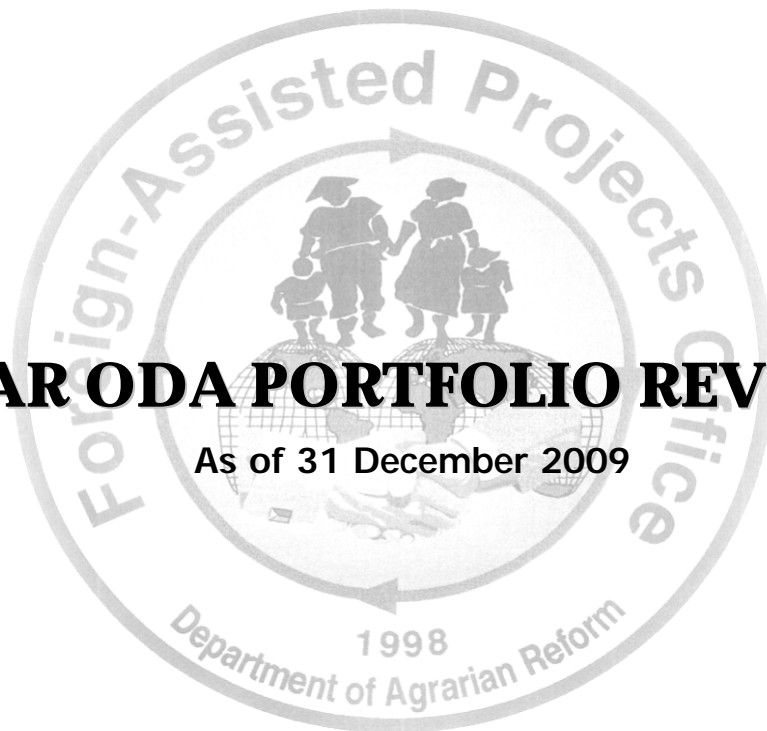




Republic of the Philippines  
DEPARTMENT of AGRARIAN REFORM

# **DAR ODA PORTFOLIO REVIEW**

As of 31 December 2009



# The DAR ODA Portfolio

As of 31 December 2009

## I. Overview

With the adoption of the Agrarian Reform Community (ARC) development approach to Program Beneficiaries Development (PBD) under the Comprehensive Agrarian Reform Program (CARP), the Department of Agrarian Reform (DAR) embarked on a massive resource mobilization to address the magnitude of the demand for basic infrastructure and support services of agrarian reform beneficiaries (ARBs) in the ARCs. This demand continues to increase as DAR targets to cover about 2,000 ARCs by 2010.

The DAR has been tapping Official Development Assistance (ODA) as a significant source of fund to supplement the limited government funds for the Program. Over the years, the ODA portfolio of the DAR has increased significantly, reflecting the foreign donor community's support to the CARP and confidence in the DAR to implement development cooperation projects. Thus, the DAR has facilitated the provision of various basic rural infrastructure facilities and the delivery of other support services to the program beneficiaries particularly in more than 1,000 ARCs.

Since 1992, DAR has generated an aggregate amount of PhP76,611.28 million for a total of 59 projects with ODA, in loans and grants, from bilateral and multilateral donors (Table 1/Figure 1). Of the total investment requirement for these projects, 66.42% are funded through loans, 848% through grants, while 25.11% are considered as GOP counterpart (in cash or in kind from the national government agencies and local government units involved, and beneficiary-farmers/ organizations/cooperatives). As of December 2009, fifty one (51) foreign-assisted projects (FAPs) have already been completed, eight (8) projects are on-going. Meanwhile, 25 projects worth PhP 27,667.42 million are in the pipeline and under various stages of project development/evaluation. (For details, please refer to tables 2 & 3.)

Table 1. **Status of Resource Mobilization**  
CY 1992 - December 2009

Project/Type of Assistance	No. of Projects	Total Cost (PhP Million)			Total
		Loan	Grant	GOP	
? <b>Completed</b>	<b>51*</b>	<b>18,212.56</b>	<b>6,151.30</b>	<b>9,160.60</b>	<b>33,524.46</b>
? <b>On-Going</b>	<b>8</b>	<b>32,670.69</b>	<b>342.88</b>	<b>10,073.25</b>	<b>43,086.82</b>
- Capital Assistance (CA)	7	32,670.69	322.88	10,068.25	43,061.82
- Technical Assistance (TA)	1	-	20.00	5.00	25.00
Sub- Total	<b>59</b>	<b>50,883.25</b>	<b>6,494.18</b>	<b>19,233.85</b>	<b>76,611.28</b>
? <b>In the Pipeline</b>	<b>25</b>	<b>13,253.06</b>	<b>10,100.12</b>	<b>4,314.24</b>	<b>27,667.42</b>

\* includes IP-EIPSDAD (3rd year project implementation is transferred to NCIP)

Of the DAR's fifty-nine (59) FAPs, thirty one (31) projects, with total investment requirements of PhP87,515.38million, passed through the Investment Coordination Committee (ICC)-approval prior to their implementation (Table 4). The first three (3) projects approved in 1995 were the EU-assisted Agrarian Reform Support Project (ARSP), the JIC-Agrarian Reform Infrastructure Support Project (ARISP I) and the Belgian Agrarian Reform Support Project (BARSP) which involved PhP4 million. On an annual basis, excluding 2006, DAR generated the largest amount of funding assistance in 1998, with the approval of four (4) projects worth PhP9.420.72 million. These include the ADB-Agrarian Reform Communities Project (ARCP), the Belgian Integrated Agrarian Reform Support Project (BIARSP), and the IFAD assisted-Western Mindanao Community Initiatives Project (WMCIP), which includes the Support Project for the Indigenous Communities and MNLF in the Zone of Peace within the Agrarian Reform Communities (SPICcinZPARC).

Figure 1. **Profile of DAR ODA Portfolio**

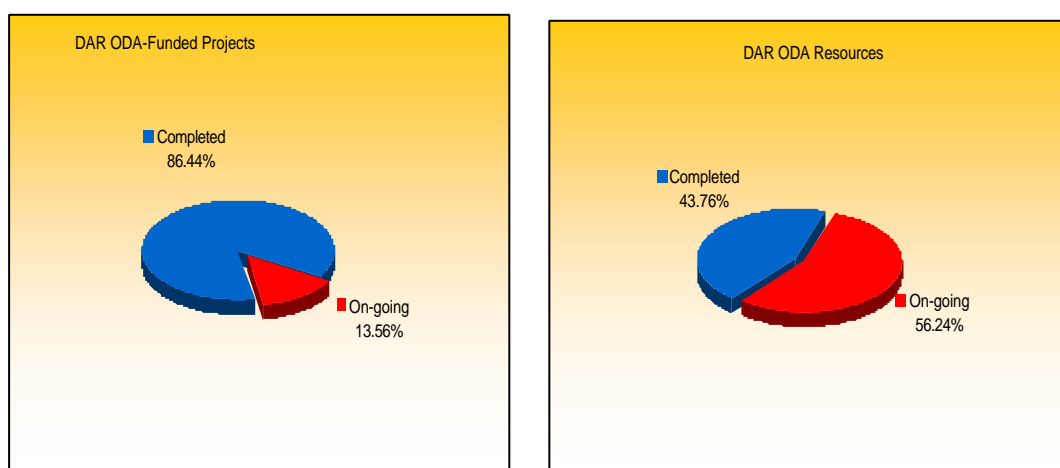


Table 2. **DAR ODA INITIATIVES FOR ARC DEVELOPMENT**  
As of December 2009

Project Title/Funding Source		Regions Covered	ARCs Covered	Total Project Cost (In P. million)	
<b>COMPLETED PROJECTS (51)</b>				<b>33,524.45</b>	
<b>ON-GOING FAPs (Capital Assistance)</b>				<b>43,061.83</b>	
1	Mindanao Sustainable Settlement Area Development Project (MINSSAD)	GOJ/JBIC	X, XI, XIII	8	3,102.50
2	Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) SOF Grant	IFAD	Northern Mindanao	38	1,130.58
3	Second Agrarian Reform Communities Development Project (ARCDP II)	WB	Nationwide	84	3,419.46
4	Agrarian Reform Infrastructure Support Project III	GOJ/JBIC	54 Provinces	130	7,964.63
5	Agrarian Reform Communities Project (ARCP II)	ADB	Regions IVB,V,VI,VIII, IX, ARRM	152	8,647.21
6	Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo	Gov't. of France	Nationwide		18,474.56
7	Bridge Construction to Support Expanded ARCs (Basal-Aurora)	GOJ/JICA	Regions III,IV		317.68
<b>ON-GOING FAPs (Technical Assistance)</b>				<b>25.00</b>	
8	In-Country Training Course -Phase II (Empowering Farmers through Capacity Development & Maintenance System & Technology in ARCs)	GOJ/JICA			25.00
<b>Total ARCs Covered</b>					
<b>Total Cost of Ongoing Projects</b>				<b>43,086.83</b>	
<b>PIPELINE</b>				<b>27,667.42</b>	
<i>Loan</i>					
1	MINSSAD II	GOJ/JBIC	S. Cotabato Set. Area I, N. Cotabato Res. Area I & II, Sultan Kudarat Res. Area I & II		4,703.68
2	Solar Power Technology Project	Gov't of Spain	Region IX,X,XI,XII,XIII		1,217.70
3	Italian Agrarian Reform Community Development Support Program	Gov't of Italy	XI, ARMM	19	2,541.55
4	Comprehensive AR Development Program (CARCDP)	WB			3,855.00
5	DAR-IFAD Sustainable & Empowerment Project	IFAD			2,850.00
6	RP-Korea Agribusiness Cooperation Project	S. Korea			1,298.92
<b>Sub-total</b>				<b>16,466.85</b>	
<i>Grant</i>					
7	Facilities & Equipment for KENAF Prod. & Proc.	JICA			300.00
8	Development of Agrarian Reform Communities in Marginal Areas II	GOJ/JICA	CAR, II		275.82
9	Agrarian Reform Communities Dev't. Project for Upper Agno River Basin	JICA	CAR		287.67
10	Development of Viable ARC in Southern Palawan	GOJ/JICA	Puerto Princesa, Palawan		424.12
11	Agrarian Community Economic Support Project (ACES)	FAO/AusAid		6 ARCs	8.04
12	Agricultural Tramline Project in Benguet	JICA	CAR		31.14
13	Climate Change Adaptation/Resiliency of Upland Agrarian Reform Beneficiaries	GOJ/JICA	Southern Leyte		103.31
14	Economic Enterprise Development for Peace-Building in Muslim -Majority ARCs	Saudi Arabia	Mindanao-Regions IX,X,XI, XII & ARMM	153 ARCs	8,327.00
15	Technical Assistance in Feasibility Study Preparation for ARC Bridges	Korea	Luzon,Visayas, Mindanao		50.00
16	Development Study on the ARC Connectivity for Farmers' Entrepreneurship Development	JICA	5 ARC Clusters in Luzon & Visayas		170.80
17	Livelihood Improvement Projects in Remote ARCs	JICA	Apurawan, Palawan		328.85
18	Emergency Assistance for the Rehabilitation of Access Road	Embassy of Japan	Real, Quezon		78.00
19	Integrated Banana Production Plantation Project	Saudi Facility	Madaum, Davao del Norte		32.24
20	Integrated Mango Processing Plant for ARC Cooperative	Saudi Facility	Jaan ARC, Nueva Ecija		9.28
21	Mushroom Production and Processing	Saudi Facility	Bongabon AR, Nueva Ecija		3.50
22	Development of ARC clusters in South Nueva Viscaya (ARC Connect)	Saudi Facility	Binuangan, Kayapa, Dupax, Bambang ARCs		1.00
23	Strengthening the Institutional Capacity of ARISP III Covered ARC clusters	GOJ/JICA			247.50
24	Bridge Construction to Support Expanded ARC (Umiray Bridge)	GOJ/JICA			497.30
25	Preparation of Detailed Design for the Bridge Construction Project for Expanded ARCs (Umiray Bridge)	GOJ/JICA			25.00
<b>Sub-total</b>				<b>11,200.57</b>	
<b>TOTAL</b>				<b>104,278.69</b>	

Table 3. **List of Completed Foreign-Assisted Projects**  
CY 1992 - December 2009

	TITLE OF PROJECT	FUNDING AGENCY	PROJECT COST (P million)
1	Feasibility Study on the Development of Viable Agrarian Reform Communities in Southern Palawan	Government of Japan (JICA) Grant	17.77
2	Integrated Jala-Jala Rural Development Project	Government of Japan (JICA) Grant	510.50
3	Feasibility Study for the Nucleus Estate Rubber Project	World Bank Grant	2.80
4	Cadastral Support to CARP (Phase I & II)	Sweden/Swedsurvey Grant	36.53
5	Cadastral Support to CARP (Phase III)	Sweden/Swedsurvey Grant	39.00
6	DAR-JICA Study Tour	Government of Japan (JICA) Grant	0.25
7	Feasibility for the Agrarian Reform Communities	USAID Small Studies Fund Grant	1.80
8	FAO-Technical Support to Agrarian Reform and Rural Development	Government of Italy Grant	332.78
9	Feasibility Study for the Development of ARCs in Marginal Areas	Government of Japan (JICA) Grant	79.35
10	Support Activities to Indigenous Groups in Agrarian Reform Communities	FAO-TCP Grant	8.50
11	Mapping of CARP Areas	Government of Japan (JICA) Grant	41.20
12	Database Support to CARP	Government of Japan (JICA) Grant	158.00
13	Technical Assistance: Project Preparation Support to ARCs	Asian Development Bank (ADB) Grant	8.27
14	Technical Support to Agrarian Reform and Rural Development (TSARRD)	Government of Netherlands Bridging Fund	4.87
15	Isabela Masterplan	Government of Japan (JICA) Grant	20.00
16	Belgian Agrarian Reform Support Project (BARSP)	Government of Belgium	140.00
17	Agrarian Reform Infrastructure Support Project	Japan Bank for International Cooperation (JBIC)	2,505.87
18	Rural Agricultural Credit Support Project	Japan Bank for International Cooperation (JBIC)	109.62
19	Agrarian Reform Support Project	European Union (EU)	1,354.30
20	Expansion of Cadastral Support to CARP - Phase IV	Swedish International Development Cooperation Agency	231.85
21	Poverty Alleviation Program for Social Reform Agenda (PAPSRA): Support to Selected Indigenous Cultural Communities (ICCs) and Agrarian Reform Communities in Mindanao	Philippines Canada Development Fund (PCDF) Grant	51.34
22	Italian Food Aid Programme II	Government of Italy Grant	4.00
23	Project Preparation for Agrarian Reform Communities Development Project Phase II	World Bank Grant	37.26
24	Sustainable Agrarian Reform Communities-Technical Support to Agrarian Reform and Rural Development	Royal Government of Netherlands Government of Italy-FAO Grant	332.78
25	Agrarian Reform Communities Development Project (ARCDP)	World Bank Loan	4,587.81
26	TSARRD II Ext. Phase	Government of Italy Grant	25.50
27	Support to Asset Reform thru the CARP and Development of Indigenous Communities (SARDIC)	UNDP Grant	214.81
28	SARDIC-ARCP Collaborative Project	UNDP, ADB	39.71
29	Belgian Integrated Agrarian Reform Support Project (BIARSP)	Government of Belgium Grant	1,404.98
30	Development of Agrarian Reform Communities in Marginal Areas (DARCMA)	GOJ/JICA	291.62
31	Empowering the ARBs thru Tenurial Security (EARBETS)	UNDP	7.50
32	Phil-German Cooperation in Agrarian Reform & Rural Development (Phase I)	German Government	65.00
33	Agrarian Reform Communities Project Phase II (TA)	ADB	12.50
34	Solar Power Technology Support Project to Agrarian Reform Community Initiatives and Resource Management Project (SPOTS I)	Spain	2,110.69
35	Replacement of GPS Equipment and Software Data Downloading	GOJ/JICA	3.96
36	Philippine-Australia Technical Support for Agrarian Reform and Rural Development (PATARRD)	AusAid	288.94
37	Program Support to Asset Reform Implementation (PSARI)	UNDP	155.04
38	Agrarian Reform Infrastructure Support Project II (ARISP II)	GOJ/JBIC	6,740.00
39	Community-Managed Agrarian Reform and Poverty Reduction Program (CMARPRP)		110.00
40	Philippine-German Cooperation in Agrarian Reform and Rural Development - Phase II	German Government	124.90
41	Belgian Integrated Agrarian Reform support Project (BIARSP) (Phase III)	Gov't of Belgium	600.46
42	Agrarian Reform Communities Project (ARCP)	ADB	7,207.22
43	Western Mindanao Community Initiatives Project (WMCIP)	IFAD	774.56
44	Support for the Indigenous Communities and MNLF in the Zone of Peace with ARCs	IFAD	33.94
45	Support to Agrarian Reform in Central Mindanao (STARCM)	EU	1,049.63
46	Phil-Israel Center for Agricultural Training Project	State of Israel	6.20
47	National Program Support to Agrarian Reform (NPSAR-TA)	Jpan-PHRD	44.00
48	Development and Testing of Innovative Approaches for Mainstreaming Indigenous People in Selected Agrarian Reform Communities	WB-Japan Social Dev. Fund	67.00
49	Solar Power Technology Support Project to Agrarian Reform Community Initiatives and Resource Management Project (SPOTS II)	Spain	1,460.21
50	In-country Training Course on the Improvement of Operation and Maintenance System and Technology for ARCs with ARB Participation	GOJ/JBIC	20.00
51	Integrated Programme for the Empowerment of Indigenous Peoples and Sustainable Development of Ancestral Domains (IP-EIPSDAD)	UNDP	49.64
	<b>TOTAL</b>		<b>33,524.46</b>

Table 4. List of FAPs with ICC-Approval  
1995 - December 2009  
(PhP Million)

PROJECT TITLE	PROJECT DURATION	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1 ARSP (EU)	1995-2001	1,354.30													
2 ARISP (JBIC)	1996-2002	2,505.87													
3 ARCDP (WB)	1997-2003		4,587.80												
4 RASCP (JBIC)	1997-2001			109.62											
5 ECSCARP (SIDA)	1997-2001			231.85											
6 SARC-TSARRD/	2002-2002		332.78												
TSARRD II-Ext.	2002-2003								25.50						
Phase (ITALY)															
(AusAID-Bridge	July-Aug.								4.87						
Financing)	2002														
7 PAPSRA (CIDA)	1999-2001			51.34											
8 SARDIC (UNDP)	1997-2003			214.81											
9 IFAP II (ITALY)	1997-			4.00											
10 BARSP/	1995-1998	140.00													
BIARSP (BELGIUM)	1998-2003				1,404.98										
11 ARCP (ADB)	1999-2005				7,207.22										
12 WMCIP (IFAD)	1999-2004				774.58										
13 SPICcinZPARC	1999-2004				33.94										
14 ARISP II (JBIC)	2000-2004					6,740.00									
15 MINSSAD (JBIC)	2001-2006						3,102.50								
16 STARCM (EU)	2001-2008						1,049.63								
17 DARCMA (JICA)	2002-2003							291.62							
18 NMCIREMP (IFAD)	2003-2008							1,130.58							
19 ITALIAN ARCDP	2003-							1,118.47							
20 SPOTS (SPAIN)	2003-2005								2,110.69						
21 ARCDP II (WB)	2003-2006								3,419.46						
22 PGCSARRDP	2002-2004								65.00						
(GERMAN)															
23 PATSARRD	2002-2005								288.94						
(AusAID)															
24 EARBETS (UNDP)	2002-2004								7.50						
25 BIARSP III	Sept 2003-									600.46					
(BELGIUM)	Aug 2007														
26 SPOTS II (SPAIN)	June 2005-										1,460.21				
	Dec 2006														
27 TULAY NG	2006-2011												11,742.77		
PANGULO (UK)															
28 ARISP III (JBIC)	2007-2013												7,964.63		
29 ARCP II (ADB)	2008-2013													8,647.21	
30 TULAY NG	2008-2012														18,474.56
PANGULO (Gov't. of															
France)															
31. Bridge Construction															
to Support	2008-2009														317.68
Expanded ARCs															
(Basal-Aurora)															
Sub-total		4,000.17	4,920.58	611.62	9,420.72	6,740.00	4,152.13	2,540.67	5,921.96	600.46	-	1,460.21	19,707.40	8,647.21	18,792.24
Cumulative Total		4,000.17	8,920.75	9,532.37	18,953.09	25,693.09	29,845.22	32,385.89	38,307.85	38,908.31	38,908.31	40,368.52	60,075.93	68,723.14	87,515.38

The Department's 8 on-going FAPs have an aggregate project cost of P43,086.82 million. Of these, seven (7) provide both CA and technical assistance (TA) while another one (1) project is categorized as solely technical assistance (TA) projects. (Table 5)

Table 5. **Profile of DAR Foreign-Assisted Projects**  
As of December 2009

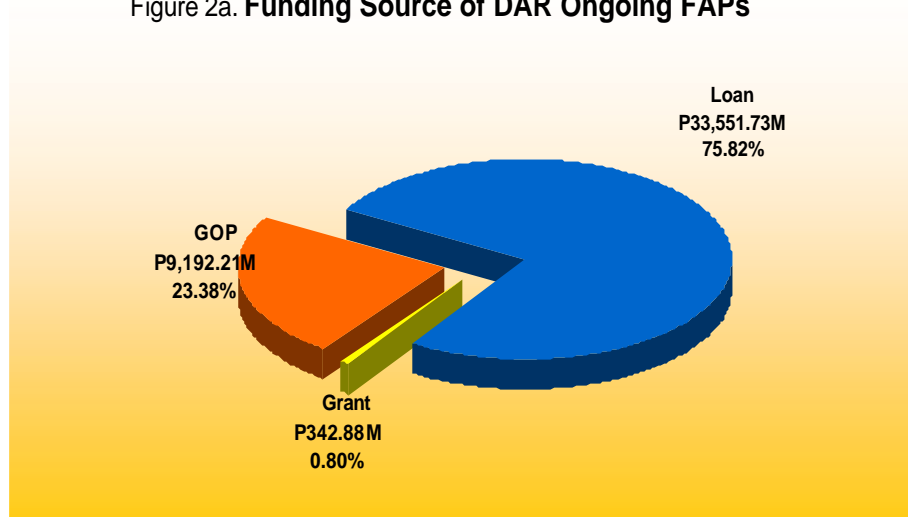
Project Title and Fund Source	Type of Assistance	Total Cost (PhP million) <sup>1</sup>			
		Loan	Grant	GOP	Total
<b>Loans</b>					
1 JBIC - MINSSAD	CA/TA	2,326.95		775.55	3,102.50
2 WB - ARCDP 2	CA/TA	2,632.98		786.48	3,419.46
3 IFAD - NMCIREMP (w/ SOF grant)	CA/TA	728.83	5.20	401.75	1,135.78
4 JBIC - ARISP III	CA/TA	5,973.48		1,991.15	7,964.63
5 Agrarian Reform Communities Project (Phase II)	CA/TA	4,497.35		4,149.86	8,647.21
6 Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo	CA/TA	16,511.09		1,963.47	18,474.56
<b>Grants</b>					
7 Bridge Construction to Support Expanded ARCs (Basal - Aurora)	CA/TA		317.68		317.68
8 In-country Training Course - Phase II (Empowering Farmers through Capacity Development in Operation & Maintenance System & Technology in ARCs)	TA		20.00	5.00	25.00
<b>GRAND TOTAL</b>		<b>32,670.69</b>	<b>342.88</b>	<b>10,073.25</b>	<b>43,086.82</b>

TA projects provide/implement training programs, manpower and equipment support, policy studies and other activities that will help augment the capability of DAR staff and the ARBs themselves, while CA projects involve substantial investments in infrastructure, economic activities, livelihood and agri-business with some TA components.

The bulk, or 75.82%, of the combined cost of these on-going projects are financed through loans while the remaining 23.38% and 0.80% are sourced from the GOP and grant, respectively (Table 5/Figure 2a). The six (6) projects worth P42,744.14 million are assisted with loans from the Government of Japan, the World Bank-International

Bank for Reconstruction and Development (IBRD), Government of France, Asian Development Bank, OPEC and the International Fund for Agricultural Development (IFAD). The other on-going projects are assisted with a total of ₱342.68 million grant funds from the governments of Japan through the Japan International Cooperation Agency (JICA).

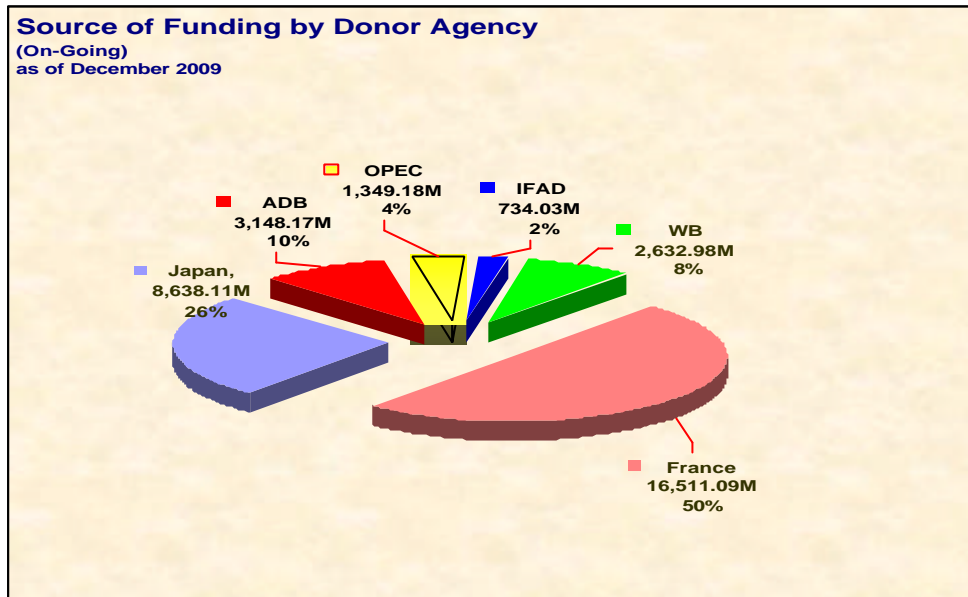
Figure 2a. **Funding Source of DAR Ongoing FAPs**



In terms of the Department's total ODA Portfolio of on-going projects, the Government of France emerged with the biggest share accounting for 50% (Figure 2b). Fund support from the Government of Japan accounted for 26%; 10% from the ADB; 8% from WB; 4% from OPEC; and 2% from IFAD

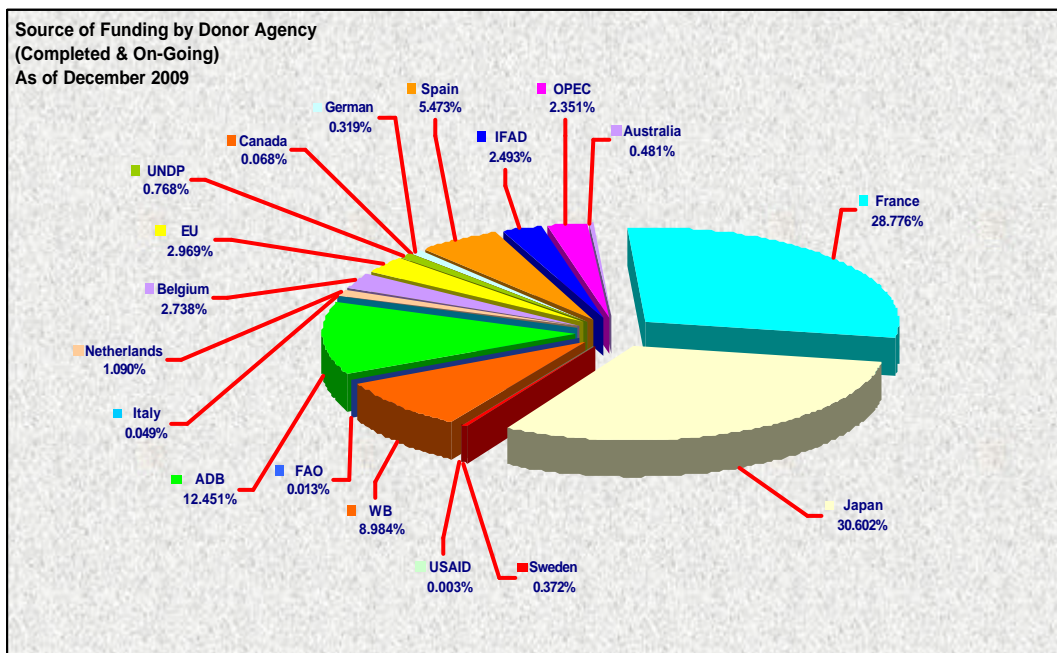
Counterpart fund requirements from the Government of the Philippines (GOP) for these on-going projects were estimated at ₱ 10,073.25 million, or 23.38% of the consolidated total project cost of all on-going FAPs.

Figure 2b



In terms of the Department's total ODA Portfolio of completed and on-going projects, the Government of Japan still emerged with the biggest share accounting for 30.601% (Figure 2c). Fund support from the Gov't. of France accounted for 28.776%; 12.450 from Asian Development Bank (ADB); 8.984% from the WB; 5.473% from Spain; 2.492% from IFAD; and 2.351% from OPEC. Grants from the European Union, the Government of Belgium and UNDP accounted for 2.969%, 2.7389%, and .768 % of the total, respectively.

Figure 2c



## II. Scope and Coverage

As of December 31, 2009, a total of 1,266 FAPs ARCs have been assisted in 79 provinces and 958 municipalities. Development interventions in these ARCs were focused on five major areas: physical infrastructure, community and institutional development, agricultural productivity and rural enterprise, basic social services, and land tenure improvement.

### ARC SCOPE By Island Group

As of December 31, 2009

ISLAND	SCOPE					
	PROVINCE	MUNICIPALITY	ARC	BARANGAY	ARB	No. of FAP
Luzon	38	359	433	1,895	309,513	13
Visayas	16	243	294	1,418	208,318	16
Mindanao	25	356	539	2,070	334,493	24
<b>Grand Total</b>	<b>79</b>	<b>958</b>	<b>1,266</b>	<b>5,383</b>	<b>852,324</b>	<b>24</b>

\* The total number of FAPs has been corrected for double counting. Some FAPs have areas in all three island groups. Hence, the number of FAPs per island does not add up to the grand total.

Cumulative FAPs reach is 852,324 ARBs in 5,383 barangays. Forty-three percent of FAPs ARCs are located in Mindanao, 34% in Luzon and 23% in Visayas. Region IX and Region VI account for the widest ARC coverage with 120 and 113, respectively; while CAR and Region I have the least ARCs. Regions III and VIII have the largest ARB count, 71,114 and 81,711, respectively. Region X has the most number of projects with 17 FAPs, inclusive of completed and on-going projects. Region VIII has the largest number of FAPs-assisted barangays at 757.

Among the FAPs providing capital assistance, 2 projects cover the most number of ARCs, ARCP (167 ARCs) and ARISP II (149 ARCs). For technical assistance projects, PATSARRD has the largest coverage with 288 ARCs. Completed FAPs have provided assistance to 887 ARCs; on-going projects, which are at various stages of implementation, cover 245 ARCs.

## ARC SCOPE By REGION

As of Dec 31, 2009

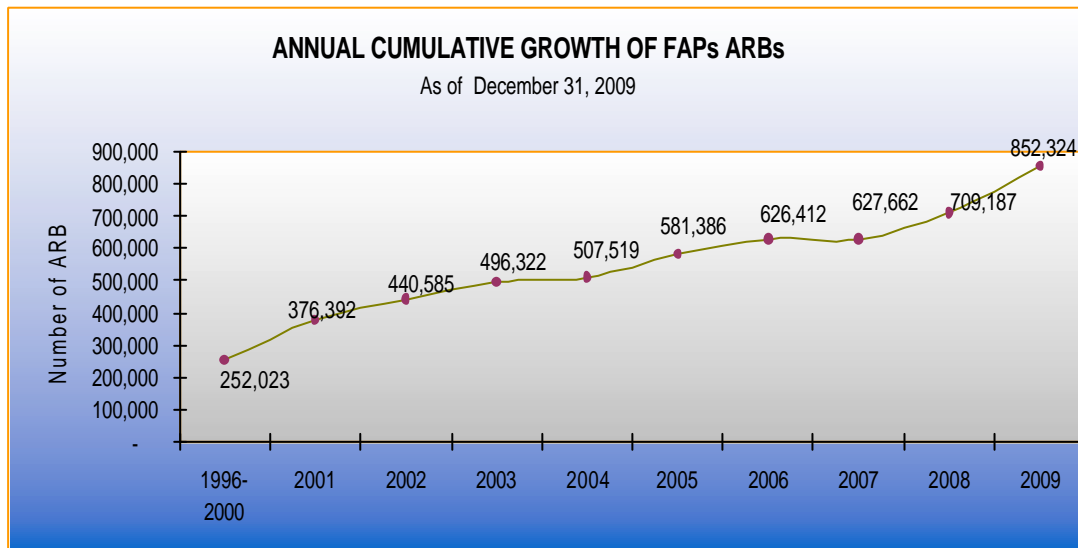
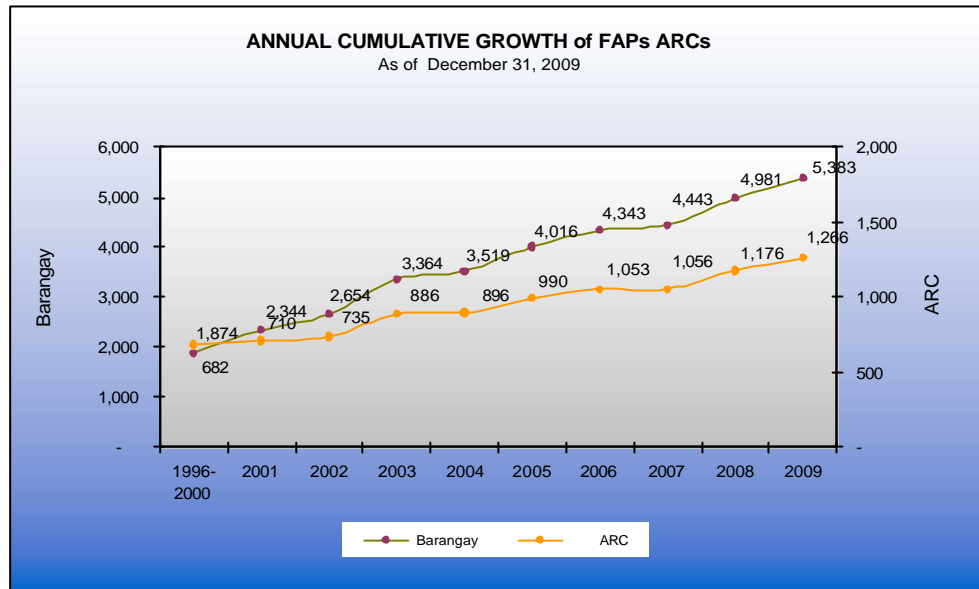
ISLAND	SCOPE					
	PROVINCE	MUNICIPALITY	ARC	BARANGAY	ARB	No. of FAP
CAR	6	38	38	248	39,050	5
Region I	4	59	60	267	35,122	8
Region II	5	63	72	362	50,366	10
Region III	7	67	82	326	71,114	10
Region IV	10	68	100	334	66,443	12
Region V	6	64	81	358	47,418	12
<b>Luzon</b>	<b>38</b>	<b>359</b>	<b>433 34%</b>	<b>1,895</b>	<b>309,513</b>	<b>13</b>
Region VI	6	86	113	311	61,776	10
Region VII	4	55	71	350	64,831	9
Region VIII	6	102	110	757	81,711	12
<b>Visayas</b>	<b>16</b>	<b>243</b>	<b>294 23%</b>	<b>1,418</b>	<b>208,318</b>	<b>16</b>
Region IX	3	69	120	515	60,481	13
Region X	5	76	108	440	47,757	17
Region XI	4	49	80	262	70,203	15
Region XII	4	46	72	174	67,389	13
CARAGA	4	64	93	480	70,047	13
ARMM	5	52	66	199	18,616	13
<b>Mindanao</b>	<b>25</b>	<b>356</b>	<b>539 43%</b>	<b>2,070</b>	<b>334,493</b>	<b>24</b>
<b>Grand Total</b>	<b>79</b>	<b>958</b>	<b>1,266</b>	<b>5,383</b>	<b>852,324</b>	<b>24</b>

## ARC SCOPE By PROJECT

As of December 31, 2009

FAP	DURATION	SCOPE				
		PROVINCE	MUNICIPALITY	ARC	BARANGAY	ARB
<b>Completed</b>						
ARSP-EU	1995-2001	5	51	61	199	44,914
BIARSP I/II - GoB	1996-2003	8	60	74	74	52,168
ARISP I - JBIC	1996-2002	64	72	75	318	40,634
RASCP - JBIC	1997-2001	64	72	75	318	40,634
ARCDP I - WB	1997-2002	14	101	101	505	70,190
SARDIC-UNDP	1997-2003	7	62	75	207	35,797
IFAP-GoI	1997	1	1	1	2	164
PAPSRA-CIDA	1999-2001	6	9	10	11	3,654
DARCMA-JICA	2002-2003	2	2	2	15	2,777
SARC-TSARRD (TA)	1997-2002	64	334	357	1,398	218,422
SPOTS-GoS I	2003-2004	16	37	100	157	37,291
PATSARRD-AusAid	2003-2006	6	94	288	554	66,750
CMARPRP-JDSF	2003-2007	9	10	10	17	665
BIARSP III - GoB	2003-2007	8	60	76	74	52,168
ARISP II - JBIC	2000-2007	61	142	149	623	105,839
ARCP-ADB	1999-2007	34	164	167	546	92,798
WMCIP-IFAD	1999-2007	4	20	23	57	4,115
SPICcinZPARC	1999-2007	1	1	1	3	1,435
STARCM-EU	2001-2008	4	43	52	137	32,316
SPOTS-GoS II	2006-2009	30	94	109	217	55,000
<b>On-going</b>						
MINSSAD-JBIC	2001-2009	6	16	8	51	13,666
ARCP-ADB II	2009-2015	18	137	149	678	78,597
ARCDP II - WB	2003-2009	16	84	84	316	82,711
NMCIREMP-IFAD	2003-2009	5	28	38	270	19,421
ARISP III - JBIC	2008-2014	54	126	130	518	68,330
<b>Total ARCs</b>	<b>1,266</b>	<b>Total Provinces</b>		<b>79</b>		
<b>Total ARBs</b>	<b>852,324</b>	<b>Total Municipalities</b>		<b>958</b>		
				<b>Total Barangays</b>	<b>5,383</b>	

Yearly growth rate of ARCs is 8% or an average of 70 new ARCs covered per year; annual growth rate for ARB is 11% or 59,492 ARBs per year; and an average of 11% or an additional 380 barangays per year.



### III. Status of On-Going Foreign-Assisted Projects (FAPs)

In this review, only five (5) of the eight (8) FAPs were covered. Projects not included in the physical and financial review are those under grant-assistance and/or TA projects such as the JICA – In Country Training Course – Phase II and Bridge Construction to Support Expanded ARCs (Basal-Aurora) and the newly approved loan-project (Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo).

#### A. Physical Accomplishment

As of December 2009, overall physical performance of the five (5) FAPs was reported at 42% of their physical targets, reflecting a decrease of 20.61% from the previous year's level of 62.61%. Similarly, FAPs performance for the year exhibited a substantial downward trend, from last year's record of 33.22% to this year's 15.84% (Table 7/Figure 5).

Table 7. **PHYSICAL PERFORMANCE**

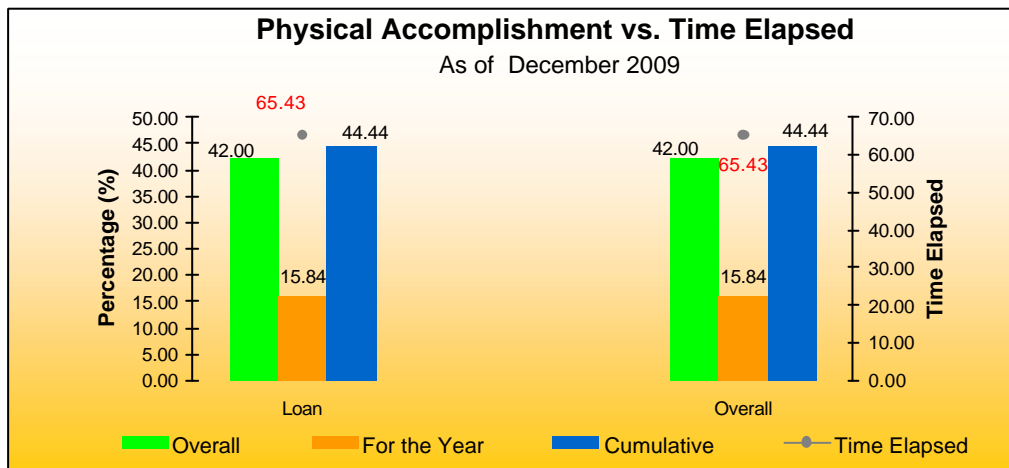
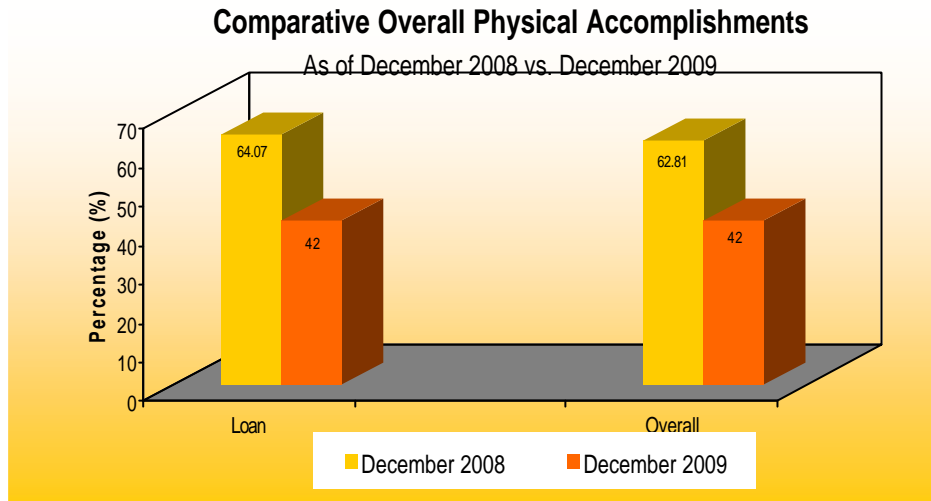
As of December 31, 2009

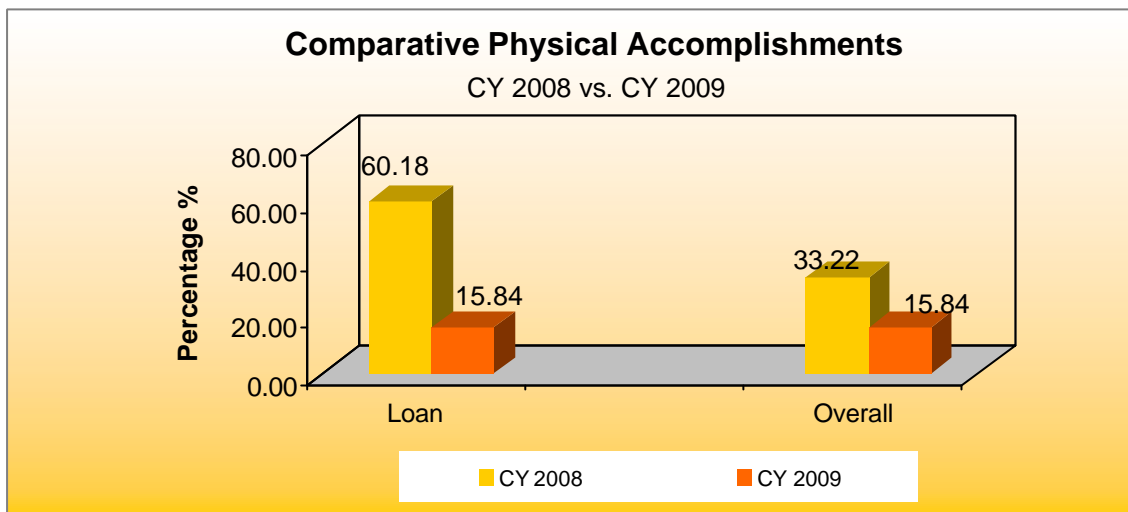
NAME OF PROJECT		Target Cummulative/ Global	PERFORMANCE RELATIVE TO TARGETS (%) <sup>1/</sup>		
			Overall	For the Year	Cumulative
<b>LOAN</b>		<b>47.08</b>	<b>42.00</b>	<b>15.84</b>	<b>44.44</b>
1	Agrarian Reform Infrastructure Support Project Phase III (ARISP III)	36.71	16.35	14.00	21.05
2	Agrarian Reform Communities Project 2 (ARCP 2)	3.79	2.56	2.56	2.56
3	Mindanao Sustainable Settlement Area Development Project (MINSSAD)	100.00	115.08	0.00	115.08
4	Agrarian Reform Communities Development Project (PH-4109-WB)	101.50	108.09	47.89	108.09
5	Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP)	101.64	109.92	57.32	113.62
<b>Over-all Weighted Accomplishment</b>		<b>47.08</b>	<b>42.00</b>	<b>15.84</b>	<b>44.44</b>

<sup>1/</sup> Weighted

<sup>2/</sup> Based on revised set of performance indicator.

On the other hand, the overall physical accomplishment of the loan-assisted projects exhibited a downward trend, from 64.07% in December 2008 to 42% in December 2009. However, for the year, a downward trend was exhibited, from 60.18% accomplishment in December 2008 to 15.84% December 2009.





## B. Financial Performance

The average ODA utilization rate for the FAPs under review was 55.59% of the total committed funds. On the other hand, the average availment rate was 76.91%. (Table 8)

**Table 8. Utilization and Availment Rate of On-going Foreign -Assisted Projects**  
As of December 2009

Project Title and Fund Source		Net Commitment	Sheduled Availment	Actual Availment	Utilization Rate (%)	Availment Rate (%)	Time Elapsed (%)
<b>LOAN</b>							
JBIC-MINSSAD	Y	6,515.00	5,847.66	5,797.75	88.99%	99.15%	104.08%
ARDCP II							
Original loan	\$	50.00	47.04	49.92	99.80%	106.00%	93.00%
Additional Financing	\$	10.00	5	4.64	46.40%	93.00%	45.00%
NMCIREMP	Php	728.83	802.78	609.44	84.00%	76.00%	110.00%
ARISP III	Y	11,802.00	1,810.45	1,507.90	13.34%	83.29%	26.32%
ARCP II	\$	70.00	13.20	0.59	1.00%	4.00%	14.19%

In terms of cash support, loan-assisted projects received 80.90% of their total allotment. Total obligations as of December 2009 reached 83.50% of the total allotment. (Table 9 and Figure 7a and 7b.)

**Table 9. Cash Allocation and Cash Disbursement Status  
As of December 2009**

Fund Source	Allotment (PM)	Obligations (PM)	Cash Allocation (PM)	Cash Disb. (PM)
<b>Loan</b>				
<b>Total</b>	9,943.338	8,302.593	8,044.128	7,135.802
<b>Loan Proceeds</b>	7,747.678	6,446.030	5,720.969	5,124.475
<b>Peso Counterpart</b>	2,195.660	1,856.563	2,323.159	2,011.327
<b>Grand Total</b>	9,943.338	8,302.593	8,044.128	7,135.802
<b>Loan</b>	7,747.678	6,446.030	5,720.969	5,124.475
<b>Peso Counterpart</b>	2,195.660	1,856.563	2,323.159	2,011.327

Figure 7a. Cash Allocation and Cash Disbursement by Fund

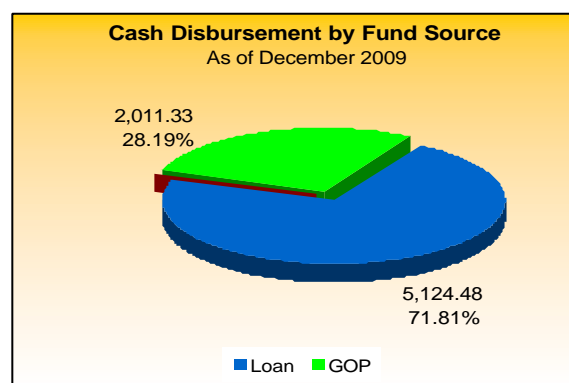
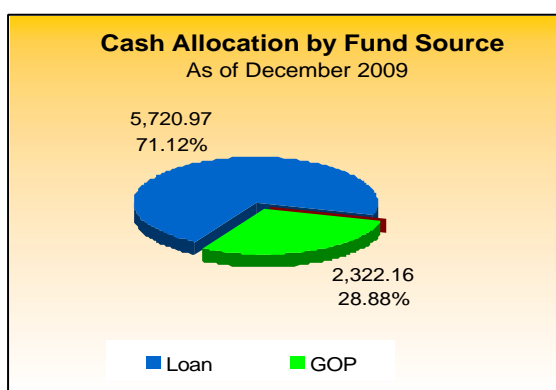


Figure 7b

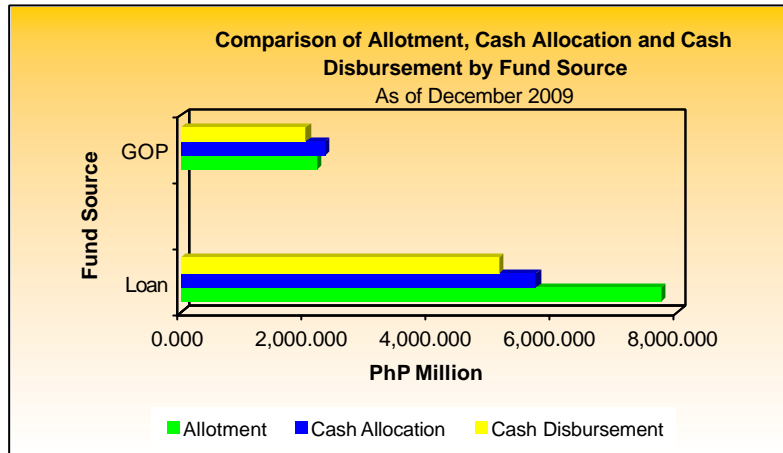
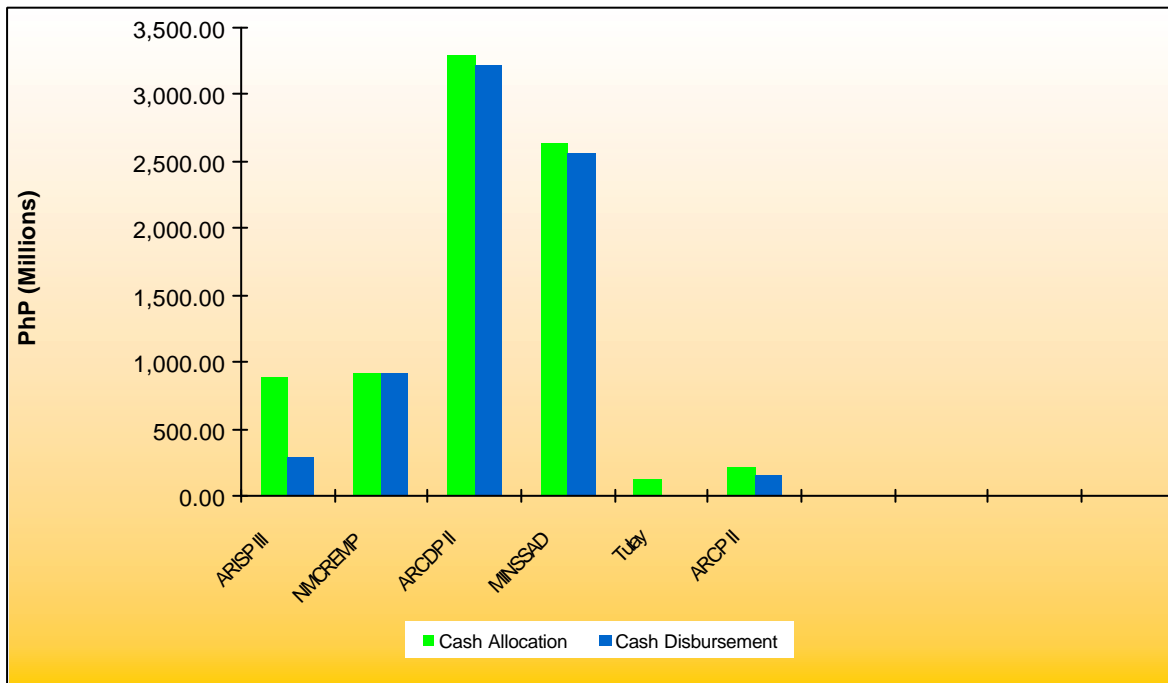


Figure 7c. Cash Allocation/Cash Disbursement by FAP



## 1. Loan Performance

As of December 2009, the average loan utilization and availment rates were 55.59% and 76.91%, respectively. ARDCP II reported the highest loan availment rate of 106% (Table 8).

For the period covering January to December 2009, the Department of Budget and Management (DBM) have released the allotment for loan proceeds amounting to P1,2501.007 million for the 3 projects (ARISP III, ARCDP II & ARCP II). For the period covering January to December 2009, the total obligations incurred amounted to P780.292 million. On the other hand, total cash allocation released was P403.404million. Total cash disbursements amounted to P361.662, or 63.43% of the cash allocation (Tables 10 and 11).

**Table 10. Cash Allocation and Cash Disbursement Status for CY 2009  
As of December 2009**

<b>Fund Source</b>	<b>Allotment (PM)</b>	<b>Obligations (PM)</b>	<b>Cash Allocation (PM)</b>	<b>Cash Disb. (PM)</b>
<b>Loan</b>				
<b>Total</b>	2,180.085	1,161.556	1,001.123	616.892
<b>Loan Proceeds</b>	1,501.007	780.292	403.404	255.863
<b>Peso Counterpart</b>	679.078	381.264	597.719	361.029
<b>Grant Total</b>	2,180.085	1,161.556	1,001.123	616.892
<b>Loan</b>	1,501.007	780.292	403.404	255.863
<b>Peso Counterpart</b>	679.078	381.264	597.719	361.029

## 2. GOP Counterpart Performance

As of December 2009, the government allotted P2,195.660 million as GOP counterpart to support various activities by virtue of the loan and grant agreements. Actual cash allocated amounted to ₱ 2,323.159 million, cumulative from project start. The actual cash disbursements reached ₱ 2,011.327 million.

For the period January – December 2009, total allotment released by DBM amounted to 679.078million. Total obligations reached P381.264million. Cash allocation and disbursements were at P597.719 million and P361.029 million, respectively (Tables 10 and 11). Details on the financial performance of the FAPs as of December 2009 and for the 4th quarter 2009 are shown in Tables 11 and 12.

Department of Agrarian Reform  
**Financial Performance of On-going Foreign-Assisted Projects**  
 January to December 2009

131/2010

FUND SOURCE-PROJECT TITLE	EXPENDITURES											RATE (%)					
	ALLOTMENT (Pmillion)	OBLIGATIONS (Pmillion)	OBLIGN/ ALLOT. (%)	CASH ALLOCATION (NCA) (Pmillion)	CASH SUPPORT (D)/(A) (%)	AMOUNT (Pmillion)			TOTAL	Cash Disb. (F)/(D)	Total Disb. (H)/(A)	Cash Disb. Oblign. (F)/(B)					
						A	B	C					D	E	F	G	H
<b>LOANS</b>																	
Total	2,180.085	1,161.556	53.28%	1,001.123	45.92%	616.892	117.563	745.605	61.62%	34.20%	53.11%						
Loan Proceeds	1,501.007	780.292	51.98%	403.404	26.88%	255.863	105.799	361.662	63.43%	24.09%	32.79%						
Peso Counterpart	679.078	381.264	56.14%	597.719	88.02%	361.029	11.764	383.943	60.40%	56.54%	94.69%						
<b>1.0 JAPAN BANK FOR INTERNATIONAL COOPERATION (JBIC)</b>																	
Total	1,398.068	861.297	61.61%	252.607	18.07%	174.102	66.902	252.154	68.92%	18.04%	20.21%						
LP	1,085.927	658.962	60.68%				62.45	62.450			5.75%						
GOP	312.141	202.335	64.82%	252.607	80.93%	174.102	4.452	189.704	68.92%	60.78%	86.05%						
<b>1.b Mindanao Sustainable Settlement Area Development Project (MINSAD)</b>																	
Total		6.445		80.422		68.894	46.954	115.848	85.67%		1068.95%						
LP		1.987		68.537		56.911	43.349	100.26	83.04%		2864.17%						
GOP		4.458		11.885		11.983	3.605	15.588	100.82%		268.80%						
<b>2.0 WORLD BANK (WB)</b>																	
Total	241.680	129.250	53.48%	241.680		129.250	1.801	131.051	53.48%	54.23%	100.00%						
LP	226.680	110.740	48.85%	226.680		110.74	1.801	110.74	48.85%	48.85%	100.00%						
GOP	15.000	18.510	123.40%	15.000		18.51		20.311	123.40%	135.41%	100.00%						
<b>3.0 INTERNATIONAL FUND FOR AGRICULTURAL DEV. (IFAD)</b>																	
Total		3.868		88.166		84.134	0.046	84.18	95.43%		2180.77%						
LP		3.868		83.835		79.803	0.046	79.803	95.19%								
GOP				4.331		4.331		4.377	100.00%		112.26%						
<b>4.0 Asian Development Bank (ADB)</b>																	
Total	418.518	156.997	37.51%	217.029	51.86%	156.803	1.86	158.663	72.25%	37.91%	99.88%						
LP	188.400	8.603	4.57%	24.352	12.93%	8.409		8.409	34.53%	4.46%	97.74%						
GOP	230.118	148.394	64.49%	192.677	83.73%	148.394	1.86	150.254	77.02%	65.29%	100.00%						
<b>5.0 French Government</b>																	
Total	121.819	3.709	3.04%	121.219	99.51%	3.709		3.709	3.06%	3.04%	100.00%						
LP																	
GOP	121.819	3.709	3.04%	121.219	99.51%	3.709		3.709	3.06%	3.04%	100.00%						
<b>GRAND TOTAL</b>																	
Total	2,180.085	1,161.556	53.28%	1,001.123	45.92%	616.892	117.563	745.605	61.62%	34.20%	53.11%						
Loan	1,501.007	780.292	51.98%	403.404	26.88%	255.863	105.799	361.662	63.43%	24.09%	32.79%						
GOP	679.078	381.264	56.14%	597.719	88.02%	361.029	11.764	383.943	60.40%	56.54%	94.69%						

Department of Agrarian Reform  
**Financial Performance of On-going Foreign-Assisted Projects**  
 As of 31 December 2009

1/30/2010

FUND SOURCE-PROJECT TITLE	ALLOTMENT (Pmillion)	OBLIGATIONS (Pmillion)	OBLIG. ALLOT. (%)	CASH ALLOCATION (NCA) (Pmillion)	CASH SUPPORT (D)/(A) (%)	EXPENDITURES					Total Cash Disb. Oblign. (F)/(B)	
						AMOUNT (Pmillion)			RATE (%)			
						Cash Disb. Payable	Non-cash Expd.	TOTAL	Cash Disb. (F)/(D)	Total Disb. (H)/(A)		
A	B	C	D	E	F	G	H	I	J			
<b>LOANS</b>												
Total	9,943.338	8,302.593	83.50%	8,044.128	80.90%	7,135.802	69.425	7,880.704	88.71%	79.26%	85.95%	
Loan Proceeds	7,747.678	6,446.030	83.20%	5,720.969	73.84%	5,124.475	0.000	5,764.653	89.57%	74.40%	79.50%	
Peso Counterpart	2,195.660	1,856.563	84.56%	2,323.159	105.81%	2,011.327	69.425	2,116.051	86.58%	96.37%	108.34%	
<b>1.0 JAPAN BANK FOR INTERNATIONAL COOPERATION (JBIC)</b>												
Total	2,177.480	1,053.324	48.37%	875.310	40.20%	291.941	11.150	453.590	33.35%	20.83%	27.72%	
LP	1,729.029	745.174	43.10%	506.648	29.30%	291.941	145.441	145.441	79.19%	8.41%	94.74%	
GOP	448.451	308.150	68.71%	368.662	82.21%	291.941	11.150	308.149	100.00%	68.71%	94.74%	
Total	3,158.975	3,156.125	99.91%	2,628.852	83.22%	2,558.981	502.429	3,061.410	97.34%	96.91%	81.08%	
LP	2,438.152	2,437.741	99.98%	1,931.472	79.22%	1,861.601	494.737	2,356.338	96.38%	96.64%	76.37%	
GOP	720.823	718.384	99.66%	697.380	96.75%	697.380	7.692	705.072	100.00%	97.81%	97.08%	
<b>2.0 WORLD BANK (WB)</b>												
Total	3,016.210	2,903.780	96.27%	3,287.918	109.01%	3,214.600	58.275	3,292.939	97.77%	109.17%	110.70%	
LP	2,589.320	2,473.380	95.52%	2,589.320	100.00%	2,589.320		2,589.320	100.00%	100.00%	104.69%	
GOP	426.890	430.400	100.82%	698.598	163.65%	625.28	58.275	703.619	89.50%	164.82%	145.28%	
<b>3.0 INTERNATIONAL FUND FOR AGRICULTURAL DEV. (IFAD)</b>												
Total	1,050.336	1,028.658	97.94%	913.800	87.00%	909.768	0.625	910.393	99.56%	86.68%	88.44%	
LP	802.777	781.132	97.30%	669.177	83.36%	665.145		665.145	99.40%	82.86%	85.15%	
GOP	247.559	247.526	99.99%	244.623	98.81%	244.623	0.625	245.248	100.00%	99.07%	98.83%	
<b>4.0 Asian Development Bank (ADB)</b>												
Total	418.518	156.997	37.51%	217.029	51.86%	156.803	1.86	158.663	72.25%	37.91%	99.88%	
LP	188.400	8.603	4.57%	24.352	12.93%	8.409		8.409	34.53%	4.46%	97.74%	
GOP	230.118	148.394	64.49%	192.677	83.73%	148.394	1.86	150.254	77.02%	65.29%	100.00%	
<b>5.0 French Government</b>												
Total	121.819	3.709	3.04%	121.219	99.51%	3.709		3.709	3.06%	3.04%	100.00%	
LP												
GOP	121.819	3.709	3.04%	121.219	99.51%	3.709		3.709	3.06%	3.04%	100.00%	
<b>GRAND TOTAL</b>												
Loan	9,943.338	8,302.593	83.50%	8,044.128	80.90%	7,135.802	69.425	7,880.704	88.71%	79.26%	85.95%	
Loan	7,747.678	6,446.030	83.20%	5,720.969	73.84%	5,124.475	0.000	5,764.653	89.57%	74.40%	79.50%	
GOP	2,195.660	1,856.563	84.56%	2,323.159	105.81%	2,011.327	69.425	2,116.051	86.58%	96.37%	108.34%	

#### IV. Program Assistance to the Beneficiaries

Assistance to project beneficiaries involves physical and non-physical infrastructure support designed to lay the foundation for a sustainable growth in the ARCs focusing on the development of the social and economic well-being of ARBs and non-ARBs. Development interventions under the various FAPs are classified under six major components:

1. Physical Infrastructure
2. Community & Institutional Development
3. Agricultural Productivity & Rural Enterprise Development
4. Basic Social Services
5. Gender & Development
6. Land Tenure Improvement

The implementation of these components places the well-being of the ARBs at the center of development concerns and, with these in place, the productive potential of the ARBs can be unleashed to serve not only the interests of the ARCs but the areas adjacent to these communities as well.

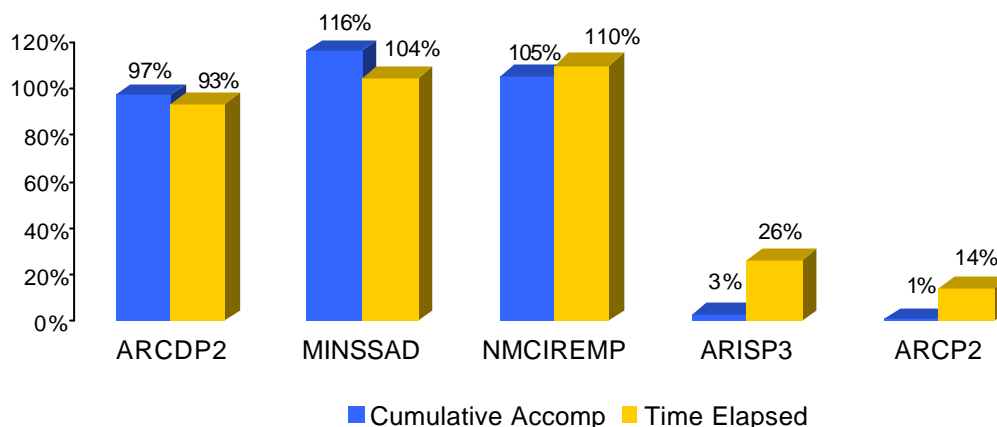
##### A. PHYSICAL INFRASTRUCTURE

The provision of adequate physical infrastructure facilities is necessary to promote equitable agricultural development and foster rural growth. The Department, through its Foreign-Assisted Projects, has given significant emphasis on the provision/improvement of basic rural infrastructure, e.g., irrigation, post-harvest facilities, potable water supply, electrification, farm to market roads, bridges and school buildings.

All these infrastructure facilities aim to integrate the ARCs with the rest of the national economy. Combined with capacity building and local resource mobilization, physical infrastructure creates enabling conditions that lead to increased agricultural production, employment generation, improved household income, greater consumption and strengthened rural institutions.

## 1. PERFORMANCE OF ON-GOING PROJECTS

### By Project



As of December 31, 2009, five projects with physical infrastructure component were simultaneously implemented: Second Agrarian Reform Communities Development Project (ARCDP2), Mindanao Sustainable Settlement Area Development (MinSSAD), Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP), Agrarian Reform Infrastructure Support Project – Phase 3 (ARISP3) and Agrarian Reform Communities Project – Phase 2 (ARCP2). The average physical accomplishment for these projects has reached 64% with an average time elapsed of 70%. ARISP3 and ARCP2, whose loan packages became effective April 2008 and March 2009, respectively, have neither ongoing nor completed subprojects to date, i.e. accomplishments consisted mainly of project site validations, feasibility study preparation, coordination with project stakeholders and establishment of project management offices. Subprojects of these FAPs are under various stages of pre-engineering and design preparation.

### Scope of Physical Infrastructure (On-Going FAPs)

FAP	Completed		On-Going		Pre-Construction		Pipeline		Total	
	Subproj	Cost (PhP)	Subproj	Cost (PhP)	Subproj	Cost (PhP)	Subproj	Cost (PhP)	Subproj	Cost (PhP)
ARCDP 2	246	2,567,700,256	24	551,367,425	-	-	-	-	270	3,119,067,682
MINSSAD	755	1,893,710,722	15	145,438,318	-	-	-	-	770	2,039,149,040
NMCIREMP	156	396,004,766	5	16,875,710	-	-	-	-	160	412,880,475
ARISP III	-	-	-	-	5	35,307,730	53	637,375,531	58	672,683,261
ARCP2	-	-	-	-	18	268,467,388	-	-	18	268,467,388
<b>Total</b>	<b>1,157</b>	<b>4,857,415,745</b>	<b>44</b>	<b>713,681,454</b>	<b>23</b>	<b>303,775,118</b>	<b>53</b>	<b>637,375,531</b>	<b>1,276</b>	<b>6,512,247,846</b>



## By Subproject

Physical infrastructure investments under on-going FAPs were translated into completed physical infrastructure with a total cost of PhP 4.63 billion representing 1,141 subprojects.

### Completed Physical Infrastructure

(Under On-Going FAPs)

Subproject Type	No. of Subproj.	Scale	Cost (PhP)
Bridge	63	2,058 linear meter	361,252,918
Farm-to-Market road	369	1,509 kilometer	3,254,559,366
Irrigation	51	5,801 hectare	455,152,347
Multi-Purpose Building/Center	48	48 unit	69,279,362
Post-Harvest Facility	204	205 unit	71,724,210
Potable Water Supply	80	80 system	315,092,512
Health Center	100	100 unit	46,609,174
School Building	236	670 classroom	286,045,449.93
Flood Control Structure	2	518 linear meter	2,460,701.22
Market/Processing Center	2	2 project	3,717,123.68
Wharf	1	1 project	1,522,579.17
<b>Total</b>	<b>1,156</b>		<b>4,867,415,744</b>



## CY 2009 Performance

As of December 31, 2009, 166 subprojects were completed amounting to PhP 1.1 billion. Completed infrastructures for the year include: irrigation systems covering 3,365 hectares with a total amount of PhP 312 million; 303 kilometers of farm-to-market roads with a cost of PhP 612 million; 521 linear meters of bridge amounting PhP 100 million and 2 units health centers with a cost of PhP 1 million.

### CY 2009 ACCOMPLISHMENT

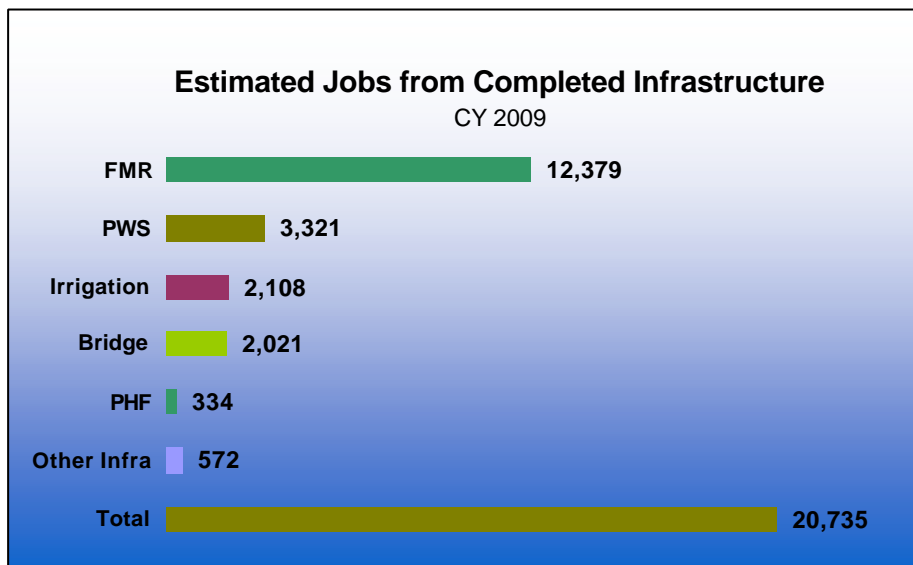
As of December 31, 2009

Subproject Type	Indicator	Target	Accomplishment	Performance (%)
Irrigation	hectare	2,940	3,365	114%
PHF	unit	6	30	500%
FMR	kilometer	227	303	134%
Bridge	linear meter	188	521	277%
PWS	system	8	16	200%
MPB	unit	98	1	1%
School Building	classroom	22	43	195%
Health Center	unit	9	2	22%
				<b>181%</b>



## Estimated Jobs Generated (CY 2009)

Subproject construction in the ARCs were largely labor-based and it provided an alternative source of employment for local residents. An estimated 20,735 jobs were generated between January to December 2009. Getting involved in the actual construction of subprojects has strengthened the ARBs' sense of ownership and has resulted to more efficient and effective operation & maintenance for these services.



## 2. CUMULATIVE PERFORMANCE (Completed and Ongoing Projects)



### By Subproject

The provision of adequate physical infrastructure facilities is necessary to promote equitable agricultural development and foster rural growth. For the purpose, the Department, through the Foreign-Assisted Projects, has given significant emphasis on the provision/improvement of basic rural infrastructure, e.g., irrigation, post-harvest facilities, potable water supply, electrification, farm to market roads, bridges and school buildings.

Since the start of FAPs physical infrastructure implementation in 1996, a total of 4,711 subprojects were completed with a total amount of Php 21 billion; 79 subprojects were under construction stage amounting to Php 1.3 billion; and 23 subprojects amounting to Php 303 million is under the design and approval stage. The overall average accomplishment of the

physical infrastructure component is 131% vis-à-vis global targets. In most ARCs, farm-to-market road (FMR) has emerged as the most important type of physical infrastructure and it accounted for more than half (51%) of the total cost of completed subprojects. FMRs also delivered the greatest impact because where new roads were constructed or existing gravel roads were rehabilitated, progress somehow spontaneously came into being, i.e. access to health services, primary education, rural electrification, etc. Investment in irrigation systems accounted for 26%. Irrigation subprojects have a direct effect on ARBs' household income as a result of higher cropping intensity, crop diversification and improved production yields. Other physical infrastructures represent 23% of completed subprojects.

### PHYSICAL INFRASTRUCTURE ACCOMPLISHMENT

Completed Infrastructure By Type

As of December 31, 2009

Subproject Type	Indicator	Target	Accomplishment	Performance
Irrigation	hectare	76,144	70,836	93%
PHF	unit	347	458	132%
FMR	kilometer	5,063	5,396	107%
Bridge	linear meter	5,175	10,964	212%
PWS	system	688	1,015	148%
MPB	unit	178	195	110%
Rural Elect'n.				
- Grid Type	kilometer	17	63	368%
- Solar Power	system	15,565	15,324	98%
School Building	classroom	885	961	109%
Health Center	unit	431	195	45%
Sanitation System	system	413	594	144%
Market Structure	project	-	9	
Flood Control	unit	11	6	55%
Wharf	project	6	5	83%
			<b>Overall Average</b>	<b>131%</b>



#### By Region

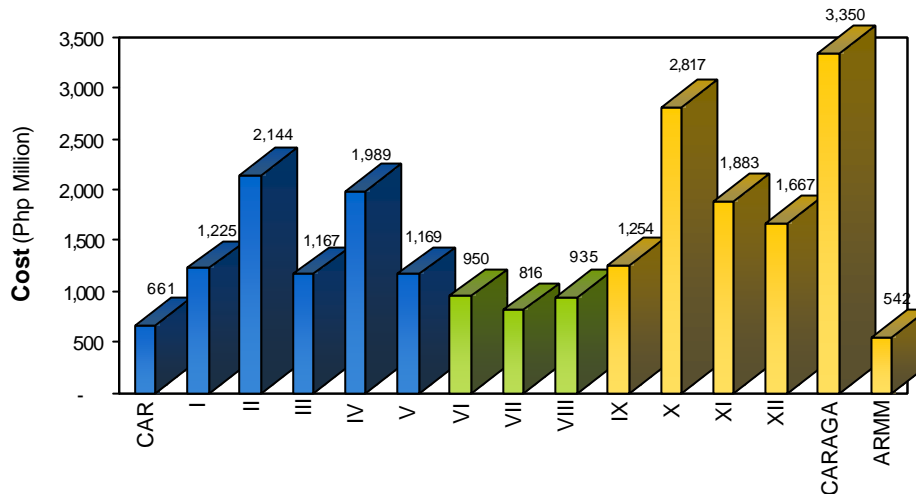
In terms of regional accomplishment, CARAGA and Region X posted the highest cumulative intervention amounting to Php 3.3 billion (15%) and Php 2.8 billion (12%), respectively. Luzon accounted for 37% of total intervention with an aggregate amount of Php 8.3 billion; Visayas, 12%, with a total cost of Php 2.70 billion; and Mindanao, 51%, amounting to Php 11.5 billion. Investment was lowest in three regions: ARMM, Php 542 million (2.4%); CAR, Php 661 million (3%); and Region VII, Php 816 million (4%).

Subproject implementation pace varied across regions and two major factors affected construction: *terrain* and *weather*. It was more challenging to put up an FMR in CAR than in any other flatter region as road sections traversed hilly or steep sectors in the autonomous

region. Irregular terrains impeded the operation of mechanized equipment and hampered the delivery of materials on site. On the other hand, the Type II weather in several areas in the Visayas, e.g. Region VIII, had a great influence on construction due to pronounced periods of rainfall causing frequent suspension of activities. Subproject implementation took longer periods in these areas than in locations with more pronounced dry season.

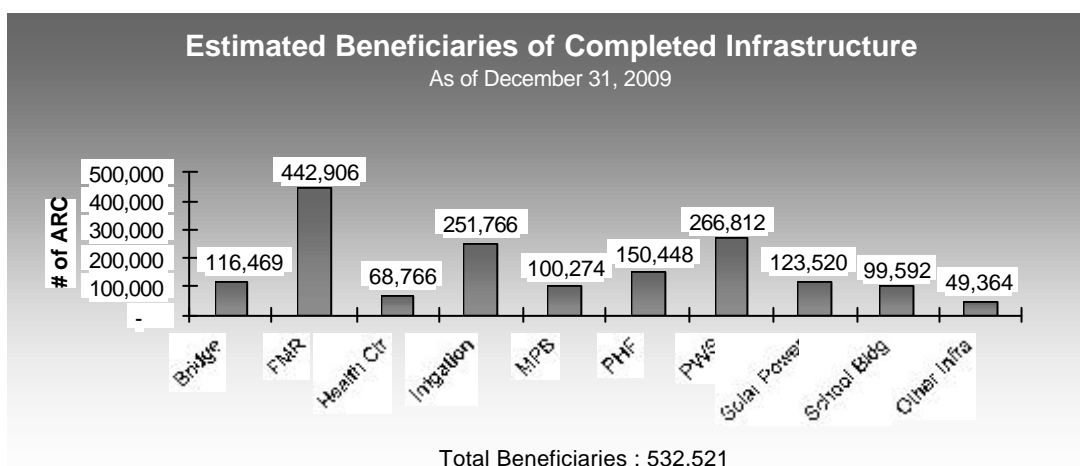
### Investment By Region

As of December 31, 2009



### ARB and ARC Coverage

Although DAR-FAPs infrastructure subprojects are located within ARCs, residents of neighboring localities also benefit from these subprojects. Most FMRs, for instance, led to other barangays outside the ARC extending their influence area beyond its direct beneficiaries. In some communities, farm-to-market roads linked to arterial roads (provincial and national)



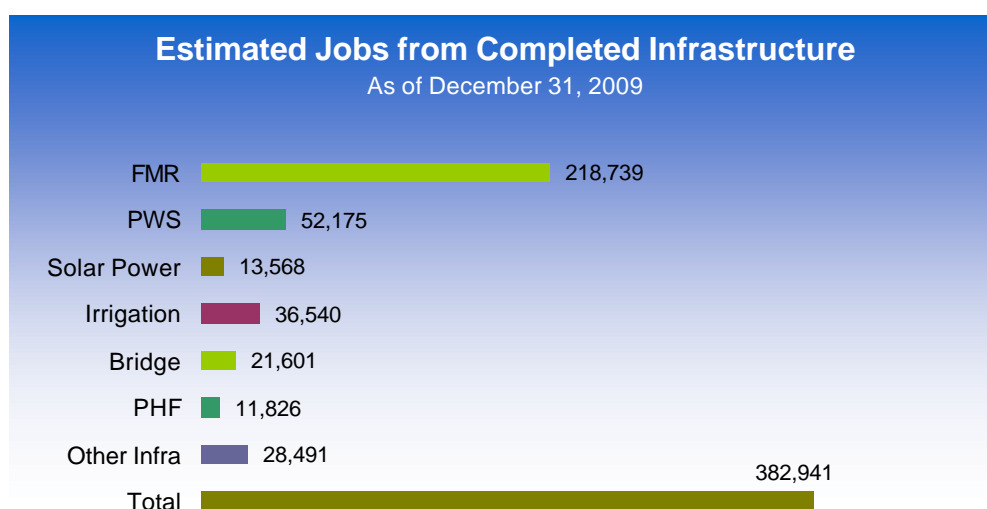
inducing greater traffic volume, and have brought in more commuters to and from the ARCs. Users of completed potable water supply level II subprojects, on the other hand, after

sometime have opted to upgrade their facilities into level III; consequently other users outside the original target area benefitted from the facilities. The total estimated direct ARBs which benefitted from completed physical infrastructures have reached 532,521 ARBs in 903 ARCs. FMRs have the highest beneficiaries involving 442,906 ARBs in 689 ARCs.



## Estimated Jobs Generated

Total estimated generated jobs for completed infrastructures have reached 382,941. FMRs have generated the highest number of jobs involving 218,739 jobs, accounting for 57% of the total estimated jobs generated.



## Average Investment Costs

The unit cost per subproject type varies across FAPs. The disparity, however, is not significant. The average construction costs of physical infrastructure were derived from the actual costs of subprojects implemented under the various FAPs.

### AVERAGE COSTS of PHYSICAL INFRASTRUCTURES

Subproject Category	Type	Unit	AVE. COST (PhP)
<b>Farm-to-Market Road</b>	Gravel Surface:		
	Rehabilitaion	per km	1,995,694
	Construction	per km	2,623,254
	Concrete Surface (PCCP)	per km	3,775,294
<b>Bridge</b>	Reinforced Concrete Deck Girder	per ln m	200,958
<b>Irrigation</b>	Rehabilitaion	per ha	63,117
	Construction	per ha	95,702
<b>Potable Water Supply</b>	Level I	per unit	258,679
		per HH	3,314
	Level II	per sys	3,000,930
		per HH	10,733
<b>Post-Harvest Facility</b>	Warehouse	per unit	1,164,704
		per sq m	7,486
	Solar Dryer	per sq m	562

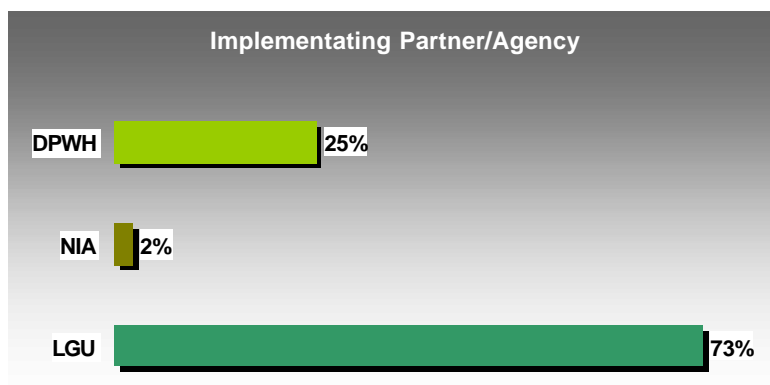
Note: Average Cost was derived from cost of physical infrastructures undertaken by ARISP I & II, STARCM, ARCDP2, ARCP and MinSSAD.



## Implementing Partners

Construction was carried out by partner line agencies (LA's) and local government units (LGU's). They ensured that day-to-day activities were in conformance with approved work plans and that subproject implementation was consistent with sound engineering practices and methodologies. LGUs have managed the construction of 68% of all on-going subprojects;

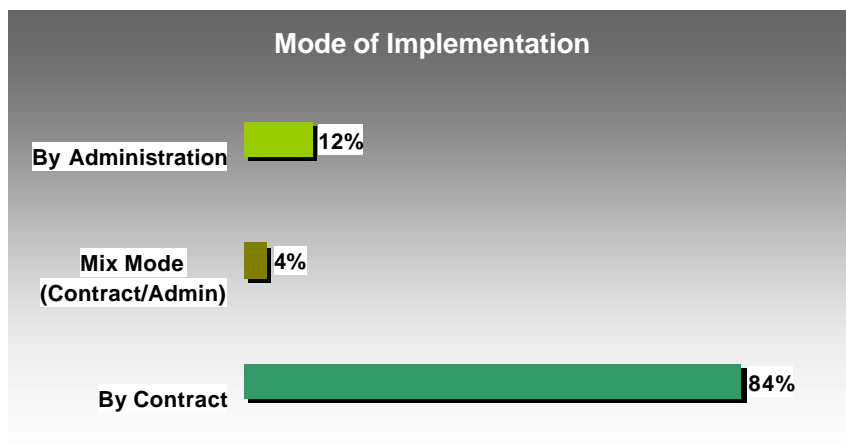
while DPWH & NIA accounted for 30% and 2%, respectively.



## Modes of Implementation

To a large extent, subprojects are undertaken by contract and it accounts for more than three-fourth of on-going subprojects, especially for farm-to-market roads and irrigation systems. In most cases, certain items of

work were executed thru pakyaw contract where local residents supervised and managed the construction activities. This applies to work items requiring no heavy equipment and sophisticated machineries, e.g. excavation of side ditches, concreting of irrigation canal, etc. LGUs with available equipment and manpower implemented subprojects through force account (by administration). Eight percent (9%) of on-going subprojects are implemented through force account; while 8% were done through a mix mode of by contract-force account.



### **3. SUSTAINABILITY STATUS OF PHYSICAL INFRASTRUCTURE**

#### **Post-Completion Status of Physical Infrastructure**

The latest Sustainability Monitoring and Evaluation cycle was conducted by the Joint National-Regional-Provincial Inspectorate Teams from January to December 2009. It covered 682 completed sub-projects in 29 provinces, involving 185 municipalities, 541 barangays, 197 ARCs and an estimated 83,308 agrarian reform beneficiaries (ARBs). The sub-projects assessed were implemented by 10 FAPs which included ARCDP I, ARCDP II, ARISP I, ARISP II, ARCP, ARSP, CMARPRP, NMCIREMP, STARCM and SPOTS.

The following are the highlights of the report:

Evaluation results revealed that sub-project sustainability was a direct function of three major factors: stability of O&M groups, adequacy of O&M fund and consistency of support from LGUs. In provinces where O&M groups were active and LGU support were firm, sub-project conditions were very satisfactory. Allocations of O&M fund in these areas were adequate and consistent. As a consequence, sub-project functionality rates were high. Similarly, communities with active O&M groups and adequate LGU support showed strong indications of high functionality and very satisfactory sub-project physical condition.

A high percentage of completed sub-projects remains satisfactory in terms of physical condition. Eighty-eight percent of the sub-projects validated still maintains acceptable levels of quality. Of this, 35 percent is in "Good" condition and 53 percent is in "Fair" condition with slight defects on minor structures requiring minimal repairs. Eleven percent of the sub-projects inspected manifests substantial damages requiring immediate restoration works largely caused by natural calamities and 1% was assessed to be under severe condition.

On the whole, the effectiveness of beneficiaries in preserving the core network of infrastructure sub-projects in their locality has greatly relied on the strong alliance between the DAR, LGUs and POs. This partnership was largely instrumental in the achievement of a high percentage of sub-project functionality. The Memoranda of Agreements (MOAs) and Subproject Agreements (SPAs) which prescribe the responsibilities of LGUs and POs further strengthen the sustainability process. Finally, the established collaborative capacities of the LGUs and ARCs have led to improved governance of pro-poor investment packages in the rural communities.

### BY PROJECT

FAP	RATING							
	Good	%	Fair	%	Bad	%	Severe	%
ARCDP 1	43 sps	27%	100 sps	63%	11 sps	7%	4 sps	3%
ARCDP 2	20 sps	51%	17 sps	44%	2 sps	5%	- sps	-
ARISP 1	11 sps	17%	35 sps	55%	17 sps	27%	1 sps	2%
ARISP 2	54 sps	36%	78 sps	51%	19 sps	13%	1 sps	1%
ARCP	73 sps	39%	103 sps	54%	13 sps	7%	- sps	-
ARSP	4 sps	20%	8 sps	40%	8 sps	40%	- sps	-
CMARPRP	2 sps	50%	2 sps	50%	- sps	-	- sps	-
NMCIREMP	5 sps	31%	10 sps	63%	1 sps	6%	- sps	-
STARCM	39 sps	80%	9 sps	18%	1 sps	2%	- sps	-
SPOTS	15 sps	54%	8 sps	29%	5 sps	18%	- sps	-
<b>Total</b>	<b>266</b>		<b>370</b>		<b>77</b>		<b>6</b>	
<b>Average</b>	<b>37%</b>		<b>51%</b>		<b>11%</b>		<b>1%</b>	

### By TYPE of PHYSICAL INFRASTRUCTURE

TYPE OF INFRA	Indicator	RATING			
		Good	Fair	Bad	Severe
Road Rehabilitation	km	189	300	28	-
Road Construction	km	186	415	65	11
Bridge Construction	lm	1,212	1,984	20	-
Water Supply Level 1	unit	-	77	20	14
Water Supply Level 2	sys	27	23	13	-
Multi-purposeCenter	unit	13	9	8	-
Post Harvest Facilities	unit	18	24	3	-
Irrigation	ha	6,401	9,006	1,825	65
Solar Power Packages	sys	22	9	5	-
Day Care Center	unit	4	-	-	-
Health Center/Station	unit	9	1	-	-
District Hospital	unit	-	-	-	-
School Building	unit	2	2	-	-
Flood Control	sp	2	-	-	-
Sanitary Public Latrine	unit	-	-	-	-
Warf	unit	-	1	-	-
Market Center	unit	1	-	-	-
<b>Total No. of Subprojects</b>		<b>266</b>	<b>370</b>	<b>77</b>	<b>6</b>
<b>Average</b>		<b>37%</b>	<b>51%</b>	<b>11%</b>	<b>1%</b>

## By PROVINCE

REGION	PROVINCE	RATING			
		Good	Fair	Bad	Severe
CAR	1 Kalinga	-	7	-	-
	2 Apayao	-	5	-	-
I	3 Ilocos Norte	23	45	7	3
	4 Ilocos Sur	7	17	-	-
	5 La Union	1	12	1	-
II	6 Batanes	6	-	-	-
	7 Cagayan	25	8	4	-
III	8 Nueva Ecija-North	5	11	2	-
	9 Bulacan	1	1	-	-
	10 Pampanga	1	1	3	1
	11 Tarlac	4	8	4	-
	12 Zambales	1	8	4	-
	13 Nueva Ecija-South	12	12	-	-
	14 Aurora	1	10	5	1
15 Bataan	13	4	1	-	
IV-A	16 Batangas	11	1	-	-
IV-B	17 Occidental Mindoro	-	5	-	-
	18 Romblon	2	3	1	-
	19 Quezon II	17	32	2	-
	20 Palawan	20	20	10	-
VI	21 Iloilo	-	18	7	-
	22 Capiz	4	6	1	-
	23 Antique	8	15	2	-
	24 Aklan	5	17	2	-
VII	25 Guimaras	5	1	-	-
VIII	26 Southern Leyte	2	7	1	-
X	27 Misamis Oriental	2	31	-	-
XI	28 Davao del Sur	10	9	-	-
	29 Davao City	-	8	-	-
	30 Davao Oriental	7	5	5	1
	31 ComVal	9	12	-	-
XII	32 North Cotabato	53	16	6	-
CARAGA	33 Agusan del Norte	11	15	9	-
<b>Total</b>		<b>266</b>	<b>370</b>	<b>77</b>	<b>6</b>
<b>Average</b>		<b>37%</b>	<b>51%</b>	<b>11%</b>	<b>1%</b>

## **B. Non-Physical Infrastructure**

The non-physical component refers to interventions without physical construction. It has the following sub-components: community & institutional development support (CIDS), agricultural productivity & rural enterprise development support (APREDS), basic social services (BSS) and land tenure improvement (LTI).

### *1. Community Institutional Development Support (CIDS)*

The CIDS component aims to enhance the participation of ARB organizations and various implementing partners in the development processes, productive social and economic endeavors and local governance. It focuses on strengthening the capacities of individual ARBs and peoples' organizations in planning, implementation and monitoring of social services and in addressing relevant issues on the sustainability of interventions.

Further, this component also involves the efficient and effective complementation and coordination of activities between and among the DAR field offices, LGU counterparts and other CARP-implementing agencies (e.g. DA, DECS, NIA, DTI, DENR and DPWH). It is trained on the four phases of ARC social institution building: (i) social preparation; (ii) organizational development; (iii) capability building; and (iv) enterprise & alliance building. The various FAPs provide technical support in terms of community organizing/strengthening, cooperative trainings on financial management, credit administration, enterprise planning, operation and management, among others.

The NGOs, line agencies and other institutions implement community organizational development activities through the deployment of community organizers (CO), institutional development organizers (IDO), development facilitators (DF), and development workers (DW).

A total of 282,636 ARBs were organized and 103,067 ARB leaders have been provided with training activities aimed at enhancing their skills in organizational management, agricultural and post-production technologies, and enterprise planning, implementation and management. Beneficiaries under this component have expanded to include indigenous peoples in CADC communities, fisherfolks in coastal villages and integrated social forestry localities through the WMCIP, NMCIREMP, ARCDP2 and IP-EIPSDADS. These activities were undertaken in collaboration with partner NGOs and local government units. Collaborative

activities between and among FAPs have also been adopted as a strategy in the development process. Corollary to this, the strengthening of the capabilities of DAR field staff and LGU partners is a sub-component of the CIDS. A total of 31,841 implementers have been given various trainings, seminars and workshops.

## *2. Agricultural Productivity & Rural Enterprise Development*

The Agricultural Productivity & Rural Enterprise Development component provides assistance to the ARBs by promoting new and appropriate technologies and increasing farm, off-farm, and non-farm income sustained through the development of viable rural enterprises. Support mechanism under this component includes improved access to agricultural extension, support service facilities, and establishment of community-based credit system.

The various FAPs provide access to capital, appropriate technology, information and market access. APRED activities focus on interventions related to sustainable agriculture which serve the ARCs as pilot areas for sustainable agriculture; promotion of indigenous technologies, organic farming, optimal use of land incurring minimal costs and the adoption of soil management and other ecologically sound agricultural practices; and crop diversification adopting cash crop and crop intercropping technologies.

Specific interventions under the APRED include:

- Establishment of 5,481 demonstration farms, which serve as micro models for farm productivity improvement involving 144,104 farmer-beneficiary cooperators/ adaptors.
- Agricultural productivity related training serve as a support intervention for this component in order to promote the adoption of agri-production technologies; relative to this trainings on farming systems development cum planning methodology for income generating activities of ARBs were conducted; capacity building on livelihood and market linkaging have also been conducted as well as assistance on agribusiness training and resource matching activities.
- A total of 12,266 community-based projects/rural enterprises were established.

## *3. Basic Social Services*

The basic social services component promotes the establishment of ARC-based social services systems like basic education and primary health. This is being implemented in close collaboration with Department of Health, LGUs and NGOs.

### 3.1 Basic Education

The provision of adequate and quality instructional facilities and materials, improvement of school building and the enhancement of instructional skills have benefited various primary level schools. Target beneficiaries also include out-of-school youth through the provision of out-of-school education and livelihood training. This aims to enhance the productivity of the out-of-school populace.

Further, providing these support to the youth not only enhance their functional literacy and productivity but these services and other related activities contribute to the conditions for self-reliance and ARC development.

The BIARSP, STARCM and MinSSAD have invested in the rehabilitation/improvement of school classrooms, provision of school desks/materials and teachers' enhancement training. Under these projects improvements in enrolment rates of primary level schoolchildren were observed.

Additional, out-of-school youth were provided with various literacy, numeracy and skills training sessions. Non-formal education activities for adults were also undertaken. Activities for the organization of a municipal non-formal education council were also set as priority under this component e.g. orientation meetings, planning workshops and literacy facilitators' training.

Basic education activities are done in coordination with DECs, LGUs, Provincial/Municipal Social Welfare and Development, Day Care Workers, and Barangay/Municipal Health units.

### 3.2 Primary Health Care

The Primary Health Care component aims to provide quality health care services to the ARCs and the non-ARCs as well. Under the component, health system and services established have sustainability mechanisms as a major consideration. Sustainability is ensured through active participation of the empowered beneficiaries in the planning and operation of the health facilities. Assistance is in the form of medical equipment, rehabilitation and upgrading of district hospitals, barangay health stations and rural health units; and relevant trainings for health workers. Primary health care is a major component of BIARSP, STARCM and MinSSAD.

#### 4. Land Tenure Improvement

Several projects have LTI as a component. These include: BIARSP, ARSP, ARCP and CMARPRP. Assistance consists of subdivision of collective CLOAs into individual land titles and the issuance of these titles to ARBs. Specifically, the component assists in the acceleration of subdivision survey activities; facilitate land acquisition and subdivision activities of through skills enhancement of DAR survey teams; provision of improved land survey equipment and techniques; and strengthen and broaden the capabilities of DAR in handling and processing data pertaining to the land title distribution and awarding process.

### STATUS OF NON-PHYSICAL INFRASTRUCTURE

As of December 31, 2009

Project Component/ Description	Physical Indicator	Global Target	Accomplishment	
			Cumulative	CY 2009
<b>Community &amp; Institutional Development Support</b>				
ARCs Covered	# of ARC	871	1,176	-
	# of ARB Leader	32,400	103,067	13
Organized ARB	# of ARB	329,786	282,636	5,898
DAR/LGU/LA Implementers Trained	# of staff	19,974	31,841	114
<b>Agricultural Productivity &amp; Rural Enterprise Development Support</b>				
ARC assistance	# of ARCs	871	1,078	-
Improved Farm Technology adoption	no.	2,395	5,481	27
Farmer Cooperators/Adopters	no.	49,983	144,104	1,287
Rural Enterprise/Micro Projects	no.	6,027	12,266	501
<b>Basic Social Services</b>				
Basic Education Services	no. of school	1,102	961	8
Primary Health Care Services	no. of recipient	56,973	53,262	960
	no. of service	266	812	96
<b>Land Tenure Improvement</b>				
Area distributed with individual land titles	hectare	205,483	235,501	52
ARBs with individual land titles	# of ARB	136,989	157,001	35



## **RESULTS-BASED MONITORING AND EVALUATION (RME) REPORT**

As of December 2008

### **I. Scope/Coverage of the Report**

The DAR RME Report for December 2008 reflects the agency's effort to further improve the existing analytical framework for its various FAPs. For the past years until the preparation for the 2005 June RME report, DAR has been relying on individual project management teams for data collection and processing of the projects' RME performance indicators. The current system is basically anchored on the use of sampling survey for its data requirement. To establish the individual project's baseline data, a representative sample population is estimated and randomly selected from a list of potential beneficiaries under each identified ARC/barangay, using a two-stage procedure. These information subsequently serve as one of the basis for identifying appropriate mix of physical and non-physical interventions in the project sites. Similar sample respondents are then, re-surveyed each year of project implementation with the resulting findings compared with the baseline data; essentially a panel data analysis.

The RME Report also obtained inputs from relevant findings contained in the Physical Infrastructure Sustainability Report (PISR), FY 2008. This report, which is also prepared every year, contains evaluation results of the FAPsO National/Regional/Provincial Inspectorate Teams on the extent by which concerned local government units (LGUs) comply with the maintenance requirement of physical infrastructures provided by DAR-FAPsO. Findings related to physical conditions and functionality of various infrastructure sub-components complement the RME survey results with regard measures of benefits/initial gains such as household income, crop productivity and access to social services, among other things.

For this report, only three FAPs are covered, to wit: i) Solar Power Technology Support II Project (SPOTS II); ii) Agrarian Reform Communities Development Project II (ARCDP II) and iii) Support to Agrarian Reform Communities in Central Mindanao (STARCM). The FAPsO-MES initially planned to cover five FAPs for the preparation of the 2008 RME report. These include: i) STARCM ; ii) NMCIREMP; iii) ARCDP II; iv) SPOTS I; and v) SPOTS II. Except for the SPOTS II study, which was funded through DAR regular budget, the four other FAPs have set aside funds for the conduct of the impact study through external consulting firms. The planned impact study for ARCDP II, SPOTS II and STRCM pushed through as planned. However, the two others encountered unexpected delays. The NMCIREMP and SPOTS I studies had to deal with the tedious evaluation and selection process under R.A. 9814 – The Government Procurement System.

As of the last quarter of 2009, the SPOTS I evaluation team has started with the survey proper. An interim report containing initial analysis of the secondary and survey data is expected by January 2010, with the final report available by March 2010. The NMCIREMP impact study, meanwhile, is expected to officially commence on January 2010.

## **METHODOLOGY**

The evaluation studies for SPOTS I, ARCDP II and STARCM were all conducted in 2009 covering data and information for calendar year 2008. Household survey was the main source of primary data for SPOTS I and ARCDP II. Other data collection tools include: i) the use of available secondary data; and ii) conduct of case studies. For STARCM, the European Union commissioned a team of consultants to do the study. The data collection tool adopted were focus group discussion, semi-structured interviews and other documentary review.

The same questionnaires used during the conduct of individual baseline studies, were used in the 2008 RME resurvey for SPOTS I and ARCDP II. For STARCM, the Mission did not have sufficient time to collect field data due to limited time and security considerations. For instance, it was impossible to do field visits in Lanao del Sur due to safety concerns for the team members.

### **Sample Size**

The household survey for ARCDP II covered 15 provinces including about 4,721 sample respondents (i.e. 3,877 direct beneficiaries and 844 control respondents). On the other hand, the household survey for SPOTS II was originally planned to cover 22 ARCs. Actual number of surveyed ARCs is 19 comprising 480 respondents. For STARCM, the Mission members working in two teams were able to spend an average of half a day in each of the 16 ARCs visited. While in each of the ARCs, monitoring visits were conducted in up to 10 subprojects. In total, approximately 15 percent of the total completed subprojects were visited by the members of the STARCM Evaluation Mission.

### **Survey Analytical Tools**

Management attempted to employ a panel data analysis in two of the three studies, wherein previously interviewed sample households during baseline would again be the subject of the current surveys. However, based on actual interview results, majority of the baseline respondents could not be accounted for. Some of the reasons cited for the “non-response” cases include: i) respondent was not at home during the interview date; ii) the family had migrated to another place; and iii) respondent was not in the list of supposedly FAPs beneficiaries.

To maintain the same number of target respondents, the “no show” respondents were replaced with “randomly selected individuals from the list of FAPs beneficiaries provided by DAR field staffs. Maintaining randomness in the selection of replacement respondents ensured statistical soundness of the survey design. This process also made it still possible to use the “before-and-after project” approach in the comparative analysis.

This report covers two levels: output level, where aggregate physical accomplishments of the three FAPS are reported; and, results level, where immediate impacts and benefits generated from the sample survey data, secondary data and focus group discussions are reported. At the output level, the three FAPs are included in the monitoring and reporting of overall accomplishments in various rural infrastructure facilities and institutional assistance provided to the ARCs. At present, these projects have information on the physical infrastructure being tracked by the FAPsO-MES. Other data used in this report were also taken from available progress reports, accomplishments summaries, and/or completion reports. The indicative physical infrastructures completed as of December 2008 under the three FAPs are shown in Table 1. At the results level where attribution is intervention-dependent across projects, in most cases, immediate impacts and benefits reported were consolidated by aggregating the survey data findings under various components of each FAPs. The consolidated comparative annual average data for most of the indicators in money value, are presented in nominal terms. Average annual income levels for ARCDP II, however, were presented both in real and nominal terms as the goal level objective, as reflected in its logical framework, will be assessed using real values .

Table 1. List of Completed Physical Infrastructure Facilities, 2008

FAPs	FMR	Bridge	Irrigation	PWS	MPB	PHF	SOLAR PACKAGES
SPOTS	0	0	10	25	0	0	414
ARCDP II	162	8	8	7	15	1	0
STARCM	38	0	9	45	30	42	0
TOTAL	200	8	27	77	45	43	414

## II. Types of Intervention

In general, the various interventions provided by the FAPs under DAR could be broadly classified as either physical infrastructures or institutional support. Based on the component classification being followed by the Department for ODA and other development support projects, following are the key result areas under which the FAPs are periodically assessed:

Name of Component:

- i) Physical Infrastructure Support
- ii) Community and Institutional Development Support (CIDS)
- iii) Agricultural Productivity and Enterprise Development Support (APRED)
- iv) Gender and Development (GAD)
- v) Land Tenure Improvement (LTI)

### III. Interventions and Benefits

Based on the physical outputs of the two FAPs, the analysis of survey results (together with the progress reports and/or accomplishment summary), provide the highlights of impacts/benefits derived from the implementation of various interventions under the two major FAPs components.

#### a) Physical Infrastructure Support

The provision of adequate physical infrastructure facilities is necessary to promote equitable agricultural development and foster rural growth. These infrastructure facilities are built to integrate the ARCs with the rest of the national economy. Combined with capacity building and local resource mobilization, physical infrastructure creates enabling conditions that lead to increased agricultural production, employment generation, improved household income, greater consumption and strengthened rural institutions. Physical infrastructure sub-projects under SPOTS II, ARCDP II and STARCM have been completed and are currently operational.

##### Farm-to-Market Roads (FMR)

As of 31 December 2008, ARCDP II and STARCM, under its individual rural infrastructure component, were able to contribute to the construction/rehabilitation of some 200 FMRs with an aggregate length of 984.16 kilometers.

In terms of benefits, the FMRs were assessed in terms of cost and time spent by ARCDP II beneficiaries to access basic social services in 2008 compared with 2003. Survey findings indicate that, in general, there was no significant improvement in travel time of beneficiaries within the community. Marked improvements were, however, observed in travel time (see Table 2 below) from the barangay/ARC going to tertiary level schools, municipal health centers and district hospitals located in the town/city proper.

**Table 2. ARCDP II, comparative travel time (hour per trip)**

Indicator	Baseline (2003)	Resurvey (2008)	Percent Change
tertiary school	19	15	-21
district hospital	36	22	-39
municipal health center	27	18	-33

Data on reduction in average travel time was also generated from regular reports on 134 completed road sub-projects as reviewed by the DAR ARCDP II CPO. Aggregate reduction in travel time attributed to completed sub-projects was estimated at 5,204 minutes per trip or an average of 41 minutes per trip (please see Table 3 below):

**Table 3. Travel time (minute per trip)**

Sub-project category	Average Reduction in Travel Time (minute/trip)			
	2003	2008	DIFFERENCE	% CHANGE
Road Rehabilitation	49	16	-33	-67
Road Rehabilitation with bridge construction	52	18	-34	-65
Road Construction	68	21	-47	-69
Road Construction with bridge construction	45	12	-33	-73
Road rehabilitation and construction	78	21	-57	-73
Total	58	17	-41	-71

### **Physical Infrastructure Sustainability Report (PISR), FY 2008**

An example of how the PISR, FY 2008 complement the preceding ARCDP II survey findings under the 2008 RME report, is manifested by the comparative findings for the Rehabilitated Sili farm-to-market road (FMR). The FMR is 3.51 kilometers long, funded by ARCDP II and is located in Barangay Sili in Bagac ARC in Bagac, Bataan. Based on the 2008 PISR, the PIT presented the following findings:

#### **BATAAN Province**

a. **Rehabilitation of Sili FMR**  
PIT Observations:

- Concrete section has no significant cracks, spalling, faulting and other forms of concrete disintegration;
- The pavement is in good condition;
- The grouted riprap and canal are in good condition;
- Gravel section of the road has potholes (pond area);
- The vegetative outgrowth had been cut along the shoulders but not completely and the cut weeds/grass have not been completely disposed of;
- The flow of rainwater going to drainage/irrigation canal had been blocked apparently by members of a homeowners' association living in a subdivision adjacent to the road. It is deemed an illegal intervention because it will adversely affect the road especially during the rainy season.

These observations were the basis for the PIT to generate a numerical rating of 1.85, equivalent to an adjectival rating of FAIR. As a way of addressing the aforementioned observations, the PIT recommended the following: i) the concerned LGU should remove the obstruction placed by the homeowners' association to prevent further damage to the

road; ii) the LGU should pass an ordinance specifically geared towards the protection of the road and the provision of funds for O & M purposes; iii) the BIT/IOMG should increase the frequency of its activities pertaining to grass cutting, clearing and declogging of canals and RCPCs; iv) there is a need to fill, repair and compact the eroded portion and pond areas of the road by suitable materials; v) remove debris and waste materials from the pavement and gravel section of the road; and vi) reactivate the BIT.

Another FMR which was evaluated by the PIT was the Rehabilitated Mayon-San Ramon-San Vicente Grande Road. The FMR is 9.628 kilometers long, funded also by ARCDP II and is located in Daraga Cluster ARC in Daraga, Albay. Based on the 2008 PISR, the PIT presented the following findings:

#### ALBAY Province

b. Rehabilitation of Mayon-San Ramon-San Vicente Grande Road  
PIT Observations:

- There are debris (i.e. cut lumber) on the road shoulder;
- One lane is concreted;
- It was observed that there were overgrown vegetations on the road shoulders.

The aforementioned observations served as basis for the PIT to generate a numerical rating of FAIR. The PIT recommended the following to address the foregoing negative observations: i) the BIT should be re-organized and strengthened; ii) debris should be removed from the road shoulder; and iii) control of vegetation should be done regularly.

The aforementioned analysis show that a not so well maintained infrastructure facility would most likely generate moderate levels of benefits for infrastructure users.

Benefits attributable to STARCM FMR subprojects were not quantified. The Mission Report cited employment generation during construction and increased business opportunities in the project areas visited. The road projects also contributed to the reduction in travel time and production cost resulting to improved production and marketing of agricultural products.

#### **Communal Irrigation Systems**

The establishment of irrigation systems enabled farmers to have suitable lands for farming, expand the area planted and enable crop diversification. Crop production increased, as farmers who used to depend on rainwater are now able to plant even during the dry season. Provision of lined canals brought about efficient distribution of irrigation water as problems of conveyance-seepage losses, drainage and high annual maintenance costs that are associated with earth canals, were addressed. With the presence of irrigation, farmers are now having sustained production, crop intensification, and plant diversification.

A total of 2,996.4 hectares of land are now irrigated as a result of the completion of 27 irrigation systems under SPOTS II, ARCDP and STARCM. As a result of the rehabilitation/construction of the irrigation sub-projects, the palay-farming areas covered by SPOTS II and ARCDP II, registered improvements in palay yield ranging from 42 percent (i.e. in ARCDP II sites) to a high of 62 percent (i.e. in SPOTS II sites) please see Table 4. The aforementioned improvement in palay yield in the two FAPs sites are, however, still not at par with the 5,000 kg per hectare level targeted under the Department of Agriculture.

Table 4 Average palay yield

Survey Period	ARCDP II (base yr: 2003)	SPOTS II (base yr:2006)
Baseline	1.22	1.88
Resurvey, 2008	1.73	3.03
Percent Change	41.8	61.7

The STARCM Mission Evaluation Team specifically cited benefits from an irrigation subproject in Del Carmen ARC in North Cotabato. As a result of an efficient management and operation of the facility, farmer beneficiaries are now able to plant 3 crops per year. Current service area of 516 hectares is more than the 416 hectares targeted by management.

### **Potable Water Supply Systems**

As of 31 December 2008, an aggregate of 35 units of potable water supply (PWS) systems have been constructed under ARCDP II and SPOTS II. For SPOTS II, the number of households served by Levels I, II and III PWS has increased from 214 to 253 households or an increase of 18 percent. In terms of proportion to total households surveyed, the PWS service area has expanded from 54 percent during resurvey from base year proportion of 45 percent; or a 9 percentage point increase in the number of households levels I, II and III PWS.

Benefits exhibited, as indicated by survey results, showed the following:

- i) strategic location of the common faucets in SPOTS II sites reduced distance traveled to fetch water by about 6 percent from 68 meters at baseline to 62 meters;
- ii) reduction in water-borne disease cases by about 1 percent from 6 percent to 5 percent; and
- iii) reduction in the number of times households fetch water daily from 3 times per day during baseline to 2 times per day during resurvey.

## b) Community and Institutional Development Support

This component aims to capacitate ARB organizations and other project partners in ARC development to enhance their meaningful participation in local development processes as well as in productive economic activities. It focuses on strengthening the capacities of community organizations thus ensuring the active participation and involvement of ARBs in social, economic and political undertakings. The ARBs play an active role in the planning, implementation and monitoring of social growth in the ARCs.

This strategy helps empower the ARCs as they go through the process of analyzing their own situation particularly their farming systems and development requirements. This also becomes the basis for preparing their business plans, investment packages and feasibility studies for rural infrastructure, agricultural production, rural enterprise, credit assistance and community and institutional development services.

Under the ARCDP II Community Development and Capacity Building component development support activity is focused on enhancing ARC organizations participation in community activities. About a third (i.e. 32 percent ) of ARCDP II beneficiaries claimed that a member of the household has attended training sponsored by the project. Training courses related to agriculture (i.e. 47%) were the most attended (see Table 5), followed by livelihood-related topics (i.e. 36 percent).

Table 5. Training courses attended by ARCDP II Beneficiaries, 2008

Item	ARCDP II		
	ARB	NON-ARB	BOTH
A. Household member has attended meetings:			
Yes	36.61	29.93	31.96
No	63.69	70.07	68.04
Total	100	100	100
B. Training Courses Attended			
1. Agriculture	61.37	20.97	46.64
2. Livelihood	39.47	34.19	36.04
3. Financial Management	7.45	7.37	7.40
4. Leadership	10.73	16.41	14.43
5. Religious	5.93	6.44	6.26
6. Civic/Political	8.51	9.23	8.98
7. Others	7.89	13.95	11.83

### Membership in Organizations

A great proportion of ARCDP II household beneficiaries are members of organizations. This explains why a large number of project recipients were able to attend various training courses. About 29 percent of ARCDP II households are affiliated with organizations.

c) **Agricultural Productivity and Rural Enterprise Development**

This component provides assistance to the ARBs by promoting new and appropriate technologies and increasing on-farm, off-farm and non-farm income sustained through the development of viable rural enterprises. Support mechanisms under this component include improved access to agricultural extension, support services facilities, and establishment of community-based credit system.

**Agriculture Development Support**

Under ARCDP II, the Agriculture and Enterprise Development (AED) subcomponent was able to accomplish 93 percent of its global target (see Table 6 below). Notable among the accomplishments are: i) number of household enterprises established/assisted is 7,258 versus the 4,606 targeted; ii) number of enterprise established through POs is 581 versus the 366 targeted; iii) 1,154 demo farms established versus the 689 targeted; and iv) 65,155 farmers adopting new/improved technologies versus the 47,079 targeted.

Table 6. Global target and accomplishment under AED subcomponent (selected indicators)

Indicator	Global Target	Global Accomplishment
<b>A. Enterprise Development and Management</b>		
1. No. of CARCDP Revalidated and Updated	148	201
2. No. of AED Committees Trained and Operational	521	631
3. No. of Business Plans Formulated (Households)	8,665	9,286
4. No. of Business Plans Formaulted (POs)	453	488
5. No. of Enterprise Established/Assisted (Households)	4,606	7,258
6. No. of Enterprise Established/Assisted (POs)	366	581
<b>B. Technology Promotion, Transfer and Commercialization</b>		
7. No. of Training Conducted without Training Materials	1,725	1,812
8. No. of Training Conducted with Training Materials	1,760	1,744
9. No. of Demo Farms Established	689	1,154
10. No. of Nurseries Established and Operationalized	225	254
11. No. of Heads Artificially Inseminated	9,489	10,673
12. No. of Adoptors of Improved Technologies	47,079	65,155
<b>C. Market Development and Promotion</b>		
13. No. of Price Retrieval and Monitoring System Installed	357	448
14. No. of Market For a Participated	291	329
15. No. of Contract Growing/Joint Ventures and Marketing Agreements Forged	343	737

**Annual crop productivity per hectare**

Average palay yield between baseline and 2008 increased in ARCDP II and SPOTS II sites. ARCDP II palay producing ARCs registered a 42% increase in yield between 2003 and 2008 as a result of the construction/rehabilitation of irrigation facilities and introduction of new and effective farm technologies. As for SPOTS II sites, a higher increase in palay productivity was registered and at a faster pace. Palay productivity increased by 62 percent from an average yield of 1.88 tons per hectare in 2006, to a high of 3.03 tons per hectare in 2008.

Aside from an increase in the number of palay farmers, improvements in palay yield of ARCDP II beneficiaries was due to the following: i) average area devoted to palay production has increased from 1.5 hectares in 2003 to 1.8 hectares in 2008; and ii) cropping pattern per year increased from 1.32 croppings per year to 1.86.

Average palay yield improved by about 39 percent from an average of 3.25 tons per hectare during baseline to about 4.5 tons per hectare in 2008 as a result of efficient management of the Del Carmen ARC in North Cotabato.

#### **IV. Immediate Impact from Implementation of Projects**

The cumulative effects of the project interventions are assumed to drive the change in the over-all socio-economic condition and hence, the quality of life in the ARCs. Looking at the change in the income level of the households would provide an evidenced-based policy making tool.

As of 31 December 2008, the estimated annual average income of sample beneficiary households under SPOTS II and ARCDP II ranged from P92,521 to a high of P141, 741. On a per FAP basis, average annual household income levels of SPOTS II beneficiaries have increased by 22 percent from P76,140 to P92,521. On the other hand, ARCDP II beneficiaries registered a higher increase of 43 percent or from P98,887 to P141,741.

##### **Household income**

For SPOTS II, the 22 percent increase came primarily from improvements in off-farm income (i.e. 87 percent increase) and non-farm income (i.e. 59 percent increase) even as on-farm income levels declined by about 3 percent. The decline was a result of the 9 percent contraction in the crop subsector; a significant decrease given the 82 percent contribution of the subsector to total on-farm income. The crop subsector pulled the on-farm income levels down. For ARCDP II, income improvements in both nominal and real terms originated primarily from off-farm income (i.e. nominal - 173% and real - 99.87%) and on-farm income (i.e. nominal - 110% and real - 53%)

##### **Poverty Incidence**

The goal of SPOTS II is to contribute to the reduction of poverty incidence in the project sites by 2 percent in 2007. The survey findings showed that the proportion of poor households declined by 7 percent from 66 percent at baseline levels in 2006 to about 59 percent in 2008. While it is apparent that the project overshot its target, the proportion of poor households in SPOTS II project sites is still high (i.e. 59%) compared with the national estimate of 26 percent as computed by the NSCB.

For ARCDP II, the goal is to increase average real household income levels by 20 percent in 2006. Survey results, however, showed that the proportion of poor households have been reduced by only 3 percentage points from 55 percent during the 2003 baseline levels, to about 52 percent in 2008.

### **Household Assets**

Aside from household income, we have included household assets (e.g. radio, television, refrigerator, etc.) as proxy measure of household wealth. Assets accumulation should provide a certain degree of validation on the accuracy of the preceding findings on household income; on the assumption that households with extra resources will purchase and own a greater number of these consumer durables. Comparative aggregate baseline and resurvey data for SPOTS II project indicate that the proportion of household who owns consumer durables such as radio, television, refrigerator, electric fan, etc., have increased by approximately 10 percent to a high of 1,067 percent (please see Annex I item number 11). Meanwhile, survey respondents under ARCDP II based on the proportion of asset ownership vis-à-vis total population. While baseline data showed that majority of the populace owned radios, followed by television, the 2008 resurvey showed a shift to more television ownership (i.e. increasing by 16 percentage points from 39 percent to 55 percent). Radio ownership is pretty much the same at around 60 percent to 61 percent. Cell phone ownership also increased by 12 percentage points from 18 percent in 2003 to about 30 percent in 2008.

### **Overall Socio-Economic Condition of Households**

From a scale of 1 to 10 with 10 as the highest, the project beneficiaries were ask to rate their socio-economic standing as of 2008. They were also asked for reasons for saying so. The survey indicated that about 42 percent of the respondents said they are no better nor worse off now, compared with baseline condition. These means that they chose the numerical equivalent of 5 and 6. Majority of the reasons forwarded by these group of respondents include: i) income is just sufficient to meet basic needs; ii) sufficient income/ sufficient increase in on-farm income; and iii) no debts/loan therefore they were able to save.

On one extreme end of the scale, around 18 percent who rated themselves 1 and 2, cited the following reasons for the self-evaluation: i) insufficient income/ no other source of income; ii) cannot meet basic needs requirement; and iii) still striving to improve quality of life. A measly 1 percent who rated themselves 9 and 10, cited the following reasons for the self-rating: i) sufficient income/increase in farm income; ii) contented with quality of life; and iii) few children/small household size.

**RESULTS-BASED MONITORING AND EVALUATION REPORT  
FOREIGN-ASSISTED PROJECTS**

<b>COMPARATIVE ANALYSIS OF BASELINE AND SURVEY (December 2008)</b>			
<b>INDICATOR</b>	<b>SPOTS II baseline year: 2006</b>	<b>ARCDP II (prelim. estimates) baseline year: 2003</b>	
1. <b>NOMINAL HH INCOME (AVE/YR)</b>	base	76,140	98,887
	resurvey(dec 2008)	92,521	141,741
	% CHANGE	22	43
<b>ON-FARM INCOME (AVE/YR)</b>	base	47,308	20,208
	resurvey(dec 2008)	46,057	42,360
	% CHANGE	-2.6	109.63
<b>NON-FARM INCOME (AVE/YR)</b>	base	26,378	70,599.7
	resurvey(dec 2008)	41,871	77,300
	% CHANGE	59	9.49
<b>OFF-FARM INCOME (AVE/YR)</b>	base	2,454	8,079
	resurvey(dec 2008)	4,594	22,081
	% CHANGE	87	173
2. <b>REAL HH INCOME (AVE/YR)</b>	base		87,125
	resurvey(dec 2008)		91,328
	% CHANGE		5
<b>ON-FARM INCOME (AVE/YR)</b>	base		17,804
	resurvey(dec 2008)		27,294
	% CHANGE		53
<b>NON-FARM INCOME (AVE/YR)</b>	base		62,202
	resurvey(dec 2008)		49,807
	% CHANGE		-20
<b>OFF-FARM INCOME (AVE/YR)</b>	base		7,118
	resurvey(dec 2008)		14,227
	% CHANGE		99.9
3. <b>POVERTY INCIDENCE</b>	base	66	55
	resurvey(dec 2008)	59	52
	<b>PERCENTAGE POINT CHANGE</b>	-7	-3

INDICATOR	SPOTS II baseline year: 2006	ARCDP II (prelim. estimates) baseline year: 2003
4. PALAY		
a. PRODUCTIVITY (MT/HA)		
base	1,875	1.22
resurvey(dec 2008)	3,032	1.73
% CHANGE	62	41.8
b. Cropping Intensity		
b.1. Hybrid Palay:		
base	1.81	1.32
resurvey(dec 2008)	1.50	1.86
% CHANGE		
b.2. HYV Palay:		
base		1.22
resurvey(dec 2008)		1.86
% CHANGE		
b.3. Upland Palay:		
base		0.8
resurvey(dec 2008)		1.7
% CHANGE		
5. CORN PRODUCTIVITY (MT/HA)		
base	3.39	1.41
resurvey(dec 2008)	2.14	1.73
% CHANGE	-36.9	22.7
6. TYPE OF BUSINESS ACTIVITY IN THE HOUSE DUE SOLAR LIGHTING		
a. NUMBER OF HOUSEHOLD		
base	74	
resurvey(dec 2008)	87	
% CHANGE	17.6	
b. TYPE OF BUSINESS		
i. SARI-SARI STORE		
base	58	
resurvey(dec 2008)	72	
% CHANGE	24.1	
ii. GRAINMILLING		
base	0	
resurvey(dec 2008)	1	



INDICATOR	SPOTS II baseline year: 2006	ARCDP II (prelim. estimates) baseline year: 2003
<b>c. NO. OF TIMES FETCH WATER (NO. PER DAY)</b> base 3 resurvey(dec 2008) 2  <b>d. VOL. PER DAY (LITER/DAY)</b> base 48 resurvey(dec 2008) 27  <b>e. VALUE PER DAY (P/DAY)</b> base 0 resurvey(dec 2008) 1  <b>f. TIME NEEDED TO FETCH WATER (MINUTE)</b>		
base 11 resurvey(dec 2008) 16		
8. <b>TRAVEL TIME (minute)</b>  a. Tertiary School: base 19 resurvey(dec 2008) 15  b. District Hospital base 36 resurvey(dec 2008) 22  c. Mun. Health Center base 27 resurvey(dec 2008) 18	N.A.	
9. <b>HAULING COST</b>  a. fertilizer base resurvey(dec 2005)  b. palay base resurvey(dec 2005)  c. copra base resurvey(dec 2005)  <b>TRANSPORT COST</b>  d. commuting public base(2002) resurvey(dec 2005)		

INDICATOR	SPOTS II baseline year: 2006	ARCDP II (prelim. estimates) baseline year: 2003
10. <b>INCIDENCE OF WATER-BORNE DISEASE</b>		
<b>base</b>		
HH members affected	27	
total HH members	469	
% of HH members	5.76	
<b>resurvey(dec 2008)</b>		
HH members affected	19	
total HH members	356	
% of HH members	5.34	
<b>%AGE PTS. CHANGE</b>	-0.42	
11. <b>INCIDENCE OF CRIME/ ACCIDENTS FOR THE PAST 12 MONTHS</b>		
<b>base</b>		
rumble/public disturbance	49	
murder	1	
attempted murder	0	
<b>resurvey</b>		
rumble/public disturbance	1	
murder	0	
attempted murder	1	
12. <b>HOUSEHOLD ASSETS</b>		
<b>base</b>		<b>base</b>
(number)		(proportion owning, %)
radio	196	61
tv	60	48
refrigerator	2	21
electric fan	3	39
karaoke	61	-
cellphone	10	18
<b>resurvey(dec 2008)</b>		
radio	215	60
tv	141	64
refrigerator	21	28
electric fan	35	55
karaoke	89	-
cellphone	41	48
<b>Percent Change</b>		<b>Percentage points change</b>
radio	10	-1
tv	135	16
refrigerator	950	7
electric fan	1,067	16
karaoke	46	-
cellphone	310	30

