

Economic Development and Employment

A Strategic Narrative for Driving Economic Development

The Essential Role of Economic Growth: For companies to invest and economies to thrive, they require a stable environment, efficient institutions, well-functioning markets, and access to sustainable financial services. Economic development and employment are closely interconnected, playing a vital role in reducing poverty, fostering social stability, developing human capital, and driving long-term economic growth.



Confronting the Challenges to Inclusive and Sustainable Growth: To achieve inclusive and sustainable economic development, we must address a range of pressing global challenges. Technological disruptions and automation are transforming labor markets, demanding new skills and adaptability. Persistent income inequality and precarious employment continue to marginalize vulnerable groups, hindering equitable progress. Youth unemployment remains a significant barrier to social and economic advancement, while the urgency of climate change and the Sustainable Development Goals (SDGs) adds complexity to the development agenda. Balancing economic growth with environmental sustainability—and promoting the creation of green jobs—will be vital for ensuring long-term prosperity and resilience.

GIZ in the Philippines – A strategic partner: For over 50 years, GIZ—wholly owned by the German government—has supported Philippine development through international expertise and local partnerships. In the Philippines, farmers make up over a quarter of the workforce, yet they remain among the country’s poorest. Supporting this sector is therefore a national priority. Farming practices and market access remain limited, making agricultural modernization essential for inclusive development.

GIZ Philippines addresses this challenge by promoting an “Agripreneur” approach—treating farming as a business. This includes fostering good agricultural practices, building inclusive business models, and integrating smallholder farmers into agricultural value chains.

Through strategic partnerships with the Philippine Government—particularly the Department of Agriculture (DA), Department of Trade and Industry (DTI), and private sector actors—GIZ supports efforts to raise productivity, increase incomes, and promote sustainable, climate-smart farming.



In line with the Philippine Development Plan (PDP) 2023–2028, GIZ contributes to the national goal of modernizing agriculture and agribusiness. This includes supporting smallholder producers to diversify, improve efficiency, expand market access, and comply with sustainability standards—opening doors to local and international markets and enabling them to rise above the poverty threshold.

Unlocking Inclusive Growth: GIZ’s Economic Empowerment Approach: GIZ supports partner countries in strengthening their economic foundations by streamlining regulations, dismantling bureaucratic barriers, and building effective support systems for business and investment. By fostering dialogue between public and private actors, GIZ helps identify comparative advantages and stimulate cross-sectoral economic synergies. Through strategic economic policy advice and targeted interventions—ranging from private sector development to inclusive, poverty-oriented financial systems—GIZ enables broader participation in economic growth, ensuring that no one is left behind.

Putting People at the Heart of Sustainable Growth: Ultimately, economic growth is driven by people. That’s why GIZ places human capacity at the core of its efforts—equipping individuals with the right skills through practical, demand-driven, and partner-oriented approaches. Ensuring broad participation across all population groups is essential to making growth inclusive, far-reaching, and sustainable.

Drawing on its expertise, GIZ supports partner countries in shaping economic development that is not only productive and profitable, but also socially inclusive and environmentally-responsible laying the foundation for long-term, resilient prosperity.

Project References

<u>Supporting Peace and Development in Mindanao (SPADe)</u> (2021 – 2026) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Co-funded by: European Union Country: Philippines Lead Agency: Department of the Interior and Local Government, Mindanao Development Authority	SPADe collaborates closely with the Philippine Government to promote inclusive development and peacebuilding through climate- and conflict-sensitive measures. It enhances services for agricultural cooperatives and indigenous communities by introducing climate-resilient farming techniques to increase smallholder incomes.
<u>Towards Sustainable Coconut (Oil) Production at Scale Supporting Sector Transformation in the Philippines (Coconut Alliance)</u> (2021 – 2025) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Countries Philippines Lead Agency: Department of Agriculture, Philippine Coconut Authority, Agricultural Training Institute	Coconut Alliance works to boost the sustainability of coconut production in the Philippines by promoting eco-friendly farming practices and improving the livelihoods of smallholder farmers, while fostering landscape-level environmental stewardship and inclusive value chain development.
<u>Transforming Livelihoods and Climate Resilience of Smallholder Coffee Producers Through the Adoption of Regenerative Agriculture Production Systems (Coffee++)</u> (2023 – 2025) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Countries: Côte d'Ivoire, Indonesia, Philippines, Thailand Lead Agency: Philippines, Department of Agriculture	Coffee++ aims to improve the livelihoods and climate resilience of 19,700 smallholder coffee farmers across Indonesia, Côte d'Ivoire, Thailand, and the Philippines. Through regenerative agriculture and landscape management, the project promotes sustainable practices such as agroforestry, intercropping, and tree diversification. Farmers are trained in business skills, soil health, biodiversity conservation, and GHG reduction. Supported by Nestlé through coffee procurement and incentives.

<u>Sustainable Development and Good Agricultural Practices in the Philippine Coconut Supply Chain (SDGCoco)</u> (2020 – 2028) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Country: Philippines Lead Agency: Department of Energy, Department of Agriculture, Philippine Coconut Authority	SDGCoco helped enhance the livelihoods of 500 coconut farmers in the provinces of Laguna, Quezon and Camarines Norte. By focusing on improving social, economic, and environmental practices within the coconut supply chain.
<u>Improving Smallholder Livelihoods Through Inclusive Business Models (Cacao+)</u> (2019 – 2024) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Country: Philippines Lead Agency: Department of Agriculture	Cacao+ helped strengthen climate-resilient and diversified cacao farming systems in partnership with Kennemer Foods International, Inc. by improving farmer skills, enhancing value-chain integration, expanding access to agricultural finance, and leveraging digital tools for informed farm management and productivity.
<u>Promotion of Green Economic Development</u> (2013 – 2016) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Country: Philippines Lead Agency: Department of Trade and Industry (DTI)	In 19 provinces, over 450 enterprises adopted green practices, improving efficiency, reducing costs, and lessening environmental impact. Sixty-six businesses were recognized for their efforts, including five ASEAN Green Hotel Awardees.
<u>Environment and Rural Development Program</u> (2005 – 2015) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Country: Philippines Lead Agency: Department of Environment and Natural Resources (DENR), Department of Agrarian Reform (DAR), Department of Agriculture (DA)	Over 90% of surveyed community and target group representatives confirmed improvements in policy-making and natural resource management, with other communities and partners adopting the proven approaches. In the Philippines, the SIMPLE (Sustainable Integrated Management and Planning for Local Government Ecosystems) approach was developed and successfully piloted in rural areas.
<u>Standards in the South-East Asian Food Trade</u> (2015 – 2018) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Countries: ASEAN countries; especially Cambodia, Indonesia, Laos, Myanmar, Philippines Lead Agency: Association of Southeast Asian Nations (ASEAN)	Implemented in five countries, it trained inspectors, supported farmers and SMEs, and piloted voluntary certifications. GIZ helped improve food monitoring systems through risk-based inspections and established a learning platform to ensure long-term knowledge retention. The project also contributed to ASEAN common market efforts through regional collaboration.
<u>Sustainable Certified Coconut Oil Production (SCNO) – Strengthening Smallholder Farmer Groups and Setting up a Chain of Custody</u> (2015 – 2018) Donor: German Federal Ministry for Economic Cooperation and Development (BMZ) Countries: Philippines and Indonesia Lead Agency: Philippine Coconut Authority (PCA)	Using a training curriculum on Coconut Farming as a Business, which was jointly developed by the project partners, approximately 50 extension workers from the local government units and the main public-sector partner, the Philippine Coconut Authority, have benefited from a series of training measures for trainers. These address adult learning approaches, coconut management practices and financial and business aspects of coconut farming.