



Project location:
Cagayan de Oro City, and Claveria,
Misamis Oriental, The Philippines

Project location:
1 October 2008

Funding source:
AusAID 46%, Cagayan de Oro 54%

Total grant funds approved:
A\$407,139

Updated December 2012

Cagayan De Oro Handmade Paper Crafts In Philippines

ABOUT CAGAYAN DE ORO HANDMADE PAPER CRAFTS

Lolita B Cabanlet started the Cagayan de Oro Handmade Paper Craft Company 14 years ago; today, the company exports to markets around the world. The company's vision combines entrepreneurial endeavors with assisting underprivileged members of the community.

In August 2012, Cagayan de Oro Handmade Paper converted from a single proprietorship to a corporation. This will allow Cagayan de Oro to further support the commitments undertaken through the ECF in the future.

THE PROJECT AND HOW IT WORKED

Cagayan de Oro Handmade Paper used an ECF grant of A\$407,139 to expand their handmade paper manufacturing and craft making facilities, and develop a supply chain sourcing raw abaca fibres to make paper products from the indigenous peoples of Claveria, Misamis Oriental. The anticipated impacts for this project include:

- increased incomes for suppliers through the reliable market and expanded abaca plantation area, and productivity improvements in the stripping machines and technical support from Cagayan de Oro
- increased employment and income earning opportunities for home based contractors, most of whom are women
- improved abaca grading and other crop management skills among farmers
- livelihood opportunities for suppliers of other inputs included in exported paper products
- changes in farmers' savings and investment patterns – it is expected 150 farmers will use the local cooperative's savings and loan facility.

THE RESULTS

- The Cagayan de Oro Handmade Paper crafts project increased paper production capacity by over 250% as a result of the ECF grant and increased export sales, the business is profitable;
- Cagayan de Oro employs 22 paper makers, 15 craftsmen (mostly men) working on the more technical designs such as boxes, albums in the factory.
- Cagayan de Oro have trained 88 home based workers and is currently working with 46 on an ongoing basis. The average income received is up to P95,000 (A\$2,083).
- 300 abaca growing households in Misamis Orientals are selling abaca to the local buying station constructed by Cagayan de Oro using ECF funds. Previously the closest place to sell abaca was a local market place 30 minutes away by motorbike. The buying station uses a simple grading sheet to identify the different grades and pays P30–45 (A\$0.7 to A\$1) depending on the quality.
- A household earns on average P14,400 (A\$335) from the sale of abaca every three years.
- A number of farmers had sold 10–12 kilos of abaca at a time to cover daily needs; some sold 180–300 kilograms or enough to pay school fees or purchase inputs. The locally available buying station means farmers can sell small or large quantities of abaca as needed and have more control over their cash flow.
- Many of the 300 households have increased their planting activities as a result of the setting up of the buying station.
- The management teams of Cagayan de Oro are social entrepreneurs and this has contributed to the success of this beneficial supply chain partnership between the company and communities.

HOW ECF FUNDS WERE USED

ECF is sharing the cost of the project with Cagayan de Oro. ECF funding is focused on improvements in the supply chain including training; Cagayan de Oro primarily funded the factory expansion and its working capital requirements.