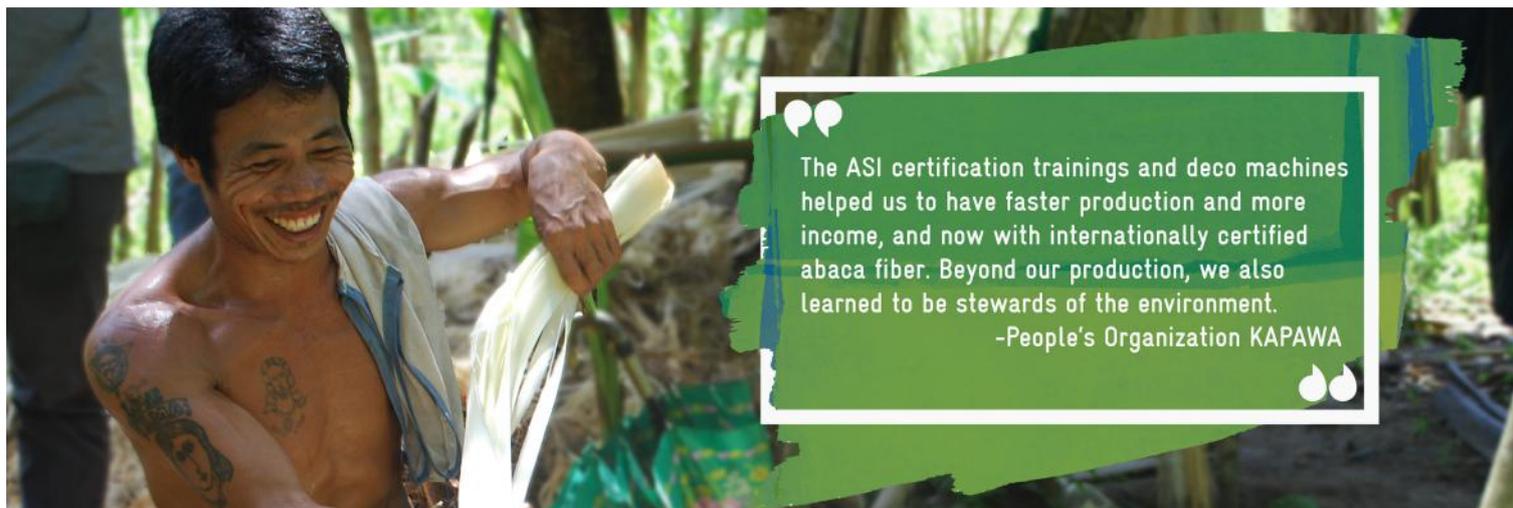


# Abaca Sustainability Initiative

A Successful Step towards a More Sustainable and Internationally Certified Philippine Abaca Industry

Smallholder farmers of KAPAWA are the 2nd group of abaca farmers certified by Rainforest Alliance worldwide.



**Abaca, or Manila Hemp**, is a Philippine native plant and a source of strong fiber used to make durable furniture, ropes, clothing, and decorative products. The fiber is also used to make specialized papers including coffee filters, tea bags, and banknotes. Abaca production is a source of livelihood for more than 200,000 Filipino farming families. From a national perspective, abaca is also a top export commodity of the Philippines, with the nation supplying around 90% of the world's abaca fiber needs. However, despite the large global demand for abaca, Filipino farmers are yet to achieve their full production potential – both in quality and quantity – as demanded by global markets. Filipino abaca farmers face challenges of low production, and thus low incomes, as a result of unsustainable farming practices, lack of access to markets, and lack of agricultural inputs and infrastructure.

**The Abaca Sustainability Initiative (ASI)** was created in response to these challenges through a development partnership project between the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, the Philippine Fiber Industry Development Authority (PhilFIDA), and Glatfelter Gernsbach GmbH under the develoPPP Program of the Federal Ministry for Economic Cooperation and Development (BMZ). [DeveloPPP.de](http://DeveloPPP.de) was set up by the German Federal Ministry for Economic Cooperati-

on and Development (BMZ) to foster the involvement of the private sector at the point where business opportunities and development policy initiatives intersect. As part of the programme, the Ministry provides companies investing in developing and emerging countries with financial and, if required, also professional support. The company is responsible for covering at least half of the overall costs.

As the biggest buyer and processor of abaca worldwide, private sector partner

Glatfelter is eager to ensure smallholder abaca farmers can meet Rainforest Alliance certification requirements to be able to supply their constant need for ecologically certified abaca products. One of Glatfelter's most important products, for which abaca is used as a key raw material, are teabags. 6 out of 10 teabags worldwide are coming from Glatfelter and the interest of the company is to produce those sustainably, therefore, strengthening its efforts to enhance the sustainability of the product.





The ASI started operating in four municipalities in Aklan and Iloilo, bringing technical expertise from GIZ and PhilFIDA together with financial and in-kind support from Glatfelter to farmers working together with the local farmers' organizations. Filipino abaca farmers, farmers' organizations and agricultural extension workers received training in sustainable farming practices based on the Sustainable Agriculture Network (SAN) standards; capacity for internal management of the groups and the conduct of audit was enhanced; along with the efficiency and sustainability of abaca production. Through these project interventions, and the farmers' ongoing compliance with sustainable farming criteria, 149 hectares of smallholder farms are now Rainforest Alliance certified. Increased sale price for certified abaca, alongside enhanced production from participating farms has led to an increase in productivity and income of smallholder farmers. Some farmer groups report an increase in farmers' incomes of as much as 150%. The results of this project coupled with raised awareness of environmental issues have promoted interest in Rainforest Alliance certification amongst producers in other municipalities. The training materials for sustainable abaca production by ASI are now as a result being used nation-wide by PhilFIDA's own programs.

“ The joint resources and expertise of GIZ, Glatfelter, and PhilFIDA in a public-private partnership opened up opportunities for our abaca farmers which might have been more challenging to achieve with only the public sector or only the private sector partner. ”

-MADECO Group Administrator



“ Certification trainings enlightened us on environmental practices that we did not even know were affecting our abaca farms before. As we comply with the SAN standard, we started growing taller and healthier abaca stalks, producing better quality of abaca fiber. ”

-Abaca Farmers



**Glatfelter**, the private partner in the ASI project is now paying farmers an additional 2 PHP per kilo for certified abaca fibers. Besides the certification incentive Glatfelter also introduced modern decortiating (“deco”) machines through ASI, enabling farmers to up daily fiber production from only 10kg by hand stripping, to around 80kg by using deco machines. This processing capacity increase has been met by increasing plantation productivity and crop quality. As abaca diseases

endanger the sustainability of production and the resource base of the farmers the project conducted a program on abaca disease eradication. Due to these efforts the disease incidence could be reduced from above 80% to now 5%, while new nurseries provide high quality suckers to transplant and secure the important supply of raw materials, being the main source of income of the farmers.



“The introduction of deco machines by the project intensified the interest of farmers in abaca industry. Our farmers are aging, and the deco machines became a breakthrough for them,” this is how Rubenie Castillanes the chairman of the farmers’ organization KAPAWA Chairman describes the assistance of deco machines in their abaca production. Not only have the deco machines allowed for a huge volume increase, but by removing the need for laborious and exhausting hand stripping, the deco machines have also empowered women and the elderly to participate more actively in the abaca business. ASI has facilitated participation and income increases for some of the poorest farmers in the region, while enabling these communities to become active in protecting and maintaining their environment for future generations.

“

The project definitely helped in increasing abaca production and income. But more than that, the environmental and sustainable practices learned by the farmers from the trainings are now being practiced not just in the farms, but also in their homes.

- KAPAWA Group Members

”





Of course the work and legacy of ASI is not over. The project has revealed that there are several “low-hanging fruits” to further support pro-poor, environmentally sustainable growth of the Philippine abaca sector. Notably, strengthening smallholder farmer organizations to enhance organizational capacity and market access for farmers, increasing research into abaca production and health, and enhancing the role of institutional partners such as the Department of Agriculture (DA) and PhiFIDA are pathways which will be explored in a new intended co-operation. ASI has proven to be an important and valuable first step

– the project indeed created tangible positive impacts on the farmers in terms of income gain and financial security, as well as introducing new knowledge and techniques for certification, enhancing capacity for management and organization, better market access, and behavioral change. Another key outcome of ASI has been the demonstration of the effectiveness of a well-managed agricultural development partnership project, an inclusive initiative jointly implemented by public and private sector partners in close, on-going cooperation with the farming communities. ASI truly represents a sustainable success story.

We were taught in the trainings about these environmental practices to qualify for the certification. But actually, we also realized that it is us farmers who will take care of our own environment. We simply could not take care of our farms without taking care of our nature.

-Abaca Farmers

Published by:  
Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices  
Makati City, Philippines

Address  
Makati City 1227, Philippines  
T: +63 2 651 5144  
F: +63 2 892 3374  
M: +63 917 563 3684  
E: matthias.radek@giz.de  
I www.giz.de

Programme/project description:  
Agri-DPP

Author/Responsible/Editor, etc.:  
Matthias Radek

Design/layout, etc.:  
Kei Calaranan

Photo credits/sources:  
GIZ / Matthias Radek and Mia Simpao

URL links:  
Responsibility for the content of external websites linked in this publication always lies with their respective publishers. GIZ expressly dissociates itself from such content.

GIZ is responsible for the content of this publication.

On behalf of  
German Federal Ministry for Economic Cooperation and  
Development (BMZ)

February 2017