



## Institute for Philippine Cooperatives and Social Enterprise Development, Inc

Dear Prime Minister,

We are Institute for Philippine Cooperatives and Social Enterprise Development (IPCSED), a partner organisation to We Effect. IPCSED is a non-stock, non-profit organization founded in 2009, composed of committed cooperative and development professionals and experts with decades of experience and track record of service for the poor and marginalized. We are currently operating in four major regions in the Philippines; 9 cities in National Capital Region, Bulacan, Bataan in Region 3, Cavite, Laguna, Rizal, Quezon, Batangas in Region 4A, and Mindoro in Region 4B with a combined membership of over 57,000.

We are writing to you to express our deep concerns about the decision to dramatically cut Sweden's official development assistance.

IPCSED's partners belong to the low-income and vulnerable groups and are largely affected by the global crisis brought about by the Ukraine-Russia War. Most of our partners have not yet recovered from the economic effects of the Covid-19 pandemic and climate crisis, and now continue to struggle from skyrocketing prices of food, transportation and basic commodities because of the war.

The Secretary-General of the UN warns that 1,7 billion people – one fifth of the world's population– are at risk of hunger and poverty. The world is in the worst humanitarian situation since World War II. Nearly half of humanity lives in the danger zone of the climate crisis.

We, Philippine development organizations, bear witness of the UN reports. With this in mind, the historic and tragic decision to cut the development assistance will impact us in unprecedented ways. For us, the cut has the following drastic implications/effects:

- The contracts of three project staff were terminated. There is no guarantee that immediate job opportunities are available given the unstable employment situation in the Philippines during this pandemic. Some companies, and both small and medium enterprises, have ceased to operate and even laid off most of their employees to cut costs. With the drastic inflation due to the Ukraine-Russian war, the provision of support to the families of the laid off project staff will be affected.



- Major activities for capacity and capability building on organizational development, economic and political empowerment will be seriously affected. Particularly, trainings and activities on business development will no longer be conducted. The budget allocated for capacity and capability building was cut by almost two-thirds.

PHOTO SOURCE: <https://www.rappler.com/business/unemployment-rate-philippines-december-2021/>

- The number of target partners and beneficiaries who can attend the project activities will be greatly reduced.
- The budget for trainings and social preparation for the formation of primary cooperatives and Cooperative Union was seriously affected by 70%.



- The continuation and extension of commenced housing projects in partnership with public and private sectors will be compromised. With limited budget, the target of 1 million adequate housing by 2030 for informal settler families and those living in danger zones will not be achieved despite having partnerships and signed Memorandums of Understanding with local government units and private contractors/developers.

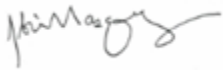


Dear Magdalena, as Sweden's prime minister and leader of your government, we know you are a strong believer in international solidarity. We can't thank you enough for the support your country has given in the past.

We now encourage you to stand with us in these desperate times and re-evaluate the decision to cut development assistance.

Show your full support to civil society organisations and people in poverty that we support. Your financial support is needed more than ever. It is a long-term investment in a more sustainable and just world.

We look forward to your reply.



Fernando B. Villasquez  
Executive Director  
Institute for Philippine Cooperatives  
And Social Enterprise Development