



SUCCESS STORY

PCCP-ASSISTED FISHERFOLK GROUP FINDS NEW OPPORTUNITY, ENFORCES TRANSPARENCY AND ACCOUNTABILITY

In the Caraga region of Mindanao, Philippines, the lack of reliable finance is one of the main constraints keeping local fisherfolk from sustaining production. This holds true for the Cantilan Marginal Fishpond/Fish Cage Operators Association (CANMARFOA), a group operating in the small coastal town of Cantilan, Surigao del Sur. When CANMARFOA started in 2013, the small group of fisherfolk had just 15 members. In 2014, the group encountered a major setback when members became inactive or stopped their production because of financial problems.

But in 2015, the group connected with Winrock International's Philippine Cold Chain Project (PCCP). Now, CANMARFOA members are among the beneficiaries and recipients of PCCP's organizational, technical and marketing trainings, and have also received financial assistance through PCCP's facilitation.

“The group was slowly revived,” said Mr. Nicholas Azarcon, CANMARFOA president. “The training on strengthening the group was a way in reviving the commitment of the members.” He added that to date, 35 members are closely engaged in fishery products.

Two years after this initial contact, in August 2017, the PCCP team introduced CANMARFOA to the Cantilan Bank, a microfinance institution that offers agri-value chain loans. “It was through the recommendation of Winrock International – PCCP that we were able to avail the services of Cantilan Bank,” said Mr. Azarcon when asked how it all started. With help from PCCP, CANMARFOA drafted their policy system and procedures in terms of loan applications and payment strategies. The group then presented these to Cantilan Bank, and with some arrangements to defray the interest rates and considerations, both parties signed a memorandum of agreement in September 2017. The entire process took less than a month.

Mr. Merlindo Millan, treasurer and business manager of CANMARFOA, explained how the policy system works in checking accounts. The association supplies application forms to members, and key officers (who are fellow producers themselves) assist with the processing. Though the loans are released in the individual accounts, members must liquidate and submit receipts for the cash they withdraw and the agri-input supplies they buy. This helps the association monitor whether a member is using the loan money for its intended purposes.

When harvest time comes, members must inform CANMARFOA when they take their product to market and remit the total income to the association.



Mr. Azarcon, CANMARFOA president, grows white shrimps in his own pond at Cantilan, Surigao del Sur, Philippines



One of the ponds operated and owned by Mr. Azarcon, CANMARFOA president and grower of fishery products such as white shrimps and milkfish.



Mr. Merlindo Tan, CANMARFOA designated treasurer, explains how the policy works in checking accounts.



White shrimps grown by CANFARMOA members are sold locally in the municipality of Cantilan or to neighboring provinces of Surigao del Sur, Philippines.

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The association then pays off the loan on the member's behalf, returning the net income to the producer only when the bank has been paid. Four members have already utilized this new plan, for a total loan amount of Php219,000.00 (USD\$4,380.00). This system allows the association, and by extension its members, to pay the loans in a shorter time (therefore accruing less interest) and make use of the one-month grace period offered by Cantilan Bank.

It's a strategy that only works because of the reputation provided by PCCP and Winrock.

"We'd like our association to practice transparency, and each member to observe accountability," said Azarcon. "Our only collateral is our name and the endorsement from Winrock-PCCP," he added.

CANMARFOA is the first group of fisherfolks in Caraga to use the agri-value chain loan program; in the past, Cantilan Bank has only engaged with rice farmers. Now, the association is enforcing group policies and closely monitoring responses from members who have acquired financial assistance. They look forward to being a self-sustaining group that empowers members and cultivates productivity.

Where does Azarcon see CANMARFOA in the future? "To be more successful in terms of financial and management skills and at the same time expand the market reach of the products," he says, "not just in Caraga, but globally." Azarcon's excitement shows in his unfading smile. In a few weeks, it will be time to harvest his white shrimps.

Thanks to Cantilan Bank, CANMARFOA, and PCCP, he can rest assured that things are taken care of. **(Irish Jane N. Calungsod/ Philippine Cold Chain Project)**