



The Payatas Environmental Development Programme: micro-enterprise promotion and involvement in solid waste management in Quezon City

Vincentian Missionaries

The Vincentian Missionaries Social Development Foundation, Inc. (VMSDFI) is a church based organization which has been working in the urban slum community of Payatas, Quezon City, since 1991, in pursuit of community development goals for the lowest 20 per cent of the urban poor population. As a support intermediary organization, it works with urban poor communities in Metro Manila and three other cities in the Philippines.

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SUMMARY: *This paper describes the development of a federation of scavengers who live close to a major solid waste dump in Quezon City, and the role of the Vincentian Missionaries Foundation and other NGOs that have supported it. A long-term environmental development programme has been initiated which builds on the existing activities of scavenger households and which is also integrated with housing, health and other social initiatives. A successful savings and credit programme has been started that funds micro-enterprises and social needs, including a housing programme. The Federation has also increased the scavengers' capacity to negotiate with local authorities and other government agencies. The paper ends by reflecting on the lessons learnt and their relevance for other communities.*

I. INTRODUCTION

BARANGAY PAYATAS IS a predominantly urban poor *barangay*¹⁾ in the north-eastern district of Quezon City which is within Metropolitan Manila. It has been a disposal site for the city's solid waste for over two decades and is currently the main dumping ground for the city's garbage.

Little was known about Payatas until the official closure of the "Smokey Mountain" dump site in 1995 which made the Payatas dump site, a 15-hectare open pit, the biggest and oldest operating open dump site in Metro Manila. It also caused the dump site to become a major public concern, the next

1. The *barangay* is the smallest political unit.

“Smokey Mountain” amid the mounting garbage crisis. There is no official record of the population numbers for the 3,019 hectare *barangay*; official figures are based on the registered voting population in Payatas, which is currently 32,000. This makes it the second largest voting population among the *barangays* in Quezon City. While the population in Payatas has been steadily increasing since the 1970s, there was a sudden upsurge in the population after 1986 and in the early 1990s, when large numbers of urban poor were relocated by the local government to Payatas from various slum settlements in Quezon City.

The Payatas dump site has provided both a home and a livelihood to about 4,000 scavenger families within and outside the *barangay*, who have long considered solid waste as a resource to be recovered. The scavengers of Payatas have been living off the dump sites for as long as the dump sites have been there, i.e. since the early 1970s. This lowly regarded workforce consists of expert but under-compensated waste pickers, including women and children, who supply recyclable materials to established waste recovery and recycling businesses. Managing to subsist in the shadow of these big junk shops are pockets of home based micro-enterprises engaged in the recovery, recycling and re-use of solid waste materials for ornamental and functional purposes such as wall decorations, tin craft, laundry brushes and dust pans. The “informal” status of these waste resourced businesses, however, makes them easy prey for usurious money lenders.

The Vincentian Missionaries Social Development Foundation Inc. (VMSDFI) began efforts to organize the scavengers working on the 15-hectare open pit in Payatas in 1993, after two years of living among the people and integrating itself into the community life of Payatas. It took two years of careful social investigation to recognize the actual threats and opportunities surrounding the Payatas dump site and the waste recycling industry. The Foundation entered the community in 1991, at which time pre-programme activities were initiated. These activities included contact-building, an investigation of existing social forces and community based initiatives, and informal caucuses and meetings which adopted adult learning processes and principles to elicit the people’s main concerns. At this early stage, the people made clear their very poor conditions working as ordinary scavengers and this prompted the formation of their own organization to achieve greater bargaining power on issues affecting them. Until this point, existing local organizations had been concerned mostly with land tenure and shelter issues. Save for the successful efforts of three communities in negotiating land purchases, no residents of Payatas own their land and thus do not have security of tenure.

As a result of its data gathering and assessment, the Payatas Scavengers’ Development Programme took shape. It sought to advocate for the rights and role of scavengers in society, particularly in solid waste management. Once the decision to form a scavengers organization had been taken, intensive chapter level organization, coupled with service delivery for immediate needs, was undertaken in various communities. A micro-lend-

2. The team consists of the Philippine Partnership of Support Services Organizations (PHILSSA), Green Forum Philippines and the United Nations Volunteers-South-East Asia Regional Programme (UNV-SRP).

ing scheme (adapted from a modified Grameen Bank model) and the organizing of low-income women, particularly those engaged in waste recycling micro-enterprise activities, were also initiated. This initial issue based and project based organizing was simply a response to the expressed concerns and on-going initiatives of the people which the Foundation had learnt about during the first stage of intense social preparation.

The programme's direction gradually became clear through base level consultations with, and caucuses among, scavenger groups and through monitoring waste resourced micro-enterprises. The recurring concerns of the scavengers were discussed in focus groups and these concerns were then presented to the Quezon City mayor as a "package of demands" during talks in 1993. These demands covered a wide range of basic needs and programme elements, including buying stations of recyclables that they would control (to avoid the exploitative prices of middle men); a health centre and health care facilities to respond to scavenging related accidents and illnesses; a public market to obtain affordable basic goods; training centres to enhance vocational and organizational skills; alternative livelihoods; and security of land tenure.

These small-scale, community level initiatives soon came to the attention of a team of NGO advocates of environmental and urban poor issues⁽²⁾ who later facilitated a study tour to the Zabaleen waste management system in Cairo to allow a consideration of possible technology transfer, and two Payatas scavenger leaders were among those who participated. Relating the Payatas experience to the Zabaleen system paved the way for the formulation of a Payatas Environmental Development Programme which advocated an alternative waste management system to open dumping. It involves setting up a community based materials recovery centre, harnessing the waste-picking and recycling skills of scavengers and micro-entrepreneurs, and further supplementing these skills with environmentally friendly technology for solid waste processing and composting. The materials recovery centre was not conceived as an industrial entity but as organized clusters of community based enterprises involved in solid waste recycling or product-enhancing activities (such as washing, baling, granulating and pelletizing wastes).

A technical feasibility study was conducted with financial support from the German Catholic NGO MISEREOR which resulted in a detailed plan for the materials recovery centre at Payatas. In the absence of any comprehensive and concrete plan on the part of the government, this plan has been recognized as a possible alternative to the Payatas dump site and a possible response to the city's garbage problem. The plan has been approved in principle by the Department of the Environment and Natural Resources and other government agencies in a Memorandum of Agreement linked with the Foundation and the Payatas Scavengers' Association.

While multi-sectoral consultations and negotiations are taking place on the future of the Payatas dump site and its scavengers, the initiatives and identity of the Payatas scavengers as a people's organization are now duly recognized by government

agencies. And while the plan for the materials recovery centre has yet to be fully implemented, elements of micro-enterprise involvement in solid waste management have been at work even prior to the plan's conception.

II. OBJECTIVES AND BENEFICIARIES

THE PAYATAS ENVIRONMENTAL Development Programme is not an isolated programme but, rather, is part of an integrated community development programme for the Payatas "slum" community. Participatory base level surveys, cross-sectional studies and wealth ranking were conducted earlier to define the target population of the poorest 20 per cent in the community. This portion of the community are the scavenger families, particularly low-income women and working children at risk, people with disabilities, the elderly, patients with tuberculosis, malnourished children and infants. The Scavengers' Development Programme and the Micro-enterprise Promotion Programme are thus complemented by on-going community based rehabilitation, health care and nutrition and other support service delivery programmes in these sectors, with a view to helping the community attain self-reliance and adequate social security.

These initiatives are supported by donors who finance particular components or projects within the integrated community development programme. Even those who, initially, carried out child sponsorship programmes later switched to project partnership schemes as they recognized the value and merit of the community development framework. Generally, donors seek to support community based development initiatives by supporting, if not the entire programme, particular components that are within their area of competence and interest. This support goes beyond financial assistance and often includes voluntary services of expertise and other resources.

For the past five years, the Foundation has played the role of a community based intermediary organization, working to promote people's initiatives towards integrated social development. Based on the expressed concerns of the people, the Foundation is implementing the Scavengers' Development Programme which mainly involves lobbying for policy changes. In particular, the scavengers seek:

- the acquisition of legal status;
- an uplifting of their public image and recognition of their work;
- an increase in their bargaining power;
- participation in local decision-making processes;
- an increase in productivity and value added on their products; and
- the development of appropriate technology for solid waste management.

Their involvement in solid waste management is further enhanced by an accompanying micro-enterprise promotion pro-

gramme which involves financial services, including internally generated credit and savings facilities, enterprise development, business consultancy and other extension services tailored especially to micro-enterprises engaged in the collection, recycling and re-use of recovered solid waste materials.

The scavengers are considered to be more than beneficiaries; indeed they are notably key players in the development programme. Their expressed "package of demands" serves as the major element of the programme while projects on waste management will help realize the potential of their trade and their shared vision for their community.

III. APPROACH AND STRATEGY

THE DEVELOPMENT PROGRAMME'S approach and framework are based on people's participation, with mechanisms provided for the scavengers and micro-entrepreneurs to be actively involved in practically all the stages of programme planning, implementation, operation, maintenance and evaluation. The initial caucuses and informal meetings yielded the basic demands that have become the major elements of the programme's planning and development.

Community-wide participatory research was carried out by the scavengers on a voluntary basis. This exercise paved the way for the consolidation and formalization of their federation. Furthermore, the results of the research would form the basis for assessing future programmes. For instance, training needs which emerged from the research were addressed through seminars, workshops and creative learning processes, and training courses were held on programme management, participatory project planning and design, and market research.

Projects have been initiated as a result of the research. A water-drilling project has begun to provide water to communities for domestic use and for enhancing the value of their products – for instance through the washing of recycled materials. It aims to train people to develop wells for income generation and to build water systems in communities where none exist. To date, seven wells have been developed for community water supply. Hands-on training on project management and maintenance is provided – and during the pilot period, eight community leaders were trained. This programme will be expanded to other communities. A handmade paper recycling project was also initiated, where scavengers are trained in the rudiments of micro-enterprise management, from production and financing to marketing. Other related projects, such as waste composting, will be set up once the appropriate opportunity arises.

The materials recovery centre represents a more focused approach to supporting the existing scavenging and micro-enterprise initiatives in the community. Rather than creating a centre *per se*, the plan respects and supports the self-acquired skills and on-going micro-enterprise initiatives in the community, recognizing that the community is thoroughly familiar with the essential elements of the trade, from collection, segregation and

characterization to the processing and disposal of residual waste. It is the Foundation's vision that, in time, the people will take over completely the management of the programmes. Their supervised involvement, which will lead to full take-over, will include action and policy research, exposure workshops, dialogues with policy and opinion makers, training for organizational skills, management of productive operations, cooperatives, self-help groups and family welfare.

IV. INSTITUTIONAL SET-UP

SEEN THROUGH THE eyes of the scavengers, the Payatas Environment Development Programme considers solid waste not as a problem but as a resource to be recovered and whose value lies in the work of those behind the scavenging trade. These scavengers are actually serving at least three important but underestimated functions in society. Through their self-employment initiatives, they absorb part of the otherwise state covered social costs of "modernization" such as unemployment and under-employment. Second, they shoulder part of the ecological costs of development by processing waste which the state would otherwise have to spend money on in terms of solid waste transport and disposal. Finally, they contribute to the efficiency of the formal sector by providing raw materials from recovered waste at comparatively low prices.

As local experts in their own right, scavengers and family based micro-entrepreneurs perform a key role in solid waste management. This role has been well-defined in the organizational set-up of the scavengers' Federation and in the whole community development programme.

The Federation is currently composed of 15 chapters, each covering a community and comprising at least 50 households. At present, there are approximately 1,200 members spread throughout the different areas of Payatas and its neighbouring *barangays*, and chapter consolidation has become a priority strategy for organizing work. The Federation achieved official recognition when it was eventually registered in 1994 as a legal people's organization, now formally called the Payatas Scavengers' Association, Inc. This development was a breakthrough towards official recognition and better access to opportunities for socio-economic improvement. The 15 chapters represent the basic decision-making and legal body of the Association – a structure which ensures their participation in decision-making and the identification of needs. Through the Association, members negotiate directly with support agencies such as government agencies, funding agencies or civic organizations.

The clustering of households according to territorial boundaries, business interests and the availability of recyclables was undertaken to facilitate the implementation of small-scale waste recycling and composting projects. Committees were formed to address alliance-building, project planning, education and organization, participatory research and documentation, and finance and special committees were created to address the spe-

cific concerns of each chapter. These concerns included livelihood, land tenure, health and other dump site issues. Low-income women under the micro-enterprise and self-help promotion programme are carrying out the organizing and clustering of similar trades to boost their business potential and there is a special focus on micro-businesses affected by, and dependent on, the Payatas dump site.

The Foundation plays a supportive role in the organizational set-up of the Federation, having assumed the role of a community based intermediary NGO, and has taken the initiative of testing development projects that would have an impact on the lowest 20 per cent of the population. While playing an active role in the Federation's formative stages, the Foundation is constantly striving for the overall development and increased self-reliance of the community, especially its poorest members. To further foster community self-reliance, it uses local staff, volunteers and leaders who are given further training in various project management skills, including community organizing, micro-enterprise financing and promotion, business consultancy, extension services and credit management. It particularly fosters volunteerism as an option in the local community to ensure the sustainability of the projects.

The Foundation works in partnership with, and is ably supported by, other organizations in the various project components of the Payatas Environmental Development Programme. The programme itself was the idea of a team of organizations which undertook the exposure study in Cairo, Egypt. This study team helped package the various elements of on-going solid waste management activities by the Payatas scavengers and micro-enterprises into an integral environmental development programme.

The support organizations include: the Philippine Partnership of Support Services Organizations (PHILSSA), a network NGO for urban poor concerns which addresses the social marketing and networking needs of the project; Green Forum Philippines, which provides technical assistance and advocacy for ecological consciousness; and the United Nations Volunteers-South-East Asia Regional Programme (UNV-SRP) which extends support for research and documentation. WASTECON prepared the feasibility study and provides technical advice, and an ILO recognized business consulting NGO, the Philippine Enterprise Development Foundation, provides micro-enterprise management and development training. These organizations carried out "levelling-off" sessions to clarify their particular interests and stakes in the programme, a process which helps prevent unnecessary conflicts of interest and differences. As the main implementor of the programme, the Foundation assumes directorial and managerial responsibility for the entire programme.

V. SAVINGS AND CREDIT SCHEMES AND OTHER FINANCIAL ISSUES

AS PREVIOUSLY NOTED, the integrated programme draws on many donors with nearly all projects having individual donors to account to. Notable among these are supporters of the Scavengers' Development Programme and the Micro-enterprise Financing and Promotion Programme. MISEREOR has been the primary source of support from the pre-programme phase right up to the on-going organizing initiatives and it has expressed its commitment to support the long-term plans for Payatas. The initial revolving fund for the micro-finance facilities came from the Philippine Charity Sweepstakes Office and this has adequately provided for the loan cycles during the past three years. Additional revolving funds for larger business loans for qualified entrepreneurs come from *Manos Unidas* of Spain. And, as described below, internally generated funds through savings mobilization further augment the loan portfolio of this community based financial system.

A small-scale loan scheme for financing micro-enterprises was initiated at an early stage. This gradually led to the setting up of an alternative community based financing system which could sustain part of the programme's operations. Operating as an informal community bank, without the encumbrances of a formal banking system but with the essential processes totally accessible to the poor, this financial system banks heavily on internally generated funds through compulsory regular savings by groups at a pace based on their own savings capacity. Box 1 gives the example of a household "junk shop" trading business which drew on a loan to develop the scale and scope of its operations.

Box 1: An Example of a Waste Business that Drew on the Loan Programme for its Development

Name of client: Editha de la Cuesta
Type of business: Junk shop (trading)

As with many others families subsisting around the open pit dump site of Payatas, the de la Cuesta family eke out a living in solid waste enterprise by operating a small family owned junk shop. Both husband and wife came to Manila from the Visayas (southern Philippines) in search of better life opportunities and have been living in Payatas for over a decade. With hardly any formal education due to financial constraints, they managed to learn the rudiments of the junk shop trade and established their own micro-business, capitalizing on regular loans from local moneylenders even though they had to repay at highly usurious interest rates. In 1995, searching for more beneficial alternative financing, the wife joined other low-income women in the community in taking part in the savings and loan programme initiated by the Vincentian Missionaries Social Development Foundation, Inc.

Starting with P 5,000 capital (equivalent at that time to US\$ 192), this family-owned junk shop established itself among the many other junk shops in the community. It capitalizes on all sorts of recyclable materials recovered from the dump site (including

plastics, glass, bottles, papers and metals) but specializes in recovering sacks and cement bags which are delivered direct for shipment to the Visayas where sacks are used as fishing materials. With a sustained supply and market, the "sack-recovery business" boosted this junk shop's capitalization to P 25,000 (US\$ 961) and, later, Mrs. de la Cuesta obtained P 10,000 (US\$385) under the savings and loan scheme. The owners are quite optimistic that, even in the event of the closure of Payatas, the business can still subsist by directly targeting construction sites as sustainable sources of cement bags.

Their market includes:

- a weekly delivery of glass, bottles, papers and metals to one regular buyer, Visayas Ave. (outside Payatas) plus deliveries of plastic materials including polyethylene to local junk shops as the need arises;
- delivery of sacks/cement bags to two contract buyers in Muntinlupa (outside Payatas) on a monthly or bi-monthly basis, with P 20,000 worth of delivery.

They hire transport for deliveries and are able to outdo six local competitors in the sack-recovery business by direct linkage with buyers directly engaged in the sack-to-fishing materials business in Iloilo (Visayas).

Their production unit consists of:

- one home based warehouse and office plus a small buying station/shop near the dump site;
- the purchase of recyclable materials directly from scavengers with an average P 2,000 (US\$ 76.80) worth of daily purchases;
- investing in and funding six regular customer/smaller junk shop operators for buying/recovering sacks and cement bags (P 1,000 per buyer).

With regard to finances, there is no formal recording and accounting system. The business maintains an informal credit system which allows cash advances up to P 500 for regular customers. It has a current capital value of P 150,000, accumulated mainly through the VMSDFI Savings and Credit Programme and personal savings of P 6,000 under the Savings Mobilization Scheme.

The business involves a lot of different jobs such as sorting, weighing, buying, baling, bundling/packaging, delivery and cargo but has no permanently hired workers. It involves practically the entire family, including children, and hires workers only for the larger deliveries.

What started as micro-financing strictly for business purposes has become a savings financing scheme with loan windows for welfare needs. Each savings group consists of seven to ten members and, with the group's consensus, any member may apply for a loan against his/her accumulated savings. These loans can be up to 1.8 times savings for welfare loans and up to four times savings for business loans. Members are actively involved in the appraisal and approval of their loan applications.

Welfare loans cover all non-business related needs such as health, housing, education, emergency house repairs, etc. For scavengers, these needs are particularly heightened due to the high incidence of dump site related accidents causing tetanus,

3. Another savings facility that is being planned to address welfare needs is health insurance where-by members are provided with the opportunity to invest in savings based health services which include hospitalization, medical consultations and discounts on medicines. Unlike other pre-need insurance schemes which avoid high-risk groups, this insurance scheme will include even the most vulnerable Payatas residents – the scavengers, disabled persons and the elderly.

to ailments such as upper respiratory diseases and intestinal infections. About 70 per cent of all loans taken out are for welfare purposes, with average daily loans totalling 60,000 pesos for an average of 15 borrowers per day.⁽³⁾

This financing scheme is still evolving and has yet to reach full self-sustainability and maturity. However, the integrated savings and credit facilities have so far maintained a healthy cash flow with a 1:1 ratio for internal funds to external credit. This means that not only has a proper cash management system been put in place but also, more importantly, that the poor are capable of both servicing their loans and collectively generating savings to support their financial needs without totally relying on external funds and grants.

As a community based endeavour, the programme values and encourages volunteerism within the local community and there has been enough response from the people to keep the work going. The programme has also obtained the voluntary services of professionals from outside Payatas which further reduces its administrative expenses. The option of people's participation is paying off, with local leaders being fully committed to different tasks as part of their on-going training towards the eventual full management of the programme; they are compensated on a food-for-work basis.

Assuring people's participation and thorough social preparation throughout the programme cycle is a positive step towards self-sustainability. Local staffing, particularly the hiring of young professionals and other talented people from the community, further complements the drive for volunteerism and reinforces the prospect of continuity.

As a financing institution, while the community has not yet reached full self-help and self-sustainable status, it is on track in a seven-year self-help promotion scheme which involves progressive increases in the loan portfolio, in credit capability and in the capacity to absorb operational costs, delinquencies and bad debts.

VI. TECHNICAL STANDARDS

THE SCAVENGERS AND micro-entrepreneurs exhibit self-learned skills as well as developing innovative indigenous technology for solid waste management. They have also become familiar with the political and economic systems of the Payatas dump site, and have acquired the ability to manoeuvre and negotiate for informal arrangements with the dump site "authorities". Some have proved to be enterprising enough to actually run small-scale dumping operations in their own backyards, covering the entire cycle of collection (through contracts with commercial establishments), segregation, characterization, re-tailing of the swills, deliveries to recycling plants and dumping of residual waste or "waste of waste". As noted earlier, to further enhance the product of the scavengers and micro-entrepreneurs, the programme has facilitated the setting up of a handmade

paper recycling project and a scavenger water-drilling guild to service the water requirements of waste recycling micro-enterprises.

The Payatas scavengers have proved their capacity and potential for further development of solid waste management. In view of this, the Environmental Development Programme is only picking up on these skills as entry points for further support and direction. Even with a detailed materials recovery centre package to hand, the team is convinced of the wisdom of breaking this into viable elements of assistance for home based micro-enterprises which have long been operating effectively within the informal dump site economy. Such elements include ongoing financial facilities, training and business management and product enhancement skills, product marketing and capital equipment assistance.

There are plans for study tours, the development of and training in appropriate technologies for recycling and composting, and product enhancement to increase the value of their goods.

VII. A NEW LAND ACQUISITION AND HOUSING PROGRAMME

THE PAYATAS SCAVENGERS Association, Inc. has recently embarked on land acquisition initiatives. Their project, called the Payatas Scavengers Cooperative Housing Project, is an exercise in participatory planning and implementation. It serves also to consolidate all previous training and organizing efforts towards their goal for decent shelter and livelihood. The waste pickers, as direct project beneficiaries and implementors, will undertake the following steps and strategies:

- **land identification:** to include land identification, title verification and evaluation, surveys and area-mapping, research on city plans and urban development trends, negotiations with landowners for land purchase and coordination with government housing agencies.
- **organizing finance:** a "Savings for Housing" scheme will be designed as a complement to the on-going savings and credit schemes for business and for welfare or consumption. The current thrust for an urban poor savings schemes federation, which will include the Payatas Scavengers' Housing Project as a pilot project, serves as a base for setting up a larger revolving fund for land and housing needs and stronger leverage for linking up with financial institutions and government home-financing agencies. Community exchanges with similar self-help savings efforts for housing initiatives in India, South Africa and Namibia⁽⁴⁾ can further upgrade the financial and organizational capability-building efforts of the waste pickers for their housing project.
- **designing future homes based on need and space:** the poor are the best artisans of their own homes. This is the principle

4. In South Africa, there are close links with the People's Dialogue on Land and Shelter and the South African Homeless People's Federation. For more details of their work, see Bolnick, Joel (1996), "uTshani Buyakhuluma (The grass speaks); People's Dialogue and the South African Homeless People's Federation, 1993-1996", *Environment and Urbanization* Vol.8, No.2, October, pages 153-170; and Bolnick, Joel (1993) "The People's Dialogue on land and shelter; community driven networking in South Africa's informal settlements", *Environment and Urbanization* Vol. 5, No. 1, October, pages 91-110. In India, there are close links with SPARC, *Mahila Milan* and the National Slum Dwellers Federation, see the paper by Sheela Patel and Kalpana Sharma in this issue; also Patel, Sheela and Celine D'Cruz (1993), "The Mahila Milan crisis credit scheme; from a seed to a tree", *Environment and Urbanization* Vol. 5, No. 1, pages 9-17; and SPARC (1990), "SPARC - Developing new NGO lines", *Environment and Urbanization* Vol. 2, No. 1, April, pages 91-104.

by which the design and construction of the scavengers' settlements will proceed. The technical assistance of professionals will be sought but only for highly technical questions; the scavengers will be given a free hand in coming up with their house models and community designs. Visits to different demonstration projects on house-modelling, to construction sites and workshops on low-cost construction materials will further facilitate and enrich the house-modelling processes. The housing project will also provide the much-needed space for a community based recycling enterprise similar to that being carried out by the Zabaleen waste pickers in Moqattam settlement in Cairo, Egypt.

- **sharing of the learning process:** as a pilot project of the urban poor savings and credit SHG programme, the scavengers' housing project is an actual experience in adult education. It can offer a concrete basis for sharing the learning process, for instance, through grassroots community exchanges at various levels (in-city, in-country, international). The project would likewise strengthen on-going efforts towards the building of a national federation of different urban poor savings schemes in the country.

VIII. SIGNIFICANT STEPS AND PHASES

THE PAYATAS ENVIRONMENTAL Development Programme is not a blueprint solution to the garbage crisis of Quezon City. Rather, it is a constantly evolving process in response to gradual implementation and testing and, being a community based programme, it has advantages in terms of immediate integration and adjustments based on new learning. As previously mentioned, the initial material resources centre package was adapted so that elements of it are used to support on-going family based recycling activities. Likewise, the financing scheme has integrated major changes, particularly concerning loan windows for non-productive purposes in addition to the business loan window. These changes took place as a result of the realization that micro-financing within a community development framework should consider social welfare, health, housing and educational investments as assets valued by the poor. In view of this, plans to include provisions for health and insurance systems will soon materialize.

Adopting a "savings before credit" scheme instead of the more common "credit then savings" practice was also based on experience. The strategy for promoting self-help groups has undergone changes to accommodate all the various types that emerge in almost all sectors of the community (e.g. savings for infant nutrition, savings for education, savings for vehicle acquisition by transport operators and, ultimately, savings for land purchase). Thus, what started as self-help groups of micro-entrepreneurs has now developed to accommodate all sorts of groups committed to self-financing. The current efforts at horizontal organizing among micro-enterprises and scavengers according

to their trades are also based on what has been learnt during the course of programme development.

IX. LESSONS AND CONDITIONS

EFFORTS AIMED AT the development of the Payatas dump site and its people have achieved significant qualitative and quantitative success, with the prospect of further achievements. The community financing system has yielded an overall 97 per cent rate of return and has maintained a healthy cash flow, showing that credit management through a peer support and pressure mechanism works in an urban "slum" setting such as Payatas. Contrary to claims that the poor, especially the urban poor, are not creditworthy and are incapable of saving, their track record proves that as well as being able to service their loans, they too are capable of collectively generating sufficient internal funds to meet their financing needs.

Official recognition of the Payatas Scavengers Federation as the legal organization for policy dialogues and consultations concerning the Payatas dump site is also a significant gain to the organizing effort. The Foundation is also a recognized partner of the Department of Social Welfare and Development in the implementation of community development programmes.

Supporting family based micro-enterprises has proved to work better than forming group or cooperative enterprises. This is understandable in a context which breeds individualism for survival and in a settlement inhabited by various cultures of displaced people. Essential elements of cooperativism may be adopted and have already proven effective (e.g. peer support systems) but establishing cooperatives *per se* among the urban poor is more difficult and takes longer than is commonly recognized.

Providing loans for social needs in addition to loans for business needs is necessary for integrating micro-enterprise promotion within a social development framework. It also fosters the creditworthiness of the urban poor in as much as their credit requirements cover both productive and social investments. The people have proven their creditworthiness in terms of successful fund generation, credit delivery and credit management, and their track record bodes well for a future link-up with formal financial institutions.

At its current stage of implementation, the Payatas Environmental Development Programme is in no position to set down wholly valid conditions for replication. Not even generalizations can be made except relating to realizations or theories drawn from experience that may be applicable in similar contexts. The technology and financial resources may be readily available to support the implementation of any viable community development programme or solid waste management system. However, what assures the viability of any project and precludes unnecessary loss of resources is the social preparation of the community involved. This has been a tested strategy in the case of the Payatas project, wherein being community based counted for a

lot in gaining people's participation. There is certainly no lack of initiatives in any depressed community and they should be supported and integrated into a more comprehensive plan. Micro-enterprise and community development are not antithetical. Rather, a healthy integration can achieve common interests at least cost. This is especially true for micro-enterprises involved in solid waste management, which are not simply a business issue but a pressing community concern as well.