

The DAR ODA Portfolio

As of June 2004
(Preliminary)

I. Overview

The support to the Comprehensive Agrarian Reform Program (CARP) of the foreign donor community resulted in valuable increase in the Department of Agrarian Reform's official development assistance (ODA) portfolio. With the ODA as a significant source of fund to supplement the limited government resources for program beneficiaries development (PBD), the DAR has facilitated the implementation of various basic rural infrastructure facilities and the delivery of other support services to the program beneficiaries particularly in the agrarian reform communities (ARCs).

Since 1992, DAR has generated an aggregate amount of PhP41.446 billion for a total of 45 projects with ODA, in loans and grants, from bilateral and multilateral donors (Table 1). Of this total investment requirement for these projects, 59% are funded through loans, 14% through grants, while 27% 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 June 2004, thirty one (31) foreign-assisted projects (FAPs) have already been completed, 13 projects are on-going and one (1) is for implementation by third quarter this year. Meanwhile, around twenty (20) projects worth PhP38.7 billion 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

1992 - June 2004

Type of Project/Assistance	No. of Projects	Total Cost (PhP Million)			Total
		Loan	Grant	GOP	
1. Completed	31	4,476.83	4,225.96	3,924.22	12,627.01
2. On-going FAPs	13	18,705.34	1,739.31	7,248.13	27,692.78
- Capital Assistance (CA)	9	18,705.34	1,297.83	7,218.17	27,221.34
- Technical Assistance (TA)	4		441.48	29.96	471.44
3. For Implementation	1	1,050.00		68.47	1,118.47
Sub-Total	45	24,232.17	5,965.27	11,240.82	41,438.26
4. In the Pipeline	20	25,721.91	2,447.58	10,531.51	38,701.00
Total	65	49,954.08	8,412.85	21,772.33	80,139.26

**Table 2. DAR ODA INITIATIVES FOR ARC DEVELOPMENT
As of June 2004**

PROJECT TITLE/FUNDING SOURCE		REGIONS COVERED	No. of ARCs Covered	TOTAL PROJECT	
COMPLETED PROJECTS (31)				12,627.01	
ON-GOING FAPs (CA)				27,221.34	
1	Agrarian Reform Infrastructure Support Project II (ARISP II)	JBIC	CAR, I, II, III, IV, V, VI, VII, VIII, IX, X, XI, & XII	149	6,740.00
2	Agrarian Reform Communities Project (ARCP)	ADB	I, II, III, IV, VI, XI, XII, CARAGA, & ARMM	163	7,207.22
3	Belgian Integrated Agrarian Reform Support Project (BIARSP) Phase III	Government of Belgium	VII and IX	74	520.26
4	Mindanao Sustainable Settlement Area Development Project (MINSSAD)	JBIC	X, XI, XIII	8	3,102.50
5	Support to Agrarian Reform in Central Mindanao (STARCM)	EU	XII, ARMM	50	1,049.63
6	Western Mindanao Community Initiatives Project (WMCIP)	IFAD	IX	22	678.30
7	Solar Power Technology Support to Agrarian Reform Communities (SPOTS)	Spain	IX, X, XI, XII, XIII	40	A 3,368.20
8	Northern Mindanao Community Initiatives and Resource Management Project (NMCREMP)	IFAD	Northern Mindanao	28	B 1,130.58
9	SOF Grant				5.20
9	Agrarian Reform Communities Development Project-Phase II (ARCDP-II)	WB	Nationwide	78	3,419.45
ON-GOING FAPs (TA)				471.44	
10	Community-Managed Agrarian Reform and Poverty Reduction Program (CMARPRP) Expanded Piloting	Japan Social Development Fund	III, IV, V, IX, X, XI		110.00
11	Philippines-Australia Technical Support for Agrarian Reform and Rural Development (PATSARRD)	AusAid	Northern Samar, Misamis Occidental, Agusan Sur, Surigao Norte, Bohol	102	288.94
12	Phil-German Cooperation in Agrarian Reform and Rural Development	German Government			65.00
13	Empowering the ARBs thru Tenurial Security (EARBETS)	UNDP			7.50
APPROVED FOR IMPLEMENTATION CY 2004				1,118.47	
14	Italian Agrarian Reform Community Development Project (Italian ARCDP)	Government of Italy	Lanao Sur, Maguindanao, Sarangani	19 ^C	1,118.47
Total ARCs covered			886	^D	
ON-GOING PROJECTS TOTAL				28,811.25	
PIPELINE				38,701.00	
Loan					
1	Delivery of Metallic Bridges to ARCs	France		Nationwide	1,361.70
2	Speed Up Peace in CAR	Government of Italy		CAR	1,430.00
3	Agrarian Reform Communities Project-Phase II (ARCP 2)	ADB			10,000.00 ^E
4	Establishment of Rice Processing and Milling Complexes in KALAHI Agrarian Reform Zones	Government of Korea			517.82
5	ARISP III	JBIC			10,000.00 ^E
6	Community-Managed Agrarian Reform Project (CMARP)	WB			550.00 ^E
7	DILG Local Bridge Replacement Program Phase I	Government of United Kingdom		Nationwide	11,992.50
Sub-total					35,852.02

Table 2. DAR ODA INITIATIVES FOR ARC DEVELOPMENT
As of June 2004

PROJECT TITLE/FUNDING SOURCE		REGIONS COVERED	No. of ARCs Covered	TOTAL PROJECT
Grant				
8	Philippine - Israel Center for Agricultural Training	State of Israel		7.32
9	Agrarian Reform Communities Project- Phase II (ARCP 2)	ADB		10.00
10	Bridge Construction to Support Expanded ARCs	JICA	ARCs in Luzon	295.00
11	Development of Agrarian Reform Communities in Marginal Areas II	JICA		275.82
12	In-Country Training Course on the Improvement of Operation and Maintenance System and Technology for ARCs with ARB Participation	JICA		22.00
13	Study on Improvement of Basic Management System & Effective & Efficient Implementation of ARC Support Services	JICA		290.00
14	Development of Viable ARCs Focusing on Environmental Concerns in Southern Palawan	JICA	Tagumpay Settlement	406.85
15	Strategy for DAR Computerization and Networking	JICA		11.53
16	Agrarian Reform Communities Development for Upper Agno River Basin	JICA		297.87
17	Mapping of KALAHI AR Zone by Digital Photogrammetry Method	JICA	DAR Central	45.38
18	Kenaf Production and Processing Project in Alaminos, Pangasinan	JICA		1,078.95
19	Replacement of GPs Equipment and Software Data Downloading	JICA	Pitong Gatang ARC	3.96
20	Phil-German Cooperation in Agrarian Reform and Rural Development Phase II	German Government	VII, Central Offices of RD Agencies	104.30
Sub-total				2,848.98
TOTAL				80,139.26

A 74 ARCs but only 40 ARCs will be covered under Phase I

B 28 ARCs (81 brgys) + 33 lowland/coastal communities covered by DA and 61 upland communities covered by DENR

C Other ARCs are to be identified in 2 provinces in ZSPAD areas, 3 ARCs identified in Sarangani

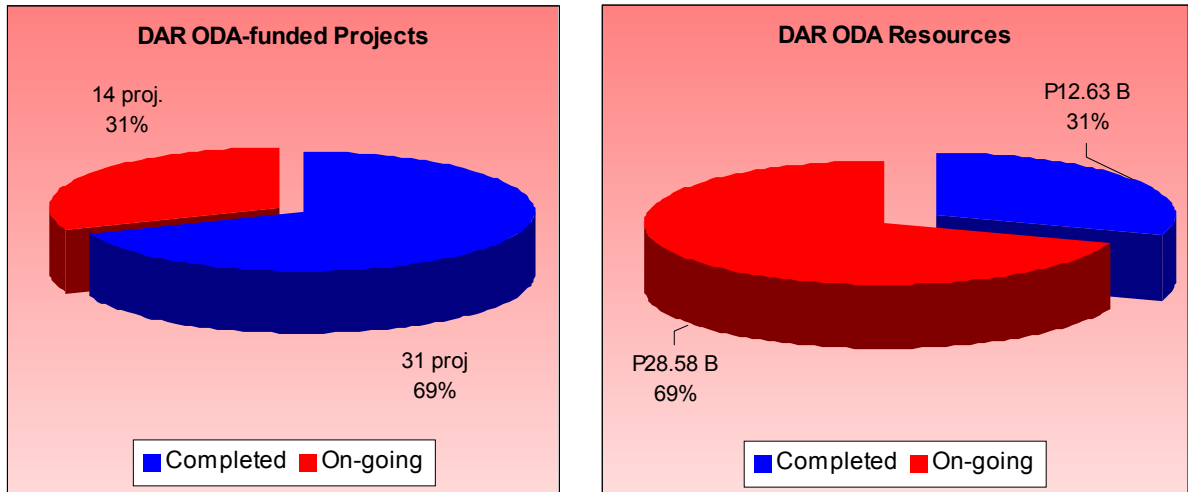
D Total No. of FAPs-covered ARCs (w/o double counting)

E Indicative costs

**Table 3. List of Completed Foreign-Assisted Projects
1992 - June 2004**

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		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)	JICA	291.62
31 Support Project for the Indigenous Communities and MNLF in the Zone of Peace within ARCs (SPICcinZPARC)	IFAD	33.94
TOTAL		12,627.01

Figure 1. Profile of DAR ODA Portfolio



Of the DAR's forty-six (46) FAPs, twenty-five (25) projects, with total investment requirements of PhP39.655 billion, passed through the Investment Coordination Committee (ICC)-approval prior to their implementation (Table 4). The first three (3) projects approved in 1995 were the Agrarian Reform Support Project (ARSP), the Agrarian Reform Infrastructure Support Project (ARISP I) and the Belgian Agrarian Reform Support Project (BARSP) which amounted to PhP4 billion. On an annual basis, DAR generated the largest amount of funding assistance in 1998, with the approval of four (4) projects worth PhP9.22 billion. These include the Agrarian Reform Communities Project (ARCP), the Belgian Integrated Agrarian Reform Support Project (BIARSP), and the 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). For CY 2003, Phase III of the Belgian Integrated Agrarian Reform Support Project (BIARSP) with a total project cost of PhP590.62 million was approved.

**Table 4. List of FAPs with ICC-Approval
1995 - June 2004
(PhP Million)**

PROJECT TITLE	PROJECT DURATION	1995	1996	1997	1998	1999	2000	2001	2002	2003
1 ARSP (EU)	1995-2001	1,354.30								
2 ARISP (JBIC)	1996-2002	2,505.13								
3 ARCDP (WB)	1997-2003		4,434.42							
4 RASCP (JBIC)	1997-2001			109.62						
5 ECSCARP (SIDA)	1997-2001			231.91						
6 SARC-TSARRD/ TSARRD II-Ext. Phase (ITALY)	2002-2002 2002-2003		282.96						25.50	
(AusAID-Bridge Financing)	July-Aug. 2002								4.87	
7 PAPSRA (CIDA)	1999-2001			87.10						
8 SARDIC (UNDP)	1997-2003			151.26						
9 IFAP II (ITALY)	1997-			4.00						
10 BARSP/ BIARSP (BELGIUM)	1995-1998 1998-2003	140.00								
11 ARCP (ADB)	1999-2005				1,302.36					
12 WMCIP (IFAD)	1999-2004				7,207.22					
13 SPICcinZPARC	1999-2004				678.30					
14 ARISP II (JBIC)	2000-2004				33.94					
15 MINSSAD (JBIC)	2001-2006					6,740.00				
16 STARCM (EU)	2001-2008						3,102.50			
17 DARCM (JICA)	2002-2003						1,049.63			
18 NMCIREMP (IFAD)	2003-2008							291.62		
19 ITALIAN ARCDP	2003-							1,130.58		
20 SPOTS (SPAIN)	2003-2005							1,118.47		
21 ARCDP II (WB)	2003-2006								3,368.20	
22 PGCSARRDP (GERMAN)	2002-2004								3,419.45	
23 PATSARRD (AusAID)	2002-2005								65.00	
24 EARBETS (UNDP)	2002-2004								288.94	
25 BIARSP III (BELGIUM)	Sept 2003-Aug 2007								7.50	520.26
SUB-TOTAL		3,999.43	4,717.38	583.89	9,221.82	6,740.00	4,152.13	2,540.67	7,179.46	520.26
CUMMULATIVE TOTAL		3,999.43	8,716.81	9,300.70	18,522.52	25,262.52	29,414.65	31,955.32	39,134.78	39,655.04

As of June 30, 2004, DAR is implementing a total of thirteen (13) ongoing foreign-assisted projects including one (1) new project in the start-up phase worth PhP1.12 billion (Table 5). This is the Italian Agrarian Reform Community Development Project (Italian ARCDP).

Of the thirteen (13) on-going FAPs, nine (9) are mainly capital assistance (CA) while four (4) projects are technical assistance (TA).

Table 5. Profile of DAR Foreign-Assisted Projects

As of June 2004

Project Title and Fund Source	Type of Assistance	Total Cost (P million) ¹			
		Loan	Grant	GOP	Total
Loans					
1. JBIC - ARISP II	CA/TA	5,663.00		1,077.00	6,740.00
2. JBIC – MINSSAD	CA/TA	2,326.79		775.71	3,102.50
3. ADB – ARCP	CA/TA	3,976.47		3,230.75	7,207.22
4. SPAIN – SPOTS	CA/TA	2,826.20		542.00	3,368.20
5. WB – ARCDP 2 ²	CA/TA	2,607.61		811.84	3,419.45
WB-CMARPRP ² (grant)	TA		110.00		110.00
6. IFAD – WMCIP (w/ SOF grant)	CA/TA	576.44	1.75	100.11	678.30
IFAD-SPICCNZPARC	CA/TA		30.00	3.94	33.94
7. IFAD – NMCIREMP (w/ SOF grant) ²	CA/TA	728.83	5.20	401.75	1,135.78
Grants					
8. BELGIUM – BIARSP III	CA/TA		461.89	58.37	520.26
9. EU – STARCM	TA		828.99	220.64	1,049.63
10. Phil-German CARRD	TA		48.00	17.00	65.00
11. UNDP – EARBETS	TA		7.50		7.50
12. AUSAid – PATSARRD	TA		275.98	12.96	288.94
New/Pre-implementation					
13. ITALIAN – ARCDP	CA/TA	1,050.00		68.47	1,118.47
GRAND TOTAL		19,755.34	1,769.31	7,320.54	28,845.19

¹ Based on BP 203 submitted to DBM

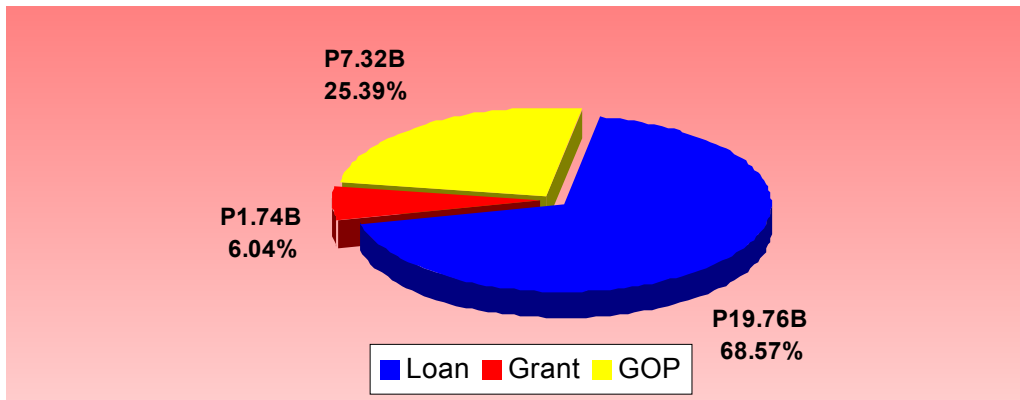
²New Projects

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.

These on-going projects have a combined cost of about P28.845 billion of which 68.49% are financed through loans while the remaining 25.38% and 6.13% are sourced from the GOP and grant, respectively (Table 5/Figure 2a). Eight (8) projects worth P26.769 billion are funded through concessional loans from the Asian Development Bank (ADB), the Japan Bank for International Cooperation (JBIC), the World Bank-International Bank for Reconstruction and Development (IBRD), the International Fund for Agricultural Development (IFAD) and the Government of Spain. The remaining six (6) projects are funded through a total of

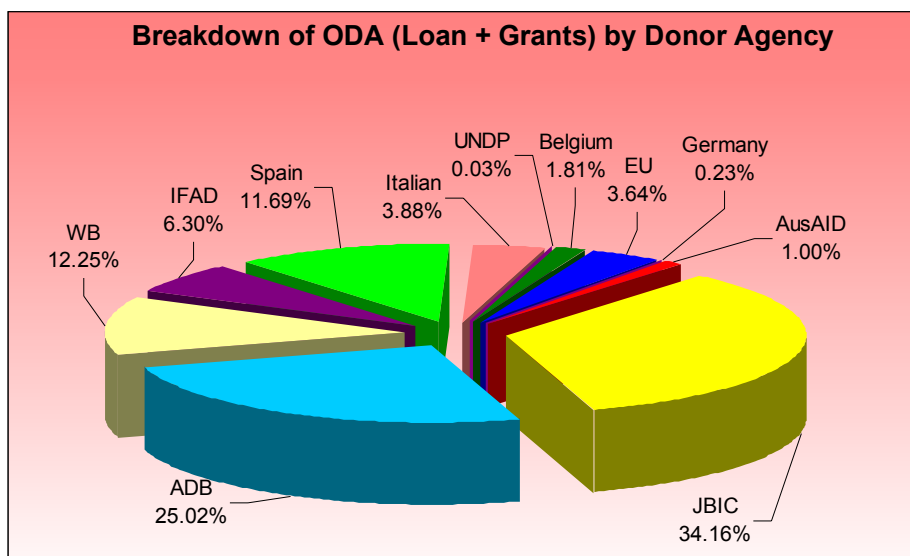
₱2.04 billion grant funds from the European Union (EU), the governments of Belgium, Italy, and Germany, Japan International Cooperation Agency (JICA), IFAD, the United Nations Development Program (UNDP) and the Australian Agency for International Development (AusAID).

Figure 2a. Funding Source of DAR On-going FAPs



In terms of contribution to the DAR's ODA Portfolio, the JBIC ranked first among donor agencies with pledges accounting for 34% of the total investment requirements for on-going FAPs (Figure 2b). Fund support from the ADB reached 25% of the total ODA fund for the Department, 12% each from the WB-IBRD and the Government of Spain, and 6% from the International Fund for Agricultural Development (IFAD). Grants from the Government of Belgium and the European Union are at 2% and 4% of the total.

Figure 2b. Funding of DAR On-going FAPs by Source (Donor Agency)



Counterpart fund requirements of the Government of the Philippines (GOP) for all the projects were estimated at ₱7.32 billion or 25% of the overall cost of the on-going foreign-assisted projects being implemented by DAR.

II. Scope and Coverage

Since 1993, a total of 1,647 ARCs have been established covering 6,211 barangays in 1,163 municipalities involving 900,857 ARBs. Out of these, 896 ARCs (54%) are FAPs areas involving 507,519 ARBs in 3,519 barangays. Ten completed FAPs have provided assistance to 729 ARCs, while 11 on-going projects which are at various stages of implementation cover 757 ARCs. Total ARB reach in FAPs ARCs is 507,519. (Table 6a)

Table 6a. FAPs SCOPE BY REGION

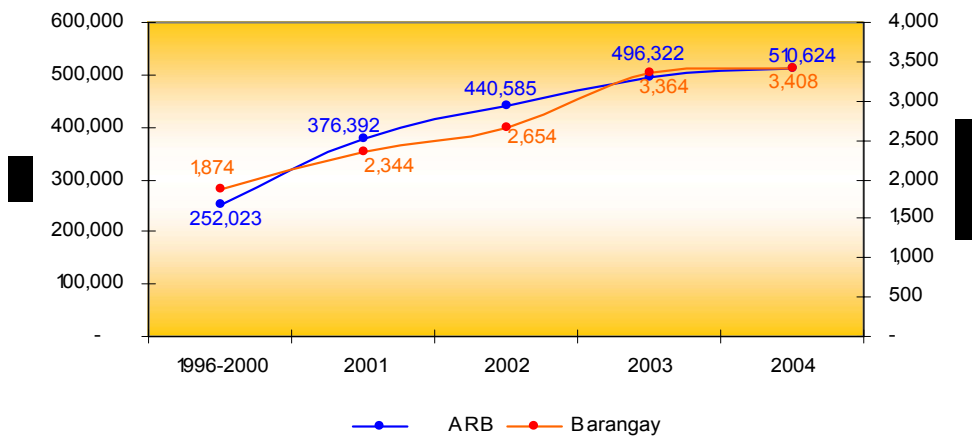
REGION	SCOPE OF DAR-FAPs					NO. OF FAPs
	PROVINCE	MUNICIPALITY	ARC	BARANGAY	ARB	
CAR	6	23	23	146	26,307	4
REGION I	4	46	47	212	24,202	6
REGION II	5	49	51	255	33,180	8
REGION III	7	52	59	201	43,293	14
REGION IV	10	57	73	245	44,083	7
REGION V	5	43	52	241	30,889	9
Sub-total Luzon	37	270	305	1,300	201,954	
REGION VI	6	59	78	183	32,183	8
REGION VII	4	45	59	233	42,124	8
REGION VIII	6	59	62	415	39,731	9
Sub-total	16	163	199	831	114,038	
Visayas						
REGION IX	3	49	73	239	26,763	10
REGION X	5	71	87	358	32,734	15
REGION XI	4	40	58	172	31,011	12
REGION XII	4	43	61	129	41,500	10
CARAGA	4	61	77	378	53,716	11
ARMM	5	30	36	112	5,803	9
Sub-total	25	294	392	1,388	191,527	
Mindanao						
Grand Total	78	727	896	3,519	507,519	

Forty-four percent of FAPs ARCs are located in Mindanao, 34% in Luzon and 22% in Visayas. Region 10 accounts for the widest coverage with 87 ARCs and has the most number of projects with 15 FAPs, inclusive of completed and on-going projects. CARAGA has the biggest number of beneficiaries with 53,716 ARBs, while Region VIII accounts for the largest number of barangays at 415. Each region has an average of 8 FAPs and 56 ARCs. Among the FAPs providing capital assistance packages, ARCP and ARISP II cover the most number of ARCs, 162

and 150, respectively. For technical assistance projects, PATSARRD has the largest figure with 113 ARCs.

Yearly average growth rate of ARCs is 7% or an average of 54 new ARCs covered per year; annual growth rate for ARB is 20% or 64,650 ARBs per year; and an average of 34 barangays per year or 17% growth rate. (Table 6b)

Table 6b. ANNUAL CUMULATIVE GROWTH of FAPs COVERAGE
(ARB and Barangay)



Forty three percent (44%) of the ARCs covered under all FAPs are located in Mindanao while those in Luzon and Visayas represent 34% and 22%, respectively. By region, Region X has the most number of ARCs covered by FAPs, while CARAGA has the most number of ARBs covered by FAPs (Figures 3a and 3b).

Figure 3a. Distribution of ARCs covered under FAPs

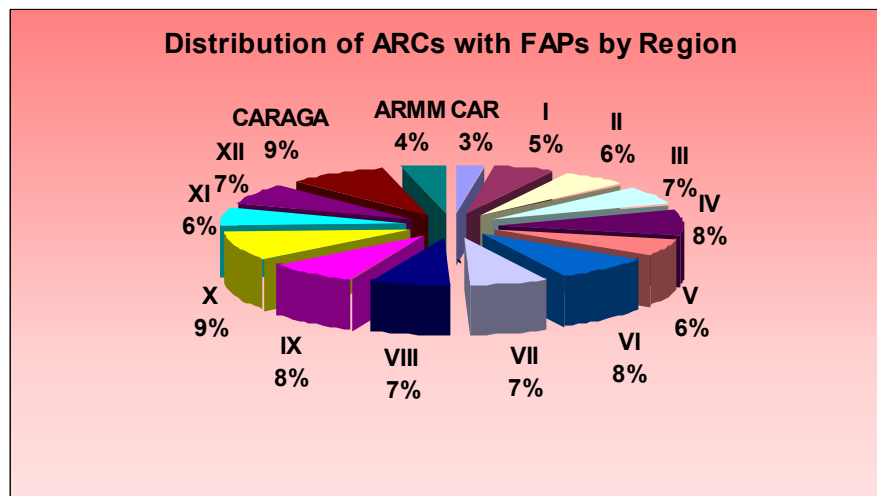
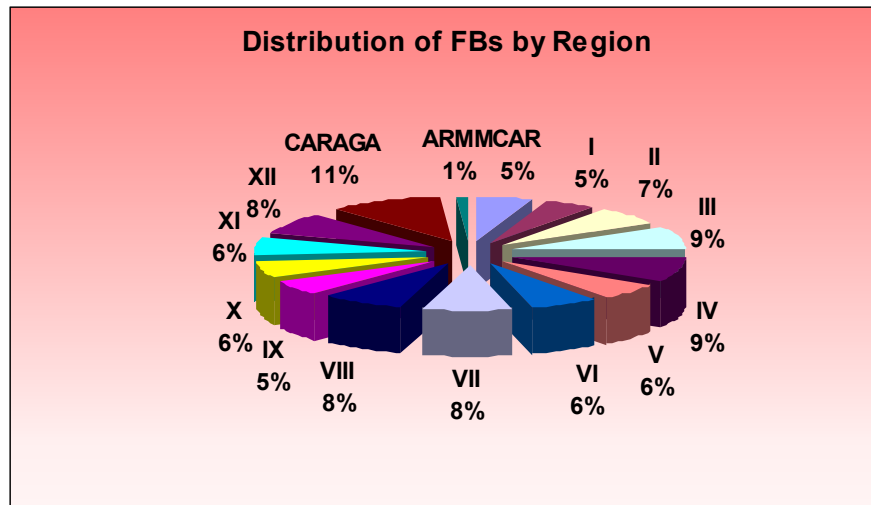


Figure 3b. Distribution of FBs covered under FAPs



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

In this review, the performance of only 13 out of the 14 on-going projects was evaluated since the implementation of the Italian ARCDSP is expected to start implementation by third quarter 2004. Three (3) of the 13 projects, namely, the Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP), the Second Agrarian Reform Development Project (ARCDP II), and the Phase III of the Belgian Integrated Agrarian Reform Support Project (BIARSP III) had just started last year and the activities undertaken were mostly in preparatory phase.

A. Physical Accomplishment

As of June 2004, the thirteen (13) FAPs accomplished 28.29% of their physical targets for the year reflecting a decrease of about 28.93% from the previous year's level. The FAPs overall performance followed similar downward trend, declining by 6.99% from last year record of 55.49% to this year's 48.50% (Table 7/Figure 5). While the overall performance of on-going FAPs barely reached 50%, a number of projects performed considerably well with two of the 13 on-going projects (accomplishing more than 100% of its target, these are the Philippines-Australia Technical Support for Agrarian Reform and Rural Development (PATSARRD) and the RP-German Cooperation Support to Agrarian Reform and Rural Development Project. There are six (6) projects whose time elapsed are more than 50 percent, which include ARISP II, WMCIP, ARCP, SPOTS, EARBETS and RP-German Cooperation to ARRDP. Average time elapsed for these FAPs is 55.51%.

Table 7. PHYSICAL PERFORMANCE
As of June 30, 2004
(Preliminary)

8/11/2004

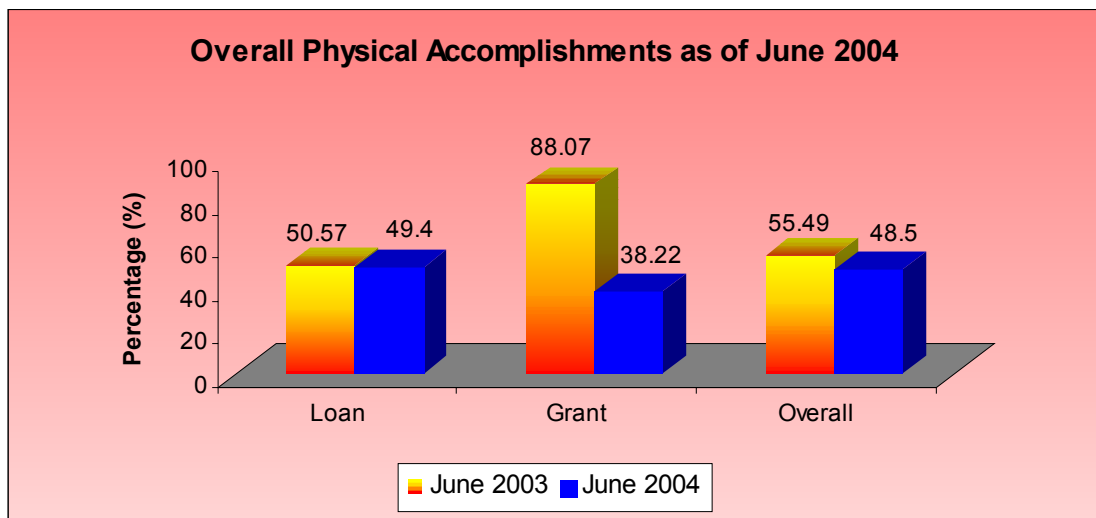
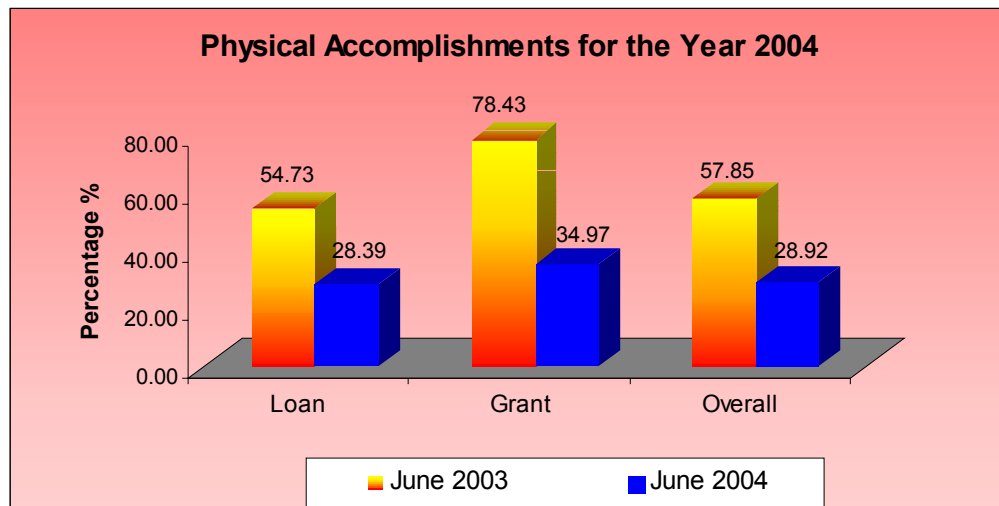
NAME OF PROJECT	Target Cumulative/ Global	PERFORMANCE RELATIVE TO TARGETS (%) ^{1/}			Time Elapsed
		Overall	For the Year	Cumulative	
LOAN		49.40	28.39	55.50	
1 Western Mindanao Community Initiatives Project	77.50	71.90	22.97	96.45	91.43
2 DAR-ADB Agrarian Reform Communities Project	85.48	61.15	24.94	65.56	77.00
3 Agrarian Reform Infrastructure Support Project - Phase II (ARISP II)	77.48	63.08	51.84	80.53	85.00
4 Solar Power Technology Support (SPOTs) Project to ARCs (Phase I)	78.90	40.43	34.86	42.56	83.33
5 Mindanao Sustainable Settlement Area Development Project (MINSSAD)	79.84	47.75	5.94	37.99	45.83
6 Second Agrarian Reform Communities Development Project (PH-4109-WB) * (ARCDP II)		12.54	12.54	12.54	23.00
7 Northern Mindanao Community Initiatives and Resource Management Project (NMCIREMP) *	9.90	2.59	5.75	6.78	21.00
GRANTS		38.22	34.97	55.52	
8 Support to Agrarian Reform Communities in Central Mindanao (ALA-99/50-EU)	56.88	47.65	46.16	68.54	44.00
9 Empowering the Agrarian Reform Beneficiaries through Tenurial Securities (EARBETS)	75.03	72.72	15.20	66.86	77.78
10 Philippines-Australia Technical Support for Agrarian Reform and Rural Development (GCP/PHI/047/AUC) (PATSARRD)	44.89	50.38 ^{2/}	42.81 ^{2/}	108.25 ^{2/}	44.47
11 Belgian Integrated Agrarian Reform Support Project	1.20	1.20	3.79	3.79	20.83
12 RP-German Cooperation Support to Agrarian Reform and Rural Development Project	100.00	108.39	32.14	111.61	81.81
13 Community-Managed Agrarian Reform and Poverty Reduction Project (CMARPRP) JSDF	70.38	52.17	55.37	55.37	49.58
Over-all Weighted Accomplishment		48.50	28.92	55.51	

^{1/} Weighted

^{2/} Based on revised set of performance indicator.

* Preparatory Phase

Figure 5. Comparative Physical Performance of FAPs



The overall physical accomplishment for loans decrease by 1.17% or from 50.57% in June 2003 to 49.40% in June 2004. For grants, accomplishment was 38.22% of their overall targets or a reduction by 49.85% from the last year's performance of 88.07%. The considerable decline in the overall performance of the grant projects is attributable to the termination of the following grant projects which have always performed above satisfactory, to wit: BIARSP II, DARCMA and TSARRD.

B. Financial Performance

The overall utilization rate for the FAPs under review is 39.83% of the total committed funds. The average availment rate for both loans and grants is 69.40% of what was programmed for the period, which is 15.55% lower than the June 2003 figure (Table 8 and Figures 6a and 6b).

Table 8. Utilization and Availment Rate of On-going Foreign-Assisted Projects
As of June 2004

Project Title and Fund Source		Net Commitment	Sheduled Availment	Actual Availment	Utilization Rate (%)	Availment Rate (%)	Time Elapsed (%)
LOAN							
JBIC - ARISP II	Y	16,990.00	8,872.13	8,817.75	56.61%	99.39%	85.00%
IFAD-WMCIP	\$	11,522.92	10,165.70	6,291.84	71.00%	81.00%	91.43%
ADB-ARCP	\$	66.97	44.92	28.21	42.12%	62.80%	77.00%
JBIC-MINSSAD	Y	6,515.00	1,986.80	1,941.74	29.80%	97.73%	45.83%
SPAIN-SPOTS	\$	25.18	18.88	16.36	65.00%	86.60%	83.33%
ARDCP II	\$	50.00	2.99	1.98	3.97%	66.47%	23.00%
NMCIREMP	Php	728.83	134.09	60.95	8.00%	45.00%	21.00%
GRANT							
EU-STARCM	Euro	15.18	6.74	2.90	19.10%	43.00%	44.00%
BELGIUM-BIARSP Phase III	P	461.892	218.206	16.488	3.57%	7.56%	20.83%
UNDP-EARBETS	\$	0.170	0.137	0.130	80.80%	77.82%	77.78%
AusAID-PATSARRD	\$	5.11	3.034	2.914	58.12%	96.04%	44.47%

Figure 6a. Financial Performance of On-going FAPs

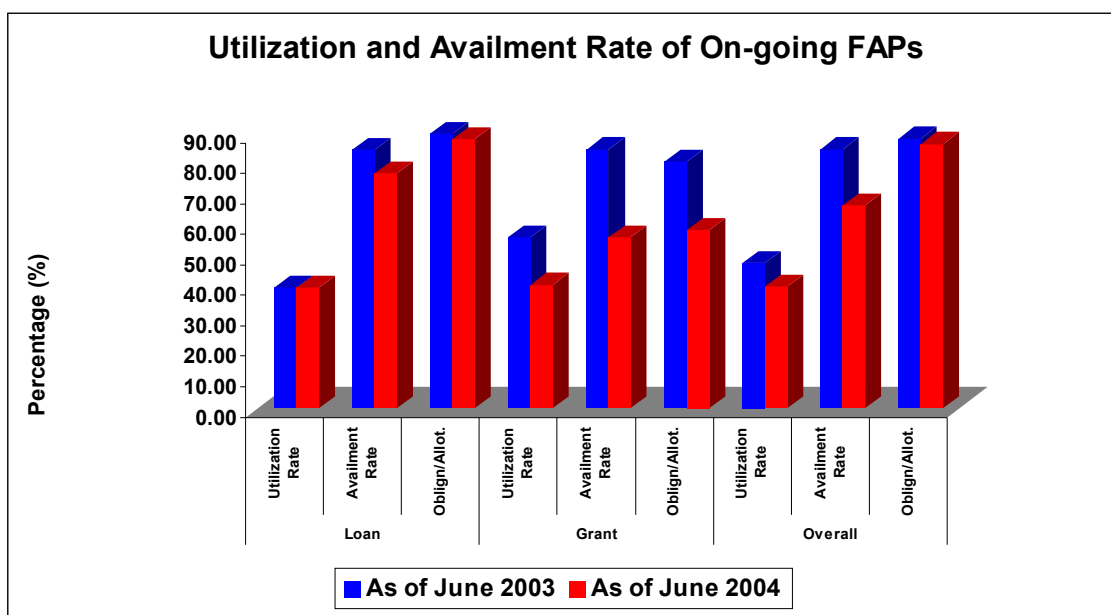
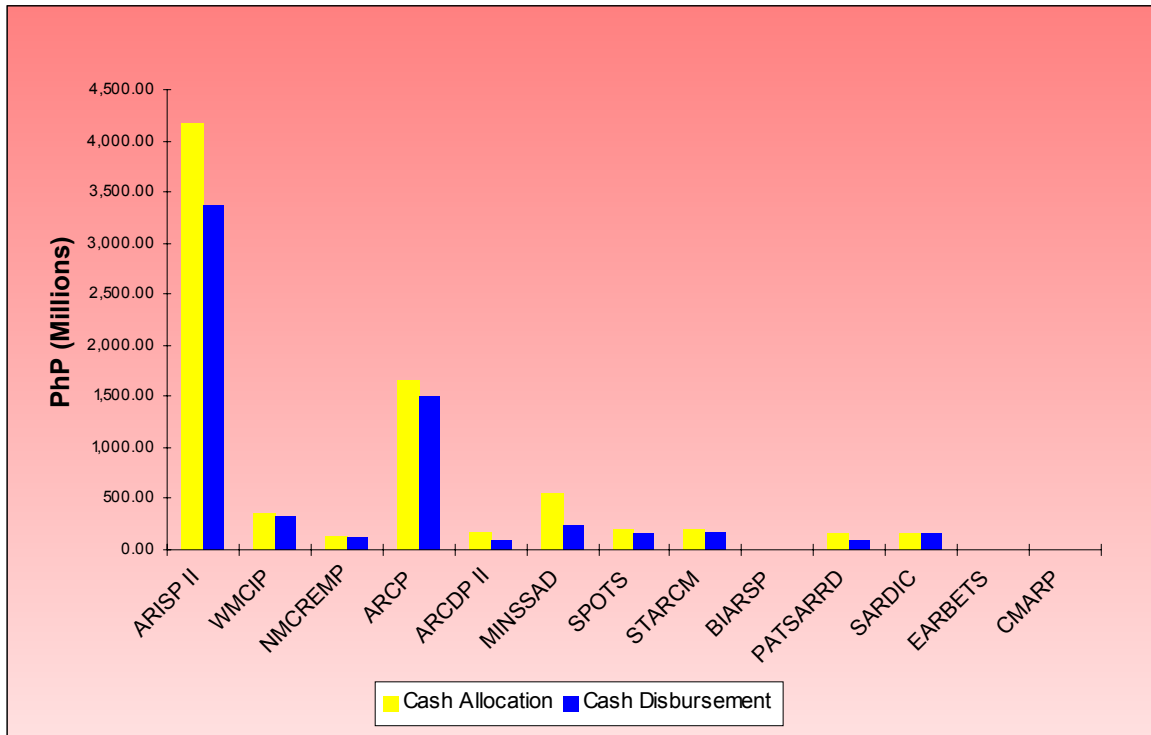
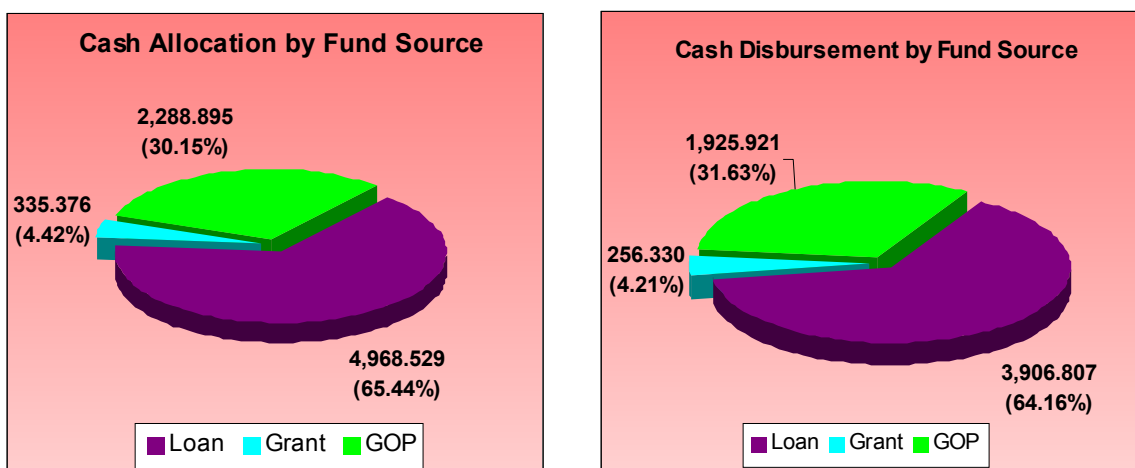


Figure 6b. Cash Allocation/Cash Disbursement of On-going FAPs



Cash support is 66.23% of the allotment (76.56% for grant and 61.20% for loan). As of June 2004, 85.81% of the allotment was obligated, which is 8.29% above the March 31, 2004 level at 77.52% (Table 9 and Figure 7).

Figure 7. Cash Allocation/Cash Disbursement by Fund Source



**Table 9. Cash allocation and Cash Disbursement Status
As of June 2004**

Fund Source	Allotment (PM)	Obligations (PM)	Cash Allocation (PM)	Cash Disb. (PM)
Loan				
Total	10,984.836	9,540.751	7,221.718	5,797.770
Loan Proceeds	8,118.839	7,169.809	4,968.529	3,906.807
Peso Counterpart	2,865.997	2,370.942	2,253.189	1,890.963
Grant				
Total	479.283	296.416	371.082	291.288
Grant Proceeds	438.037	256.367	335.376	256.330
Peso Counterpart	41.246	40.049	35.706	34.958
Grant Total	11,464.119	9,837.167	7,592.800	6,089.058
Loan & Grant	8,556.876	7,426.176	5,303.905	4,163.137
Peso Counterpart	2,907.243	2,410.991	2,288.895	1,925.921

1. Loan Performance

As of June 2004, utilization rate is at 39.83% while loan availment is 69.40%. The individual performance of each project is shown in Table 8.

For the year 2004, the Department of Budget and Management (DBM) already released a total of P1,956.855 billion in the form of allotment representing 67.74% of the total FAPs budget for LP for CY 2004. Of this amount, 66.91% were obligated while 54.33% or P1,063.086 million were released as cash allocation. Total disbursement is at P603.135 million or 56.73% of the cash support (Table 10).

Table 10. Allocation and Disbursement Status for CY 2004

Fund Source	Allotment (PM)	Obligations (PM)	Cash Allocation (PM)	Cash Disb. (PM)
Loan				
Total	2,717.464	1,733.873	1,375.841	869.548
Loan Proceeds	1,956.855	1,309.398	1,063.086	603.135
Peso Counterpart	760.609	424.475	312.755	266.413
Grant				
Total	171.099	147.113	197.318	147.581
Grant Proceeds	171.099	147.113	197.318	147.581
Peso Counterpart	0.000	0.000	0.000	0.000
Grant Total	2,888.563	1,880.986	1,573.159	1,017.129
Loan & Grant	2,127.954	1,456.511	1,260.404	750.716
Peso Counterpart	760.609	424.475	312.755	266.413

2. Grant Performance

For grants, utilization rate is estimated at 40.40% while availment rate is at 56.11%. Total allotment reached P438.037 million with a total cash allocation amounting to 335.376 million. For this first quarter 2004, about P197.318 million were received by grant-assisted projects of which 74.79% were already disbursed.

3. GOP Counterpart Performance

The government allotted P2,907.243 billion as of June 2004 as counterpart funds to support various activities by virtue of the loan and grant agreements. Actual cash allocated was P2,288.895 billion cumulative from project start. The actual cash disbursement per preliminary reports reached P1,925.921 billion. Meanwhile, Table 10 shows the individual financial performance of each foreign-assisted projects.

For the first quarter 2004, total allotment released amounted to P760.609 million of which P424.475 million were obligated representing 55.81% of the total. Cash allocation and disbursement were at P312.755 million and P266.413 million, respectively.

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. FAPs intervention has six common 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. *Project Partners*

The implementation of this component involves the participation of various CARP-implementing agencies like the Department of Public Works and Highways, National Irrigation Administration, Department of Health and Department of Education. These agencies participate in the planning, design, and supervision of sub-project implementation. Some FAPs require partnerships from Local Government Units at the municipal level which are directly responsible for the implementation, operation and maintenance of sub-projects. Part of the agreement between the FAPs and LGUs is for the latter to provide counterpart funds. Cost sharing arrangement is based on LGU class and is provided by the municipal LGU through cash/equipment support or the ARBs in the form of labor.

2. *Scope of Physical Infrastructure*

Since the start of foreign-assisted projects implementation in 1995, substantial investments have been committed and/or disbursed to secure food sufficiency and promote the economic well-being of agrarian reform beneficiaries through the

construction/rehabilitation of basic community infrastructure involving 373,866 ARBs in 700 ARCs. The total physical infrastructure component has an aggregate amount of Php 17.8 billion and it accounts for 74% of the total DAR-FAPs portfolio. It has the following sub-components:

2.1 Communal Irrigation System

- i. Communal Irrigation Project
- ii. Communal Irrigation System
- iii. Small Water Impounding Project

2.1 Farm-to-Market Road

- i. Gravel
- ii. Concrete

2.2 Bridge

2.3 Pre-/Post-Harvest Facility

- i. Warehouse
- ii. Solar Drier
- iii. Multi-Purpose Building/Center

2.4 Potable Water Supply

- i. Level I
- ii. Level II
- iii. Level III

2.5 Multi-Purpose Center

2.7 Rural Electrification

- i. Transmission Line Type
- ii. Solar Power

2.8 School Building

2.9 Health Center

2.10 Wharf

2.11 Flood Control Structure

2.12 Private & Semi-public Latrines

Table 10. Global Targets for Major Infra Sub-Projects by FAPs

FAPs*	FMR (km)	Irrigation (ha)	PPHF (unit)	PWS (unit)	Bridge (lm)	School Buildings (classrms)	Rural Elect (km)	Health Ctr (unit)
ARCDP	828	10,000	34	100	2,550	-	-	-
ARCP	1,500	6,500	-	900	-	-	-	-
ARISP – II	766	43,433	122	66	-	-	-	-
BIARSP	200	2,000	-	40	-	100	-	2
WMCIP	600		300	500	2,300			
MINSSAD	1,024	2,729	89	61		758	-	52
STARCM	170	950	50	50	150	-	-	-
TOTAL	5,675	82,186	735	1,859	5,163	858	83	54

* Sub-projects for new FAPs are under validation and evaluation.

3. Status of the Physical Infrastructure Component

The physical infrastructure component represents almost 75% of the Department's ODA portfolio of Php 43 billion. It consists of extensive investments in the construction of roads and bridges, irrigation and post-harvest facilities, power facilities, education and health structures and potable water supply systems, among others. Since the start of physical infrastructure implementation in 1996, a total of 1,601 subprojects were completed amounting to Php 6.54 billion; 462 subprojects are undergoing construction with a total cost of Php 4.34 billion; and 1,002 subprojects with an aggregate amount of Php 5.79 billion are in the various planning, design and approval stages.

Table 11. Yearly Breakdown of Completed Physical Infrastructure (Preliminary)

SUBPROJECT TYPE		CY 1996-99	CY 2000	CY 2001	CY 2002	CY 2003	CY 2004	TOTAL
IRRIGATION	ha	6,422	4,700	3,602	8,223	6,555	2,882	32,384
FMR	km	353	255	596	327	572	104	2,206
PHF	unit	44	34	35	1	15	3	132
BRIDGE	lm	450	613	445	2,638	690	233	5,070
PWS	unit	158	42	150	56	151	28	585
SCHOOL BLDG	rm	-	53	6	27	-	-	86
HEALTH UNIT	unit	-	-	-	20	1	-	21
MPP	unit	-	-	11	66	26	5	108
RURAL ELECT'N	km	28	9	25	-	-	1	63
SOLAR POWER	sys					-	49	49

Fifty-four percent of subprojects are located in Mindanao while Luzon and Visayas account for 30% and 16%, respectively. A total of 101 subprojects have been completed for the year with an aggregate cost of Php 533 million. Region IX posted the most number of completed (23) and on-going (87) subprojects, while Region IV has the highest investment cost with Php 81 million worth of completed infrastructure.

Table 12. Distribution of Sub-Projects by Region
(Preliminary)

Region	Implementation Stage (No. of Sub-Projects)				Total	%
	Completed	On-going	Preconst.	Pipeline		
CAR	35	18	6	7	66	
Region I	102	25	3	46	176	
Region II	98	18	16	85	217	
Region III	52	18	27	42	139	
Region IV	90	25	6	33	154	
Region V	125	11	3	9	148	
Luzon	502	115	61	222	900	30%
Region VI	126	29	11	68	234	
Region VII	93	28	1	2	124	
Region VIII	87	18	3	29	137	
Visayas	306	75	15	99	495	16%
Region IX	185	87	27	8	307	
Region X	146	45	74	97	362	
Region XI	119	23	8	80	230	
Region XII	115	43	34	129	321	
CARAGA	197	46	27	88	358	
ARMM	31	28	8	25	92	
Mindanao	793	272	178	427	1,670	54%
Grand Total	1,601	462	254	748	3,065	100

4. *Sustainability Monitoring*

Post-completion monitoring of the status of physical infrastructure is a periodic activity of the FAPsO Inspectorate Teams at the national, regional and provincial levels. The latest assessment done from March to April 2004 covered 11 provinces involving 157 subprojects, 308 barangays, 66 municipalities and 67 ARCs.

The assessment made by the FAPsO National Inspectorate Team-Technical Working Group (NIT-TWG) resulted to the following general findings and observations:

- There is an improving awareness and responsiveness of community-level O&M groups on their roles and responsibilities relating to proper maintenance as seen from the scope of subprojects which either improved or at least maintained satisfactory ratings;
- Sixty-eight percent (68%) of the subprojects validated are in very satisfactory condition displaying outstanding degrees of physical quality and functionality; while twenty-nine percent (29%) are in generally fair condition requiring minimal

maintenance. Only three percent (3%) were rated either bad or severe which were mainly damaged by force majeure;

- There is an apparent satisfaction among residents in the ARCs as a result of the distribution of project benefits brought by the various physical infrastructure projects in their community allowing them to expand their opportunities for production and remunerative incomes and employment;
- Support from LGUs is generally firm as manifested by the periodic provision of equipment support for maintenance activities and the regular allocation of annual maintenance funds.

B. Non-Physical Infrastructure

1. *Community Institutional Development Support (CIDS)*

The CIDS 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 that will ensure the active participation and involvement of ARBs in social, economic and political undertakings. These ARB organizations will have an active role in the planning, implementation and monitoring of social services and in ensuring sustainability of economic and social growth in the ARCs.

Further, this component also involves improving the efficiency and effectiveness of DAR, LGU, NIA, DPWH and other CARP-implementing agencies (such as DTI, DENR and DA) and other project partners (NGOs) in undertaking development processes within the ARCs and in assisting the ARBs to manage, direct, and take responsibility for their sustained growth. It focuses on the four phases of ARC social institution building: social preparation, organizational development, capability building, and enterprise & alliance building. The different FAPs provide technical support in terms of community organizing/strengthening, cooperative trainings on financial management, credit administration, enterprise planning, operation and management.

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).

Status of Community & Institutional Development Component

A total of 11,286 ARBs and leaders have been provided with training activities aimed at enhancing the ARBs' skills in organizational management, agricultural and post-production technologies, and enterprise planning, implementation and management. These activities were undertaken in collaboration with DAR field personnel, partner NGOs and various local government units. Collaborative activities between and among FAPs have also been adopted as a strategy to the development process.

Corollary to this, the strengthening of the capabilities of DAR field staff, NGO personnel and LGU partners is a sub-component of the CIDS. A total of 6,160 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 (WMCIP); and crop diversification adopting cash crop and crop intercropping technologies (ARCP).

Specific interventions under the APRED include:

- Establishment of 988 demonstration farms, which serve as micro models for farm productivity improvement involving 43,997 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, 138 ARCs have been given trainings on farming systems development cum planning methodology for income generating activities of ARBs; 198 trainings on livelihood and market linkaging have also been conducted; 94 ARCs were given assistance on agribusiness training and resource matching activities; as a result of these trainings and resource matching initiatives, 1,414 business proposals/plans were approved by and referred to funding/lending institutions. To date, 353 peoples organizations were assisted and/or are engaged in agri-enterprise.

- To enhance the skills of the frontline community development workers, 1,360 paratechnicians and agri-extension workers were trained and development facilitators were given training on enterprise development.
- A total of 2,438 community-based projects/rural enterprises were established.
- Support to off-farm and other livelihood projects also include aquaculture, fruit processing, handicraft/metalcraft, ceramics, beekeeping, garment production, etc.

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 delivery of quality education services and primary health care services is an intervention unique to BIARSP. The provision of adequate and quality instructional facilities and materials, improvement of school building and the enhancement of instructional skills have benefited 99 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 has invested in the improvement of 107 classrooms; provision of school desks and teachers' sets; conduct of 8 batches of teachers' enhancement training. The project also reported improvements in the scholastic performance of the pupils in all BIARSP-assisted schools.

The programme has also provided the needs of out-of-school youth and adults through 100 batches of literacy, numeracy and skills training sessions. Non-formal education activities were also undertaken. Preparatory 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.

Under the enhanced physical and social learning environments of day care centers, the provision of instructional materials/textbooks to 78-day care centers has benefited 54,000 pupils and pre-schoolers. Other support come in the form of provision of school furniture, educational toys, health and nutrition supplements and staff training.

The basic functional literacy services has contributed in the setting-up of local mechanism that led to the organization of non-formal education councils in 5 pilot municipalities.

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

3.2 Primary Health Care

The Primary Health Care component aims to provide quality health care services to the ARC populace and the non-ARCs as well. Under the component, health system and services promoted or established have sustainability mechanism as a major consideration. Sustainability is ensured through active participation of the empowered beneficiaries in the planning and operation of the health project affecting them.

The assistance is in the form of medical equipment, rehabilitation and upgrading of 4 District Hospitals, 78 barangay health stations and 22 rural health units; and facilitated 80 batches of training for health workers.

About 33 “Botika sa Barangay”/Health Plus outlets in 3 pilot communities were put up to serve the medical needs of the rural people where they can purchase basic pharmaceutical products with wholesale prices. This provides the rural people access and control of the facilities, resources, technology, information, and basic services. Community organizers have been tapped to encourage and enhance community participation in the management of the health system.

4. *Land Tenure Improvement*

Three projects have LTI as a major component. These include two ongoing projects and one (1) completed project: BIARSP and ARCP and ARSP. 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 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.

As of June 30, 2004, 56,403 ARBs covering 84,605 has. were given individual titles of ownership for their land.

Table 13. Comparative Matrix of Global Targets and Accomplishment for Non-Physical Infrastructure Components of FAPs as of December 2003 (Preliminary)

Project Component/Description	Physical Indicator	Global Target	Cumulative Accomplishment
1. Community & Institutional Development Support			
- ARCs covered	no.	871	712
- Organized ARBs	no.	329,136	147,556
- ARB Leaders Trained	no.		11,286
- DAR/LGU/LA Implementers Trained	no.	10,841	6,160
2. Agricultural Productivity & Rural Enterprise Development Support			
- ARCs assisted	no.	871	712
- Demo Farm/Nursery	no.	2,374	988
- Farmer Cooperator/Adoptor	no.	47,638	43,997
- Rural Enterprise/Micro Project	no.	5,872	2,438
3. Basic Social Services			
- Basic Education Services	no. of schools	957	202
- Health & Nutrition Services	pupils	56,973	51,247
- Primary Health Care	no.	111	292
4. Land Tenure Improvement			
- Land area with completed survey and titles distributed to ARBs	hectares	180,319	84,605

V. Immediate Impacts/Benefits Generated From FAPs Implementation

A. Scope/Coverage of the Report

Performance data from DAR-FAPSO's standardized set of results-level indicators served as primary inputs in assessing the immediate and emergent impacts from FAPs implementation. Compliance rate of PMOs in filling up of the results-based form improved to 63 percent as of the first semester of 2003, compared with the 56 percent recorded as of the preceding semester. Data submitted by the PMOs were generated from agrarian reform communities (ARCs) being assisted under the on-going FAPs of: ADB-ARCP, BEL-BIARSP, WB-ARCDP, JBIC-ARISP II and EU-STARCM. The current report basically covers about 539 ARCs being assisted under the five forecited on-going FAPs or 96 percent of all ARCs being provided financial assistance under six mature on-going FAPs of the DAR.

B. Types of Interventions

All five on-going foreign-assisted projects investigated have at least three of the following six major standard components of an ARC-FAP, namely: i) physical infrastructure; ii) community and institutional development support (CIDS); iii) agriculture productivity and rural enterprise development (APRED); iv) basic social services (BSS); v) gender and development (GAD); and vi) land tenure improvement (LTI). Physical infrastructure support, community development and agricultural development support are provided under these projects. Provision of BSS is still a distinct feature of the design of the BIARSP.

C. Extent to Which Immediate Impacts Have Been Generated

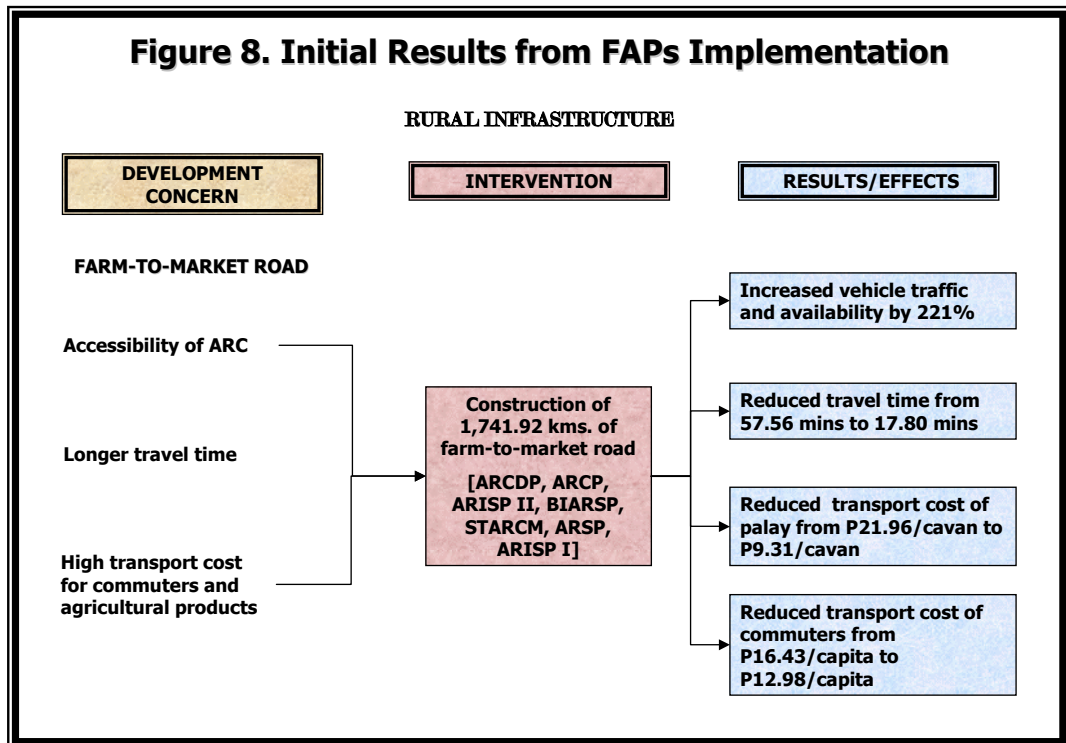
Based on the results of the analysis of the consolidated data provided by the PMOs, the following initial findings were generated covering each of the five major FAPs components:

1. Physical Infrastructure

1.1 The construction/rehabilitation of an aggregate length of about 1,741.92 kilometers of FMRs under the WB-ARCDP, ADB-ARCP, BIARSP, JBIC-ARISP II and EU-STARCM as of the first semester 2003 has resulted in the following:

- i) increase in vehicle traffic and availability by about 221.34 percent from an average baseline of 20 vehicles per day to 64 vehicles;
- ii) decline in commuters' travel cost by 21.01 percent from an average baseline of P16.43/capita/day to P12.98/capita/day;
- iii) reduction in the cost of transporting agricultural commodities such as palay by 57.60 percent from baseline of P21.96/cavan/day to P9.31/cavan/day;
- iv) reduction in aggregate travel time from baseline of 57.56 minutes to 17.80 minutes; and
- v) reduction in operating cost of light and heavy vehicles by 36.50 percent and 28.07 percent, respectively.

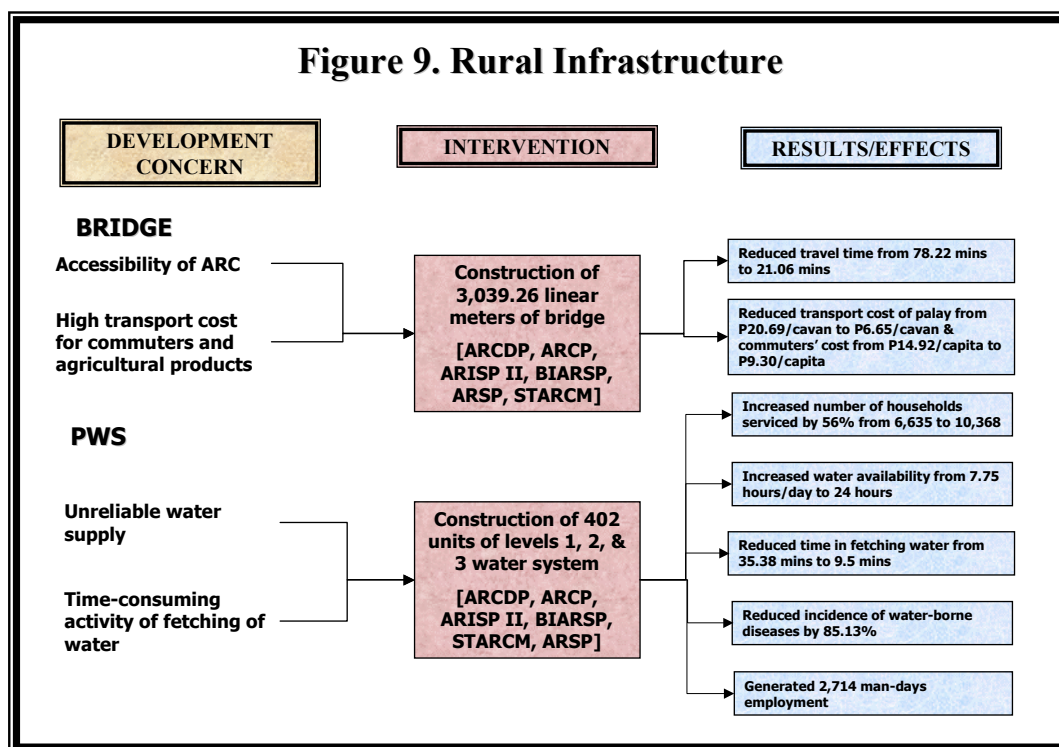
These effects are illustrated in **Figure 8**.



The construction of an aggregate 3,039.26 linear meters of bridges under the WB-ARCDP, ADB-ARCP, BIARSP, and EU-STARCM has brought similar benefits as that from FMR construction/rehabilitation. These are:

- i) decline in commuters' travel cost by 37.69 percent from an average baseline of about P14.92/capita/day to about P9.30/capita/day;
- ii) reduction in the cost of transporting agricultural commodities such as palay by 67.86 percent from baseline of about P20.69/cavan/day to about P6.65/cavan/day; and
- iii) reduction in aggregate travel time from baseline of 78.22 minutes to 21.06 minutes.

Please refer to **Figure 9** for illustration of effects of interventions.



1.2 As of 1st semester 2003, an aggregate of 402 units of levels I, II, and III potable water supply (PWS) systems has been constructed under the WB-ARCDP, ADB-ARCP, JBIC-AISP II, BIARSP, and EU-STARCM. As a result, 10,368 households now enjoy the benefits of having convenient access to potable water, a 56% increase from baseline of 6,635. The additional units constructed brought about increased water availability in ARCs covered from baseline level of 7.75 hours per day to a 24-hour basis. The strategic location of the common faucets reduced time in fetching water from an average baseline of 35.38 minutes to 9.50 minutes. Availability of safe drinking water in the communities has reduced the incidence of water-borne diseases by 85.13 percent (Please refer back to **Figure 9**).

1.3 The construction of post-harvest facilities such as multi-purpose buildings (MPBs) has increased storage space for agricultural products thus ensuring better quality and therefore better prices for agricultural products of the ARCs. This situation compares favorably to the observed practice before where farmers stockpiled their produce at home in makeshift sheds which

were prone to rodent and pest infestations. This situation reduced the quality of produce and resulted to unwarranted crop spoilage.

Another positive aspect of the construction of MPBs is that these facilities now serve as venues for social activities like meetings, seminars, and other important assemblies in the barangay. In some areas, the MPB provided office space to other community-based groups such as cooperatives and irrigators' associations, and still a portion is reserved to house a crop protection laboratory, mini-feed mill, and mechanical dryer.

On the other hand, drying has been made more convenient with the construction of additional drying pavements. Before, drying was normally done using open spaces or paved roads which posed hazards to road users and exposed the produce itself to much dirt and other elements brought by vehicles. While there were some existing storage and drying facilities owned by private individuals, farmers were charged separately for storage and drying fees between P2.00 to P3.00 per sack per day. Thus, the provision of MPBs and solar dryers has lowered the cost of storage by P0.50 per sack and drying by P1.00 per sack.

The two major result indicators for post-harvest interventions are reduction in post-harvest losses and increase in price of commodity. As of first semester 2003, the construction of rice mills under BIARSP has already resulted in the reduction of post-harvest losses per farmer from an average of P1,000 to P500. It can be noted though that for WB-ARCDP, the price of copra dropped from a baseline of P12/kilo to P4/kilo. This can be traced to factors that are beyond the control of project implementers such as unfavorable weather condition, outbreaks of pests and diseases, insurgency problem and changes in LGU leadership.

Following are the individual contributions of FAPs in the construction of post-harvest facilities:

- i) WB-ARCDP - 21 units Multi-Purpose Building;
- ii) JBIC-ARISP II – 3 projects covering 5,750 m² of warehouses and 900 of solar dryers; and

- iii) BIARSP – 2 rice mill projects.

2. Community and Institutional Development Support

(The effects of interventions under this component is illustrated in **Figure 10**)

Community Organizing and Development

- 2.1 As in the previous semester's report, specific interventions under this component include: (i) capability enhancement trainings; (ii) workshops/seminars; (iii) capital build-up (CBU) and savings/resource mobilization; and (iv) cooperative development, among others.

The ADB-ARCP, in collaboration with local NGOs, LGUs and DAR field personnel was able to: (i) complete Farming Systems Development (FSD) training cum planning program for 94 ARCs; (ii) complete the Agrarian Reform Community Organization Capability Assessment (ARCOCA) training for 77 ARCs; (iii) organize 9 Irrigator's Association; (iv) organize 44 Barangay Waterworks and Sanitation Associations (BWASA); (v) organize 84 production groups with 1,345 members; and (vi) coordinated the conduct of the following: (a) leadership training for 1,817 participants; (b) 244 capability training for 1,124 DAR field personnel; (c) 143 LGU training activities involving 1,439 participants; (d) strategic planning activities and completion of plans in 125 ARCs; and (e) mainstreaming activities for 17,974 ARBs into newly-organized or existing organizations.

The WB-ARCDP: (i) organized and institutionalized 232 Barangay Implementing Teams (BITs); (ii) organized 286 barangay-based Infrastructure Operations and Management Groups (IOMGs); (iii) implemented 2,332 various community-based projects in coordination with local POs; (iv) coordinated the conduct of the following: (a) capability training involving 226 POs with 48,769 participants; (b) skills and technology training participated in by 42,676 farmers; and (c) formal training courses on staff development and support activities participated in by 571 LGU and 444 DAR staff.

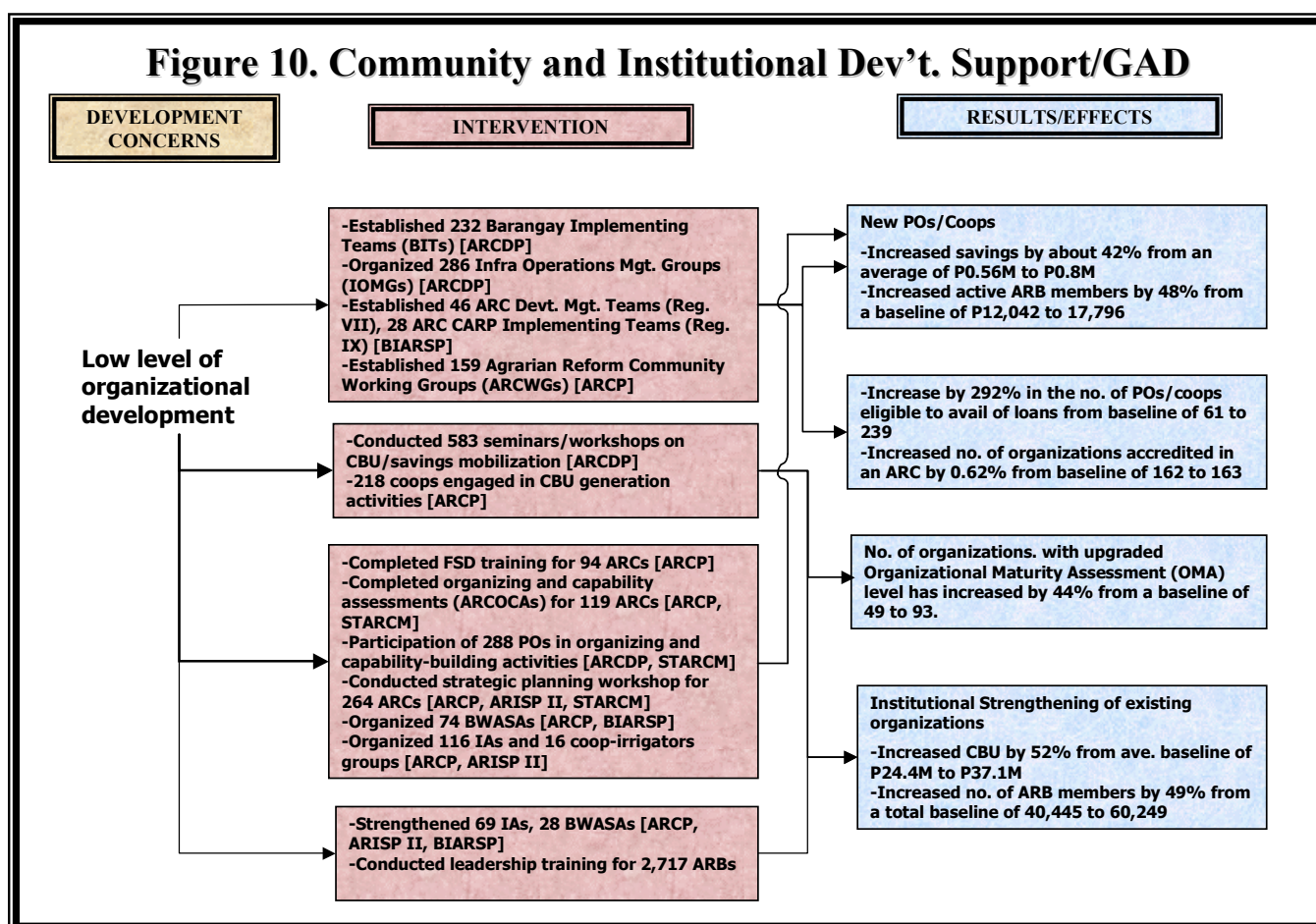
Under the BIARSP, a total of 257 organizations were assisted, broken down into the following: (i) 196 POs/cooperatives regularly monitored and given

management advice; (ii) 57 functional BAWASAs organized/strengthened; and (iii) 4 Irrigator's Associations (IAs) trained on operation and maintenance of irrigation sub-projects.

The above-mentioned interventions resulted in the following:

- (i) Increase by 48% in the number of active ARB members in organizations from baseline of 12,042 to 17,796 under WB-ARCDP, ADB-ARCP, and BIARSP; and
- (ii) Improved savings by 42% from an average baseline of P0.56M to P0.80M under ARISP II.

(Please refer to **Figure 10** for illustration of effects of interventions)



Furthermore, the interventions complemented and supported the planning, implementation, operation and maintenance, and sustainability of rural infrastructure projects and other development projects in the ARCs. Likewise, it contributed significantly in facilitating mobilization of community participation, technical assistance and other forms of external support. In

particular, a concrete example of strong community participation which has been documented under the WB-ARCDP, is in the form of voluntary labor wherein each household in the ARC contributed its share of a certain number of man-hours/man-days per week or month for the completion of infrastructure sub-projects.

Institutional Strengthening

2.2 Existing organizations in ARCs were further strengthened so that project interventions and other services can be effectively accessed and implemented in a sustainable manner. In order to attain this objective, the different organizations in the ARCs were provided assistance under BIARSP, WB-ARCDP, ADB-ARCP, JBIC-ARISP II and EU-STARCM through, among others, the following: (i) strengthening of 69 irrigator's associations and 28 BWASAs; (ii) conduct of leadership training for 2,717 ARBs; and (iii) distribution of 1,691 manuals, 500 syllabi and 2,000 leaflets to various learning institutions.

The results of the above-cited FAPs interventions are the following:

- (i) The total number of organizations accredited or registered with CDA, SEC and other regulatory agencies in an ARC increased by 0.62% through ARISP II and BIARSP assistance;
- (ii) Capital build-up (CBU) of existing organizations improved by about 51.59 percent from an average baseline of P24.44 M to P37.05 M (WB-ARCDP and BIARSP) translating to a 116 percent increase in the actual CBU compared with that under the 2002 year-end report;
- (iii) Membership of existing organizations (in terms of new ARBs) improved by 49 percent from a total baseline of 40,445 to 60,249 (WB-ARCDP, JBIC-ARISP II, BIARSP); actual membership increased by 15% or 3,940 members compared with the 2002 year-end report;
- (iv) The number of organizations in an ARC that were elevated to the next Organizational Maturity Assessment (OMA) level increased by 44 percent from baseline of 49% to 93% (WB-ARCDP and BIARSP);
- (v) The total number of POs/coops eligible to avail of loans in an ARC increased by 292 percent from an average baseline of 61 to 239 (WB-ARCDP, ADB-ARCP, JBIC-ARISP II);

- (vi) The ratio of the number of POs/coops engaged in credit and savings to the total number of POs/coops in an ARC increased by 1,467 percent from an average baseline of 6% to 94% (ARISP II and WB-ARCDP); and
- (vii) The number of MOAs/MOUs forged involving marketing, investment, and research and technology tie-ups (i.e., between ARCs and SUCs, R&D institutions, and the private sector), increased by 3,457% (WB-ARCDP).

The aforementioned results signify the positive attitude of members towards organizations in the ARC. It also shows the ability of POs/coops in gaining members' confidence and ownership of the organizations to which they belong. The increase in CBU and savings apparently, will improve the capacity of POs/coops to finance services and projects, and foremost, in extending financial assistance or credit to its members. Likewise, it also reflects the potential of the POs to manage their business properly.

3. Gender and Development

Organizing and GAD-related trainings are the major activities under this sub-component. BIARSP conducted 300 trainings covering 74 ARCs. In addition, WB-ARCDP covered 10 ARCs for its GAD-related activities wherein women officers were mainstreamed both into the POs and the BITs. These efforts led to sharing arrangements in management and operational responsibilities of project-initiated activities. Likewise, ADB-ARCP has monitored the progress of women participation in project activities and continued to provide assistance to women groups. These have resulted to the formation of 27 and strengthening of 52 women's groups. These groups have a total membership of 2,961, of which 1,347 or 47% are engaged in agriculture-based enterprises.

4 Agricultural Productivity and Rural Enterprise Development

4.1 The establishment of irrigation systems enabled farmers to diversify and expand area planted to existing crops. Crop production increased as farmers who used to depend on rainwater are now able to plant even during the dry season while there are already a few areas experiencing three cropping seasons (e.g., ARCDP-covered areas such as Ilocos, Isabela, and Davao del Norte). Provision of lined canals has 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 are addressed.

WB-ARCDP, JBIC-ARISP II, and BIARSP showed significant improvements in the average yields of palay in their areas. Agricultural productivity for the three projects increased by 40% during dry season and 33% during wet season. Specifically, WB-ARCDP reported an increase in cropping intensity by 42 percent from a baseline of 112 percent to 154 percent in addition to a 33.33 percent improvement in average yield of palay. JBIC-ARISP II reported increased palay yields of 44.60 percent from a baseline of 80.34 cav/ha to 116 cav/ha. On the other hand, BIARSP reported a 25 percent increase in yield from a baseline of 80 cav/ha to 100 cav/ha.

As of 1st semester 2003, an aggregate area of 21,147.94 hectares of agricultural land has been irrigated. Of the total area, the following are the respective contributions of individual FAPs:

- i) WB-ARCDP – 4,213;
- ii) ADB-ARCP - 716;
- iii) BIARSP – 742.94; and
- iv) JBIC-ARISP II - 15,476.

4.2 Development initiatives under the following FAPs enabled ARBs and POs to engage in new entrepreneurial activities:

- i) WB-ARCDP – 249 joint economic enterprises forged;
- ii) ADB-ARCP – 69 enterprises established and 48 investment packages developed;
- iii) BIARSP – 676 new agricultural and non-agricultural enterprises established; and
- iv) EU-STARCM – 1 fishery sub-project.

In particular, a fishery sub-project under EU-STARCM has resulted in a daily incremental catch of 17 kg of fish translating to an additional income of about P18. It also generated 238 man-days' worth of employment.

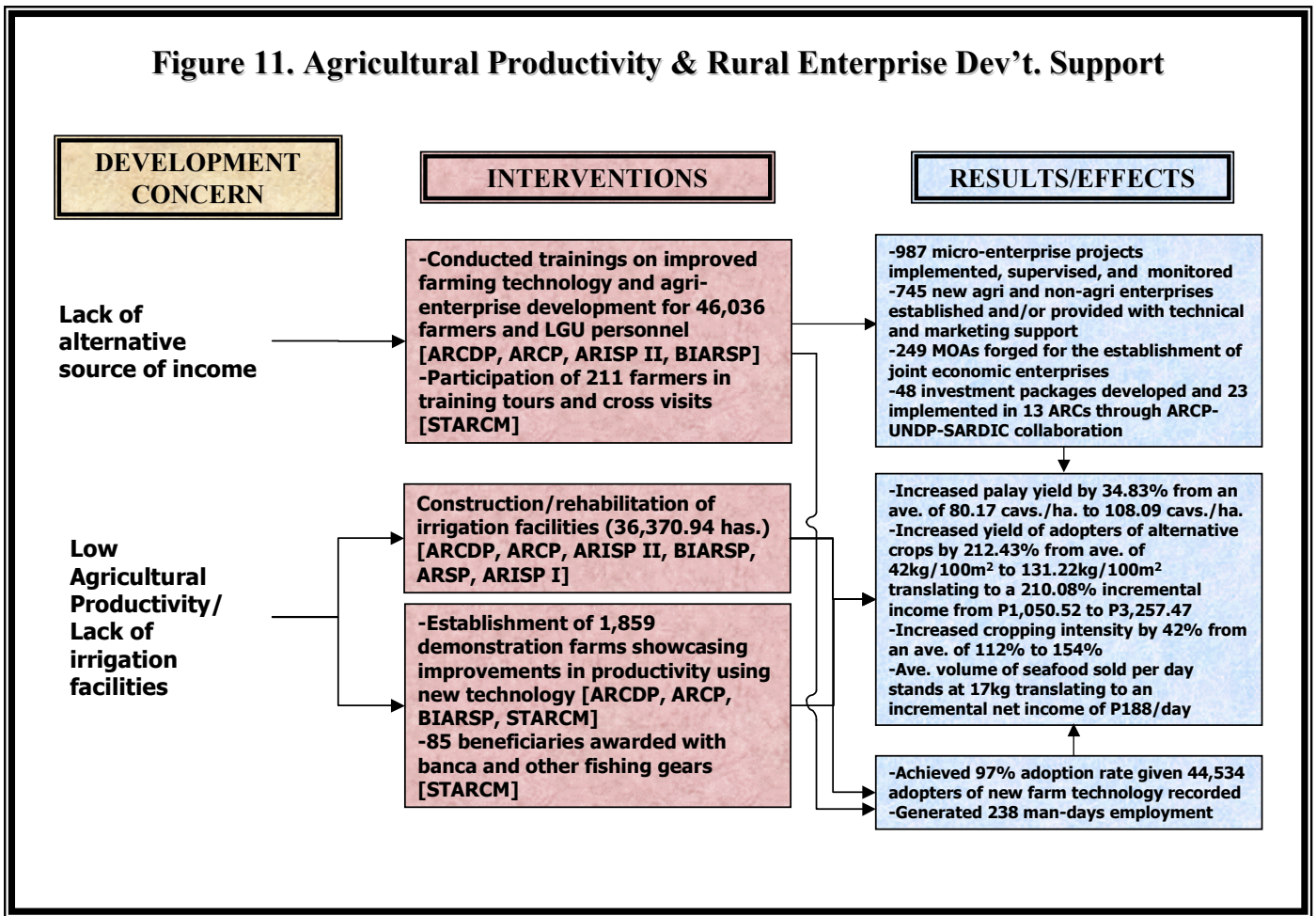
As of the 1st semester, an aggregate of 2,032 agri-enterprise related trainings were held under the WB-ARCDP, ADB-ARCP, and BIARSP. Along with this, 1,857 demonstration farms have been established under the three projects plus JBIC-ARISP II. The demo farms and plots manifested increases in production and farm income through the adoption and replication of appropriate and modern technologies. The establishment of demo farms has proven to be an effective medium of dissemination and promotion as evidenced by the increasing number of adopters. To date, a record 34,288 farmers have adopted technologies from demonstration farms established under the four aforesaid projects. This represents an average adoption rate of 102 percent under the WB-ARCDP and ADB-ARCP projects and an increase from zero to 1,876 farmers practicing such technologies for JBIC-ARISP II and BIARSP.

As a result, farmer-adopters under the WB-ARCDP reported incremental income ranging from P500.00 (i.e., for home-based food processing in Quezon Province) to a high of P68,960.00 (i.e., watermelon production in Leyte). The use of Bio-N by 131 farmer-cooperators in Isabela drastically reduced farm expenses while improving soil condition resulting in an income increase by about P2,000 per hectare. Cutflower production in Misamis Occidental likewise afforded farmers a weekly net income of P500-P700. Farmers of Davao del Norte were able to realize net increments of at least P7,000.00 per animal due to improved livestock production practices.

Also, adopters under the ADB-ARCP project reported increased average yield of alternative crops (cash crops) they have planted by 212.43 percent from baseline of 42 kg/100 m² to 131.22 kg/100m². This translates to 210.08 percent increase in additional income derived from the planting of these crops, from baseline of P1,050.52 to P3,257.47.

(Please refer to **Figure 11** for illustration of the effects of interventions)

Figure 11. Agricultural Productivity & Rural Enterprise Dev't. Support

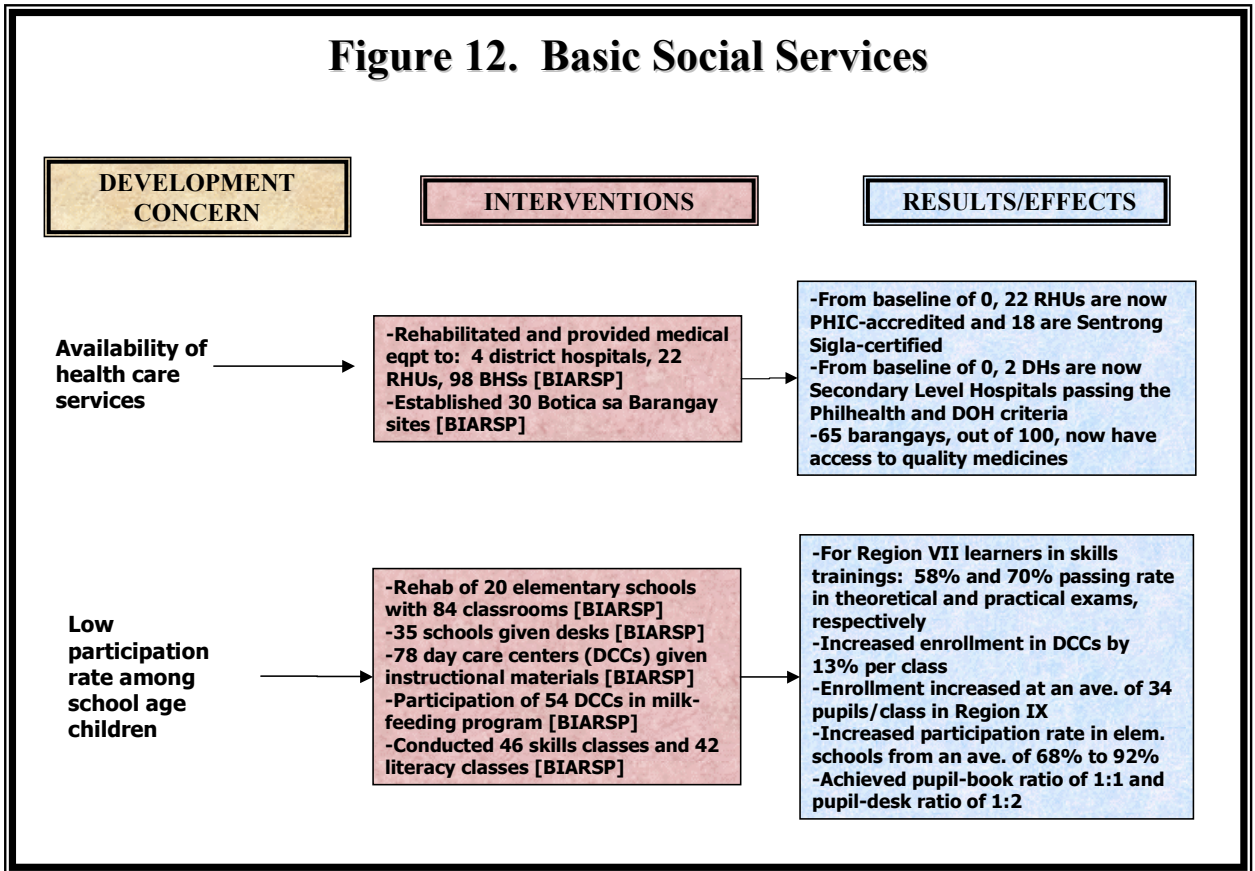


5. Basic Social Services

Interventions under this component so far remain an exclusive domain of BIARSP. BIARSP has implemented primary health/nutrition and educational services in Regions 7 and 9. These include: (i) rehabilitation and provision of medical equipment to: a) 4 district hospitals; b) 22 rural health units (RHUs); c) 98 barangay health stations (BHS); and d) 30 botica sa barangay; (ii) rehabilitation of 20 schools and 84 classrooms, and provision of 35 school desks; (iii) conduct of 46 skills classes and 42 literacy classes; (iv) provision of instructional materials to 78 day care centers; and (v) inclusion of 54 DCCs in milk-feeding program.

These interventions resulted in a 2 percent increase in performance/transition rate which is the ratio of the number of students in a school batch which moves on the next higher level to the total number of students in that batch, from baseline of 0.96 to 0.98.

(Please refer to **Figure 12** for illustration of the remaining effects of interventions under this component).



6. Land Tenure Improvement

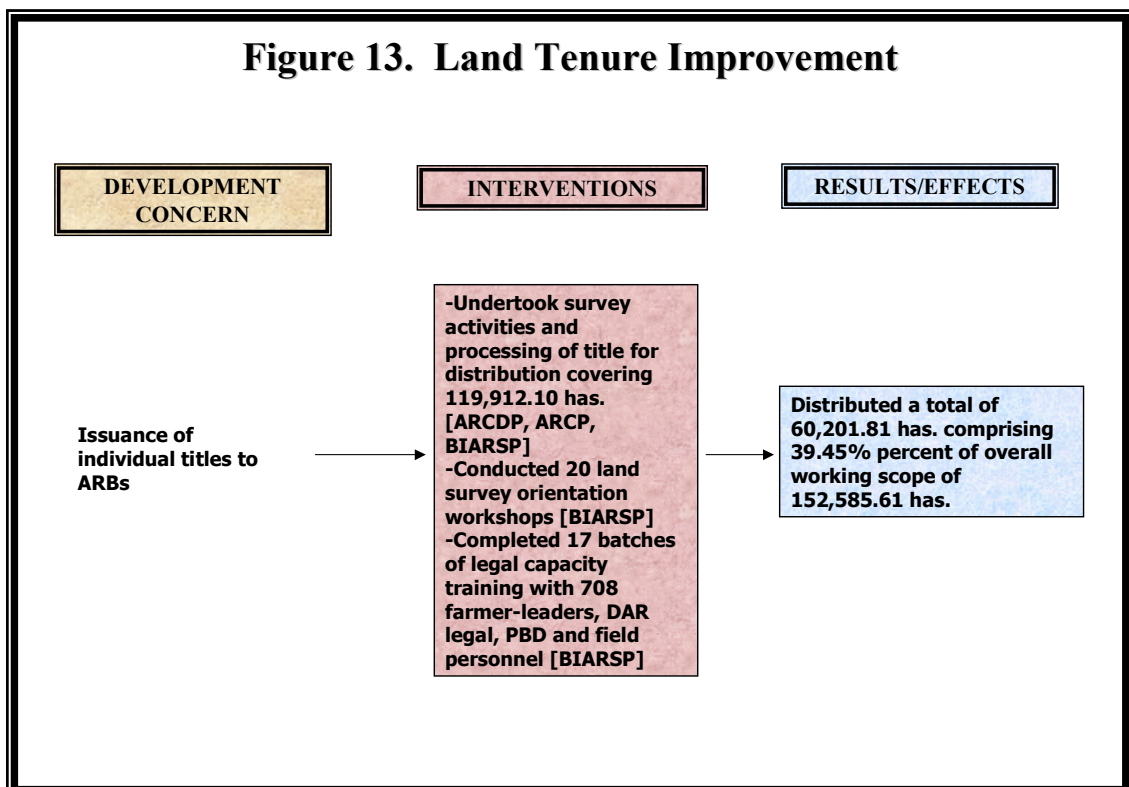
ADB-ARCP contracted out land surveys and related orientation workshops. Cumulatively, the Project has awarded to local contractors a total of 74,115.93 hectares for land subdivision survey. Of this figure, a total of 44,579.82 hectares or 60% were submitted to the Land Management Service (LMS) of the Department of Environment and Natural Resources (DENR). On its part, the DENR-LMS has approved and released survey plans covering 33,289.83 hectares. These interventions resulted in the distribution of a total of 10,731.39 hectares to 6,020 ARBs as of the first semester of 2003. The total hectareage of land distributed to beneficiaries corresponds to 5,909 land titles/land patents awarded comprising 11 percent of the global target of 100,000 hectares. Compared with the last report, the accomplishment represents an increase by 75 percent or an additional 4,597 hectares (i.e., awarded to 2,414 ARBs) for first semester of 2003.

Satisfactory progress has been achieved in terms of meeting the WB-ARCDP Community- Managed Agrarian Reform Project (CMARP) objective of introducing a

new, faster, and more cost-effective modality in agrarian reform. Of the three pilot sites, 280.17 has. or 85% of the target 329.61 has. have been distributed to 236 ARBs as of the 1st semester 2003. Negotiations between landowners and beneficiaries facilitated by the DAR and which started prior to CMARP was accelerated because of the project. The assurance of infrastructure provision under CMARP became an incentive for the LGUs to assist in hastening the negotiation for the transfer of the land. To date, 85% of the beneficiaries have started paying their amortization directly to the landowners. Nine ARBs have fully paid their land amortizations.

In addition, BIARSP reported an increase by 12 percent the ratio of land distributed to total working scope, from a baseline of 82% to 94%. This corresponds to an actual 49,120.64 has. distributed as against a working scope of 52,256 has. In support of its Land Acquisition and Distribution (LAD) program, BIARSP funded 17 batches of legal capacity trainings with 708 participants composed of DAR legal, program beneficiaries' development (PBD) and field personnel, and also farmer-leaders. The trainings follow a curriculum specially designed by legal experts and is based on the prevailing realities in the field. This move of training implementers is seen as contributing to the reduction of problematic lands from 4,366 at baseline to 2,189 has. in the 1st semester of 2003.

(Please refer to **Figure 13** for illustration of effects).



Final Effects of the Various FAPs Components

Of the 5 FAPs analyzed, only the WB-ARCDP and ADB-ARCP reports contain data for analysis of income effects of various FAPs interventions. Average per capita income levels for ARCs under these two projects have been adjusted to real terms and compared with the national poverty threshold levels. The relevant poverty threshold value used in the analysis is for year 2000 inasmuch as said value is generated only every three years.

Data submitted show that average annual per capita income levels in the ARCs of the two projects increased by 31.13 percent from P8,020.80 to P10,517.84. Compared with the poverty threshold standard, the average income level in these ARCs is 9.37 percent lower than the national levels of P11,605.0 (adjusted as of January 2003).

OUTPUT

RESULTS

EFFECTS

FINAL OUTCOME

INFRA

Construction of 1,741.92 kms of FMR

Construction of 3,039.26 linear meters of bridges

CIDS

- Established 232 Barangay Implementing Teams (BITs)
- Organized 286 Infra Operations Mgt. Groups (IOMGs)
- Established 46 ARC Devt. Mgt. Teams (Reg. VII), 28 ARC CARP Implementing Teams (Reg. IX)
- Established 159 Agrarian Reform Community Working Groups (ARCWGs)

- Conducted 583 seminars/workshops on CBU/savings mobilization
- 218 coops engaged in CBU generation activities

- Completed FSD training for 94 ARCs
- Completed organizing and capability assessments (ARCOcAs) for 119 ARCs
- Participation of 288 POs in organizing and capability-building activities
- Conducted strategic planning workshop for 264 ARCs
- Organized 74 BWASAs
- Organized 116 IAs and 16 coop-irrigators groups

- Strengthened 69 IAs, 28 BWASAs
- Conducted leadership training for 2,717 ARBs

APRED

- Establishment of 1,859 demonstration farms showcasing improvements in productivity using new technology
- 85 beneficiaries awarded with banca and other fishing gears

- Conducted trainings on improved farming technology and agri-enterprise development for 46,036 farmers and LGU personnel
- Participation of 211 farmers in training tours and cross visits

Construction/rehabilitation of irrigation facilities (36, 370.94 has.)

LTI

- Undertook survey activities and processing of title for distribution covering 119,912.10 has.
- Conducted 20 land survey orientation workshops and 17 batches of legal capacity training

BSS

- Rehab of 20 elementary schools with 84 classrooms
- 35 schools given desks
- 78 day care centers (DCCs) given instructional materials
- Participation of 54 DCCs in milk-feeding program
- Conducted 46 skills classes and 42 literacy classes

402 units of levels I, II, & III water system constructed

- Rehabilitated and provided medical eqpt to: 4 district hospitals, 22 RHUs, 98 BHSS
- Established 30 Botica sa Barangay sites

- Increased vehicle traffic and availability by 221%
- Reduced travel time from 57.56 mins. to 17.80 mins.
- Reduced transport cost of palay from P21.96/cavan to P9.31/cavan
- Reduced commuters' transport cost from P16.43/capita to P12.98/capita

- Reduced travel time from 78.22 minutes to 21.06 minutes
- Reduced transport cost of palay from P20.69/cavan to P6.65/cavan
- Reduced commuters' transport cost from P14.92/capita to P9.30/capita

New POs/Coops

- Increased savings by about 42% from an average of P0.56M to P0.8M
- Increased active ARB members by 48% from a baseline of P12,042 to 17,796

- Increase by 292% in the no. of POs/coops eligible to avail of loans from baseline of 61 to 239
- Increased no. of organizations accredited in an ARC by 0.62% from baseline of 162 to 163

No. of organizations with upgraded Organizational Maturity Assessment (OMA) level has increased by 44% from a baseline of 49 to 93.

Institutional Strengthening of existing organizations

- Increased CBU by 52% from ave. baseline of P24.4M to P37.1M
- Increased no. of ARB members by 49% from a total baseline of 40,445 to 60,249

- Achieved 97% adoption rate given 44,534 adopters of new farm technology recorded
- Generated 238 man-days employment

Distributed a total of 60,201.81 has. comprising 39.45% percent of overall working scope of 152,585.61 has.

- For Region VII learners in skills trainings: 58% and 70% passing rate in theoretical and practical exams, respectively
- Increased enrollment in DCCs by 13% per class
- Enrollment increased at an ave. of 34 pupils/class in Region IX
- Increased participation rate in elem. schools from an ave. of 68% to 92%
- Achieved pupil-book ratio of 1:1 and pupil-desk ratio of 1:2

- Increased number of households with convenient access to potable water by 56% from 6,635 to 10,368
- Increased availability of potable water from baseline of 7.75 hrs. to 24 hrs.
- Reduced time in fetching water from baseline of 35.38 mins. to 9.5 mins.
- Reduced incidence of water-borne diseases by 85.13%
- Generated 2,714 man-days employment

- From baseline of 0, 22 RHUs are now PHIC-accredited and 18 are Sentrong Sigla-certified
- From baseline of 0, 2 DHs are now Secondary Level Hospitals passing the Philhealth and DOH criteria
- 65 barangays, out of 100, now have access to quality medicines

- Increase in farmgate price of commodity by 66.67% from P12 to P4
- Reduced post-harvest losses by 50% from P1,000 to P500-

Savings of 57.60% and 21.01% (both for FMR), 67.86% and 37.69% (both for bridge) by beneficiaries from reduced transport costs for commodities and commuters, respectively.

- 987 micro-enterprise projects implemented, supervised, and monitored
- 745 new agri and non-agri enterprises established and/or provided with technical and marketing support
- 249 MOAs forged for the establishment of joint economic enterprises
- 48 investment packages developed and 23 implemented in 13 ARCs through ARCP-UNDP-SARDIC collaboration

- Increased amount of loans granted by creditors by 756.13% from P24,443,436 to P209,266,571
- Increased ratio of paid-up loans to total loans extended by 68% from 5% to 73%
- 13% of 195 POs attained a repayment rate of 85% relative to the 58% average repayment rate of all POs
- 178 POs, from a baseline of 24, have been accredited by various formal financing institutions

- Increased palay yield by 34.83% from an ave. of 80.17 cavs./ha. to 108.09 cavs./ha.
- Increased yield of adopters of alternative crops by 212.43% from ave. of 42kg/100m² to 131.22kg/100m² translating to a 210.08% incremental income from P1,050.52 to P3,257.47
- Increased cropping intensity by 42% from an ave. of 112% to 154%
- Ave. volume of seafood sold per day stands at 17kg translating to an incremental net income of P188/day

- 405 skills training completers now operate 14 micro-economic projects
- Out of 23 sample schools, 82% increased their mean percent score in the annual achievement test relative to ave. increase in mean score of 16%
- 6 of the 23 schools rank first in their respective districts as against none before
- Gr. I pupils from BIARSP-assisted DCCs performed very satisfactorily in class

(Assumption: ARBs and their families in better state of health to engage in productive economic activities)

Increased annual per household incomes in ARCs of the WB-ARCDP by 51% from P39,945.02 to P60,297.18 while income levels under the ADB-ARCP increased by 17% from P56,304.54 to P65,916.91.