resources, agricultural support, assistance to the transportation, tourism, and education service industries, and for a cash-for-work program. Funds were also set aside for capital infusion of government financial institutions, so that they could provide low-interest loans to MSMEs, cooperatives, hospitals, and displaced overseas Filipino workers (OFWs).

Amid the drastic changes and uncertainties it has brought to the economy and to the livelihood of many MSMEs, the DTI, together with other government agencies and private sector, continues to pursue a whole-of-government approach in implementing more innovative initiatives to support and adapt to the needs of the MSMEs during these difficult times.

On **Business Climate**, guidelines were issued such as the granting of a minimum of thirty (30)-days grace period is granted on residential and commercial rents falling due within the period of enhanced community quarantine (ECQ), without incurring interests, penalties, fees, and other charges, as well as the granting of incentives for the manufacture or importation of critical or needed equipment or supplies and ensure availability of essential goods.

Through the DILG-DTI-DICT Joint Memorandum Circular (JMC) 2016-01: Revised Standards in Processing Business Permits & License, standards for business applications processes were

streamlined, with one (1) day processing time for renewal of permits and two (2) days for new applications.

The Department of Finance (DOF) has also worked on the passage of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill which proposes to (1) accelerate Corporate Income Tax (CIT) rate reduction; (2) extend the Net Operating Loss Carry Over (NOLCO) period; and, (3) rationalize fiscal incentives to adopt to the changing business needs brought about by the pandemic.

The Bureau of Internal Revenue (BIR) has also done various improvements to assist MSMEs to start a business: a) simultaneous processing and issuance of Certificate of Registration (COR), and Authority to Print (ATP), b) reduction of business process from 6 to 3 steps, c) implementation of Single Window Policy in the registration of new business registrants, d) reduction of documentary requirements to 4 to 3 documents for individual and 5-4 documents for non-individual, e) streamlined BIR registration form now using only one (1) form. Other reforms include streamlined the processing of Tax Clearance and decentralized processing and issuance of Tax Clearance for bidding purposes as well as issuing various revenue regulations which basically relates to availment of tax incentives for registered barangay micro business enterprises (BMBE), as well as the issuances in relation to the implementation of RA 11494 or the Bayanihan to Recover as One Act which includes the exemption from documentary stamp tax, net operating loss carry-over, and the incentives for the manufacture or importation of certain equipment, supplies or goods.

In compliance with the Bayanihan Act, the Bureau of Customs (BOC) also issued IRR that aims to a) establish and informed compliance regime for importers and manufacturers entitled to exemptions from import taxes, duties and fees, b) facilitate speedy customs clearance and c) provide for a seamless refund mechanism for importations exempted from duties and taxes under the Bayanihan Act. It has also instituted regulations and policies that help MSMEs, such as the option to establish own Customs manufacturing Bonded warehouse, expediting release of refrigerated and dry vans during the ECQ, enabling electronic payments, and establishing Customer Care Centers, among others.

The Anti-Red Tape Authority (ARTA), Department of Information and Communications Technology (DICT), Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR), Social Security System (SSS), Pag-IBIG, and Philhealth have launched the Central Business Portal (CBP) pursuant to Republic Act No. 11032 or the Ease of Doing Business and Efficient Delivery of Government Services Act. It is a platform developed by DICT for business-related applications and transactions where citizens and business owners can access online forms, information, clearances and requirements they need for their day-to-day business operations. It enables users to apply for a business online -- from reserving a business name to adding employees, anywhere at anytime.

On **Access to Finance**, the COVID-19 Assistance to Restart Enterprises (CARES) Program - An Enterprise Rehabilitation Financing (ERF) facility under the Pondo sa Pagbabago at Pag-asenso has been implemented to support funding requirements of micro and small businesses affected by the economic impact of COVID-19 in the country which also provides moratorium on existing loans.

There was also the inception of Survival and Recovery (SURE) Aid Program of the Department of



Agriculture-Agricultural Credit Policy Council (DA-ACPC) for marginalized, small farmers and fishers that is a zero-percent interest loan assistance to be given to eligible borrowers affected by community quarantine. There was also the Recovery Package for Micro and Small Enterprises Engaged in Agriculture and Fisheries Food Production, and other Supply Chain Activities in accordance with the Agripreneurship Development Fund, consisting of financial assistance and capacity building for micro and small enterprises to ensure the availability of food supply, and help them recover their losses due to the quarantine.

The Development Bank of the Philippines (DBP)'s Rehabilitation Support Program on Severe Events (RESPONSE) intends to provide rehabilitation financing support, both for the public and private institutions in areas declared under a state of calamity with low-interest loans under a simplified application procedure. Another program is the Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending which provides loans for export financing, fixed asset acquisition, purchase order/ letter of credit financing, franchise acquisition and relending for cooperatives and the Retail Lending for Micro and Small Enterprises for working capital, fixed asset acquisition purchase order/letter of credit financing and acquisition of franchise of start-up or existing MSEs.

The Landbank's Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 (iRESCUE) also aims to support SMEs, cooperatives, and MFIs thru the provision of additional funds and loan restructuring under more flexible terms and conditions. Landbank has also implemented the Landbank Franchising Lending Program which provides credit assistance to qualified players in the franchising industry, for payment of franchise investment package, working capital and fixed asset acquisition and other capital expenditures.

The Philippine Guarantee Corporation (PHILGUARANTEE), through its guarantee programs, is also able to continuously encourage the availability of and access to credit from the private banks and financial institutions to the MSMEs and other key sectors. They have partnered with private banks and financial institutions to widen the channels of credit distribution nationwide. In terms of support to the construction/infrastructure sector, the PHILGUARANTEE has also working on value chain and tripartite arrangements with major construction companies.

On **Management and Labor Capacities**, the Livelihood Seeding Program – Negosyo sa Barangay (LSP-NSB) provides a package of livelihood kits and business advisory assistance and services to MSMEs affected by natural and human-induced calamities including health disasters. The DTI's Pangkabuhayan sa Pag-bangon at Ginawa (PPG) is also a livelihood seeding and entrepreneurship development program for victims affected by fire incidents and other calamities which includes the COVID-19 pandemic.

The Philippine Trade Training Center – Global MSME Academy, also known as the ASEAN SME Academy, continues to provide training and mentorship to enhance SMEs capabilities to grow. The DTI's CTRL + BIZ: Reboot Now! also offers a series of free webinars that are targeted to MSMEs who need to transform their business digitally. Enablers across the entire E-Commerce ecosystem will provide their expertise and experiences on how to take advantage of the digital space.

In partnership with the Philippine Center for Entrepreneurship (PCE), the DTI has shifted the Kapatid Mentor ME (KMME) online where experienced entrepreneurship mentors guide MSME mentees via

various online platforms. The practical delivery mechanism was developed for the same mentorship modules to be used to propel Micro and Small Enterprises to survive and thrive in spite of the unprecedented setbacks that now confront businesses of all types and sizes.

To support affected and temporarily displaced workers through upskilling and reskilling, the Technical Education and Skills Development Authority (TESDA) is offering free courses for all who would like to acquire new skills in the convenience of their own homes, mobile phones and computers through the TESDA Online Program (TOP). Through the Small Business Wage Subsidy Program of the DOF, the national government has also provided a wage subsidy for two months for affected employees of small businesses to help mitigate the impact of the quarantine so that affected small businesses can retain their employees during the quarantine period.

On **Technology and Innovation**, the DTI's Shared Service Facilities (SSF) Project / Fabrication Laboratories (FabLabs) continues to improve MSME competitiveness by providing them with machinery, equipment, tools, systems, accessories and other auxiliary items, skills and knowledge under a shared system. Fablabs are producing personal protective equipment (PPEs), ethyl alcohol, face shields and aerosol boxes using digital fabrication machines such as 3D Printers, Laser Cutters, and others. SSFs on the other hand are producing face masks/shields. Production of such items are being made to address the gap.

The Tech Tools for MSMEs during COVID19 Google site provides information to MSMEs on the different technology tools, applications, platform and resources available in coping with the challenges of the community quarantine. Various tools and solutions relating to e-commerce, e-payment, digital marketing, logistics, work from home collaboration, productivity, and webinars are offered by different development partners.

Designers and artists, with the Design Center of the Philippines (DCP) as lead, worked together to support the fight against COVID-19 through the "Paalabas" program. An online platform was also developed by the Board of Investments, the EMPOWER.PH, to gather manufacturers and MSMEs to produce facemasks and PPEs.

The DTI also delivered reforms mandated under the Innovation Act to ensure that startups have the ecosystem they need to thrive through the Startup Development program and the Regional Inclusive Innovation Centers, thereby supporting the country's goal to have an inclusive and sustainable industrial and economic development gearing towards industry 4.0.

The Department of Science and Technology (DOST) also has programs for technological and innovation needs of MSMEs such as the Small Enterprises Technology Upgrading Program (SETUP) which provides technological interventions such as innovation fund, technology transfer and commercialization assistance, consultancy, packaging assistance, technology trainings, and laboratory and testing services to empower MSMEs to innovate, move up the technology scale and become more competitive.

On **Access to Markets**, the National Trade Fairs goes Online. The successful implementation of the Online National Food Fair was a collaboration with Shopee.PH and Shopee Mobile App. This pilot

online trade fair project featured participants including MSME exhibitors producing healthy snacks, vegetarian and gourmet food, processed food products and various Filipino delicacies. The One Town One Product (OTOP) Online was also launched and have partnered with e-commerce service providers to carry the various MSMEs on the platforms.

Diskwento Caravan and Rolling Stores were also conducted, some of which are done jointly with the DA and local government units in cooperation with MSME suppliers, to ensure supply of basic necessities priced in accordance with, or lower than the suggested retail prices.

The DOST also has its onestore.ph which helps MSMEs expand their customer reach, increase brand awareness, save up on operational costs for opening new physical stores, and overcome geographical limitations.

Despite the uncertainties and difficulties, these initiatives have contributed to encourage the development of more resilient and innovative entrepreneurial journey of many Filipino MSMEs. Through various efforts of the government, NGOs, and private sector, MSMEs can build back better as the nation move forward to a new normal future.

## **MORE THAN 60,000 LIVE VIEWS FOR THE ONLINE CELEBRATION OF NATIONAL MSME WEEK**

DTI successfully conducts the first online e-Forum in celebration of the 2020's National MSME Week. Building on the success of its past editions, and in light of the current state of the world, the DTI, in cooperation with the Philippine Trade and Training Center (PTTC), organized a 5-day online experience to celebrate the National MSME Week this year.

With the theme "MSMEs' Recovery to Resilience," this virtual celebration featured five (5) different e-forum sessions to highlight the response of both the public and private sectors in order to minimize the negative impacts of the COVID-19 pandemic, support business operations continuity, protect workers' rights, provide innovative market-based approaches and solutions to help recover and promote the participation of micro, small, and medium enterprises (MSME) in economic activities.

The week-long online activities of the National MSME Week, which were held on 20-24 July 2020 via Zoom and Facebook Live, discussed various interventions of both public and private sectors to explore the impacts of COVID-19 pandemic on MSMEs including policy measures in place to support their resilience and sustainability.

*"The first online celebration of National MSME Week will be a week-long affair that will tackle a lot of issues, the situation, as well as policies and programs, and the way forward for the MSME sector due to unprecedented COVID-19 pandemic," said DTI Secretary Ramon Lopez in opening the celebration of the National MSME Week. "but together, with all our efforts, both government and private sector, our country can heal as one."*



*DTI Secretary Ramon Lopez and MSME Advocate and Entrepreneur Madame Cielito 'Honeylet' Avanceña giving their message of support and inspiration for the MSMEs on the first day of week-long online celebration of the National MSME Week 2020.*

MSME Advocate and Entrepreneur Madame Cielito “Honeylet” Avanceña also shared her personal experience in coping up with the effects of pandemic and inspire the MSMEs to continue to persevere.

Each online forum highlighted the five (5) strategic goal of the MSME Development Plan 2017-2022 on Business Climate, Access to Finance, Management and Labor Capacities, Technology and Innovation, and Access to Markets. These e-fora were hosted by DTI Bureau of Small and Medium Enterprises (BSMED) Director Jerry Clavesillas and Philippine Trade Training Center – Global MSME Academy (PTTC-GMEA) Executive Director Nelly Nita Dillera.

On Business Climate, e-Forum 1 highlighted various policy actions from government and private sector for enhancing resiliency and sustainability of MSMEs towards external shocks, such as COVID-19, in medium and long terms.



*The National MSME Week E-Forum 1: Building an Enabling Business Environment for Resilient and Sustainable Enterprises on 20 July 2020, from 09:30 AM – 12:30 PM, was joined by DTI Secretary Ramon Lopez and moderated by Corporate and Lifestyle Events Host Ms. Issa Litton. Panelists include Senate Committee on Cooperatives Chairman Senator Juan Miguel Zubiri, Senate Committee on Basic Education, Arts and Culture Chairman Senator Sherwin Gatchalian, DTI-Assistant Secretary for Digital Philippines and MSMEDC Committee on Business Climate Chair Assistant Secretary Mary Jean Pacheco, Presidential Adviser for Entrepreneurship / GoNegosyo Founder Mr. Jose Ma. Concepcion III, Philippine Disaster Resilience Foundation President Mr. Rene “Butch” Meily, Philippine Chamber of Commerce and Industry President Ambassador Benedicto Yujuico, The Federation of Filipino-Chinese Chamber of Commerce and Industry, Inc. President Dr. Henry Lim Bon Liong, and SM Supermalls President Mr. Steven Tan.*



On Day 2, panelists discussed emerging financial platforms and related legislation for MSMEs to access finance as well as the challenges on supply chain and the application of innovation in credit assessment and risk management to facilitate more lending to Pinoy entrepreneurs.



*The National MSME Week 2020 E-Forum 2: Inclusive Financial Innovation for Recovery and Sustaining Enterprises on 21 July 2020, from 10:00 AM – 12:30 PM, was moderated by Philippine Exporters Confederation Inc.-Advocacy and Communications Department Assistant Vice President Ms. Ma. Flordeliza Leong. Panelists include Small Business Corporation-Planning and Advocacy Vice President Mr. Frank Gonzaga, Department of Finance-Strategy, Economics, and Results Group (SERG) Assistant Secretary Antonio Joselito Lambino, Cebuana Lhuiller Bank President Mr. Dennis Valdes, Rizal Commercial Banking Corporation (RCBC) Executive Vice President and Chief Innovation & Inclusion Officer Mr. Lito Villanueva, Bangko Sentral ng Pilipinas- Center for Learning and Inclusion Advocacy Managing Director Ms. Pia Bernadette Roman-Tayag.*

Discussions on Day 3 focused on addressing the needs of MSMEs for continued capacity building to scale up enterprises and recover from the effects of the pandemic and future threats/disasters.



*The National MSME Week 2020 E-Forum 3: Developing Resilient Entrepreneurs as Drivers of Innovation on 22 July 2020, from 10:00 AM – 12:30 PM, was moderated by V Cargo Worldwide President Mr. Paolo Tibig. Panelists include DTI-Regional Operations Group and MSMEDC Committee on Management and Labor Capacities Chair Undersecretary Blesila Lantayona, Technical Education and Skills Development Authority Deputy Director General for Policies and Planning Ms. Rosanna Urdaneta, Philippine Trade Training Center – Global MSME Academy Executive Director Nelly Nita Dillera, Association of Filipino Franchisers Inc. (AFFI) President and Tokyo Tempura Founder Mr. Jorge Noel Wieneke, Philippine Young Entrepreneurs Association (PYEA) President Mr. Lorenz Dela, and Foodee Global Concepts President and Chief Operating Officer Mr. Eric Thomas Dee.*

On Day 4, e-forum discussed various initiatives on technology and innovation that transform the way products and services are produced and delivered.



*The National MSME Week 2020 E-Forum 4: Leveraging on Technological Innovation for Disaster-proof and Sustainable Enterprises on 23 July 2020, from 10:00 AM – 12:30 PM, was moderated by Aboitiz Equity Ventures Inc. Vice President and GoNegosyo Senior Adviser on Agripreneurship Ms. Ginggay Hontiveros-Malvar. Panelists include DTI-Competitiveness and Innovation Group and MSMEDC Committee on Technology and Innovation Chair Undersecretary Rafaelita Aldaba, Department of Science and Technology Undersecretary for Research and Development Dr. Rowena Cristina Guevara, QBO Innovation Hub Director Ms. Katrina Chan, LBC Express Inc. Chief Marketing Officer Mr. Javier Mantecon, Grab Philippines Spokesperson Atty. Nicka Hosaka, Bayan Academy President and Board of Trustee Prof. Francisco Bernardo III, Design Center of the Philippines Executive Director Ms. Maria Rita Matute, and Globe myBusiness ICT Business Director Ms. Grace Anduiza.*

The last day of the MSME Week highlighted various strategies for current digital opportunities and hurdling challenges of MSMEs to access global markets.

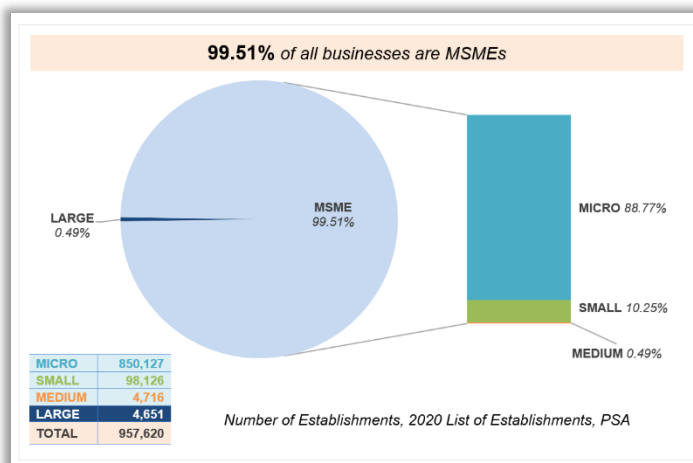


*The National MSME Week 2020 E-Forum 5: Riding the Wave of Digital Transformation for Sustainable Enterprises on 24 July 2020, from 10:00 AM – 01:00 PM, was moderated by Philippine Franchise Association President and Oryspa Spa Solutions Inc. Founder Ms. Sherill Quintana. Panelists include DTI Export Marketing Bureau Director Senen Perlada, Lazada Chief Executive Officer Mr. Ray Alimurung, Globe Telecom e-Commerce Head Mr. Mark Joseph Panganiban, Happy Skin Co-Founder Ms. Rissa Mananquil-Trillo, Chairman of Leadmore Development & IT-SPAC and 5-time best-selling author Dr. Francisco "DeanPax" Lapid, and Department of Information and Communications Technology - Management Information Systems Service Director Ms. Aida Yuvienco.*

More than 60,000 viewers online were gathered and participated in the discussions on the promotion, growth and development of MSMEs especially in these trying times.

## MSME SECTOR PERFORMANCE in 2020

The MSME sector has recorded a total of 952,969 enterprises (99.51%) and generated a total employment of 5,380,815 (62.66%) according to the 2020 latest data from the Philippine Statistics Authority (PSA).<sup>2</sup> These numbers were slightly lower than the 2019 recorded data by 4% on the total number of MSMEs at 995,745 establishments, and by 2% on total employment by MSMEs at 5,510,760 workers.



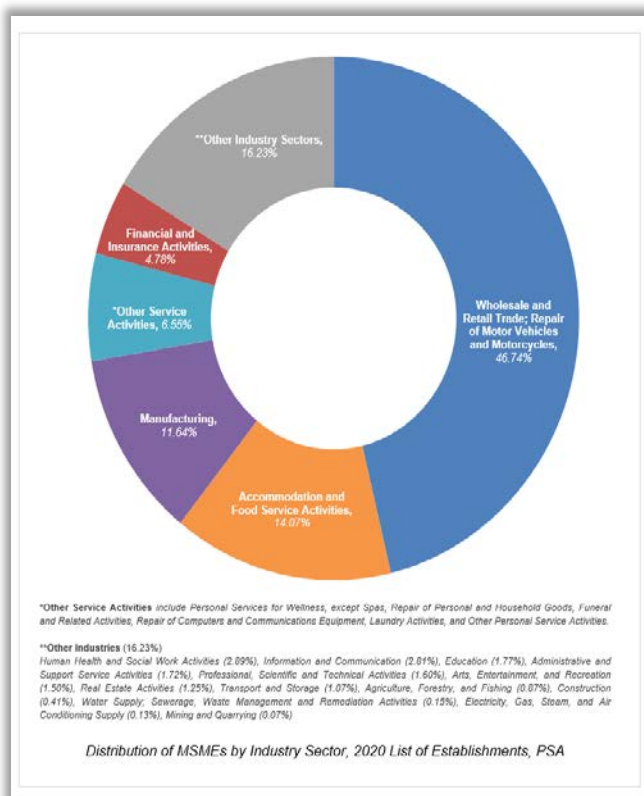
In 2020, micro enterprises constitute 88.77% (850,127) of total MSME establishments, followed by small enterprises at 10.25% (98,126) and medium enterprises at 0.49% (4,716).

Majority of the MSMEs can be found in the National Capital Region (NCR) with 201,123 (21.10%) business establishments, Region 4-A (CALABARZON) with 139,363 (14.62%), Region 3 (Central Luzon) with 111,262

(11.68%), Region 7 (Central Visayas) with 65,682 (6.89%), and Region 6 (Western Visayas) with 57,469 (6.03%). These top five (5) locations accounted for about 60.33% of the total number of MSME establishments in the country. Regional concentration of MSMEs is largely associated with economic activity and population size.

In terms of employment, the micro enterprises produced the biggest share (29.38%) closely followed by small enterprises (25.78%) while medium enterprises were far behind at 7.50%.

The top five (5) industry sectors according to the number of MSMEs in 2020 were: (1) Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (445,386); (2) Accommodation and Food Service Activities (134,046); (3) Manufacturing (110,916); (4) Other Service Activities (62,376); and (5) Financial and Insurance Activities (45,558). These industries accounted for about 83.77% of the total number of MSME establishments.



<sup>2</sup> 2020 official data from the Philippine Statistics Authority (PSA)

The MSMED Plan has brought more MSME programs and policies to focus in bringing back the vibrant entrepreneurial journey of many Filipinos and adapt to the new normal future.

The report is presented based on the MSMED Plan Strategic Goals as follows: (1) Business Climate, (2) Access to Finance, (3) Management and Labor Capacities, (4) Technology and Innovation, and (5) Access to Market.

## BUSINESS CLIMATE (*Government Mindset*)

(MSMEDP 2017-2022 Strategic Goal 1: Improved Business Climate)

Despite the unprecedented challenges brought by the COVID-19 pandemic, the overall business climate in the country has seen significant improvement to pursue a business-conducive environment at national and local levels to make it easier for MSMEs to start and grow their enterprises.

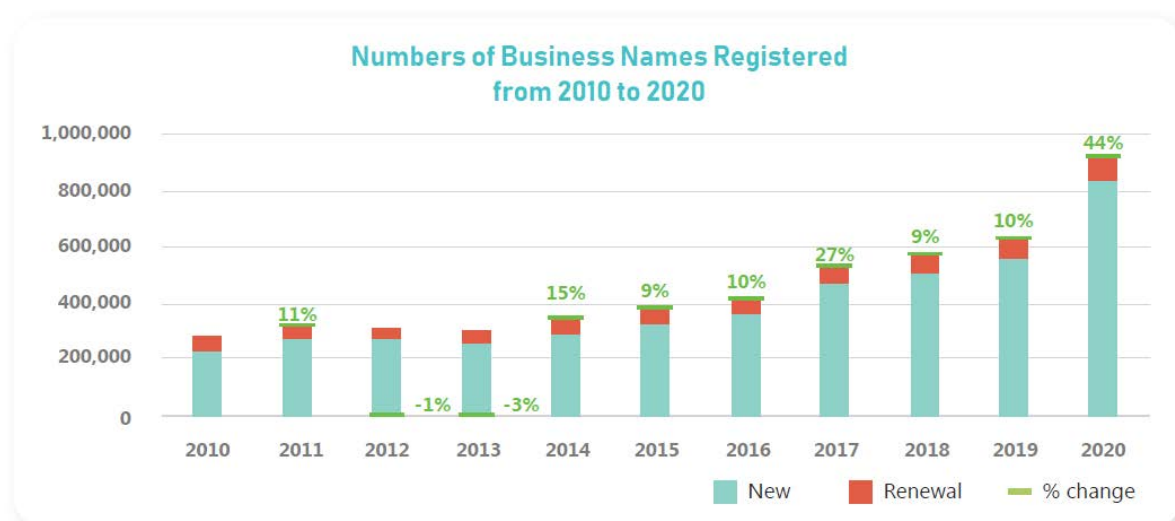
MSMED PLAN VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth	
FOCUS AREA	BUSINESS ENVIRONMENT	
STRATEGIC GOAL 1	IMPROVED BUSINESS CLIMATE	
STRATEGY	To simplify, standardize, and harmonize MSME-related rules and regulations at national and local levels that will encourage MSMEs to tap the opportunities in macroeconomic policy, infrastructure development, and trade deals, etc.	
ACTION AGENDA		
<p><u>Action Agenda on GOVERNMENT MINDSET:</u></p> <p>Pursue a change in mindset for the entire governance to facilitate ease of doing business</p>		
PRIORITY ACTION ITEMS		
Expedite delivery of MSME assistance services to support New Businesses	Remove restrictions and regulatory burden, provide incentives and promote job-creating investments to support Existing Businesses	Foster in all government entities a convergence mindset that recognizes the centrality of MSME development in achieving dynamic and inclusive economies
<ul style="list-style-type: none"><li>Expand number of and strengthen Negosyo Centers</li><li>Cap/Standardize business registration and other fees imposed by LGUs on MSMEs</li><li>Establish online business registration system</li><li>Disseminate info on requirements for starting a business</li></ul>	<ul style="list-style-type: none"><li>Review various clearances, permits, etc. on overlaps, redundancies, necessity</li><li>Strictly implement the BMBE Law</li><li>Institutionalize support to Inclusive Business Models under the IPP</li><li>Create an incentive program to enable technology transfer</li><li>Enhance incentives for innovation; knowledge-based creative, green industries, and manufacturing</li><li>Implement the Ease of Doing Business Law</li></ul>	<ul style="list-style-type: none"><li>Conduct study on moving toward an effective apex MSME agency/office addressing the full range of MSME concerns and requirements</li><li>Strengthen the MSMED Council's structure, mandate and functions</li><li>Promote productive agglomerations and clusters enhancement</li><li>Strengthen the Philippines as the regional hub for start-ups</li><li>Strengthen local economic development</li></ul>

Other details can be found in the Action Plan of the MSMED Plan 2017-2022 matrix under Strategic Goal 1: Improved Business Climate.

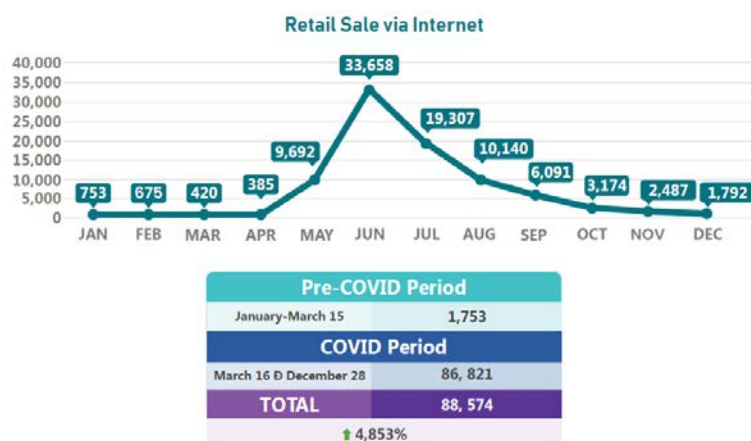


## Expedite delivery of MSME assistance services to support New Businesses

**Making business name (BN) registration convenient for entrepreneurs; 44% increase in registered BNs.** Filipino entrepreneurs took the first step towards the success of their business by having their business names registered. Promoting ease of doing business in the country, DTI's web-based portal Business Name Registration System (BNRS) Next Gen made it possible for sole proprietors to conveniently register their business names during the pandemic. BNRS Next Gen allows end-to-end registration of business name for sole proprietors. In 2020, the number of business names registered rose to 916,163, up by 44% compared with the 637,690 transactions in 2019. Gross registration revenues amounted to PhP525.3 million for 2020, a 53% increase from the 2019 total. There are currently 3,119,614 active business names registered in the BNRS. The increase in business names registered is largely attributable to the end-to-end business name registration process launched by the DTI in September 2019.



**Tracking trending business activities through PSIC listing.** To aid in policy formulation and program response during the pandemic, DTI monitors trending business activities based on the Philippines Standard Industrial Classification (PSIC) list. In 2018, the BNRS adopted the PSIC listing, which codified a wide range of business activities. In the new normal, online retail is the trend. From



an average monthly rate of registration in the low 600s in the first quarter of 2020, retail sales via internet spiked to 43,350 in May and June, with the total number of business names related to online retail reaching 88,574 for 2020. This is a 4,853% increase from the pre-COVID period (January to 15 March 2020).

## **Creating more livelihood opportunities through establishment of 49 more Negosyo Centers.**

Seeking to strengthen MSMEs to create more livelihood opportunities in the country, DTI continued to establish more Negosyo Centers.

Negosyo Centers provide MSMEs and other clients with the following services depending on the category of center: (1) Business Name and Barangay Micro Business Enterprise (BMBE) registration; (2) business advisory; (3) business information and advocacy; (4) product development; (5) trade promotion; (6) financing facilitation; and (7) investment promotion.



As of 2020, there are 1,159 Negosyo Centers nationwide, which include the 16 centers in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Despite the non-release of the allocated budget for the establishment of new Negosyo Centers due to Covid-19 response measures, 49 of these Negosyo Centers were established

this year. Regional and provincial offices either used their continuing 2019 appropriation or partnered with local government units to establish the Negosyo Centers. Moreover, even with challenges brought about by the pandemic, services were unhampered and were augmented through the adoption of digital strategies such as virtual trainings, consultations and webinars. A total of 905,845 clients inclusive of 361,537 MSMEs were assisted in 2020.

## **Remove restrictions and regulatory burden, provide incentives and promote job-creating investments to support Existing Businesses**

**BMBE registration.** The registration of Barangay Micro Business Enterprises (BMBEs) was set up at the DTI Provincial Offices (POs) through the DTI NCs, resulting in 46,112 BMBEs registered nationwide. It encourages the formation and growth of BMBEs (or the micro enterprises) by granting incentives and other benefits. Major incentives that BMBEs will receive under the BMBEs Act of 2002 (R.A. No. 9178, as amended by R.A. No. 10644) include the following:

- Income tax exemption from income arising from the operations of the enterprise;
- Exemption from the coverage of the minimum wage law (BMBE employees will, however, still receive the usual social security and health care benefits);
- Priority to a special window set up specifically for the financing requirements of BMBEs; and,
- Technology transfer, production and management training, and marketing assistance programs for BMBE beneficiaries.

On 18 May 2020, DTI signed DTI Memorandum Circular 20-24: Guidelines on the Extension of the Filing, and Validity, and the Suspension of Penalties and Fees, of BMBE Certificates of Authority Expiring During the Community Quarantine. The Circular provided that BMBE Certificates expiring

during the period of community quarantine are hereby extended for sixty (60) working days from the lifting of community quarantine. No penalties and fees will be imposed for the late renewal of the subject BMBE certificates.

**Supporting the survival of businesses through grace period on rents.** As many MSMEs were affected by the implementation of certain restrictions during the quarantine, DTI provided supplemental guidelines for the mandatory grant of certain concessions relating to residential rents and commercial rents. DTI issued Memorandum Circular 20-29 and 20-31, supplementing 20-12 or the Guidelines on the Concessions on Residential Rents and Commercial Rents of MSMEs. Under the guidelines, a thirty (30)-day grace period applies to rent which due date falls within the declared community quarantine, whether Enhanced Community Quarantine (ECQ), Modified Enhanced Community Quarantine (MECQ), or General Community Quarantine (GCQ).

**Providing over 630,000 IATF IDs for businesses during the quarantine.** Following the IATF for the Management of Emerging Infectious Diseases' direction, DTI facilitated the issuance of a total of 634,324 IATF IDs to 10,166 critical establishments in Luzon that are allowed to operate. These include manufacturing establishments, retailers, logistics and delivery service providers, and other enterprises supplying essential services. These IDs ensure unhampered passage of workers belonging to essential industries through checkpoints. As a result, the inventory levels for major categories of food were maintained, creating a stable supply, inventory, and delivery of goods.



**Helping entrepreneurs selling COVID-related products by providing free Philippine National Standards.** To support the national government's efforts in dealing with the COVID-19 crisis, DTI's Bureau of Philippine Standards (DTI-BPS) provided free Philippine National Standards (PNS) to all Medical Personal Protective Equipment (PPE) and other emergency response-related essentials to any interested entity or stakeholder. A copy of PNS is available upon request for protective clothing, medical gloves, face masks/respiratory protective device (RPD), eye protection, security and resilience/risk management, anaesthetic and respiratory equipment, biological evaluation of medical devices, quality management system for medical devices, biotechnology, and medical electrical equipment.

**Foster in all government entities a convergence mindset that recognizes the centrality of MSME development in achieving dynamic and inclusive economies**

**Revitalizing Businesses, Investments, Livelihoods and Domestic Demand through Rebuild PH!** With the plan to move towards recovery, DTI introduced REBUILD PH!, which stands for Revitalizing Businesses, Investments, Livelihoods, and Domestic Demand. This program features the DTI BOI's Industry Protection and Development Plan to Rebuild the Economy after COVID-19. Its goal is to

promote the Philippines' economic growth performance, low and stable inflation, strong fiscal position, highest credit rating in the range of BBB+ to A+, and lowest unemployment and underemployment.

REBUILD PH! rests on two broad strategies: revitalizing the demand of households and businesses boosted by government spending; and empowering local industries to capture that demand. Through this, DTI aims to create a cycle of sustained and growing economic activity with strong domestic linkages.

To spur the demand on investments, the DTI-BOI:

- Undertook initiatives to improve the investment climate, including incentives (thru Bayanihan 2, 2020 IPP, and CREATE), accelerate structural reforms and infrastructure development
- Launched an aggressive international investment promotion campaign on 24 November 2020 – the Make It Happen Campaign
- Implemented strategic stockpiling initiatives to boost demand for local manufacturers of COVID-19 critical products
- Maximized utilization of trade preferences under our various free trade agreements and generalized system of preferences in developed markets
- Strengthened trade promotion to deepen integration in global value chains
- Strictly enforced standards to ensure high quality of products offered in the market; and
- Used appropriate trade remedy measures to ensure a level playing field for manufacturers located in the country.

The industry promotion initiatives on priority areas and demand-side interventions were supplemented with other strategic supply-side strategies. This ensured companies located in the Philippines to capture the demand. It also encouraged firms to embark on digital transformation and integrate anti-COVID measures in their operation to secure business continuity.

The DTI-BOI also liberalized its policies under the current Investment Priorities Plan (IPP) in response to the COVID 19 Pandemic. In general, these policies encourage investments in new business projects and/or expansion of existing businesses. In turn, new businesses and expanded businesses will generate employment and adopt health and safety measures to be able to continue operations.

**Ensuring food security through an improved logistics and supply chain.** DTI led the Sub Task Group on Food Value Chain and Logistics (STGFVCL), under the IATF's Task Group on Food Security, in crafting policies and implementing new programs that helped ensure food security through efficient logistics and supply chain. In addressing the long-standing issue of high logistics cost, the DTI spearheaded a high-level dialogue with the Department of Transportation (DOTR), Philippine Ports Authority, Maritime Industry Authority, Department of Agriculture (DA), and Office of the Executive Secretary. This dialogue led to the signing of three DOTr issuances: (1) DO 2020-08 prescribing the creation of the Shippers Protection Office; (2) DO 2020-07 directing private cargo space allocation for Agri and food products; and (3) DO 2020-09 prescribing free time period of 8 days for ships unloading in the international shipping lines.



To stop the pass-through fees imposed at the LGU level in moving goods and services, DTI also pushed for the issuance of the Department of Interior and Local Government (DILG) Advisory on the Reiteration of DILG Memorandum 2018-133 on the suspension of LGU imposition and collection of illegal fees and taxes relative to the transport of goods and products. DTI likewise pushed for the issuance of DILG Advisory on Reiteration of IATF Guidelines on Movement of Cargoes, their Drivers and Helpers and Authorized Persons Outside Residence (APOR) under Executive Order 112 s. 2020. Through DTI consultations, Philippine Economic Zone Authority (PEZA) reduced the documentary requirements from 19 to 9 documents for Letter of Authority (LOA). LOA is required for trucking companies to render services to PEZA registered enterprises.

The following programs were implemented:

- DEmand-supply PLanning and Optimization System (DEPLOY) - a web-based model for essential products, particularly on canned sardines, instant noodles, instant coffee, rice, corn, onion, garlic, selected vegetables, and chicken. Embedded models are supply-demand gap analysis, scenario planning, and supply allocations for optimized total distribution cost. DTI commissioned the UP Diliman to develop the models.
- DELIVERe Project - an inclusive, transparent, and integrated end-to-end e-commerce platform for agricultural and food products. Launched in December 2020, the DELIVERe platform was designed to increase the income of farmers, initially in Cordillera Administrative Region, Region 2, Region 3, and Region 5, by selling their products directly to consumers. Even at the proof-of-concept stage, the platform was able to sell 260 metric tons of vegetables and fruits. The platform later on sold 4 tons of oranges and watermelon produced by farmers in Region 2. A dialogue is ongoing regarding the possible onboarding of the Go Lokal companies into the DELIVERe platform, as well as the onboarding of agri-processors from the E-KADIWA of DA.
- Warehousing Initiative - DTI conducted an inventory of all warehouses in the country. In 2020, total warehouse data gathered was 3,049 (191 from private companies, 1,497 from Board of Investments (BOI), 1,197 from DTI, 164 from Bureau of Customs). The data was forwarded to DA for inclusion in the Agricultural and Biosystems Engineering Management Information System (ABEMIS).
- Google MyBusiness Project - DTI invited a total of 1,197 companies engaged in warehousing to try Google My Business. There were 85 companies that responded to the survey.

## ACCESS TO FINANCE (Money)

(MSMEDP 2017-2022 Strategic Goal 2: Improved Access to Finance)

In order to boost Filipinos' entrepreneurial spirit while the country face the challenges brought by the COVID-19 pandemic, the government rolled out various initiatives and programs to make financing available through loans, guarantees, and other fiscal measures.

MSMED PLAN VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth	
FOCUS AREA	BUSINESS ENVIRONMENT	
STRATEGIC GOAL 2	IMPROVED ACCESS TO FINANCE	
STRATEGY	Streamline and simplify loan processes for MSMEs, creating the necessary enabling environment that encourages local banks and relevant financial institutions to reach MSMEs at the ground level while equipping them with knowledge and enticements to avail of financing through formal financial channels.	
ACTION AGENDA		
Action Agenda on <u>MONEY</u> :  Addressing operational and policy issues concerning access to finance of MSMEs		
PRIORITY ACTION ITEMS		
Undertake Capacity Building programs	Implement Systems Standardization issues	Review and address Policy Development concerns
<ul style="list-style-type: none"><li>• Rationalize the knowledge base and ensure wide dissemination of relevant information</li><li>• Ease MSMEs’ compliance with financing requirements/train MSMEs</li><li>• Generate and share knowledge on innovative financing</li><li>• Formalize role of industry organizations and coops in the credit evaluation process</li></ul>	<ul style="list-style-type: none"><li>• Formulate and issue standardized content for MSME capacity building on financial literacy, planning, record-keeping and management</li><li>• Use technology/fintech to improve credit delivery to MSMEs</li><li>• Strengthen engagement of LGUs and communities in financial literacy and capacity building efforts</li><li>• Generate and share knowledge on innovative financing</li></ul>	<ul style="list-style-type: none"><li>• Strengthen/reform institutional structure and mechanisms for MSME finance</li><li>• Policy and institutional reforms to ease constraints impinging on FIs’ responsiveness to MSMEs financing needs</li><li>• Manage/minimize/spread risks</li><li>• Establish fund facilities</li><li>• Incentives and recognition</li></ul>

Other details can be found in the Action Plan of the MSMED Plan 2017-2022 matrix under Strategic Goal 2: Improved Access to Finance.

## Undertake Capacity Building programs

**Over 16,000 MSMEs benefit from the P3 Program.** The DTI, through the Small Business Corporation (SB Corp), continued to provide Pondo sa Pagbabago at Pag-asenso (P3) loans to assist microenterprises raise capital at low interest rates of 2% - 2.5%. In 2020, PhP1.20 billion of loans were released to 16,567 microenterprise borrowers. P3 is now accessible by borrowers from NCR and 81 provinces through 438 accredited credit delivery partners. Through P3, DTI reaches out to entrepreneurs at the grassroots and the marginalized communities and assist them start or grow their business.

**Loan programs assisted MSMEs and repatriated OFWs affected by COVID-19.** Cognizant of the need to act immediately, initial funds for the first roll-out of the Covid 19 Assistance to Restart Enterprise (CARES) Program was sourced from the P3 Program. The loan assistance aims to help businesses recover from their losses. It allows micro and small enterprises operating for at least a year prior to 16 March 2020 and with assets not exceeding PhP15 million avail of loans.

Under the CARES Program, SB Corp also established the Helping the Economy Recover thru OFW Enterprise Start-ups (HEROES) program, a PhP100 million loan facility for repatriated Overseas Filipino Workers (OFWs) affected by the COVID-19 pandemic. The loan facility is aimed at helping repatriated OFWs to become entrepreneurs. OFWs may borrow a minimum of PhP10,000 up to a maximum of PhP100,000 free of interest and collateral. However, a service fee will be charged depending on the loan term, between 4% for a 1-year term to 7.5% for a 3-year term. The same applies to all CARES loans.

With the enactment of R.A. No. 11494 or the Bayanihan to Recover as One Act, PhP10 billion was allocated to further expand the CARES Program to also cover MSMEs, cooperatives, hospitals, tourism, and OFWs affected by the COVID-19 pandemic. The PhP6 billion fund allocated for the tourism sector is aimed to be extended to Department of Tourism (DOT)- and Local Government Unit (LGU)-accredited tourism-related enterprises through the program “CARES for Tourism Rehabilitation and Vitalization of Enterprise and Livelihood” or CARES for TRAVEL.

The maximum loan amount that an enterprise can borrow is 15% of sales and 20% of the enterprise’s asset size. From a minimum loan amount, an MSME may borrow higher loan amounts, subject to the submission of a written plan on how to restart or improve its business model or show proof of retention or rehiring of a significant number of workers for even higher loan amounts.

In 2020, a total of PhP988.67 million of the P3 fund allocation was used to fund the Bayanihan 1 CARES Program, benefitting 14,825 enterprises benefited from the Program. For Bayanihan 2 CARES, a total of PhP585.29 million have been lent to 3,001 borrowers.

Looking at the total number of CARES loan releases as of end 2020, a total of PhP1.57 billion of financing assistance has been provided to 17,793 MSMEs. To date, PhP2.5 billion of loans have now been provided to 21,701 MSME beneficiaries all over the country.

**Improving MSMEs’ access to finance through partnership with TransUnion.** DTI signed a data sharing agreement with TransUnion Philippines, the country’s largest credit bureau. In the agreement signed on 29 January 2020, DTI will provide TransUnion its Publicly Available Data of business enterprises. From the data, TransUnion will develop a “firm bureau database” that will expand distribution of its credit information not only to individuals but also to firms. This will enhance MSMEs’ access to finance as this criterion is measured by the World Bank in their Doing Business (DB) Report under its “depth of credit information index.” Additionally, the data provided by DTI will be processed to help in the determination of borrowers’ credit worthiness, which may increase bank’s efficiency in processing loan applications.

**Partnership with Negosyo Centers (NC) and microfinance industry associations.** The goal is to promote information exchange between lenders and NC clients. The Memorandum of Agreement (MOA) was signed on 17 September 2018 among BSP, DTI, and microfinance institutions (MFIs) Microfinance Council of the Philippines, Inc. (MCPI) and Alliance of Philippine Partners for Enterprise Development, Inc. (APPEND).

Under this partnership, BSP will deliver appropriate financial education learning tools/modules as part of the broader capacity-building program for MSMEs conducted by DTI NCs (a one-stop-shop for MSMEs to register, get training, and find financial access).

Content development for the financial literacy materials for MSMEs to be used in DTI NCs started in the second quarter of 2020 and the learning materials are expected to be turned over in 2021. In 2020, two (2) financial education webinar sessions were conducted for 600 personnel of the DTI, DTI NC Councilors, and selected MSMEs.

**Credit Guarantee for Smaller Banks and Microfinance Institutions.** Credit guarantee is an indispensable tool to encourage banks to continue lending to MSMEs amid the pandemic. The BSP is therefore intensifying its engagement with the Philippine Guarantee Corporation (PGC) to identify interventions to support the financial institutions, including microfinance NGOs, in serving their target clients primarily belonging to the MSME sector. This is in light of the increasing demand for microfinance by MSMEs while MFIs themselves are experiencing challenges in accessing funds from banks which they could lend out to their MSME clients.

To date, the BSP and PGC are exploring on a technical level the possible policy actions, to wit: 1) the creation of a dedicated loan guarantee program for microfinance NGOs and 2) subsidizing the surety fees of all loans endorsed through the CSF. These measures aim to broaden support for the microfinance and MSME sectors which are severely affected by the COVID-19 pandemic.

**BSP's COVID-19 Regulatory Relief Measures for MSMEs.** Recognizing the adverse impact of unprecedented disruptions caused by the COVID-19 pandemic, the BSP has immediately introduced a broad set of regulatory relief measures to ease liquidity constraints, restore business confidence, and sustain the flow of credit to MSMEs. Aside from low market interest rates<sup>2</sup> and other monetary policy tools that facilitate immediate liquidity support, the following measures were deployed to boost bank lending to the sector:

- Relaxation of capital standards
  - Temporary reduction in the credit risk weight of MSME loans. The credit risk weight of loans granted to MSMEs that are in current status was reduced to 50% from 75% (for diversified MSME portfolio with at least 500 borrowers over a number of industries) and 100% (non-diversified MSME portfolio), subject to review by the BSP by end-December 2021. The reduced credit risk weight frees up bank capital requirements for MSME lending.
  - Assignment of zero percent risk weight for MSME loans that are covered by guarantees under the Philippine Guarantee Corporation (PhilGuarantee), Agricultural Guarantee Fund Pool (AGFP), and Agricultural Credit Policy Council



- (ACPC). This will encourage banks to lend to small farmers and fisherfolk.
  - Deferred implementation of the applicable revised risk-based capital framework for one year – 01 January 2023 instead of 01 January 2022. This applies for stand-alone thrift banks (TBs), and rural banks and cooperative banks (R/CBs), thereby enabling them to focus on supporting their rural community-based clients.
- Flexibility in liquidity-related standards
  - Recognition of new loans to MSMEs as a mode of alternative compliance with banks' reserve requirements against deposit liabilities and deposit substitutes.
  - Reduction of the minimum liquidity requirement (MLR) for stand-alone TBs and R/CBs from
- Adoption of credit related relief measures
  - Extended period of relief on the reporting of past due and non-performing loans (NPL) of borrowers affected by the COVID-19 to 31 December 2021 from the original timeline of 8 March 2020 subject to the reporting to the BSP.
  - Staggered booking of allowance for credit losses for all types of credits extended to individuals and borrowers affected by the COVID-19 pandemic as of 8 March 2020, for a maximum period of five (5) years.
  - Setting of ceilings on credit card transactions effective 3 November 2020, subject to review every 6 months. The ceilings imposed include: maximum interest rate or finance charge of 24% per annum or a monthly interest rate of up to 2% on a cardholder's unpaid outstanding credit card balance, monthly add-on rate of up to 1% per month for credit card installment loans, and maximum processing fee of Php 200 per transaction on the availment of credit card cash advances.

The BSP likewise relaxed the Know-Your-Customer (KYC) requirements, particularly the presentation of valid IDs, to facilitate the access to formal financing of retail clients including micro businesses. The period of applicability was extended to 31 December 2021, subject to further extension depending on the developments of the pandemic.

With the above-cited measures, loans to MSMEs used as alternative compliance with the reserved requirements surged from Php 8.68 billion<sup>3</sup> in April 2020 to Php 185.02 billion as of reserve week ending 24 June 2021, equivalent to a 12.6 percent share of total required reserves. Moreover, restructured loans of the banking system increased to Php 242.0 billion as of end-April 2021, four times the Php 47.4 billion recorded last year.

Moreover, the BSP supports the implementation of the Financial Institutions Strategic Transfer (FIST) Act (RA No. 11523) which aims to help banks and financial institutions facing delayed loan collections drastically reduce their growing Non-Performing Loans (NPL) ratio. This will enable banks to clear their books of bad loans and continue lending to MSMEs and large corporations. As such, the BSP issued Circular No. 1117 dated 27 May 2021 which governs the sale/transfer and investment transactions of BSP-supervised financial institutions (BSFIs). The circular sets forth the guidelines allowing BSFIs to transfer their Non-Performing Assets (NPAs) to a FIST Corporation (FISTC)/Individual and to acquire or hold Investment Unit Instruments (IUIs) issued by such entity in accordance with relevant provisions of the FIST Act.

**Koop Bayanihan Against COVID-19.** The Cooperative Development Authority (CDA)'s Koop Bayanihan Program/Strategy mobilizes and monitors registered cooperatives nationwide to continuously and actively engage in extending assistance and services to members and non-members like front-liners, local communities, medical facilities/clinics/checkpoints, and LGUs. It is a platform where cooperatives collaborate, in coordination with LGUs, at the forefront to make their services, products, and other necessities available.

One of the intentions of the program is to respond to the adverse impact of the CoVID-19 pandemic on the operations specifically of the micro and small cooperatives nationwide, the clear socio-economic loss to cooperative members and the missed opportunities due to the pandemic.

The initiative features some salient aspects of the R.A. No. 11469 or the Bayanihan to Heal as One Act and integrates them with the deliverables of the agency. The combined strategy promotes the growth and viability of micro and small cooperatives.

In 2020, a total of 2,904 different types of cooperatives had disbursed a total of PhP433,615,343 to its 801,699 members and 162,018 non-members nationwide. Assistance includes food packs, PPEs, bottled H2O, relief goods, free transport, discounts & other items.

**Koop Kapatid Program.** CDA's Koop Kapatid program was crafted to establish formal and effective linkages among cooperatives for mutual economic advantage to improve efficiency in the management of the cooperative enterprise. It is being implemented through the identification and signing of an accord between a "Big Brother" and a "Small Brother" cooperative to assist in accelerating the development of the micro and small and non-compliant cooperatives. A "Big Brother" cooperative must be a compliant cooperative and belong to either medium or large category.

As of 2020, a total of 138 Big Brother Cooperatives provided assistance to 219 Small Brother Cooperatives nationwide. Big Brother cooperatives provided financial and non-financial assistance to micro and small recipients. Non-financial includes On-the-Job exposures particularly office management, business operations, bookkeeping, conducting meetings and basic accounting. Start-up or seed capital were also provided to some recipients.

**DBP's RESPONSE to the financing institutions affected by calamity.** The Development Bank of the Philippines (DBP)'s Rehabilitation Support Program on Severe Events (RESPONSE) program intends to provide rehabilitation financing support, both for the public and private institutions in areas declared under a state of calamity with low-interest loans under a simplified application procedure.

Another DBP program is the Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending which provides loans for export financing, fixed asset acquisition, purchase order/ letter of credit financing, franchise acquisition and relending for cooperatives and the Retail Lending for Micro and Small Enterprises for working capital, fixed asset acquisition purchase order/letter of credit financing and acquisition of franchise of start-up or existing MSEs.

**More flexible loan terms thru LBP's iRESCUE.** The Landbank of the Philippines (LBP)'s Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 (iRESCUE) program aims to support SMEs, cooperatives, and MFIs thru the provision of additional funds and loan restructuring under more flexible terms and conditions. LBP has also implemented the Landbank Franchising Lending Program which provides credit assistance to qualified players in the franchising industry, for payment of franchise investment package, working capital and fixed asset acquisition and other capital expenditures.

**Sulong Saka Program (High Value Crops Financing).** This program of the Landbank of the Philippines (LBP) aims to provide credit assistance to farmers cultivating high-value crops such as banana, cacao, coffee, oil palm, rubber, vegetables, among others and for various qualified stakeholders to support their production, processing, marketing and other agribusiness projects. This program has a total cumulative loan releases of PhP17,152.92 million to 195 MSEs, 198 Cooperatives/Associations and 72 other borrowers as of 31 December 2020.

**Empowering Barangays in Remote Areas through Credit and Enterprises (EMBRACE).** A credit program designed to assist potential borrowers in unserved areas in line with the government's thrust for financial inclusion and in pursuit of the LBP's mandate. It aims to mainstream the target clients to the regular lending window of the LBP. As of 31 December 2020, the program has a total cumulative release of PhP489.25 million to 52 borrowers.

**Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST).** Through HARVEST, LBP aims to support the peace building efforts and economic growth in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and other conflict affected areas in Mindanao by providing credit and technical assistance to farmers' organizations and cooperatives, partner financial institutions (PFIs) and small and medium enterprises (SMEs). In 2020, the program has a total cumulative release of PhP1,072.29 million to total of 161 SME and 26 cooperative borrowers.

## Implement Systems Standardization issues

**Standardization of Business Loan Application Form (SBLAF).** The SBLAF aims to introduce the adoption of a standard business loan application document in the banking industry. This will make the loan application process more streamlined and borrower-friendly, particularly for small enterprises.

The SBLAF technical working group (TWG) has been established to oversee the development and implementation of the SBLAF. The TWG is composed of the following government agencies and industry associations: BSP (Secretariat), Credit Information Corporation (CIC), DTI, Philippine Guarantee Corporation (PhilGuarantee), Bankers Association of the Philippines (BAP), Chamber of Thrift Banks (CTB), and Rural Bankers Association of the Philippines (RBAP).

The Secretariat is currently finalizing the SBLAF document based on the TWG comments. The SBLAF is set for completion in 2021 and adoption in 2022.

**Credit Risk Database (CRD).** The CRD project is a joint initiative of the BSP and the Japan International Cooperation Agency (JICA) under a Technical Cooperation Program between the Government of the Philippines and Japan. The project aims to improve access to credit of small and medium enterprises (SMEs) by promoting collateral-free and risk-based lending through the use of statistical scoring models that assess the capacity of SMEs to repay their loans.

The key project deliverables are the large-scale database of anonymized financial, non-financial and default-related data of SMEs submitted by pioneer participating banks, and the statistical scoring model to determine the probability of default of an average SME borrower in a particular group of similar attributes. By providing banks with a robust underwriting tool, the CRD is envisioned to be a critical credit information infrastructure that will help address banks' limited understanding of the risk profile of SME borrowers which contributes to high dependence on collateral, high loan pricing, and outright rejection of loan application.

The Philippines is the first country to adopt the CRD outside Japan, where it has proven to be successful in facilitating SME finance. The CRD project implementation started in April 2020. A Joint Coordinating Committee (JCC) has been established to facilitate inter-organizational coordination toward the achievement of project deliverables, with representatives from relevant government agencies, industry associations, and JICA as Committee Members. Data collection<sup>4</sup> in all pioneer participating banks – 20 banks to date – is expected to be completed in August 2021,<sup>5</sup> which will then prompt the start of the credit scoring model development in September 2021. The target is to complete the project implementation in March 2023.

**Retail Lending for Micro and Small Entrepreneurs (RLM).** The Development Bank of the Philippines (DBP) is implementing the RLM which is a retail lending facility that aims to enhance micro and small enterprises' (MSE) access to credit through simplified loan procedures and shorter turnaround time. A total of 164 Small Enterprises were provided deferments to their loan payments, with 57 micro enterprises being afforded the same. As of 2020, 10 micro and small enterprise accounts were approved for restructuring under the DBP RESPONSE Program

**Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending.** The DBP's ME+OBE is a lending facility that aims to enhance small and medium enterprises (SMEs) access to credit through simplified loan procedures and shorter turnaround time. A total of 247 Medium Enterprises were provided deferments to their loan payments. As of December 2020, 7 micro and small enterprise accounts were approved for restructuring under the DBP RESPONSE Program.

**Supported the MSMEs through the CSF.** The Credit Surety Fund (CSF) program is a credit enhancement scheme which aims to give MSMEs access to non-collateral bank financing by way of surety cover issued jointly and severally by the parties of the CSF in favor of the credit or bank. It is created by pooling the contributions of participating cooperatives, non-government organizations, local government unit and partner institutions.

The CSFs are now under the regulation of the Cooperative Development Authority (CDA) due to the passage of Republic Act No. 10744 or the Credit Surety Fund Cooperative Act of 2015. As mandated in the CSF Act, the BSP will continue to promote and organize CSFs nationwide and provide



technical assistance such as trainings and seminars in coordination with other public or private stakeholders.

In 2020, the BSP conducted 5 webinars on the following topics: Managing Coop Liquidity During Pandemic, Board Governance and Institutional Management of CSF Cooperatives, Legal Concepts on Sureties and Guaranties, Credit Appraisal and Monitoring, and Loan Collection and Debt Management.

The BSP also conducted CSF orientations in response to requests of Kalinga and Tabuk City; and to date, 13 CSFs were already registered as cooperatives: Tacloban City, Baguio City, Benguet, Cagayan, Santiago City, Tacurong City, Digos City, Puerto Princesa, Cauayan City, San Jose City, Nueva Vizcaya, Valencia City and Ifugao.

**Agriculture Value Chain Finance (AVCF).** The BSP supports the development of AVCF to facilitate the financial inclusion of small farmers and agricultural MSMEs, as well as support and catalyze the growth of export-oriented agri-value chains. The AVCF is an information-based lending approach that uses acquired information and understanding of value-chain process to adequately assess risks in lending.

In partnership with the Asian Development Bank (ADB), the BSP continues to implement the AVCF pilot project aimed at building the capacity of selected banks to use the AVCF approach in their credit evaluation process for agriculture-related lending activities. The project currently provides technical assistance to 6 participating banks. In 2020, one bank has also released its first loan approval under the AVCF project.

## Review and address Policy Development concerns

**R.A. No. 9501, Section 15: Mandatory Allocation of Credit Resources for MSMEs.** Passed into law in 2008, Republic Act No. 9501 prescribes that banks must set aside 8% of their total loanable funds for micro and small firms while 2% should be allotted for medium-sized lenders, with the goal of boosting MSMEs by handing them credit for production and expansion.

Following that the effectivity of the mandatory credit has lapsed on 16 June 2018, the BSP issued a memorandum to all banks covering the extension of submission of compliance reports and enjoining banks to continue submitting their quarterly exposures to MSMEs. The BSP thus continues to monitor the exposures of the banking industry to MSMEs.

The BSP continues to monitor the compliance to the Magna Carta for MSME. Credit allocation to MSMEs have been on a downward trend, with accomplishments as follows:

- 2017: 3.32% (MSEs) and 5.03% (MEs)
- 2018: 3.12% (MSEs) and 4.55% (MEs)
- 2019: 2.80% (MSEs) and 4.30% (MEs)
- Q1 2020: 2.09% (MSEs) and 3.31% (MEs)

With the lapse of the mandatory credit provision in the Magna Carta, the share of MSME loans in the banking total portfolio continued to decline – as has been also the case even during its 10-year implementation. This highlights the need to address inherent risks and challenges in MSME financing through strategic interventions beyond mandatory credit. In this regard, the BSP is undertaking and supporting initiatives in coordination with the industry and development partners. These include the development of the Credit Risk Database (CRD), adoption of standard business loan application form, conduct of the national MSME demand-side survey, a study to develop supply chain financing market in the country.

Beyond these initiatives, the BSP also introduced temporary regulatory relief measures and advocated for the passage of R.A. No. 11523 or the Financial Institutions Strategic Transfer (FIST) Act to ensure sustained ability of banks to lend to the MSME sector through and beyond the pandemic.

**Agri-Agra Reform Credit Act of 2009 amended Presidential Decree 717 or the Agri-Agra Law.**

This law was enacted to facilitate increased credit to farmers and spur productivity. This mandates banks to lend 25% of their loanable funds to the agriculture sector – 15% for agriculture stakeholders and 10% for agrarian reform beneficiaries. The law revised the alternative modes of compliance to investments that directly benefit small farmers, fishermen and their cooperatives.

The proposed bills amending R.A. No. 10000 have been filed both in the House of Representatives and in the Senate. House Bill No. 6134 was approved by the House of Representatives on 10 March 2020. Counterpart bills have also been filed in the Senate and are currently pending in the Senate Committee on Agriculture, Food and Agrarian Reform.

**Warehouse Receipts Bill.** The BSP, with support from the FISC members, endorsed the passage of the Warehouse Receipts (WR) Bill which aims to modernize the century-old WRL and make it more responsive to the development needs of the agriculture and MSME sector, particularly for improved access to credit. The proposed legislation will promote the use of warehouse receipts as an acceptable and credible collateral that can be offered by farmers, agri-businesses and other MSMEs to secure bank financing. It will also support the development of supply chain financing and e-commerce market in the country. The proposed legislation is aligned with the Administration's 10-point socioeconomic agenda, particularly on the promotion of rural and value chain development toward increasing agricultural and rural enterprise productivity and the BSP's strategic focus on increasing access to finance by the MSME and agriculture sectors.

**Implementing Rules of the Credit Information System Act (CISA).** The Credit Information System Act (R.A. No. 9510) mandates the establishment of a comprehensive and centralized credit information system with CIC tasked to consolidate the data. It also states that submitting entities, which are the lenders, are required to submit and provide all credit data of their borrowers in their database to Credit Information Corporation (CIC).

One of the objectives of the CIC is to improve the overall availability of credit especially to micro, small-and-medium scale enterprise by providing comprehensive, centralized and reliable credit information.

The CIC has mandated microfinance institutions and cooperatives, and other financial entities to submit their basic credit data to the CIC every 5th of the month. During the pandemic in 2020, in recognition of the difficulties faced by all institutions, the CIC extended such date of submission by issuing letter circulars.

The following are also done by CIC:

- Extension of Ten Pesos (PhP 10.00) per Credit Report until 31 December 2020 (LETTER CIRCULAR NO. 02-2020 SERIES OF 2020)
- Primary ID Number Tagging System (LETTER CIRCULAR NO. 2020-05 Series of 2020)
- Increase in the number of Submitting Entities in Production from 471 in 2019 to 559 in 2020 (LETTER CIRCULAR Nos. 2020-06,07,08,09)
- Increase in the number of registered submitting entities (SE) from 1750 in 2019 to 1809 in 2020. Of these newly registered SEs, 7 are microfinance and 19 are cooperatives.

**Adoption of the national retail payment system (NRPS) framework.** As the BSP's flagship program to transform the payment system, the NRPS intends to attain an increase in e-payments to at least 20 percent of total retail payments by year 2020. The implementation of the NRPS intends to create a seamless retail payment ecosystem with interoperable systems and processes. Under the NRPS, the BSP is working closely with its supervised institutions for the development of payment schemes that will allow users to conveniently and securely transfer funds from one account to another, in the same or different BSFIs.

The two priority Automated Clearing Houses (ACH) are the Philippine EFT System and Operations Network or PESONet (batch fund transfers) and InstaPay (real time, low value transfers). The PESONet was launched on 8 November 2017 while Instapay was launched on 23 April 2018 (Circular No. 1000). These payment schemes and the financial products built over them can promote e-commerce, facilitate operational efficiency of MSMEs, and enable even small merchants to accept electronic payments through mobile P2P (peer to peer) transactions.

*InstaPay* is a fast and secure electronic funds transfer service which is available anytime and anywhere for urgent and low-value payment requirements. The *PESONet* serves as a better alternative to the paper-based check system. Unlike a check, the PESONet allows receipt of funds on the same banking day the sender initiates the payment within a certain cutoff time. InstaPay is the second automated clearing house launched in the country, coming after PESONet which is a batched electronic funds transfer service.

Amidst the pandemic, BSP Supervised Financial Institutions (BSFIs) were strongly encouraged to temporarily suspend all fees and charges imposed on the use of online banking platforms or electronic money, including those imposed on the use of InstaPay or PESONet electronic fund transfer.

The BSP also implemented the Digital Literacy Program (DLP) in 2020 to enhance consumer trust in the digital finance ecosystem and increase usage of digital financial services. DLP Phase 1 promoted usage of e-payments, such as PESONet and InstaPay, during the enhanced community quarantine periods.

**Financial inclusion for all Filipinos.** Since 2000, the BSP has been nurturing an enabling environment for the delivery of financial products specifically for the low income and vulnerable sectors of society. The goal was to mainstream microfinance as a banking activity and enable market-based solutions to address frictions and promote financial inclusion in a more sustainable manner.

The BSP continues to observe significant growth of microfinance in the country which caters to the financing needs of the marginalized, including the low income and entrepreneurial poor. These market segments are typically not the target clientele of commercial banks and other consumer lenders. Below are some highlights on the microfinance sector:

- In the banking industry, there are now 149 banks serving 2.0 million microfinance borrowers with a total loan portfolio of PhP25.1 billion, a significant increase from the 2002 baseline of 119 banks offering microfinance to over 360,000 borrowers with total microfinance loans amounting to PhP2.6 billion.
- Outside the banking system, microfinance NGOs served 5.2 million clients with a total loan portfolio of PhP41.9 billion in 2019, while cooperatives served 9.2 million member-depositors with total deposits of PhP 149.5 billion and outstanding loans of PhP307.7 billion in the same period.

**National Strategy for Financial Inclusion (NSFI).** Launched in 2015, the NSFI serves as the core platform for interagency coordination and has become an important channel for multi-stakeholder engagement and collaboration. The BSP serves as Secretariat to the Financial Inclusion Steering Committee (FISC), the interagency body providing strategic direction, guidance, and oversight in NSFI implementation. The FISC convenes regularly to work towards synergizing and tracking the progress of the government's financial inclusion initiatives.

As a collaborative platform to drive financial inclusion in the country and make formal financial services accessible to the vulnerable and underserved sectors, the FISC focuses on two strategic priority areas: 1) digital finance and 2) MSME and agriculture financing.

In 2020, the FISC agreed to promote digital payments as an imperative for financial inclusion in the new economy, and to collectively shepherd statutory issuances that can liberalize the use of satellite technology and services to address the challenges in internet connectivity. This includes the FISC's collective endorsement to the Office of the President of Executive Order (EO) on inclusive access to satellite services.

Through the FISC, compelling value propositions for transaction accounts were brought to fruition. These include the BSP's collaboration with the following agencies:

- DOLE – coordination in the issuance of Labor Advisory 26-20 encouraging private sector entities to pay wages and other monetary benefits through transaction accounts.
- DSWD – technical assistance in the implementation of account-based distribution of the Social Amelioration Program second tranche.
- DTI – coordination in promoting the use of digital payments by consumers and corresponding acceptance by merchants, particularly the micro and small merchants.



## MANAGEMENT AND LABOR CAPACITIES (Entrepreneurial Mindset, Mastery, Mentoring)

(MSMEDP 2017-2022 Strategic Goal 3: Enhanced Management and Labor Capacities)

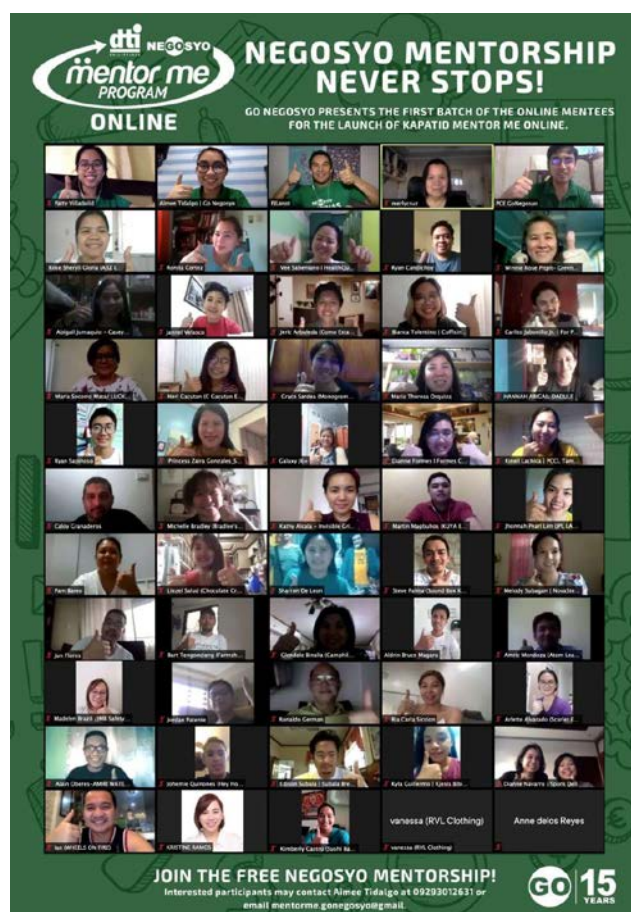
The effects of COVID-19 pandemic may be able to hinder some of the usual, normal business activities of many entrepreneurs but this didn't stop our MSMEs from learning and training themselves to establish a more competent, innovative, and capable management and labor force working together in an atmosphere of mutual trust and respect towards greater productivity and competitiveness.

MSMED PLAN VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth	
FOCUS AREA	BUSINESS CAPACITY	
STRATEGIC GOAL 3	ENHANCED MANAGEMENT AND LABOR CAPACITIES	
STRATEGY	Expand and strengthen human resource capacity of MSMEs through optimal application of a combination of mentoring, group training, field outreach, and online training complemented with practicum and learning by doing approach. Improve knowledge on human capacity using purposive data collection covering gender and other parameters.	
ACTION AGENDA		
Action Agenda on ENTREPRENEURIAL MINDSET, MASTERY and MENTORING:  Expand and deepen support on entrepreneurship education by changing entrepreneurial mindset and developing mastery through mentoring		
PRIORITY ACTION ITEMS		
Encourage and promote entrepreneurship and equal opportunities for all including women and youth	Promote New Business Models	Information and Communication Advocacy
<ul style="list-style-type: none"><li>Promote youth entrepreneurship: Integrate entrepreneurship values and skills in the educational system spanning all levels; Hasten the implementation of the Youth Entrepreneurship Act</li><li>Providing facilities, support system to encourage entrepreneurship: Establish vocational training and counseling centers for micro enterprises, women, and youth in collaboration with the private sector</li><li>Provide comprehensive capacity-building programs for advancement of women entrepreneurs</li><li>Provide access to expert advice from local mentors: Enhance the mentoring programs for MSMEs</li><li>Provide access to international experts: Support ABAC's ASEAN Mentorship for Entrepreneurs Network initiative (AMEN)</li></ul>	<ul style="list-style-type: none"><li>Gather, compile, organize, and disseminate information on available business models that may be employed by start-up MSMEs</li><li>Develop, promote and monitor productivity measures</li><li>Promote social enterprises that highlight community-based approaches to enterprise development</li><li>Establish an Innovators Program to identify, accredit, certify and mobilize innovators who could foster and mentor MSMEs under a well-organized and monitored system.</li></ul>	<ul style="list-style-type: none"><li>Strengthen and intensify advocacy on information and communication campaigns on programs and policies related to human resource development and other related topics</li></ul>

Other details can be found in the Action Plan of the MSMED Plan 2017-2022 matrix under Strategic Goal 3: Enhanced Management and Labor Capacities.

## Encourage and promote entrepreneurship and equal opportunities for all including women and youth

**Mentoring MSMEs through Online Kapatid Mentor ME.** To mentor micro and small entrepreneurs as they confront business setbacks during the pandemic, DTI in collaboration with the Philippine Center for Entrepreneurship (PCE) continued to implement its Kapatid Mentor ME



(KMME) program albeit in a virtual or digitalized form. KMME is a coaching and mentoring approach where large corporations teach MSMEs on different aspects of business operations.

To make the KMME program more relevant in the new normal, the Kapatid Mentor ME Money Market Encounter (KMME-MME) Online was developed. This online program is a practical delivery mechanism of the regular KMME program and the Money Market Encounter, a program wherein experts mentor KMME graduates in terms of financial management. In KMME-MME, MSMEs learn from the entrepreneurial journey of the mentors online. In 2020, there were 35 KMME-MME runs with 1,538 selected mentees. The program had a total of 734 mentors composed of accomplished business owners and practitioners in different functional areas of entrepreneurship. A total of 1,452 online mentees graduated from the program.

**Developing Filipino youth's entrepreneurial skills.** With the end goal of improving national development, DTI's Youth Entrepreneurship Program (YEP) continued to offer the youth sector with a comprehensive package of interventions despite the limitations brought about by the pandemic.

Through the program, a total of 17,049 youth beneficiaries were assisted in the development of their entrepreneurial skills in 2020. It also engaged 282 local cooperators, established two (2) youth organizations, and identified 572 youth who joined business organizations.



**Supporting the growth of MSMEs through PTTC trainings.** Training entrepreneurs has always been the main program of the Philippine Trade Training Center (PTTC) to support the growth of MSMEs. While the pandemic may have put some training sessions in the backburner, PTTC still managed to accomplish 350 training sessions this 2020. 93,112 individuals and 3,071 unique MSMEs benefited from PTTC's programs in 2020.

The number of individual learners registered a 401% year-over-year increase. Learners came from MSMEs at 14,492, while learners from the government stood at 7,124 followed by those from the private sector/students at 2,743. The number of unique enterprises also increased by 254% from last year's 867. It also marked a 135% increase from the target number of 1,307. Women made up a majority of the learners at 57,801, while 112 represented the LGBTQ+ community.

Furthermore, PTTC had 32 MSMEs that acquired certifications, ready to enter the domestic and export market. Additionally, 121 MSMEs took part in export market penetration courses.

PTTC has also finalized the ASEAN Content Contribution Guidelines and accomplished website domain name renewal for the ASEAN SME Academy (also known as Global MSME Academy (GMEA) of the Philippines). Through its strong networking, PTTC, under the ASEAN SME Academy, has formed 4 new partnerships: with UL, Adobe, Open SAP and Visa

The Academy offers training courses on finance/accounting, management, marketing, operation, technology, and trade/logistics all year round. There are also hundreds of relevant links to business information and access to a directory of service providers to whom SMEs can reach out for financial advice, corporate programs and networking are also available through [www.asean-sme-academy.org](http://www.asean-sme-academy.org), with link at the PTTC's website, [www.pttc.gov.ph](http://www.pttc.gov.ph).

**Rebuilding the Sari-Sari Stores Through Access to Resources and Trade (ReSTART).** ReSTART is a multi-



partnership program (among the Department of Trade and Industry-Regional Operations Group (DTI-ROG), Coca-Cola Far East Limited, Philippines, Small Business Corporation, ASA Philippines Foundation Inc., and Alalay Sa Kaunlaran Inc.) which aims to help re-start the business and stimulate the economic recovery of the micro-retail sector under the post-COVID-19 next normal. This program has three (3) components:

- Component 1: Safe Stores Communication. This component relates to the development of information materials (on-ground and digital posters) that will promote safe stores operations under the next normal
- Component 2: Safe Store Education. This component relates to the development of online modules on how micro-retailers shall operate safely under the next normal/ post-COVID
- Component 3: Retailers' Rebuild
  - 3A: Bridge Loan. This sub-component relates to the provision of loans to micro-retailers.
  - 3B: Safe Stores Kit. This sub-component relates to the provision of information materials to micro-retailers availing loans to promote the observance of safe stores operations



In 2020, the program has conducted the following interventions:

#### Component 1

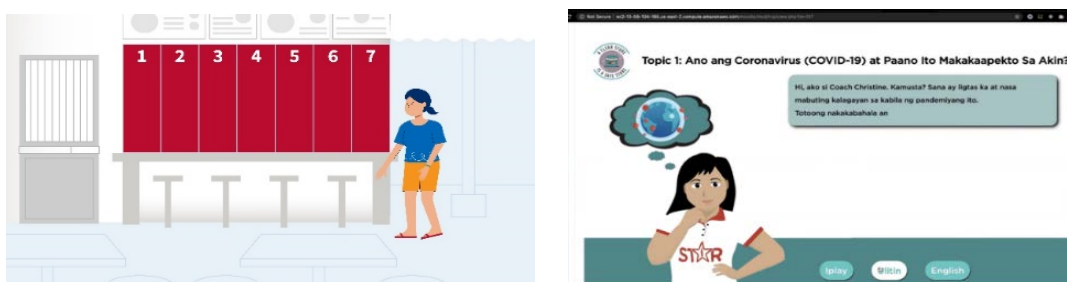
- Co-developed the promo/IEC materials on Safe Stores Communication (i.e. posters, video promo materials)
- Facilitated/communicated the posting to DTI social medial platforms, and to regions on the promotion of safe stores operation/IEC materials through digital assets/posting to social media platforms
- DTI through BSMED acted as the Safe Stores Movement (SSM) Lead Convenor: Engaged 13 SSM Partners (Alalay sa Kaunlaran Microfinance Social Development, Inc., ASA Philippines Foundation, Inc., Coca-Cola Philippines, Colgate-Palmolive Philippines, Mondelez Philippines, Inc., Nestle Philippines, Philippine Disaster Resilience Foundation, Philippine Young Entrepreneurs Association, Proctor & Gamble Philippines, Inc., Small Business Corporation, Smart Communications, Inc., Suy Sing Commercial Corporation, Unilever Philippines, Inc.) which supported the amplification of safe stores advocacy.



*Safe Stores Communication posters (for physical posting) and snapshots of digital*

#### Component 2

- Co-developed Safe Stores Education modules



*Snapshots of Safe Stores Education module*

**GREAT Women Project continue to empower women microentrepreneurs.** The Gender-Responsive Economic Actions for the Transformation of Women (GREAT Women) Project is a governance and capacity development project that aims to promote and support a gender-responsive enabling environment for women's economic empowerment, particularly those in microenterprises. The Supporting Women's Economic Empowerment (WEE) program in the



Philippines, also known as the GREAT Women Project 2 (GWP2), seeks to economically empower women micro entrepreneurs (WMEs) and their workers, by improving the competitiveness and sustainability of WMEs, as well as creating an environment for women's economic empowerment.

The project adopted the national industry cluster approach and has enrolled 831 WMEs from four (4) priority industry clusters namely: (1) Wearables and Homestyle; (2) Coffee; (3) Cacao; and (4) Processed fruits and nuts and selected high value crops. GREAT Women Project 2 covers regions 2, 3, 4A, 5, 6, 7, 8, 10, 11, 12, and CAR.

Due to the pandemic, the Project Management Office (PMO) conducted a study on the immediate effects of COVID-19 on women micro enterprises from May to July. The results of the study were used to redesign and recalibrate work and financial plans of our regional partners from DTI, DOST, DA, and other private partners.

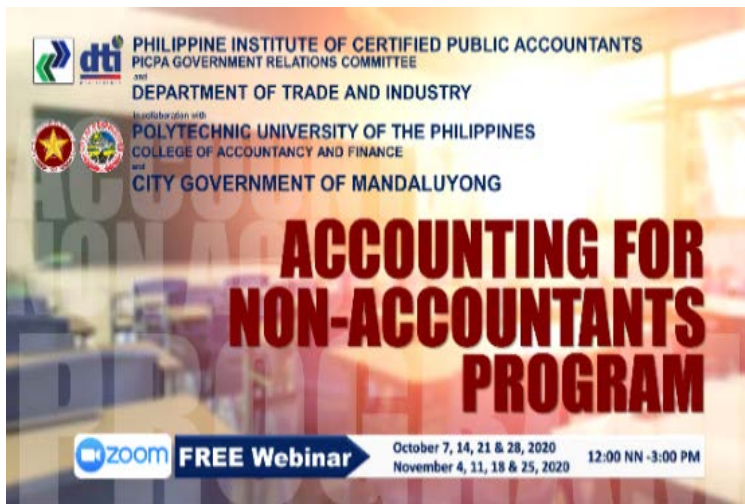
From April to September 2020, the project assisted 125 WMEs in facilitating certification requirements, 40 in product design and development, and 296 in market development and expansion. 254 were trained in enterprise management and other key themes. Of the 831 enrolled WMEs, a total of 715 WMEs (86.04%) were provided with assistance.

**“Connecting Women Entrepreneurs to the Digital Economy” Project: Integrated Digital Marketing Training Program.** The Women's Global Development and Prosperity Initiative – Integrated Training Digital Marketing Training program led by USAID, in collaboration with DTI, NATCCO, Lazada, Shopee, and Facebook Philippines aims to capacitate women entrepreneurs and mentors in digital marketing, digital payments, and establishing effective online storefronts on popular e-commerce sites for women entrepreneurs to become effective online sellers. The training program will be held across 16 regions in 6 batches, including NATCCO women entrepreneurs as the second batch.

The first batch was participated by mentors and mentees from NCR, Regions 3, and 11 last 27-29 August via Zoom. The training approach focused on principles and practical application of digital marketing. Topics include (1) Entrepreneurship Growth Mindset; (2) Innovation and Product Development; (3) Digital Marketing Landscape and Trends; (4) Digital Marketing 101; (5) Success and Failure Factors of Online Selling; and walkthroughs on FB, Shopee, and Lazada's online platforms. 112 DTI mentors and women entrepreneurs participated in this session.

Batches	Regions	Date	Participants
Batch 1	NCR, R3, 311	August 27-29	68 WEs, 44 mentors
Batch 2	NATCCO	September 17-19	65 WEs, 27 mentors
Batch 3	R1, R2, CAR	October 8-10	83 WEs, 36 mentors
Batch 4	R4A, R4B, R5, R12, CARAGA	October 29-31	49 WEs, 32 mentors
Batch 5	R6, R7, R8	November 12-14	53 WEs, 34 mentors
Batch 6	R9, R10	December 3-5	

**Accounting for Non-Accountants (AFNA) Program.** A Tripartite Agreement was entered into by the Department of Trade and Industry (DTI), Polytechnic University of the Philippines (PUP) – College



of Accountancy and Finance, and the Philippine Institute of Certified Public Accountants (PICPA) for the conduct of the Accounting for Non-Accountants (AFNA) Program.

The lecture series, which aims to enhance the analytical and technical competencies of MSMEs, featured an 8-module program on basic bookkeeping facilitated by professors and lecturers from the PUP College of Accountancy and

Finance. The modules were designed to assist existing and would-be entrepreneurs in managing finances, enhancing internal controls, and improving business regulatory compliance.

Launched on the 7th of October, the 2020 AFNA Batch 1 Program was concluded last December 9 through a culmination activity graced by DTI ROG Undersecretary Blesila Lantayona, DTI BSMED Director Jerry Clavesillas, PICPA President Mr. Lope Bato Jr., PICPA National Office Chair of Government Relations Committee Ms. Sonia Segovia, and PUP Manila Dean of College of Accountancy and Finance Ms. Lilian Litonjua.

**TESDA ONLINE PROGRAM: Bringing TVET closer to Filipinos.** To further expand the Agency's advocacy of providing more people with quality TVET services, TESDA has intensified the operations of its Massive Open Online Courses (MOOCs) platform – the TESDA Online Program (TOP).

Established in 2012, the TOP has been among TESDA's primary initiatives to make TVET accessible and convenient to more Filipinos nationwide. As the COVID-19 pandemic put the nation, and the rest of the world to a halt in the first quarter of 2020, TESDA immediately encouraged Filipinos to visit the TOP platform in order to retain productivity amid the mobility restrictions. While the majority of the population was required to stay in their homes to prevent the further spread of the virus, the TOP became a very useful tool for many who had to suddenly be glued to their residences.

TESDA actively promoted the TOP using all media platforms - TV, radio, print, and social media. In a span of only nine months, from March to December, more than one million individuals registered in the TOP. Record-breaking statistics were registered as Filipinos here and abroad took to TESDA's online platform to spend their time while in the middle of quarantine. Hundreds of thousands of Overseas Filipino Workers (OFWs) who have been displaced or repatriated due to the pandemic also signed up to enroll in the 80 free online available courses in the platform, all designed for self-paced learning.

To accommodate the sudden surge of registrants, TESDA coordinated with the Department of Information and Communications Technology (DICT) to update and migrate the TOP to Amazon Web Services (AWS) cloud. The online courses, categorized under several sectors, are freely accessible to all registered individuals. A Certificate of Completion can be downloaded by the course completers after undergoing activities and passing the quizzes; and those who wish to be certified

may use these certificates as a passport for National Competency Assessment in any TESDA office closest to their area or location.

**Skills development continues as TESDA rolls out flexible learning delivery.** In response to the challenges posed by the fourth industrial revolution (4IR), and now with COVID-19 pandemic, TESDA developed the Flexible Learning Delivery (FLD) for implementation in the new normal through TESDA Circular No. 62, s. 2020.

The FLD is composed of online, blended, distance, face-to-face (F2F), and the combination of distance and F2F learning modalities, designed to provide a conducive environment that is responsive to the shifting needs, requirements, and conditions of our society. It recognizes the different contexts of training and of our stakeholders by providing a range of learning modalities that considers the space, pace, and ways of learning through a flexible regulatory mechanism.

This allows for the continuity of technical vocational education and training (TVET) during social, environmental, health, and all forms of crises and disruptions to ensure that our stakeholders are able to receive relevant social services when they need it, wherever they are, and in the most convenient way possible. Consequently, this increases the absorptive capacity of our TVET institutions and most importantly, increases and widens the reach of TVET delivery to make sure that nobody is left behind.

As of 04 December 2020, there are 1,680 programs offered by TESDA Technology Institutions (TTIs) implementing FLD, 98 of which are online, 773 through blended mode, 54 through distance learning, 389 programs through face-to-face, and 666 through the combination of distance and faceto-face learning. Thousands of learners benefitted from FLD implementation.

TESDA continues to enhance the TESDA Online Program (TOP), TESDA's primary learning management system (LMS), promote innovations through technology and research, develop exemplary competency-based curricula, and design systems of learning that are inclusive and relevant, all to support TVET that is truly flexible, sustainable, and agile.

**Basic Education Entrepreneurship Project (BEEP).** The Basic Education Entrepreneurship Program (BEEP) of the Department of Education (DepEd) is conceptualized to ensure quality learning outcomes through demonstration of creative and innovative skills as manifested in the performances of learners. Although the program will directly benefit the learners, the project sees its major impact not only on the quality of their lives but also on the sustainability of the community.

In 2020, the program has drafted the program's policy guidelines, the Research Proposal on Impact Evaluation of the Existing Entrepreneurship Programs in the National Capital Region (NCR), the Enhanced Entrepreneurship Curriculum Guide, and the program's FAQs and flyer.

**Curriculum Revision for EPP/TLE with Entrepreneurship Integration.** Pursuant to Republic Act No. 10679 or known as the Youth Entrepreneurship Act, the DepEd's Bureau of Curriculum Development (BCD) has conducted series of workshops in reviewing and revising the curriculum guides beginning 2018 to present. One of its objectives is to integrated entrepreneurship

competencies in the curriculum and provide livelihood for every household. These competencies are integrated from elementary to senior high school program.

Another initiative from DepEd are the workshops for Developing Entrepreneurship Curriculum across all grade levels and learning areas. New competencies for EPP/TLE are now integrated such as making products for the household consumptions like liquid soap, decorative candle making, and polymer clay crafting. Integrating such new competencies will lead to small business that will start in the home.

## Promote New Business Models

**Assisting MSMEs in going digital through Reboot Program.** To help MSMEs shift their business from offline to online during the pandemic, DTI launched Reboot Program for online enterprises. The program consists of waiving of onboarding fees, access to loans, discounts from logistics/delivery partners, free 3-month internet subscription for PLDT new subscribers, and online training called CTRL+BIZ Reboot Now! With the participation of a total of 23 e-commerce platforms or enablers, CTRL+BIZ Reboot Now! produced six online conference/webinar series. For this project, DTI collaborated with the DOT, the Philippine Trade Training Center (PTTC), and EnjoyPH. Total number of registered participants in Zoom reached 42,351 with 19,307 unique viewers. Total reach in Facebook was recorded at 1,082,749 with 476,708 views.

**Intensifying DTI services in the barangays.** To bring the services to the grassroots, DTI continued to beef up its Negosyo Serbisyo sa Barangay (NSB) program. Launched in 2019, the NSB sought to bring DTI services initially to barangays in 4th to 6th income class municipalities.

In 2020, the program focused instead on assisting MSMEs and potential entrepreneurs in priority areas greatly affected by the pandemic. From January to 31 December 2020, DTI reached out to 54,042 MSMEs. Likewise, 365,089 individuals were provided with information and training on various livelihood opportunities in 5,747



barangays nationwide. There were also 23,388 livelihood kits given. Participants in the NSB were provided with orientation on programs for MSME development and services for consumer protection and advocacy. There was also matching of participants' needs with partner agencies involved in the economic improvement of barangays and their constituents.



Specific DTI services administered in the NSB Program include one-on-one business consultancy, entrepreneurial mind setting sessions, orientation on R.A. 9178 or the Barangay Micro Business Enterprise Act of 2002, business registration assistance, assistance in filling out Program application forms, and skills training like bead working and weaving. A total of 14,902 Negosyo cliniquing activities, and 4,506 entrepreneurship seminars were conducted

**Assisting victims of calamities through Livelihood Assistance Program.**

To support victims of fire incidents and other natural and man-made calamities, including the Taal Volcano eruption and the COVID-19 pandemic, in restarting their businesses, DTI reconfigured one of its livelihood assistance programs, the Pangkabuhayan sa Pagbangon at Ginhawa (PPG) in 2020. Under the program, DTI will provide financial assistance of P10,000 and educational materials after profiling and giving business training to existing micro-entrepreneurs. In 2020, DTI has conducted 3,167 trainings and provided 20,742 livelihood kits that assisted 23,729 clients.



**Agrarian Reform Communities reached.**

The DTI Comprehensive Agrarian Reform (CARP) Program's primary agenda is to promote and develop MSMEs in the countryside. All of the initiatives under CARP are intended to contribute to the government's thrust for economic development and poverty alleviation.



In 2020, 1,097 Agrarian Reform Communities (ARCs) were served and 105,633 Agrarian Reform Beneficiaries (ARBs) were assisted, with 138 new MSMEs developed and 1,753 MSMEs assisted. The program also generated P898 million investments, PhP1.90 billion sales, and 87,418 jobs.

**Integrating upland communities' livelihood to value chain promotion.** Aiming to integrate a more productive source of livelihood for rural communities in upland river basins, DTI implemented the Integrated Natural Resources and Environmental Management Project – Livelihood Enhancement Support 2 (INREMP-LES 2). To help the communities specifically located in the Cordillera Administrative Region (CAR), Regions 7 and 10, this initiative created favorable conditions that will sustainably increase the sales from commodities produced by upland farmers, smallholders, and micro-enterprises. This was done through the introduction of value-adding, entrepreneurial skills, and market linkage services.

The Regional LES 2 Implementation Units (RLIUs) supported upland communities through various enterprise development trainings and services to develop their commodities into marketable and



environmentally compliant products. Furthermore, the livelihood enhancement interventions were aimed at focusing on more environmentally sound activities. Under its Institutional Strengthening component, the project was able to train 38 Peoples Organizations (POs) through various value chain development seminars and organizational and entrepreneurial development coaching for project enablers. In 2020, 55 product development activities were accomplished, 28 market linkages established with Php 1.653M cash sales generated, and 17 SSFs delivered. Adjusting to the mobility restrictions brought by the COVID-19, RLIUs successfully conducted majority of the trainings online and established social media marketplace platforms to promote and sell LES 2 products.

**Strengthening MSMEs' disaster resilience through geotagging.** To help boost the MSME's resiliency against disasters and risks, DTI made use of the Department of Science and Technology (DOST)'s GeoRisk Philippines initiative in geotagging DTI-assisted MSMEs. Geotagging, the process of adding geographical information to various media in the form of metadata, helps ensure infrastructure resilience. This undertaking is part of the Enhancing MSME General and Disaster Risk Data, a thematic area of the National Roadmap on Strengthening MSME Disaster Resilience. Moreover, the MSME Guide to Disaster Resilience was finalized, printed, and distributed. An electronic copy was also disseminated to the DTI Regional, Provincial, and Satellite Offices and Negosyo Centers. Majority (2,434) of the print copies were provided to DTI offices, while 566 copies were distributed to DTI's development partners.

**Promotion of Microinsurance Disaster Risk Insurance (MDRI) Project.** This project is a collaboration with GIZ-Regulatory Framework Promotion of Pro-Poor Insurance Markets in Asia, AXA Charter Ping An, and Cebuana Lhuillier Insurance Solutions. It is primarily aimed at developing affordable microinsurance products and identifying strong distribution channels through the private sector, and advocating the financial literacy of MSMEs.

In 2020, the DTI, through BSMED, has facilitated the adoption of the MSMEDC Resolution No. 1 Series of 2020: Directing all Negosyo Centers to Promote and Advocate Financial Literacy and Climate and Disaster Risk Insurance (CDRI) to ensure disaster resilience and business continuity among MSMEs in the Philippines last 28 April 2020 by the MSME Development Council. This is in response to the need to increase the adaptive capacities and disaster resilience of the MSMEs through innovative financing initiatives that may reduce the possible impacts of climate change in their operations.

The DTI has also facilitated the MoU signing between DTI, GIZ, and CLIB as a collaboration on COVID-19 Emergency Measures to Support MSMEs" (August 2020 – July 2021) intended to increase the adaptive capacity and business continuity during pandemics and disasters due to extreme weather events and to provide other assistance and support to affected MSMEs. This shall involve the provision of personal protective equipment (PPE), food and relief packs, and the promotion of financial literacy.

DTI-BSMED has been coordinating with GIZ-RFPI Asia Team and DTI-NCRO for the identification of about 200 to 300 micro and small enterprise (MSEs) beneficiaries who shall be apportioned with 8,000 pieces of face masks from GIZ-RFPI Asia. The actual distribution of said PPEs will be made by the last week of November 2020.

**Building an Entrepreneurial Society of Tomorrow (BEST) Bootcamp.** Launched in December 2020, the BEST Bootcamp program targets displaced workforce (including working students, housewives, displaced employees and teachers, and repatriated OFWs) to help them find opportunities based on their skills to re-invent themselves in the new normal.

The BEST Bootcamp offers two pathways:

- First pathway: Accept, Adapt & Act (3A BEST Aspiring Entrepreneurs) – it seeks to introduce the concept of entrepreneurial development/planning in early-stage ventures
- Second pathway: Resilience, Recovery, and Rebuild (3R BEST MSMEs) – it seeks to introduce the concept of entrepreneurial realignment, pivots and a balanced planning in running existing business ventures

The program will assist distressed workers to have a resilient mindset to accept and adapt to the new normal and pivot out of unemployment, act with an entrepreneurial mindset, and be able to set-up a business.

## TECHNOLOGY AND INNOVATION (*Machines, Models of Business*)

(MSMEDP 2017-2022 Strategic Goal 4: Improved Access to Technology and Innovation)

The need for a heightened focus on technology and innovation competitiveness of MSMEs was further highlighted when COVID-19 entered the country in 2020. The strengthened innovation ecosystem in the country, as a result of various government interventions such as the promotion of regional inclusive innovation centers, digitalization, technology and innovation initiatives of the DOST, establishment of the DTI's Shared Services Facilities Project (SSFs), particularly, the fabrication laboratories, equipped with industry 4.0 technologies, allowed for the quick pivoting of the government-private sector's response to the pandemic.

MSMED PLAN VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth		
FOCUS AREA	BUSINESS CAPACITY		
STRATEGIC GOAL 4	IMPROVED ACCESS TO TECHNOLOGY AND INNOVATION		
STRATEGY	Support the development of linkages between MSMEs and large corporations; develop more inclusive business models and social enterprises; establish domestic economic zones for MSMEs; make innovative technologies as well as sustainable and resilient practices more affordable, cost-effective, and accessible to MSMEs across all regions in the country.		
ACTION AGENDA			
Action Agenda on MACHINE and MODELS OF NEGOSYO:			
Fulfill the need for a more intensified information campaign and technology-matchmaking activities			
PRIORITY ACTION ITEMS			
Expand facilities that MSMEs can share	Promote greening and technology enabling MSMEs	Develop internationally harmonized industry performance standards/ promote Philippine National Standards (PNS) by NGAs and its adoption by MSMEs	Promote commercialization of technology and build capabilities to foster industry clustering
<ul style="list-style-type: none"><li>Mapping of technology and innovation initiatives nationwide</li><li>Establishment of new facilities</li><li>Strengthen academic support to MSMEs and institutionalize programs that will allow universities to share their facilities with MSMEs</li></ul>	<ul style="list-style-type: none"><li>Promote greening and technology enabling of MSMEs</li><li>Make green business attractive, faithfully enforce environmental laws and regulations</li><li>Identify role in implementing Green Jobs Law</li><li>Foster Social Enterprise development, Green Business Models, and Franchises</li></ul>	<ul style="list-style-type: none"><li>Developing programs to improve standards and establish quality infrastructure for MSMEs</li><li>Strengthen/reform institutional structures especially for improved coordination, collaboration and funding support</li><li>Address infrastructure constraints to improve technology and innovation in MSMEs</li><li>Strengthen the monitoring and compliance system on quality standards in accordance with the ASEAN Standards and Conformance Strategic Action Plan</li></ul>	<ul style="list-style-type: none"><li>Foster MSME Clustering and Integration into value chains</li><li>Strengthen information dissemination on various government's technology and innovation initiatives for MSMEs and other technology match-making activities</li></ul>

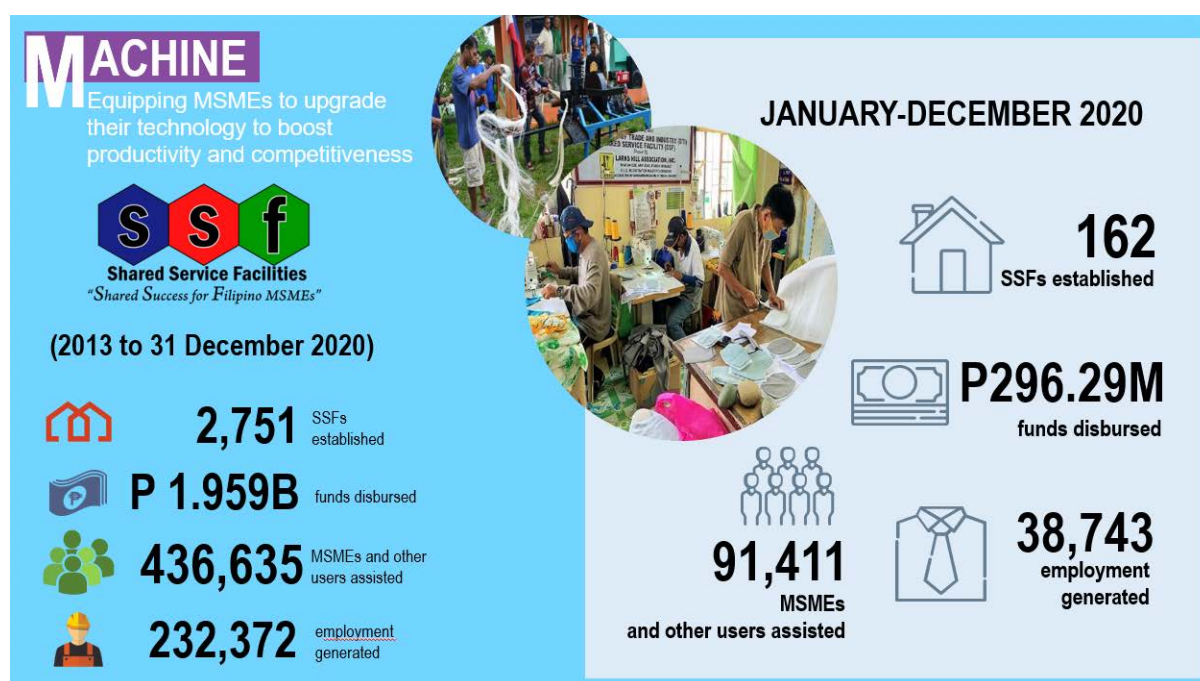
Other details can be found in the Action Plan of the MSMED Plan 2017-2022 matrix under Strategic Goal 4: Improved Access to Technology and Innovation.

**Producing more PPEs for healthcare workers, frontliners and the public.** Through the 28 Shared Service Facility (SSF) Fabrication Laboratories (FabLabs), DTI immediately mobilized its resources to contribute to the needs of frontliners by producing and distributing 81,619 fabricated face shields, 253 fabricated aerosol boxes, 1,872 medical gowns, 59,026 fabricated face masks, and 3,996 liters ethyl alcohol nationwide as of 31 December 2020. These benefited 1,319 hospitals, health units, and other essential institutions doing frontline work.

Likewise, the DTI coordinated with some 127 SSF cooperators granted with sewing machines to refocus operations at the height of the pandemic by producing cloth face masks to fill in the gap in their communities. As of 31 December 2020, more than 1 million pieces of face masks were produced by the SSFs.



**Providing MSMEs with machines and equipment through SSF Project.** Despite the pandemic, while budget has been slashed significantly, DTI's Shared Service Facilities (SSF) Project continued in providing machines and equipment to MSMEs. The SSF is implemented by the DTI with private cooperators to enhance productivity and competitiveness of MSMEs within the priority industry clusters through the provision of machinery, equipment, systems, and other auxiliary items under a shared system. As of December 2020, there were 2,751 SSFs established nationwide since the project was launched in 2013. A total of 824 of these SSFs were established in the Duterte Administration. For the year 2020 alone, 162 SSFs were established serving 91,411 MSMEs and other beneficiaries with machines and equipment, and generating 38,743 employment.





Some of the SSF projects established in 2020 are the Food Testing and Processing Center for Marine Products (NCR), Digital Fabrication for the Training on Packaging and Labelling Design for Food and Non-Food Products (NCR), National Bioenergy Research and Innovation Center (Region I), Nueva Vizcaya Coffee Cupping Laboratory (Region II), SSF on Bamboo Slats Processing (Region III), SSF on Upgrading of Calamansi Processing (Region IVB), BISCAST Manufacturing and Fabrication Laboratory SSF (Region V), Establishment of the Capiz Innovation Center Fabrication Laboratory (Region VI), SSF for Siquijor Center for Food Processing, Packaging and Labelling Project (Region VII),



Tikog Processing Productivity Improvement SSF Project (Region VIII), SSF on Food Analytical Laboratory (Region X), SSF on Garments Making Project (Region XI), Establishment of the University of Southern Mindanao-Kidapawan City Campus Fabrication Laboratory (Region XII), SSF on Mini Coco Oil Mill (Caraga), and SSF for Halal Butchery and Processed Food Production (Marawi City, BARMM).

The SSF Project's capacity to accelerate poverty reduction efforts was recognized by the Human Development and Poverty Reduction Cluster (HDPRC). It included SSF as one of the programs to support the Strategy on Enhanced Social Protection under HDPRC's Performance Project Roadmaps for 2019-2022.

The DTI report to the Cluster as of 31 December 2020 showed that SSFs are present in 30 of the 32 identified HDPRC provinces with high poverty incidence. These provinces are also considered priority areas for program convergence. There are 884 SSFs established in the Provinces of Apayao, Agusan del Sur, Bukidnon, Camarines Sur, Catanduanes, Cebu, Davao del Sur, Davao



Occidental, Eastern Samar, Iloilo, Lanao del Norte, Lanao del Sur, Leyte, Masbate, Negros Occidental, Negros Oriental, North Cotabato, Northern Samar, Nueva Ecija, Pangasinan, Quezon, Samar, Sarangani, Siquijor, Sorsogon, South Cotabato, Sultan Kudarat, Surigao del Sur, Zamboanga del Norte and Zamboanga del Sur.



Under HDPRC's Performance Project Roadmaps for 2020, seventy-five (75) SSFs were established in 22 of the priority areas to provide livelihood to the poor.

Priority Province	No. of SSFs Established	Total Amount Disbursed	Industries Assisted
Agusan del Sur	5	3,827,200.00	Coconut/ Coco Coir, Fashion Accessories, GDH, Processed Food
Apayao	1	421,700.00	GDH
Bukidnon	1	710,191.00	Coffee
Camarines Sur	8	11,107,548.40	Coconut/ Coco Coir, Fab Lab, Processed Food
Cebu	2	935,000.00	Abaca, Fab Lab
Davao del Sur	2	517,200.00	Coffee
Davao Occidental	5	1,296,985.00	GDH, Processed Food
Eastern Samar	1	982,333.00	Cacao
Iloilo	7	7,938,968.50	Cacao, Furniture and Furnishings, Handicrafts, Metal and Metalworks
Lanao del Norte	1	1,389,000.00	Abaca
Lanao del Sur	15	11,307,600.50	Abaca, GDH, Processed Food, Other Support Services
Negros Oriental	4	3,886,250.00	Processed Food, Rubber, Other Support Services
North Cotabato	3	12,697,000.00	Processed Food, GDH, Other Support Services
Northern Samar	2	1,094,550.00	Processed Food
Nueva Ecija	2	538,150.00	Bamboo, GDH
Pangasinan	3	2,268,880.00	GDH, Processed Food, Other Support Services
Samar	2	1,932,104.00	GDH
Sarangani	1	390,000.00	Processed Food
Siquijor	5	4,116,558.00	Processed Food, Meat (Fresh and Processed), GDH, Other Support Services
Sultan Kudarat	2	1,174,600.00	Processed Food, Coffee
Surigao del Sur	2	2,492,110.00	Processed Food, Other Support Services
Zamboanga del Sur	1	407,310.00	Processed Food
<b>Grand Total</b>	<b>75</b>	<b>71,431,238.40</b>	

**Helping produce more medical-grade PPEs for the country.** The DTI, through its investments promotion arm, the Board of Investments (BOI), worked with the Confederation of Wearable Exporters of the Philippines (CONWEP) in the local production of medical-grade PPEs. BOI worked with CONWEP in coming up with sample fabrics that would pass as a material for medical-grade PPEs. Sample fabrics were submitted to DTI, DOH/PGH, and DOST for approval based on requirements and standards for medical-grade PPEs. DTI-BOI assisted in the licensing, accreditation, and logistics needs.

**Encouraging local manufacturers to supply essential products through Repurposing Manufacturing.** DTI-BOI also championed the Repurposing Manufacturing initiative during the start of the COVID-19 lockdowns in April 2020. Local manufacturers were encouraged to take advantage of opportunities to supply critical/essential products and services needed in the fight against the COVID-19 pandemic.

In 2020, the country had the capacity to locally produce over 3.2 million pieces of medical grade coveralls, 56 million pieces of N88 face masks, 2.4 million pieces of N95 face masks and 6,000 units of ventilators per month.

### Providing face masks and livelihood through

**Face Masks Para sa Masa.** The Community Face Mask Project or “Libreng Mask Para sa Masa” was launched to produce and distribute 47 million locally-manufactured cloth face masks categorized as non-medical grade, reusable and washable as part of the government’s strategic plan against Covid-19. The project so far has provided livelihood to more than 2,700 Filipinos coming from MSMEs, cooperatives, and

community members who were displaced from their work during the pandemic. The initiative has already produced and delivered more than 37 million pieces of face masks. In addition, the Temasek Foundation SG has donated 1,042,900 pieces of cloth face masks.



Photo courtesy of DSWD

been distributed to typhoon and calamity-stricken areas while 100,000 pieces of masks were given to persons caught in violation of health protocols by PNP.



Together with DSWD, the project has distributed a total of 36,993,898 pieces of masks to 4Ps in NCR, CAR, Regions I, II, III, IV-A, VI, VII and XI. This included the donations from Temasek Foundation. An additional 266,000 pieces of masks have

**Establishing EMPOWER PH, a collaborative platform to meet increasing PPE demands.** The DTI, in partnership with the United Nations Development Programme (UNDP) Philippines, worked together to respond to the increase in the demand for PPEs, CFCs and other COVID-19 related products in the Philippines through the EMPOWER PH project. This project











is a digital business matchmaking platform that connect stakeholders (primarily buyers and sellers) to facilitate and accelerate production and distribution of PPE, ensure product quality standards, democratize knowledge and resources, provide livelihood opportunities, and facilitate an effective supply chain.

Several Deep-Dive Sessions lead by the UNDP Team were conducted to capacitate DTI in managing the platform and the vetting process prior to the formal hand-over on 27 May 2021 from the UNDP, led by Mr. Selva Ramachandran, Resident Representative of UNDP, together with the DTI, represented by Undersecretary Rafaelita M. Aldaba of DTI- Competitiveness and Innovation Group (CIG) and DTI-Competitiveness Bureau Director Lilian G. Salonga.

Currently 88 registered stakeholders (manufacturers, suppliers, and buyers) with about 15 vetted products in the platform.

**Improving products of Filipino entrepreneurs through OTOP Next Gen Program.** Through the extensive product development offered under the OTOP Next Gen Program, DTI introduced 6,677 new and/or improved products with globally competitive packaging designs. OTOP Next Gen is DTI's program that helps level up Filipino entrepreneurs' products and services. Additionally, DTI also assisted a total of 14,367 MSME OTOPpreneurs that generated Php1.81 billion in sales. In 2020, 22 OTOP.PH retail stores were also established to provide space where MSMEs can sell their OTOP products, making the total number of OTOP hubs reach 55. A number of these hubs successfully digitalized and onboarded to cashless transactions like PayMaya, GCash and UnionBank.

**Generating over 100,000 jobs in priority industry clusters.** As a result of various initiatives in promoting and fostering industry development nationwide, the eight national priority industry clusters which are predominantly agro-based industries (bamboo, cacao, coco coir, coffee, palm oil, processed fruits & nuts, rubber, and wearables & homestyles) had contributed significant outcome in terms of bottom-line indicators.

INDUSTRY CLUSTER ENHANCEMENT (ICE) PROGRAM			
Accomplishment Reports as of December 2020			
	Targets 2020	Accomplishment	Percentage
 <b>JOBS:</b>	106, 435	132,124	124%
 <b>INVESTMENTS:</b>	Php 2,701M	Php 3,071M	114%
 <b>DOMESTIC SALES:</b>	Php 9,699M	Php 8,990M	93%
 <b>EXPORT SALES:</b>	US\$ 395M	US\$ 279M	71%
 <b>MSMEs ASSISTED:</b>	27,308	45,380	166%
 <b>LOANS FACILITATED</b>	578	692	120%
 <b>TRAININGS CONDUCTED</b>	2,386	2,649	111%
 <b>BENEFICIARIES:</b>	48,379	40,297	83%

In 2020, DTI, through the Industry Cluster Enhancement Program, was able to generate 132,124 jobs, P3.07 billion investments, PhP8.89 billion domestic sales, and US\$279 million export sales. It assisted 45,380 MSMEs and conducted 2,649 trainings that benefitted 40,297 MSMEs.

Industry Clustering is an effective strategy towards inclusive growth. It provides answers to key questions, such as how micro and small enterprises can co-exist with medium and large enterprises, and how the same micro and small enterprises can contribute to the production and manufacturing of end-products that cater to the global market.

**Developing the TechTools Site for MSMEs.** To immediately address the disruption of MSME operations at the early part of the implementation of containment measures for the COVID-19, the Bureau of Small and Medium Enterprise Development (BSMED) developed the website, *“TechTools for MSMEs: Reinvent Your Business during COVID-19 Crisis”*.

It was launched in April 2020 through Google Site, and was transferred to the DTI website in June 2020 as part of the



COVID-19 Resources. This site provides information to MSMEs on the different technology tools, applications, platforms, and resources available in coping with the challenges and disruptions brought by the community quarantine. The top subpages with highest page views include E-Payment, E-Commerce, Digital Marketing, Logistics, Webinars/Videos, and useful articles for MSMEs during COVID-19. These online resources are available at <https://www.dti.gov.ph/covid19/tech-tools/>.

**Expanding IPOPIL's Innovation and Technology Support Offices (ITSOs) to step up innovative solutions for the pandemic.** Intellectual Property Office Philippines (IPOPIL) established a network of 100 Innovation and Technology Support Offices (ITSOs) composed of higher education and research development institutions to foster creation of intellectual property (IP) particularly in invention and utility models, to increase the national innovative output and to push the presence of Filipino inventions in the international patent system. The ITSOs are technology generators and innovation centers capacitated to function like mini IPOPILs across the nation delivering IP creation, protection, and commercialization services. In 2020 amidst the pandemic, the ITSOs have stepped up to the challenge to find creative solutions to combat the crisis brought by the COVID-19 pandemic. Among the technological innovations that were born from the ITSOs ingenuity are Covid-19 test kits and various designs of face shields, masks, and protective equipment.

The IPOPIL likewise maintains the IP Depot, an online commercial platform and free marketing space for IP creators, who may post and promote their IP assets for sale or for commercialization. Transition to the digital environment inspired IPOPIL to further expand their online presence to make its services simpler, faster, more cost-effective, while ensuring continuous operations even in a crisis.



**Greening Economic Development Program.** To sustain the Green Economic Development (GED) initiatives of the concluded ProGED project, a three-year joint undertaking of the DTI-Regional Operations Group (DTI-ROG) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH from 2013-2016, aimed at improving the competitiveness of micro, small, and medium enterprises (MSMEs) by making their operations environment-friendly and climate-smart, DTI-ROs/POs continued the implementation and monitoring of activities. To ensure MSME adoption of GED practices, capacity building were provided under the three lines of intervention, namely: 1) Information and Awareness on GED; 2) Green Service Facilitation and Matchmaking; and, 3) Green Framework Conditions. In 2020, the DTI-BSMED facilitated GED Webinar session for the NCR MSMEs on 11 November 2020 as part of DTI NCRO SMERA on Business Continuity Planning of MSMEs.

**Supporting Women in Green Innovation.** IPOPHL also launched the Women and IP Magazine (e-magazine) with section on Women in Green Innovation that was lauded by the World Intellectual Property Organization (WIPO) for greening activities and been featured in the international magazine of WIPO.

**Gearing for innovation at the Inclusive Innovation Conference 2020.** With the theme Advancing Filipinnoation for Economic Resilience, Digital Transformation, and National Competitiveness, DTI held the Inclusive Innovation Conference (IIC) in October 2020.

During this annual gathering, stakeholders of the Philippine innovation and entrepreneurship ecosystem discussed the progress of government innovation programs, current challenges to advancing innovation in the country, and ways to address these challenges towards achieving inclusive growth and sustainable development. It featured five sessions which focused on the following topics “Strengthening the National and Regional Innovation and Entrepreneurship Ecosystem” on the first day, “Financing Innovation and Facilitating innovative financing session” and “Raising Funding in Trying times” on the second day, and “Enhancing Human Capital and Research Capabilities session”, and “Developing Creative Industries in the Era of Digital Transformation” on the third day of the conference.



**Accelerating MSME Innovation through the Fablabs.** Recognizing the success of fabrication laboratories in improving industry-academe collaboration in developing innovation and accelerating adoption of industry 4.0 technologies, the DTI-BSMED and the DTI-Regional Operations Group with the support of USAID-Science Technology Research Innovation for Development (STRIDE) launched the SSF Fab Lab Action Plan and monitoring tool during the Makers Without Borders Webinar (MWOB) on 18 December 2020. The said action plan will ensure that the DTI FabLab



cooperators support and align (their vision with the overall MSME Development Plan strategic objectives, particularly the strategic goal on technology and innovation. Since then, capacity building and information sessions ensued.

The Action Plan supports critical aspects of innovation by tackling three (3) major action points that will make the DTI – FAB LABs a key catalyst and platform for MSME innovation. These include the following: accelerate product development through problem-solving and innovation among FAB LABs; expand the innovation ecosystem by developing more innovators, makers, designers who are adept in FAB LAB technologies; and increase industry engagement and strengthen culture of FAB LAB – industry collaboration. It will also serve as guide to DTI and its cooperators in pursuing and monitoring key activities that will support MSME innovation through the FabLabs.

The DTI also established facilities with 4.0

technologies through the fabrication laboratories (FAB LABs) equipped with 3D printers, laser cutters and other machines and were instrumental in producing PPEs for our frontliners at the height of the pandemic.

**Connecting MSMLEs with startups or digital enterprises through SMART Link program.** The SMART Link Program aims to connect MSMLEs with startups or digital enterprises that can provide digital solutions for their operations, such as e-payments, chatbots for customer management, human resource and payroll management, among other digital services. This is expected to facilitate the digital transformation of MSMLEs while promoting the growth of local startups. The program will be implemented in partnership with local enablers, business chambers, and industry associations, especially in the Regional Inclusive Innovations Centers.

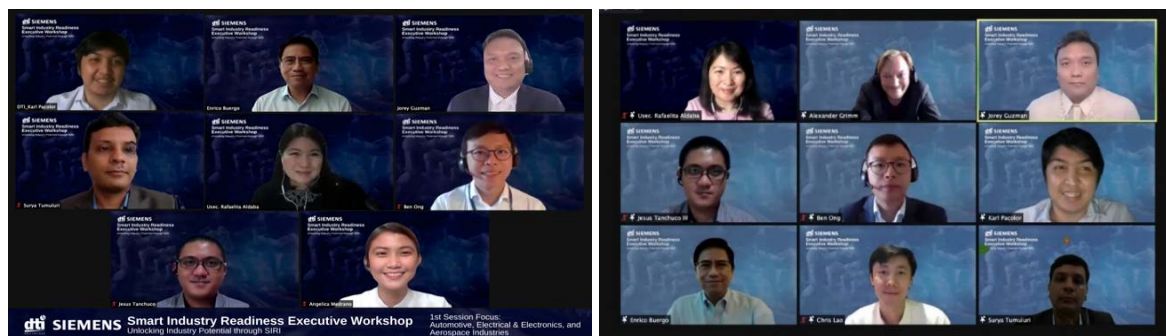
Last year 2020, DTI was able to sign a Memorandum of Understanding (MOU) with 500 Startups, a global venture capital and startup accelerator based in Silicon Valley. The MOU covers the collaboration for the implementation of the Strategic Micro, Small, Medium & Large Enterprise (MSMLE) and Startup (or SMART) Link Program. DTI is also currently working on a collaboration with USAID DELIVER for a business-to-business online matching platform that will help provide easier access and connect Startups and MSMLEs.



## STARTUPS OFFERING TECHNOLOGY SOLUTIONS FOR MSMEs

	<p>Multisys is a software engineering solutions firm that provides a wide range, cost-effective, and full scale service to tailor-fit and empower businesses.</p>
	<p>Growsari has enabled more than 50,000 (sari-sari) stores in 100 cities through an ordering platform. It also provides microservices such as telco load, bills payment, e-commerce, serving as a single wallet.</p>
	<p>Paymongo enables business to accept and receive payments online. You can accept credit and debit card payments, Gcash, GrabPay and more.</p>
	<p>1Export is a tech enabled platform that assists the exporting requirements of enterprises and serves as a one stop shop to conduct trade business all around the world. It provides services such as export consultation, processing and tracking of export documents, compliance, and help products reach international borders</p>
	<p>A platform that simplifies the process and increase sales performance of global e-commerce through data analytics and AI.</p>
	<p>Senti AI is a leading artificial intelligence company that provides enterprise solutions based on Machine Learning, Natural Language Processing, Knowledge Virtualization, among others.</p>
	<p>Great Deals offers end-to-end e-commerce services handling content, web design, analytics, and chat support.</p>

**Starting the Industry 4.0 journey of enterprises through the Smart Industry Readiness Index (SIRI) Executive Workshops.** The DTI, together with Siemens, organized executive workshops for the introduction of Industry 4.0 technologies and SIRI Assessment Framework to various Industries. The event gathered C-level executives of manufacturing companies in the automotive, electronics, aerospace, food and beverage and chemical industries, together with key stakeholders from the government, industry, academe, to deep dive into how the Smart Industry Readiness Index (SIRI) can be used to jumpstart Industry 4.0 transformation. The 1<sup>st</sup> and 2<sup>nd</sup> Smart Industry Readiness Executive Workshop were attended by 160 and 80+ participants respectively. In addition, a special SIRI briefing session was conducted together with SEIPI – Semiconductor and Electronics Industries in the Philippines to further guide them in the process of the SIRI assessment. After the workshops, DTI together with partner organizations such as Siemens and the World Economic Forum conducted SIRI assessments to interested enterprises and organizations who want to jumpstart their Industry 4.0 journey.



**Creating Regional Inclusive Innovation Center (RIICS).** Among the key initiatives of the DTI is connecting and integrating the innovation and entrepreneurial ecosystem of the country through the Regional Inclusive Innovation Centers (RIICs). These RIICs are a network of innovation agents that collaborate to commercialize market-oriented research towards the competitiveness of the region, which aims to generate better employment opportunities, more entrepreneurial activities, and sustainable economic prosperity in the country's regions

Through the RIICs, the local innovation ecosystem from which would emerge innovation, research commercialization, new products, new services, and new business models that address industry and societal issues were built—thereby generating better employment opportunities, more entrepreneurial activities, and sustainable economic prosperity in the country's regions.

To date, six (6) regions have launched a total of seven (7) local innovation programs to link together the region's innovation and entrepreneurship efforts under one brand:

- Region 2 – Sustaining Harvest through Innovation and Nurturing Enterprises (**SHINE**) Cagayan Valley

- Region 3 – Technological Hive of Regional Innovation for a Vibrant Ecosystem (**THRIVE**) Central Luzon
- Region 5 – Building Resiliency and Innovation to Drive Growth of Enterprises (**BRIDGE**) Bicol
- Region 7 – **Startup Island**
- Region 10 – Optimizing Regional Opportunities for Business Excellence through Science, Technology (**OROBEST**) and Innovation Program and Innovation thru Industry, Government, and Academe Networks and inclusive Community Engagements (**ILIGANiCE**)
- Region 11 – Innovation through Science and Technology and Risk Resilient base Initiatives toward Knowledge Economy (**ISTRIKE**) Davao

Region 4A (CALABARZON) and Region 9 (Zamboanga) will produce their RIIC branding within the year.

*RIICs developed Innovation Guidebooks and Online Platforms for Innovators.* Innovation Guidebooks are being developed to support MSMEs through their innovation journey – from idea generation to launch and commercialization. Through a step-by-step guide, businesses can learn how to start an innovation project and how to avail of programs and services offered by government, industry, and academe partners at each step.

The Davao Innovation Guidebook was released in December 2020 while guidebooks for Cagayan Valley, Central Luzon, Legazpi, and CDO will be publicized within the third quarter of 2021. Furthermore, Regions 3, 9, and 11 have developed their online platforms that local innovators and MSMEs can easily navigate to provide them with information about the regional programs and services that they can utilize.

*RIICs introduced Innovation for Business Recovery (IBR) to help MSMEs recover from the pandemic.* The IBR intends to come up with compact yet innovative strategic plans of action with the help of the identified academe experts, which the businesses can adopt in their operations to maximize chances of survival especially during challenging times.

The IBR helps MSMEs recover from the impacts of the pandemic, the four (4) RIIC pilot sites in Region V- Legazpi, Region VII-Cebu, Region 10- Cagayan de Oro, Region XI- Davao are implementing a variation of the IBR activity. The IBR is a direct to MSME consultancy and guidance service to help MSMEs rethink their operations within the COVID-19 setting through the development of individual business strategies/roadmap that can help them recover through innovation.

The IBR presents a menu of options for potential partners for MSMEs (e.g. HEIs, startups, government partners, financial institutions). IBRs can also help MSMEs make informed decision about their recovery and continuity amid the pandemic. To date, 60 MSMEs have undergone the IBR process and have been assisted and linked with appropriate partners.

Currently, there are thirteen (13) Higher Education Institutions (HEIs) are currently engaged in the RIICs:

- Seven (7) academic institutions have been and providing their expertise by helping MSMEs identify strategic priorities for recovery and resiliency:



1. De La Salle University
  2. Ateneo De Manila University
  3. UP Mindanao
  4. Ateneo de Davao University
  5. Xavier University-Ateneo de Cagayan
  6. Cebu Institute of Technology University
  7. Southwestern University – PHINMA
- Another six (6) HEIs have been active partners in the implementation of the RIICs in the regions by providing access to their innovation experts and facilities:
    8. Mindanao State University
    9. University of Science and Technology of Southern Philippines
    10. Capitol University
    11. Batangas State University
    12. Nueva Vizcaya State University
    13. Bulacan State University

*RIICs' virtual ideation workshop produced industry-academe R&D partnerships and adoption of new technologies.* One of the activities to link MSMEs is a virtual ideation workshop conducted in CDO which resulted to five (5) industry-academe R&D partnerships in the exploratory stage:

- Dirt Bag x USTP- Time-Bound Dynamic Route Optimization
- CDO Champion Corp x Capitol University – Inventory Management System
- Jamaican F&B Training Center x Xavier University – Eco Tourism Coffee farm project
- JBee's Agri Mushroom Farm x MSU Naawan – Value added mushroom products
- Stoneware Pottery, Inc. x MSU-IIT – Characterization and local production of Clay 32/white clay

As part of strengthening industry-academe linkages in the RIICs, CDO RIIC partners from OROBEST and USTP co-organized a virtual tech pitch session to showcase food technologies developed by the Northern Mindanao Food Innovation Center (NMFIC). This activity resulted to the adoption of the following technologies by MSMEs:

- ICA Trading Corporation will adopt the Kinilaw Mix Technology, and they are now in discussion with USTP Technology Promotions and Commercialization office about the process of adoption.
- Bestfriend Goodies will adopt the following Ready-To-Eat (RTE) technologies:
  1. RTE Binignit in Pouch
  2. RTE Champorado
  3. RTE Tinola
  4. RTE Monggo
  5. RTE Chicken Arroz Caldo (from DOST-ITDI, which will complement the nutribuns they supply to DepEd; BFG received a loan from DOST SETUP to fund this technology adoption)

*RIICs innovators received local grants in aid.* Two (2) local grants in aid (LGIA)-funded industry-academe R&D project were provided. USTP and Global Mindanaw Agriventures, Inc. received a grant



from DOST 10 to fund their poultry monitoring system R&D project. In the same month, USTP with Ammara Ice Cream also received a grant from DOST 10 for their project on the Automation of the Pre-Production of the Durian Ice Cream.

### **Implementing Future-proofing Design Initiative by the DTI's Design Center of the Philippines.**

Design is seen not only for new product development, but also to solve social problems through innovation and creativity. Indeed, design creates value—for the user, the maker, businesses, private sector, and governments. Design creates value for all of society. It is in view of this that Design Center of the Philippines (DCP), an attached agency under the DTI, implements programs, projects, and partnerships targeted towards the five strategies of Future-Proofing by Design:

- Future-proofing by Skills-building - equipping the next generation of creatives, designers and entrepreneurs with the skillset and mindset responsive to the needs and requirements of a changing world;
- Future-proofing by Enterprise-building - which means working with MSMEs and enabling them towards resiliency and recovery;
- Future-proofing by Community-building - raising awareness on good design and mobilizing creative, design and business communities towards a design nation;
- Future-proofing by Innovation-building - where we actively pursue design solutions, whether these are objects, images, places, systems or services, that lead towards a more sustainable and better world; and
- Future-proofing by Design culture-building of a Nation - where the vision is a Philippine society influenced and driven by design in its policies, strategies, and systems.

*DCP developed and operationalized Design on Demand dedicated towards MSME resiliency.* When the lockdown triggered the shift to digitalization, DCP developed and operationalized Design on Demand, a virtual design service platform dedicated towards MSME resiliency. Design on Demand supported the transition towards digital design consultations and assistance to tap into the top two sectors greatly influenced by new consumer behavior—Home and Fashion. This initiative spearheaded collections for Work from Home, Low Touch Economy, Video Conference Fashion, and Slow Lifestyle among others.

Assisting MSMEs in leveraging on these emerging market opportunities because of the New Normal, the DCP was able to help 844 MSMEs by providing a total of 732 design assistance, including product development, exhibition design, packaging and labelling, and conducting 600 design seminars and workshops. It is also notable that the product development assistance resulted into 459 products developed and commercialized through various local trade fairs such as DTI-NCR's MetroFiesta Online, DTI-Region 2's Padday na Lima, other regional trade fairs handled by the DTI-Regional Operations Group as well as MSMEs under the Go Lokal! Program. The DCP also assisted MSMEs from DTI-Region 4A and DTI-Tarlac in exploring sustainable products relevant to the needs of the New Normal as part of the Bamboo Development Program.

*DCP Collaboration with Arte Fino for sustainable product packaging as brand consolidator shifted to e-commerce.* A collaboration with ArteFino and DCP resulted into the development of three sustainable product packaging, which are intended for the shipment of products as the local brand consolidator shifted from physical bazaars to e-commerce due to the pandemic.

*DCP produced video tutorials and webinars.* The DCP produced a video tutorial on different types of weaving as requested by Aksam Fashion Fern Accessories to help them in creating new products. The DCP also offered webinars on sustainability and plastic waste in partnership with Material ConneXion, an international material innovations library and consultancy. Also in support of the enterprise-building strategy, the DCP is working on producing a tutorial on basic product photography and styling as well as a guide in setting up a makeshift studio. The tutorial addresses the gap in content creation and marketing faced by MSMEs as the pandemic fast-tracked the shift to e-commerce and digitalization.

In the previous years, the Design Center has begun work on enterprise-building with the following initiatives:

- *Salimbago*: Entrepreneurship Development Program, where design and product development were used as tools to reinvigorate the traditional heritage arts and crafts through the collaborative efforts of the designers, cultural masters, and the young generation give birth to new objects that celebrate age-old artisanal excellence while meeting modern-day demands. Highlighting slow fashion and socially-responsible consumerism, the contemporary and lifestyle products developed under the program were showcased in a special setting in the National Arts and Crafts Fair 2018.
- *Living Green at the National Trade Fair 2019*, where Design Center collaborated with 12 “green-trepreneurs” and 50 partner MSMEs to produce eco-friendly product designs to help businesses profit while being environmentally sustainable and socially inclusive.
- *GREAT Women*, where design assistance and product development are offered to help women-owned and women-led MSMEs improve sustainability, productivity, and competitiveness and to continue enhancing the enabling environment for economic empowerment of women. “Greening” is also given importance in the development of these women-led microenterprises.

The DCP also emphasizes the importance of a design mindset and skillset in anticipating challenges from a VUCA environment. Hence, the agency developed masterclasses and workshops that aim to enrich technical abilities and interpersonal competencies needed in driving innovation and global competitiveness as part of its future-proofing through skills-building strategy.

*DCP introduced Digital Artisans Program.* In 2019, Design Center implemented the Digital Artisans program, which partnered with three DTI-supported FabLabs in Iligan City, Cebu City and Metro Manila, and the Shared Services Facility in Marikina to explore new design possibilities with the technologies and tools found in the said FabLabs, and underline the importance of the artisan discipline in the Digital Age. The said program was anchored on Inclusive Filipinnovation and guided by the Filipinnovation and Entrepreneurship Roadmap, where government agencies, academe, industry associations and the Regional Inclusive Innovation Centers (RIICs) aim to push design beyond form-giving and styling, and challenge the Filipino creative talents to be conversant with the evolving field of digital fabrication in aid of exploring new ideas and possibilities amid the rise of the Fourth Industrial Revolution as well as build a strong innovation and entrepreneurship ecosystem in the Philippines.

*DCP partnered with International Organizations for its Better Normal by Design Masterclass.* For 2020, part of its COVID-19 response, the DCP partnered with reputable international organizations for two of its major workshops, specifically targeted for future-proofing. The Design Center tapped WGSN, an international trends forecasting organization, for its Better Normal by Design masterclass and workshop, which allowed design and creative practitioners to localize three global consumer personas and understand their needs in order to design appropriate products and services in a post-crisis society. Likewise, the agency collaborated with The Index Project, a Danish nonprofit organization advocating the use of design for better life, to implement the Design to Improve Life workshop and introduce the Compass method in developing design solutions to social problems. The Better Normal by Design and Design to Improve Life workshops, along with other learning and development programs by Design Center, aspire to build agile designers, creatives and design ambassadors who can adapt to and lead in a fast-changing environment.

The DCP partnered with the British Council Philippines to organize the Creative Innovators Programme geared towards developing the next generation of creative hub leaders. Fifteen fellows underwent hub training management by Nesta, UK's innovation foundation; creative skills bootcamp by Thames International and Apl.de.Ap Foundation; mentoring sessions; and network-building activities within ASEAN and UK.

*DCP pursued materials research and development to produce SMART materials and support circular economy.* Under its future-proofing through innovation-building strategy, the DCP has its Materials Research and Development unit, working on the exploration of agricultural waste and converting them into SMART materials in support of sustainability and the circular economy. These material solutions include bakong and the award-winning pinyapel. These materials are undergoing further experimentation and development, including biocomposite pelletization, to be used in household and consumer products. Recent prototypes using bioplastic and pellets include trays, crates, school desk and chairs.

*DCP continued to promote the Good Design Award Philippines.* The DCP continues to promote good design as a driver of global competitiveness and innovation. In 2019, it launched the Good Design Award Philippines (GDA Ph) to recognize creatives, designers, and businesses that put prime on outstanding designs that embody the universal design values of form, function, innovation, plus the Philippine value of malasakit (compassion).

For Good Design Award Philippines, to design with malasakit means proactively addressing the challenges the world faces as highlighted by the United Nations' Sustainable Development Goals (SDGs). Good Design Award Philippines is still accepting entries for its 2021 run until 15 August.

**Small Enterprise Technology Upgrade Program.** SETUP aims to upgrade technological capabilities and improve the productivity and efficiency of MSMEs. SETUP provides technological interventions such as innovation fund, technology transfer and commercialization assistance, consultancy, packaging assistance, technology trainings, and laboratory and testing services to empower MSMEs to innovate, move up the technology scale and become more competitive. In 2020, a total of 624 MSMEs received innovation-enabling fund support to upgrade their

technological capability and improve productivity in their operations. The firms assisted have generated a total 5,642 jobs.

DOST has since upgraded the program and is implementing the SETUP 2.0, intended to fully harness science, technology and innovation in order to enhance the competitiveness of MSMEs both in local and global markets. SETUP 2.0 is designed to provide a more focused industry approach and develop industry S&T roadmaps to identify and address gaps in technology commercialization and technical services. It seeks to transform Philippine MSMEs into SMARTER MSMEs – enterprises that are socially-responsive, market-oriented, agile, resource-efficient, technology-intensive, environment-friendly, and resilient.

**Food Innovation Center (FIC).** These FICs serve as a hub for innovations, research and development, and technical support services for value-adding of fresh produce and development of processed foods in the regions. Each FIC provides the opportunity among local food manufacturers to improve and develop products using the four locally designed and fabricated food processing equipment: (1) vacuum fryer, (2) spray dryer, (3) freeze dryer, and (4) water retort.

Despite the pandemic and the limited funding received by the Regional FICs in 2020, all the sixteen (16) established centers have sustained their operations. Overall, the Regional FICs developed 292 product prototypes which translated to 86 Intellectual Property (IP) applications and 46 packages of technologies (POT) for promotion. In addition, there were eleven (11) Technology Licensing Agreements (TLAs) signed and 17 products commercialized within the year. The Regional FICs were also able to deliver/provide 667 various types of services and assistance through consultations, seminars, use of facilities, and different R&D collaborations with students, researchers and MSMEs.

**One-stop Laboratory Services for Global Competitiveness (OneLab) Network.** Networking of the science and technology laboratories into a Onelab Network enable clients to submit their samples to any location. The One-stop Laboratory Services for Global Competitiveness (Onelab) project integrates DOST and non-DOST laboratories through an IT-based Referral System which allows for the seamless handling of samples from receiving, referral, transport, analysis to the prompt delivery of calibration and testing reports, no matter where the customers are in the Philippines and other parts of the world.

In 2020, the 23 laboratories of DOST received 127,672 samples from 19,795 firms which required 188,618 tests and calibrations. About PHP119.4M fees were collected from the services delivered for the whole year. Expanding access to laboratory test services, the One-stop Laboratory Services for Global Competitiveness (OneLab) project integrates 56 public and private laboratories through an IT-based Referral System.

The OneLab Network includes 23 laboratories of DOST and 33 non-DOST laboratories, including eight (8) international member laboratories as follow: Intertek Testing Services Thailand Ltd., SGS Thailand, Intertek Vietnam, Malayan Testing Laboratories (Malaysia), Australian Food Microbiology (Australia), Codina Farms (Australia), Geoscience Testing Laboratory (UAE) and the International Rice Research Institute (IRRI).

A total of 69 DOST Provincial S&T Centers (PSTCs) are now capable of receiving samples, wherein 29 PSTCs were able to receive and refer samples to their respective Regional Offices in 2020.

**OneExpert.** To improve the overall performance of MSMEs, government-subsidized consultancy services are provided to MSMEs to help them improve their operations and intelligently exploit their resources to make them even more competitive. The program, dubbed as One Expert, brings the services of accredited expert located anywhere in the Philippines to clients that need S&T assistance. This is to improve access to experts and technologies particularly of people living outside of major urban centers.

As of 2020, the portal already has a total of 850 registered experts from 198 different institutions all over the Philippines. The OneExpert platform has 3,581 registered clients and recorded 108,195 website visits, 56,352 online website users and 48 inquiries were responded to through the OneExpert channels. There were 2 webinars conducted with 206 participants and getting very satisfactory customer ratings. These figures indicate that the use of IT-based systems has contributed to the efficient delivery of services to the public.

OneExpert has likewise served as a complementary platform to the other online service delivery systems of the DOST, specifically oneSTore and OneLab. Both OneLab and OneExpert provide technical assistance to its clients while oneSTore provides a marketing platform where DOST clients/project beneficiaries can sell their products. These platforms synergize with each other and collectively present a holistic package of online and/or IT-enabled support particularly to MSMEs.

OneExpert has also widened the reach of STARBOOKS, the first Science digital library in the country, because it was incorporated in the portal not merely as a simple link but as part of the search database.

**Technology Business Incubation (TBI) Program.** Technology Business Incubation (TBI) Program is designed to nurture and accelerate the establishment and growth of technology-based startups through the provision of business and mentoring support, offered both in the incubator and through the network of key players in the industry. The DOST- Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIEERD) and DOST- Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD) has supported the establishment of 26 TBIs and two innovation hubs.

As of 2020, a total of 29 TBIs and 2 innovation hubs were established. There were also 501 startups incubated with 105 graduates creating 1,723 jobs. In addition, PCAARRD reached new heights with 16 Agri-Aqua TBIs (ATBIs) established nationwide. It has produced 37 graduates and is now supporting 201 incubatees which paved the way for the creation of 1,603 jobs. In collaboration with the Central Luzon State University (CLSU), DOST-PCAARRD also launched the media campaign of the ATBI program which is the first of its kind. It aims to position the DOST-PCAARRD as a pioneer and major player in promoting innovation and technopreneurship in the Agri and Aqua and Natural Resources (AANR) sector, and to showcase and promote the initiatives and activities of ATBIs to potential incubatees, among others. The campaign also launched its Facebook, Linked, Instagram, and Twitter pages. With this, there will be more partnerships and collaborations with incubators and



accelerators from other countries, developing and implementing startup programs with these partners, and co-incubating and immersing Philippine startups in global environments.

TBIs funded by PCIEERD produce a wide variety of technological solutions such as software applications and hardware devices for use in agriculture, education, health, food service industry, market research, environmental monitoring, and e-commerce.

Among the technologies featured in the TBIs funded by PCAARRD are on farm production; feed production; disease diagnostics, prevention and treatment; animal breeding/breed upgrading; food/meat/milk processing; vacuum packaging/labelling; equipment production; and wood processing. Products are from the various commodities across the agriculture, aquatic and natural resources sector.

**Technology Innovation for Commercialization (TECHNICOM).** The TECHNICOM program was created as an intervention to address pre-commercialization gaps through financial grant and technical assistance. The TECHNICOM which has been implemented by the DOST-TAPI since 2013 aims to stimulate technological innovation, and strengthen capacities in pursuing pre-commercialization activities, increase private sector adoption and commercialization of government-initiated research and development (R&D) outputs and maximize benefits from government investments in R&D activities.

In 2020, 68.55% of the allocated budget (PhP16,44 million) were utilized to support 13 ongoing pre-commercialization projects wherein 11 of which will be continuing until 2021. As of December 2020, there were already 41 unique TECHNICOM-completed projects which have created various benefits to the beneficiaries/stakeholders. Through the program, the DOST-TAPI had hosted industry summits and facilitated eight (8) investor meetings for 7 TECHNICOM-funded technologies in 2020. In addition, the DOST-TAPI hosted the 1st Tie Ups: A TECHNICOM Industry Offer webinar series, a 13-part series featuring 27 TECHNICOM-funded technologies. Technology promotion was sustained in 2020 wherein pitch decks for 16 TECHNICOM-funded technologies were disseminated to 237 companies tapped for potential investor meetings.

The Program acknowledges the vital role of the proponents and project leaders in the successful conversion of research outputs to products and services attractive to industry and end-users. Hence, one of the strategies identified by the Program is to equip its proponents and project team with necessary skills, knowledge and tools in techno-based commercialization through the conduct of the training dubbed as “Spark Plug: A TECHNICOM Masterclass (Fundamentals of Evolving Techno-Based Commercialization)” on 11-12 November 2019 at the Heritage Hotel, Pasay City attended by 84 participants from the Research and Development Institutes (RDIs), Higher Education Institutions (HEIs), schools, universities and colleges (SUCs), startup companies and DOST-TAPI.

Moreover, with the continuous support by the Program to its stakeholders by promoting the funded technologies, the following assisted technologies were nominated to prestigious awards:

1. BioGroe – National Academy of Science and Technology’s (NAST) Technology Commercialization Awards
2. Vigormin – ASEA-US Prize Awards for Women
3. Biotek-M – Filipino Faces of Biotechnology Awards

**Intellectual Property Rights Assistance Program (IPRAP) assisted technology generators and inventors in securing IP protection.** This Program was devised through E.O. No. 128 creating TAPI as reinforced by R.A. No. 7459 otherwise known as the “Inventors and Invention Incentives Act”. Assistance coverage provides advisory, technical and financial services in securing intellectual property (IP) protection from the Intellectual Property Office of the Philippines (IPOPHL).

The Program offers a holistic package of assistance for patent, utility model, industrial design, copyright and trademark applications for private individual inventors, various institutions and researcher with privately funded R&D.

In 2020, DOST - Technology Application and Promotion Institute (TAPI), thru the Intellectual Property Rights Assistance Program (IPRAP) and Innovation and Technology Office (ITSO), facilitated the filing of 451 IP protection comprised of 23 inventions, 176 Utility Models, 16 Industrial Designs, 212 Copyright applications, and 24 Trademark applications. The total number of IPs prosecuted was 159. Prior art searches were also conducted to check the novelty of 207 technologies received from public and private RDIs and inventors prior to patent/utility model registration filing. The Program also provided consultancy/advisory services to 264 client-inventors concerning intellectual property and inventions.

**DOST-Academe Technology-Based Enterprise Development (DATBED) Program.** DATBED Program develops entrepreneurial competencies among students by providing financial assistance for the establishment of technology-based enterprises.

In 2020, a total of 14 project proposals were received and evaluated for possible project implementation under the Program. From these proposals, five (5) projects passed the series of evaluation and were approved under Stage I, which amounted to PhP692,000, benefiting 23 students in the implementation of the technology-based enterprises.

**Venture Financing Program (VFP) for emerging technologies.** VFP accelerates the initial commercialization of new and emerging technologies developed by the S&T community by providing funding support for MSME to capacitate seed, start-up, and innovative projects.

In 2020, the Program received and facilitated the evaluation of 55 project proposals from various clients. Out of these proposals, seven (7) requests were approved for funding assistance under the Program amounting to PhP10.30 million.

A total of PhP7.46 million was recovered from the financial assistance extended to previously approved projects. The Level-up Innovation Government Support for Technologies Against Spread of COVID-19 (LIGTAS COVID-19) was conceptualized and implemented. It is a special program that supports the government’s initiatives against the spread of the novel coronavirus disease by providing financial assistance to MSMEs for COVID-19-related businesses. Four (4) projects were approved for financial assistance amounting to a total of PhP3.45 million. Moreover, the Program has conducted 151 monitoring activities to on-going and completed projects, as well as catered 218 technical assistance

## ACCESS TO MARKET (Market)

(MSMEDP 2017-2022 Strategic Goal 5: Improved Access to Market)

The onset of COVID-19 pandemic in the country provided various gaps in MSMEs' business operations. The government provided various initiatives to fill those gaps and continue to support and strengthen MSMEs' role in domestic, regional, and global markets. The ingenuity and creativity of MSMEs are their ticket to fully adapt in the new normal to continue being competitive in selling their products and services to existing and new markets, under a climate of fair, free, socially responsible and environment-friendly trade practices.

MSMED PLAN VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth			
FOCUS AREA	BUSINESS OPPORTUNITIES			
STRATEGIC GOAL 5	IMPROVED ACCESS TO MARKET			
STRATEGY	Make available timely and relevant data to help MSMEs tap new business opportunities including linkages to local and global supply chains, improve support for ensuring compliance to market and buyer requirements (e.g., different legal, regulatory and technical requirements) and provide access to marketing platforms including e-commerce.			
ACTION AGENDA				
<p><u>Action Agenda on MARKET:</u></p> <p>Establish mechanisms to ease MSME compliance with regulatory and market standards, and widen reach of market mainstreaming programs with deliberate, consistent, and long-term support to MSMEs such as Go Lokal!, and domestic and international trade fairs</p>				
PRIORITY ACTION ITEMS				
Market Compliance	Market Incentive Scheme	Promotion of E-Commerce	PEDP Revalida	ASEAN/Global Value Chains
<ul style="list-style-type: none"><li>Establish mechanisms to ease MSME compliance with regulatory and market standards</li></ul>	<ul style="list-style-type: none"><li>Deliberate support for MSMEs participation in international marketing events</li></ul>	<ul style="list-style-type: none"><li>Encourage and promote the use of e-commerce platforms through education and training</li><li>Establish secured e-payments system to facilitate wider e-commerce</li></ul>	<ul style="list-style-type: none"><li>Review and strengthen the Philippine Export Development Plan (PEDP), with clear resource support for specific initiatives therein</li></ul>	<ul style="list-style-type: none"><li>Widen the linkages of MSMEs to the ASEAN regional value chains through business matching support and better information systems, such as the ASEAN Trade Repository</li><li>Maximize opportunities that expand access to existing and new markets presented by the ASEAN Economic Community and other preferential trading agreements</li></ul>
Greening MSMEs	Packaging	MSMEs in Government	Branding	Philippine Trade Development Plan for Domestic Market
<ul style="list-style-type: none"><li>Promote and foster green and circular economy</li></ul>	<ul style="list-style-type: none"><li>Rationalize, institutionalize and/or strengthen packaging, labeling and branding assistance to MSMEs</li></ul>	<ul style="list-style-type: none"><li>Maximize MSME Participation in government procurement</li></ul>	<ul style="list-style-type: none"><li>Branding</li></ul>	<ul style="list-style-type: none"><li>Widen the reach (area and mode) of Go Lokal</li></ul>

Other details can be found in the Action Plan of the MSMED Plan 2017-2022 matrix under Strategic Goal 5: Improved Access to Market.

**Supporting Filipino MSMEs through Buy Local, Go Lokal National Advocacy.** To encourage consumers to support Filipino MSMEs, DTI launched the national advocacy campaign “Buy Local, Go Lokal”. This advocacy reinforced the government’s aspiration to promote awareness of Philippine-made products and inculcate a love of homegrown brands among Filipinos.



In 2020, Go Lokal had a network of 127 outlets with 20 retail partners. It also helped 81 MSMEs migrate to online platforms. DTI successfully promoted the local businesses and products using both traditional and digital advertising, specifically free television commercials, print ads, in-store collaterals, outdoor billboards, and digital marketing. In promoting the campaign, DTI also

collaborated with media partners, malls, supermarkets, local government units, e-commerce platforms, manufacturers, and industry associations.

**55<sup>th</sup> OTOP Hub launched.** In 2020, DTI has launched 22 additional OTOP Hubs to reach a total of 55 OTOP Hubs nationwide. The OTOP Hub is an initiative of the agency to mainstream MSME products and uplift cultures of the provinces. Products displayed at OTOP Hubs are a product of the OTOP Next Gen project where various goods from MSMEs were developed to improve their marketability. This year, 14,367 MSMEs have been assisted and 6,677 products have been developed. Sales generated reached PhP1.81 billion.

**OTOP Hub on Wheels by DTI Region 02.** Carrying the tagline, “Operasyon Tulong at Oportunidad sa Pagnenegosyo”, the OTOP Hub on Wheels was implemented to move OTOP food and non-food products of Region 02 entrepreneurs and farmers during the pandemic by positioning the event in strategic places, malls and partnering with local logistics and delivery partners.

Designed with the common roadside truck and classic sari-sari store, OTOP Hub on Wheels employed a festive Filipino aesthetic that emulates the project’s ever-transient nature and which signifies hope amidst the pandemic.

In 2020, during the height of the pandemic, DTI Region 2 had successfully conducted a total of 15 runs for the OTOP Hub on Wheels which assisted forty-one (41) MSMEs and farmer organizations and generated total sales of PhP797,555.00. From its onset, the project received an outpouring support from the Cagayan Valley community. Moreover, the OTOP Hub on Wheels was featured during the 1st Holiday Edition of the Padday na Lima Regional Trade Fair in December of 2020 which sales reached to more than PhP1.6 million.





While farmers and entrepreneurs continue to face numerous bumps in the road during the pandemic, through initiatives like the OTOP Hub on Wheels, DTI Region 2 aspires to encourage OTOPreneurs to strengthen their drive and pave the way for a new, and better normal.

**OneStore.ph.** To help MSMEs expand their customer reach, increase brand awareness, save up on operational costs for opening new physical stores, and overcome geographical limitations, DOST established the oneSTore.ph program, which promotes both “e” (electronic) and “m” (mobile)-commerce. It is an e-commerce platform to assist MSMEs market their products both locally and internationally. It helps DOST-assisted MSMEs widen the scope of their target market to deliver economic growth and increase business opportunities. It also provides customers with an effortless shopping experience and retailers with simple and direct access to one of the largest customer bases in the Philippines.

The DOST Regional Office No. 2 (R02), the oneSTore program leader, onboarded the Women Micro Entrepreneurs (WMEs) in the online platform oneSTore.ph as early as January 2020, in support of the Women Economic Empowerment (WEE) – a joint project of the DOST R02 and the Philippine Council for Women (PCW).

In March of the same year, DOST Region 02 and the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD) signed a memorandum of agreement (MOA) for the project, “Inclusion of Products from PCAARRD–assisted MSMEs to oneSTore Nationwide”. The Food and Nutrition Research Institute (DOST-FNRI) and DOST R02 also signed a MOA for the marketing of FNRI publications through oneSTore.ph. These publications feature the latest research and development (R&D) outputs in food and nutrition. The oneSTore team also started promoting DOST FNRI’s Free Publications through the project’s official Facebook Page. By offering the publications for free and letting the customers pay only for the shipping fee, oneSTore.ph was able to accommodate request for 149 Publications in just three (3) months after continuous promotions.

With the pandemic affecting most of the MSMEs in the country, the oneSTore team intensified marketing strategies to help these local entrepreneurs and developed a mobile app that made oneSTore more accessible to customers. Thus, in June 2020, the oneSTore City Mobile Application was launched. The activity was led by DOST Secretary Fortunato T. de la Peña, in collaboration with the #PinasMunaTayo movement of the Philippine Chamber of Commerce and Industry (PCCI) led by Ambassador Benedicto V. Yujuico and supported by Mr. Kingson Sian, CEO and President of Travellers International Hotel Group, Inc.

In August 2020, oneSTore started showcasing MSMEs enrolled in the oneSTore City Mobile App. The oneSTore team also started promoting DOST-PCAARRD assisted MSMEs who are officially enrolled in both the eCommerce platform and the mobile app. To date, there are more than 200 PCAARRD products already uploaded in the platform. Most of the products are processed foods and healthy drinks. There are also perishable products, and these are uploaded in the oneSTore City Mobile app. To help local farmers and producers market their products during the pandemic, DOST Region 02 collaborated with the Department of Agriculture Region 02’s KADIWA Program. A partnership

between the two (2) agencies was sealed in July 2020. To date, there are already 32 MSMEs from the KADIWA Program who are enrolled to oneSTore and they are located in 17 cities nationwide.

In September 2020, the DOST R02 and Filipino Inventors Society Producer Cooperative (FISPC) conceptualized a mobile oneSTore for Filipino Products. The team came up with another initiative to bring quality products to Filipino consumers – that is, using trailer van or truck. The mobile oneSTore is equipped with smart point of sale (POS) devices. There are also e-bicycles ready to deliver orders within the vicinity. Kiosks with shared intranet were also made available so consumers can order even without the internet within the 50 to 100-meter radius of the mobile oneSTore to prevent long queue and promote observance of required health protocols such as social distancing. To date there are already a total of 33 operational oneSTore Hubs nationwide. Over 1,100 MSMEs are enrolled to the platform and over 14,000 products are already uploaded online.

**Providing effective marketing platform for MSMEs through Bagsakan Special Project.** With the need to sell Guimaras mangoes due to a postponed National Food Fair, DTI came up with the Bagsakan project, which went viral on social media and was able to sell out all the products in a matter of hours. In coordination with DTI Regional and Provincial Offices, the Bureau of Domestic Trade Promotion (BDTP) continued to conduct the Bagsakan project to assist MSMEs, local farmers, fruit growers, and cooperatives in selling their fresh produce and processed food products.

The Bagsakan Special Project evolved into a key component of DTI's Bayanihan We Heal as One to sustain the supply of food and essential products while supporting the local economy amid the pandemic. To date, 29 Bagsakan activities aided 200 MSMEs from NCR and 27 provinces generating more than PhP18.73 million sales.

**Walang Sayang Project by DTI Region 2.** The "Walang Sayang Project" is an initiative of DTI R2 at the onset of the COVID-19 pandemic that has linked thousands of local farmers and MSMEs in the region to institutional buyers, processors and resellers in the NCR and nearby regions, surmounting

the challenges in mobility due to quarantine restrictions.



The project rallied the support of a group of volunteers consisting of food technologists, chefs, R&D practitioners, hotel and restaurant associations, SUCs with Food Science Pilot Plants and Food Consultants. The program helped create linkages between and among the local community of farmers, fisherfolks and

processors and food supply chains, ensuring sustained availability of commodities in the market and subsequently, continued business for farmers and MSMEs. The project continues to generate steady market for the region's perishable produce even during the community lockdowns which restricted travel and physical movement.

The project's network also paved the way for the establishment of institutional partnerships of DTI Region 2 with 14 big players in the industry such as Mayani, Rural Rising, Delivery-E, Agrea, Waltermart and Healthy Options. As a result, a total of 4,761 farmers and 57 MSMEs have so far generated a total of Php4,624,938.90 sales, with potential to increase overtime.

**Promoting products of Filipino entrepreneurs through online trade fairs.** Through the Bureau of Domestic Trade Promotion (BDTP), DTI boosted the competitiveness of Filipino products through MSMEs' digital innovation, support for MSMEs amid the pandemic, and strong campaigns for Philippine products. Through its pioneering online National Food Fair with Shopee that showcased 29 MSMEs, DTI's thrust on digital transformation brought 509 unique MSMEs as live sellers across e-commerce platforms such as Lazada, UB GlobalLinker, Shopinas, and Carousell.

DTI's digital campaigns namely Biz-Ability Online Fair and Gawang Pinay Digital Store, plus its groundbreaking Virtual National Trade Fair and National Trade Fair Digital Mall were genuine testaments of innovations for inclusive economic growth. Biz-Ability Online gave Persons with Disabilities (PWD) entrepreneurs the initial exposure and experience to sell their products online through Facebook. There were 19 PWD MSMEs who displayed fashion accessories, bags, face masks, foods, gifts, home décor, and houseware. Moreover, DTI's OTOP Next Generation Program also launched the PASINAYA OTOP Market Showroom and Online Trade Platform, which assisted 413 MSMEs and generated Php29.92 million actual sales, and the OTOP-PLDT KaAsenso Virtual Trade Expo, which assisted 715 MSMEs and generated Php10.72 million actual sales.

**Digitalizing MSMEs through partnerships with Google Philippines, PLDT, and Easybuilder.pro.** With e-commerce trending nowadays, it is important for the MSMEs to make an online presence in order to grow their business. To help upgrade MSMEs through digitalization, DTI partners with Google Philippines for initiatives that will allow MSMEs to reach more buyers and generate more sales. The partnership covers Google's MSME Caravan, which conducted training sessions for MSMEs nationwide. The Caravan provided MSMEs with information on the digital



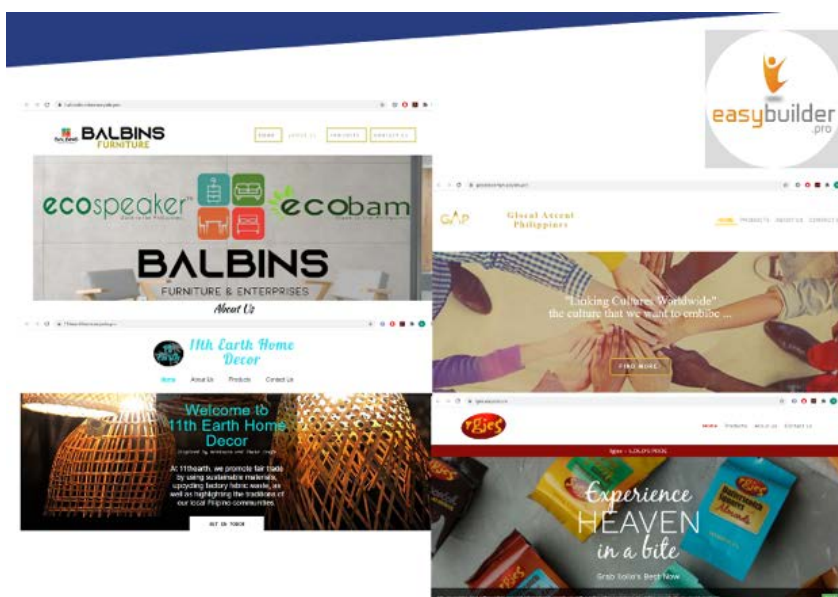
landscape, as well as the latest consumer insights and tools. Additionally, MSMEs were introduced to Google My Business, a free online listing on Google Maps and Search that can help MSMEs connect with more consumers in the digital space. Over 2,780 MSMEs in over 20 cities across eight regions nationwide have been trained to date.

Similarly, DTI collaborated with PLDT for KaAsenso project, which allowed MSMEs to do business in an online platform through the Virtual Trade Expo, a livelihood caravan. The Virtual Trade Expo

enabled Filipino MSMEs and other entrepreneurs to sell products through an accessible and comprehensive digital platform, [virtualtradeexpoph.com](http://virtualtradeexpoph.com).

Furthermore, the partnership intends to improve and promote the existing online One Town, One Product (OTOP) Store application via mobile and [otopstore.ph](http://otopstore.ph). The online OTOP Store will help bring end-to-end digital solutions for MSMEs.

Creation of websites using platforms like the Easybuilder.Pro has been found to be a powerful tool to immediately assist MSMEs to digitalize their retail operations, remain connected to people, or even work remotely from the comforts of their homes during these challenging times. At the height of the pandemic, the DTI partnership with EasyBuilder.Pro enabled the development of free



websites for MSMEs nominated by the DTI Regional Offices. As of 31 December 2020, one hundred eighty (180) MSMEs were nominated to avail of the free 1-year subscription from eleven (11) regions. Ten (10) MSMEs have qualified for free websites.

**Boosting MSMEs through online international trade fairs.** DTI, through the Center for International Trade Expositions and Missions' (CITEM), led four physical overseas trade fairs across three countries/markets in the Food & Beverage (F&B) and Home, Fashion and Lifestyle (HFL) Industries including Gulfood (UAE), Biofach (Germany), Chocoa (Netherlands) and Ambiente (Germany). The Agency also led a hybrid participation in China International Import Expo and China-ASEAN Expo, as well as managed the Philippine pavilion for the China International Fair for Investment & Trade. Likewise, CITEM also organized its first participation in Maison&Objet's Digital Fair on 4-18 September 2020.

To help MSMEs during the time of pandemic, CITEM initiated its Content Amelioration Program, which aims to provide photos and text to strengthen the online promotion and searchability of Philippine companies. The Content Amelioration Program assisted 200 Philippine companies from the HFL and F&B industries, which are being promoted on CITEM-led digital platforms, such as FAME+, a digital community platform for the HFL industry.

As part of its digitization strategy, CITEM launched FAME+ ([www.fameplus.com](http://www.fameplus.com)) as a virtual storefront, that aims to build a community of exhibitors, buyers and stakeholders. CITEM also organized six webinars to strengthen the capabilities of its stakeholders on foreign markets, branding, and business models.



Its webinars reached over 89,500 people with 8,906 people engaged. For 2020, CITEM generated over US\$608.5 million export orders from 2,730 trade buyers, and assisted 327 Philippine companies in its physical, hybrid, and digital trade fair participations. Likewise, it onboarded 186 companies on its digital trade platforms.

**Digital Product Catalogue Program.** Part of the exhibitor services offered in FAME+ is the Digital Exhibitor Storefront, where subscribers are given their own exhibitor profile pages to upload multimedia content such as product photos, videos, animation and company profiles. This is where Manila FAME Buyers can review and examine each company's best-selling and newly developed products.

For its pilot edition in October 2020, CITEM's Digital Product Catalog Program ensured one hundred (100) exhibitors in FAME+ a strong global impression by providing an extensive content production assistance to its exhibitors from international-standard lifestyle copywriting to editorial photography.

**Product Development and Design Services.** Agencies of the DTI such as the Product Development and Design Center of the Philippines (PDDCP) and Center for International Trade Expositions and Missions (CITEM) provide comprehensive and market-oriented programs on product development and production technology, emphasizing product quality and standards assurance. This product development and technology intervention programs seek to create and sustain competitive advantage through product and package design and development, as well as through technology intervention; and create an awareness and understanding of product development, its processes, and the way a company can use it to its advantage.

The Manila FAME Product Development Program continues to support participating Manila FAME exhibitors by providing free design consultation and assistance, in collaboration with CITEM-hired product design specialists.

In response to the effects of the pandemic, CITEM deferred the Manila FAME 2020 physical show and moved it online with the approval of the CITEM Board on 27 May 2020. From physical booths, exhibitors were able to showcase their products online through the newly developed FAME+, the Manila FAME Digital Trade Community Platform (DTCP).

For 2020, the number of designs developed decreased compared to the previous years. Numerous factors contributed to this such as the postponement or cancellation of overseas tradeshow included in CITEM's original work program, lower number of exhibitors onboarded for FAME+ (compared to the number of registered exhibitors for the physical Manila FAME), the tight timelines for product development vis-à-vis the contract of hired product design consultants, and the concerns of participating exhibitors towards developing new products during the pandemic. There were 479 new designs developed for Manila FAME / FAME+, and another 190 new designs for overseas trade fairs, giving a total of 669 new designs developed for FY2020.

**The Road to FIRE: MSMEs Upgrading to Digital Operations” Project.** This project was launched last 23 June 2020 in partnership among the Philippine Exporters Confederation, Inc. (PHILEXPORT), Department of Trade and Industry (DTI), Department of Science and Technology (DOST), Department of Labor and Employment (DOLE), and Development Academy of the Philippines (DAP).

The project was conceptualized in recognition of the unprecedented speed by which Industry 4.0 is disrupting and redefining industries and the threats it presents to MSMEs and exporters that cannot keep up or adapt. With the challenges our businesses face in this time of the pandemic, it has become more apparent for businesses to adopt the Fourth Industrial Revolution (FIRE) and go digital.

The DTI, through BSMED, collaborates hand-in-hand with the partner-agencies in the areas of cooperation, such as but not limited to:

1. Conduct of a survey among the participants to determine their knowledge, capacity, interests and requirements from the Project;
2. Development of a general or sectoral roadmap using the results of the survey that will guide participants in the project in implementing FIRE-related activities in their companies;
3. Sharing of knowledge and expertise to help implement the Project;
4. Development of a general or sectoral roadmap using the results of the survey that will guide participants in the project in implementing FIRE-related activities in their companies;
5. Monitoring and evaluation of the proper implementation of the Project.

In July 2020, the DTI-BSMED together with partner-agencies rolled out a four-part survey to select members of the PHILEXPORT to gather baseline information on the state of digital operations at the enterprise and sectoral levels as a basis for possible interventions towards



increased competitiveness. The survey results were discussed in a Focused Group Discussion (FGD) with the respondents and will be processed to formulate a strategic roadmap that will serve as a guide for effective digital information of MSMEs.

**Promoting Filipino MSMEs overseas.** DTI, through the Foreign Trade Service Corps (FTSC) helped Philippine businesses promote their products and services overseas or expand into overseas markets. DTI also connected Philippine businesses to foreign pre-screened buyers. In Asia and the Pacific, DTI conducted the first Philippine-Korea Creative Industry Cooperation Forum in a Business-to-Business (B2B) session, and a Memorandum of Understanding signed between the Animation Council of the Philippines and the Korea Animation Producers Association on Promoting Exchanges and Cooperation in the animation industry of both countries.

Meanwhile, DTI participated in major instore promotions and food fairs at two major supermarket chains in Taipei. This resulted in the mainstreaming of 52 distinct food and consumer product



brands. In Sydney, DTI mounted a four-month campaign featuring an online B2B, a series of cooking videos showcased in various social media channels, an in-store promotion in selected organic and wholefood outlets, and the promotion of carefully curated Christmas gift boxes. Moreover, DTI led the

Philippine participation in the following events: 3rd China International Import Expo (CIIE) in Shanghai, China; China ASEAN Expo (CAExpo), China International Fair for Trade in Services (CIFTIS), and the 15th time at the Gulf Food Hotel and Equipment Exhibition and Salon Culinaire (GULFOOD) 2020.

Additionally, DTI released in Silicon Valley the “Something from the Philippines” Care and Wellness Box, a project designed to promote products already available in the US and in online platforms during the pandemic. Furthermore, DTI forged business cooperation agreements between Philippine and Russian companies, resulting in more processed Philippine food products in the mainstream Russian market. Thus, 15 new healthy, organic ethically harvested coconut food products are now mainstreamed through Russia’s retail supermarkets and online retail marketplaces.

Through DTI’s foreign posts, the Department has assisted 2,509 exporters, mainstreamed 121 companies, sent 1,349 foreign buyers to Philippine Trade Shows/Fairs, and generated estimated sales of \$574.28 million.

**Onboarding of MSME Exporters in Global E-commerce.** In support of our MSME exporters, the DTI-Export Marketing Bureau or EMB supported the onboarding of select MSME exporters in the global e-commerce platform, Ecfulfill Inc. wherein the platform enabled MSMEs to list their products in Amazon (US), Ebay (US), and Etsy (US) provided that the products are not restricted in the said marketplaces. Since the partnership began in August 2020, DTI-EMB onboarded 81 companies which now have a total of 339 products in Amazon, Ebay and Etsy.

The DTI-EMB Programs also pursued activities to support participation of women in both local and international markets. As of July 2021, through the DTI-EMB’s partnership with the International Trade Centre in Geneva, a total of 88 women-owned businesses were onboarded in the SheTrades PH Hub. The said initiative supported 30,000 women-led businesses and generated US\$140 million in trade opportunities for women. It has presence in 25 countries and global network of 350 partner organizations from 65 countries including the Philippines.

The DTI-EMB introduced new features in the DTI's Tradeline Philippines portal to enable MSME exporters increase their online presence and explore new means of connecting with foreign buyers without additional cost through its Supplier Microsite, B2B Meetings, and Event Panel.

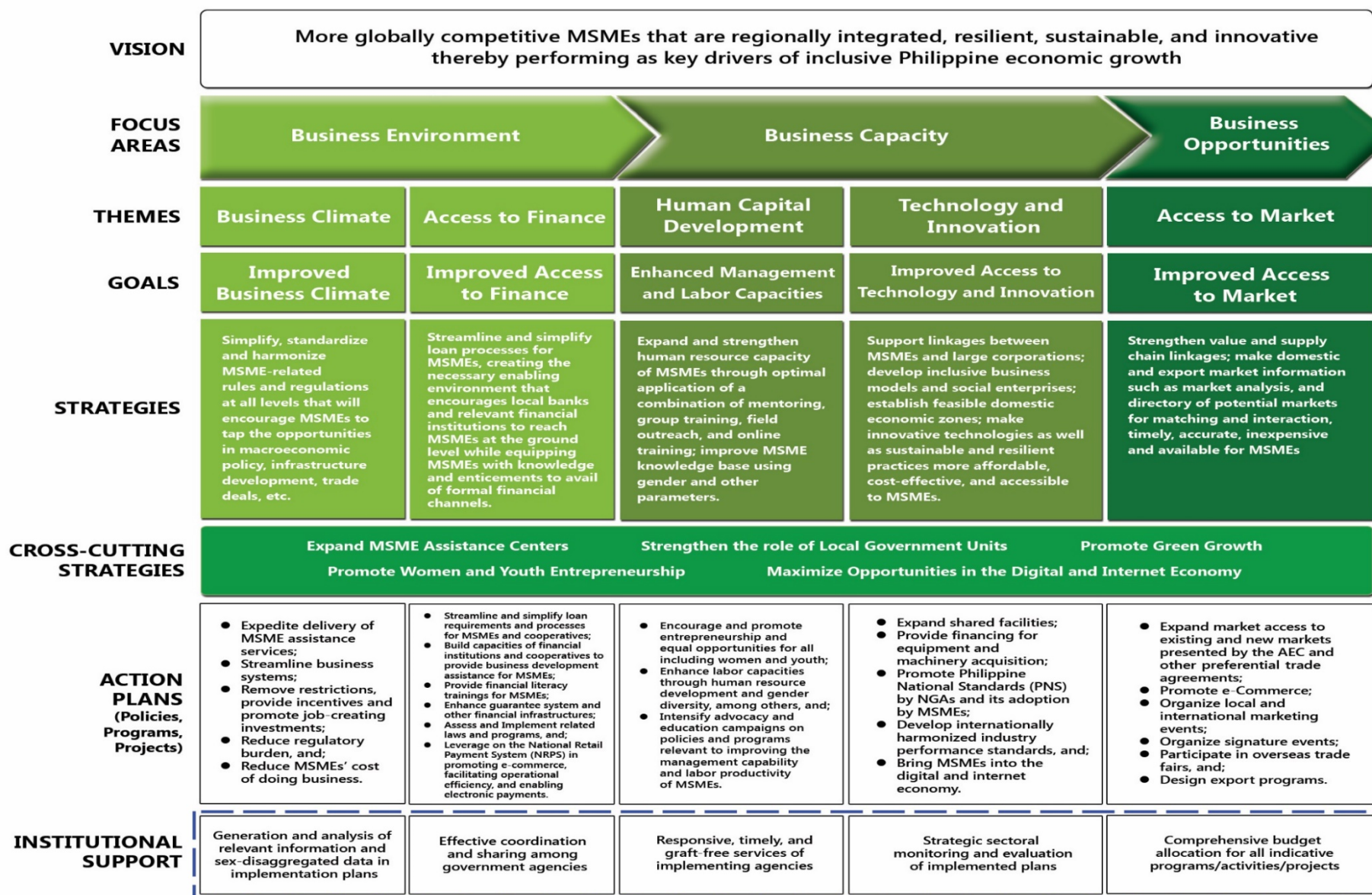
**Providing assistance to Philippine exporters.** To better understand the concerns of Philippine exporters, DTI's Export Marketing Bureau surveyed the impact of the global pandemic to 235 Philippine exporters. The survey identified the major export concerns such as access to flexible finance, supply chain disruptions, i.e. uncoordinated policies on the movement of goods and people; and negative performance of Philippine exports due to the scaling down of operations. 1,524 MSME-exporters were given assistance through various services and programs. Specifically, 74 webinars/information sessions/trainings were conducted on DBFTA, PECP, RIPPLES, PEDP, and Halal. These webinars covered sectors such as food and beverage, beauty and personal care, electronics and IT-BPM services. The online events were attended by 10,254 MSME exporters and generated US\$13.2M export sales from its 24 B2B activities, which were conducted with PTICs and Philippine Embassies.

Furthermore, 203 new companies were enrolled in the Regional Interactive Platform for Philippine Exporters (RIPPLES) program, which aims to expand the supply base of internationally competitive Philippine export products and services by extending strategic company-level interventions that enhance their export capacity and competitiveness. With the new companies enrolled in 2020, the total number for the RIPPLES program reached 882. In addition, initiatives on Halal were continued by funding a content development project and conducting 24 market-driven capacity buildings/trainings.

Likewise, DTI's Tradeline Philippines, a virtual business matching platform, recorded a total of 2,393 registered exporters. The platform served as an avenue for posting updated market reports which enabled DTI to reach over 3,000 subscribers. Moreover, DTI facilitated the participation of 100 MSMEs in cross-border e-commerce platforms, i.e., Amazon, eBay, and Etsy through its partnership with a local startup. To date, a total of 63 companies are live on the said platforms with 236 product listings.



## APPENDIX 1: MSME Development Plan 2017-2022 Framework



**Table 1: MSMED Plan 2017-2022 Overall KPI**

OVERALL INDICATORS	SOURCE	BASELINE (2016)	TARGET (2022)	ACCOMPLISHMENT				REMARKS
				2017	2018	2019	2020	
Increase in employment of MSME	Total Employment (PSA)	4,879,179	8.284M	4,922,251 <i>(out of 7,832,089 total employment)</i>	5,714,262 <i>(out of 9,043,063 total employment)</i>	5,510,760 <i>(out of 8,826,335 total employment)</i>	5,380,815 <i>(out of 8,586,826 total employment)</i>	
Percentage increase in number of registered MSMEs	Number of Establishments (PSA)	911,768	1,094,122 <i>(20% increase)</i>	920,677 <i>(out of 924,721 total enterprises)</i>	998,342 <i>(out of 1,003,111 total enterprises)</i>	995,745 <i>(out of 1,000,506 total enterprises)</i>	952,969 <i>(out of 957,620 total enterprises)</i>	
	Number of registered Enterprises with LGUs* (LGUs / PBR)	---	TBD	1,370,258	1,336,415	1,499,210	1,710,337	
	Number of registered MSME corporations (SEC)	---	TBD	---	---	---	---	
Number of women entrepreneurs created	PSA, DTI, PCW	---	TBD	---	---	---	492 (PTTC)	
Number of youth entrepreneurs created (15 to 30 years old)	PSA, DTI, NYC	---	TBD	---	---	---	---	
Proportion of small-scale industries (enterprises) in total value added increased	Value added Other proxy: Total Sales (DTI-CB / EODB Council)	35.7% <sup>3</sup>	50-55%**	---	---	---	---	

\*It is estimated that around 3-4 million enterprises are registered with LGUs. DTI has collected information from around 10% of the LGUs which gave a total registration of about 1 million enterprises.

\*\*Following the targets of the ASEAN-6, particularly Singapore and Malaysia.

<sup>3</sup> 2006 PSA data. Note that the 2013 and 2014 ASPBI manufacturing value added is 24.34% and 20.91%, respectively.

**Table 2: MSMED Plan 2017-2022 Business Climate KPIs**

INDICATORS	SOURCE	BASELINE (2016)	TARGET (2022)	ACCOMPLISHMENTS				REMARKS
				2017	2018	2019	2020	
No. of Negosyo Centers established	NC Report (Negosyo Center-PMU)	447	1,394	790	1061	1110	1162	
No. of business assistance facilitated by the Negosyo Centers	NC Report (Negosyo Center-PMU)	717,784	1,271,598 <sup>4</sup>	949,223	915,675	1,081,117	202,122 <sup>5</sup>	
Increased customer Satisfaction <sup>6</sup>	NC Report (Negosyo Center-PMU)	85%	90%	99.12%	99.7%	99.6%	99.7%	
Number of Barangay Micro-Business Enterprises (BMBEs) <sup>7</sup> registered increased	NC Report (Negosyo Center-PMU)	1,807	60,000	12,197	27,241	41,032	46,112	
Number of LGUs with streamlined business permit and licensing systems (steps in registration)	Number of LGUs (DILG-LGA/DTI-CB Reports)	1,422 LGUs	1,634 LGUs	1,216 (w/ BOSS) 381 (automated / computerized)	1,303 (w/ BOSS) 408 (automated / computerized)	---- (w/ BOSS) --- (automated / computerized)	1,440 (w/ BOSS) 559 (automated / computerized)	
	New Business			788	1,174	1,260	1,363	
	Business Renewal			868	1,171	1,280	1,361	
Number of agencies which have streamlined their processes	NCC/EODB Report (EODB Council/DTI-CB)	---	27 <sup>8</sup>	---	---	---	---	

<sup>4</sup> (10% increase yearly)

<sup>5</sup> CPMS partial report

<sup>6</sup> Organizational Outcomes Report Card of DTI Regional Operations Group

<sup>7</sup> BMBEs are enterprises with asset size of less than Php 3M

<sup>8</sup> No. of Agencies with streamlined process on Food processing, Furniture, Logistics Services, Chemicals, and Electronics

**Table 3: MSMED Plan 2017-2022 Access to Finance KPIs**

INDICATORS	SOURCE	BASELINE (2016)	TARGET (2021)	ACCOMPLISHMENTS				REMARKS
				2017	2018	2019	2020	
Percentage of SMEs with bank loans/line of credit	Small enterprises (World Bank Enterprise Survey <sup>9</sup> )	22.6%		---	---	---	---	
	Medium enterprises (World Bank Enterprise Survey <sup>10</sup> )	38.9%		---	---	---	---	
Percentage of SMEs with a checking or savings account	Small enterprises (World Bank Enterprise Survey <sup>11</sup> )	90.9%		---	---	---	---	
	Medium enterprises (World Bank Enterprise Survey <sup>12</sup> )	96.2%		---	---	---	---	
Proportion of microenterprises availing P3 and other micro financing increased	Number of P3 borrowers (SB Corp)	2,500	40,000 (additional for P3) 20,000 (CARES beneficiaries)	20,104	61,204	120,933	209,189	Accomplishment figures are cumulative. Does not include Bayanihan 2 funded CARES in 2020
	Number of borrowers availing from microfinance banks (BSP)	1,686,152	---	---	---	---	---	
No. of SMEs accessing funds thru Fintech	Fintech Association / CIC	TBD	TBD	---	---	---	---	
Percentage increase in the amount of loans availed by MSMEs	Amount of loans availed by MSMEs (BSP Reports)	PhP496.863B	---	---	---	---	---	
Percentage of MSME loans to total business loans	Amount of loans availed by MSMEs (BSP Reports)	---	---	---	---	---	---	
Number of MSMEs accepting digital payments		---	---	---	---	---	---	
SME loans granted through movable collateral	IFC-World Bank	---	---	---	---	---	---	
Number of special financing facilities (e.g. Micro Disaster Risk Insurance (MDRI) financing, green finance, financing for women entrepreneurs, startup)		---	---	---	---	---	---	

<sup>9</sup> Baseline figures based on 2015 report; World Bank Enterprise Survey for the Philippines has been conducted in 2009 and 2015.

<sup>10</sup> Baseline figures based on 2015 report; World Bank Enterprise Survey for the Philippines has been conducted in 2009 and 2015.

<sup>11</sup> Baseline figures based on 2015 report; World Bank Enterprise Survey for the Philippines has been conducted in 2009 and 2015.

<sup>12</sup> Baseline figures based on 2015 report; World Bank Enterprise Survey for the Philippines has been conducted in 2009 and 2015.



**Table 4: MSMED Plan 2017-2022 Management and Labor Capacities KPIs**

INDICATORS	SOURCE	BASELINE (2016)	TARGET (2022)	ACCOMPLISHMENTS				REMARKS
				2017	2018	2019	2020	
Percentage increase in MSME labor productivity	Reports from PSA (ASPBI), NWPC	---	TBD	---	---	---	---	
Percentage increase of trained MSME participants of government training	Reports from DTI, DOLE, NWPC, DOST, TESDA, UP-ISSI	4.296M	TBD	---	---	---	---	
Labor force participation rate, female (% of female population ages 15+) in MSME enterprises	Survey conducted by PSA, DOLE	---	TBD	---	---	---	---	
Labor force participation rate for ages 15-30 (youth). Total (%)	Reports from PSA, DOLE	---	TBD	---	---	---	---	
Number of training programs provided to MSMEs (including women and youth)	Agency submissions under the MSMED Plan Monitoring Report, DTI-RGMS, PCW, NYC, DepEd	---	TBD	---	---	---	13	
Number of MSMEs (including women and youth) trained	Agency submissions under the MSMED Plan Monitoring Report	---	TBD	---	---	---	816	

**Table 5: MSMED Plan 2017-2022 Technology and Innovation KPIs**

INDICATORS	SOURCE	BASELINE (2016)	TARGET (2022)	ACCOMPLISHMENTS				REMARKS
				2017	2018	2019	2020	
Number of new and innovative common service facilities established	Number of SSFs	1,727	---	23	102	204	162	
	Number of FabLabs	11	---	1	5	10	---	
	Number of Food Innovation Centers	17	---	16	17	---	---	
	Number of SET-UP	6,665	---	5,600	---	---	---	
	Number of Technology Business Incubation (TBI)	---	---	14	26	---	29	
	Number of Common Workspace	---	---	---	---	---	---	
Percentage increase of MSME investments on technology and innovation	<p>Percentage increase in the amount of investments in MSMEs</p> <p>Approved amount invested in MSME sector- Actual FDI in MSME sector in the balance of payments</p> <p>(Research and development expense, Capital expenditures (tangible) on machinery and equipment, Capital expenditures (intangible) on R&amp;D)</p> <p>(PSA-ASPBI, DOST-S&amp;T Plan, PSA-Foreign Investment Report, BOI, BSP, PEZA, Clark Development Corporation, SBMA)</p>	---	---	---	---	---	---	

**Table 6: MSMED Plan 2017-2022 Access to Market KPIs**

INDICATORS	SOURCE	BASELINE (2016)	TARGET (2022)	ACCOMPLISHMENTS				REMARKS
				2017	2018	2019	2020	
Number and percentage of MSMEs participating in global value chains increased	Direct Exports (intermediate goods only)	---	---	---	---	---	---	
	Sales to exporters	---	---	---	---	---	---	
	Contract and Commission work done for others	---	---	---	---	---	---	
Amount and percentage increase in amount of domestic sales	Value of domestic sales (PSA/CDA/BIR)	Php82.14B	---	• PhP109.93M (total sales from Trade Fairs) • PhP13M (Go Lokal! Sales)	• PhP 192.05 M (Total Sales from Domestic Trade Fairs) • PhP 78.5 M (Total Sales from Go Lokal!)	---	---	
	Programs of agencies: - Trade Fairs, Go Lokal, Presence of SME products in retail outlets, etc	---	---	---	---	---	---	
Amount and percentage increase in amount of export sales	Value of export sales	US\$14.35B and (2.4%) GR	---	US\$17.18 B and +19.7% GR	US\$17.33 B and +0.9% GR	---	---	
	Number of MSMEs engaged in export sales	5,048		5,444	5,146	---	---	
Number of enterprises with online presence or participating in Marketplaces	(PSA (ASPBI) / EMB (Tradeline) / PHILEXPORT)	---	---	---	---	---	---	
	PBR (companies with websites)	---	---	---	---	---	---	
Percentage share of SMEs' contribution to national exports	PSA/BSP, EMB, BOI, PHILEXPORT	25%	---	25%	25%	---	---	
Percentage of SMEs with invetsment overseas	DTI FTSC/PITC, PFA, DA Attaches	---	---	---	---	---	---	

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