

PROJECT EVALUATION



Republic of the Philippines

**Western Mindanao Community
Initiatives Project**

Interim Evaluation

October 2009



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**Western Mindanao Community Initiatives Project
(WMCIP)**

Interim Evaluation

**October 2009
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Photo on cover page:
Masipag Rice Plantation and Fishing in Zamboanga
Source: Evaluation Mission 2007

Republic of the Philippines

**Western Mindanao Community Initiatives Project
(WMCIP) Loan No. 474-PH**

Interim Evaluation

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(*) Annexes are available from IFAD's Office of Evaluation (evaluation@ifad.org).

Abbreviations and Acronyms

ADB	Asian Development Bank
ADSDPP	Ancestral Domain Sustainable Development and Protection Plan
ALDA	Assessment of the Level of Development of ARC
ARB	Agrarian Reform Beneficiaries
ARC	Agrarian Reform Community
ARMM	Autonomous Regional Muslim Mindanao
BAS	Business Advisory Services
BDS	Business Development Services
BDT	Barangay Development Team
BFAR	Bureau of Fisheries and Aquatic Resources
BIG	Bio-Intensive Gardening
BIMB	Barangay Infrastructure Monitoring Board
CADC	Certificate of Ancestral Domain Claim
CADT	Certificate of Ancestral Domain Title
CBU	Capital Building Up
CD	Community Development
CDV	Community Development Volunteer
CID	Community and Institutional Development
CIF	Community Infrastructure
CLOA	Certificate of Land Ownership Award
COSOP	Country Strategic Opportunities Paper
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DBP	Development Bank of the Philippines
DENR	Department of Environment and Natural Resources
DLR	Department of Land Reform
DOST	Department of Science and Technology
DTI	Department of Trade and Industry
EDC	Enterprise Development Credit
FAPSO	Foreign Assisted Projects Office
FGD	Focus Group Discussion
FMR	Farm to Market Road
GAD	Gender and Development
GDP	Gross Domestic Product
GEM	Growth with Equity in Mindanao (USAID)
GOP	Government of the Philippines
GSL	Godod-Leon Postigo-Sindangan
HH	Household
ICRAF	International Center for Research in Agro forestry
IFAD	International Fund for Agricultural Development
IP	Indigenous People
IPRA	Indigenous Peoples Rights Act
KALAHI	Kapit-Bisig Laban sa Kahirapan
LBP	Land Bank of the Philippines
LGU	Local Government Unit
LPCI	Local Participating Credit Institution
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MFI	Microfinance Institutions
MLGU	Municipal Local Government Unit
MNLF	Moro National Liberation Front
MOA	Memorandum of Agreement
MRT	Masipag Rice Technology
MTPDP	Medium Term Philippine Development Plan

MTR	Mid-Term Review
NCIP	National Commission on Indigenous Peoples
NEDA	National Economic Development Authority
NGO	Non-Government Organizations
NIPAS	National Integrated Protected Areas Systems
NRM	Natural Resources Management
OCSA	Organizational Capacity and Self Assessment
OE	Office of Evaluation
PCR	Project Completion Report
PDP	Provincial Development Plan
PHP	Philippines Pesos
PIM	Participatory Impact Monitoring
PLGU	Provincial Local Government Unit
PMO	Project Management Office
PO	People's Organization
PU-SIAD	Project Unit Sustainable Integrated Area Development Plan
QUEDANCOR	Quedan & Rural Credit Guaranty Corporation
RME	Results Monitoring and Evaluation
RuMEPP	Rural Micro-Enterprise Promotion Project
SaCred	Savings and Credit Organizations
SALT	Sloping Agricultural Land Technology
SBDP	Sustainable Barangay Development Plan
SDR	Special Drawing Rights
SEDC	Small Enterprise Development Component
SOU	Site Operations Unit
SPICChZPARC	Zone of Peace within Agrarian Reform Communities
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
WMCIP	Western Mindanao Community Initiatives Project

The Philippines

Western Mindanao Community Initiatives Project

Interim Evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

FOREWORD

The Western Mindanao Community Initiatives Project (WMCIP) was a new initiative to help reduce poverty in one of the poorest and least developed regions in the Philippines. The goal of WMCIP was increased subsistence, higher incomes, better standard of living and greater resilience of livelihood of up to 16,000 farm and fishing households. The project was co-financed with the Government of the Philippines and with the beneficiaries.

The project focused on areas where the most disadvantaged populations could be targeted, covering upland areas, agrarian reform lowland areas, coastal areas, and indigenous peoples. It focused on key environmental concerns that were having an impact on people's livelihoods including land resources that had been farmed in a haphazard manner resulting in degradation and loss of soil fertility, affecting production and incomes, and depleted fish stocks from over-fishing and use of destructive methods and practices, resulting in damage to the marine and water resources. It was highly relevant to the needs and aspirations of the beneficiaries in the project area, focusing on poverty reduction and improvement of local governance and community empowerment, and recognising the needs of indigenous people.

The project area is in a conflict zone but where, despite the armed conflict, tri-communities have co-existed for a long time (Indigenous Peoples, Muslim ethnic groups, and migrant settlers from Visayas and Luzon). WMCIP's focus on indigenous peoples and willingness and ability to work in conflict zones, developing partnerships with stakeholders across all groups, was praised by many persons that the evaluation team met.

Overall WMCIP project performance was satisfactory in the achievement of its targets and attainment of objectives, even though project implementation was initially slow with the project needing to be extended. Incomes increased, and significant changes at the household level are evident, although poverty remains prevalent. Crop and fisheries production has led to diversification that has improved food security and nutrition intake. The small enterprise development component was not successful, with limited impact in developing small enterprises, business advisory services and a sustainable credit delivery system. However, initiatives, through both natural resource and small business enterprise development activities, are in place that provide a basis for further development that would help increase incomes and improve livelihoods. Much was achieved in capacity building at barangay, municipal and provincial government levels, with partnerships developed with government agencies for supporting development activities. Agency sustainability mechanisms have been established to help take the WMCIP program initiatives further. More time and additional resources are needed.

This interim evaluation report includes an Agreement at Completion Point, which summarizes the main findings of the evaluation and sets out the recommendations that were discussed and agreed upon by IFAD and the Government of the Philippines, together with proposals as to how and by whom the proposals should be implemented.



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Western Mindanao Community Initiatives Project (WMCIP)

Interim Evaluation

Executive Summary

I. INTRODUCTION

1. Poverty in the Philippines is predominantly rural and Western Mindanao is one of the poorest and least developed regions in the Philippines. The agriculture sector accounts for over a third of total employment but production is not keeping pace with population growth. Low labour productivity characterizes the sector and a large part operates at subsistence level and is vulnerable to year-to-year weather changes. About six out of ten people in rural areas depend on agriculture for their livelihood. Fishing is an important sub-sector, mostly at subsistence level. The current Medium-Term Philippine Development Plan (MTPDP) identifies Mindanao as an area of strong agricultural potential.

2. The project area is in a conflict zone. The conflict can be traced to centuries of discrimination, as perceived by the Lumad (indigenous) and Muslim people, that has marginalized them in terms of social and economic development. While a peace agreement was signed between the Philippine government and the Moro National Liberation Front (MNLF) in 1996, episodes of conflict in 2000 and 2003 have been costly, with the displacement of nearly one and a half million people, including those in project areas. Despite the armed conflict, tri-communities co-exist in Mindanao (Lumads, Muslim ethnic groups, and migrant settlers from Visayas and Luzon).

3. The project has four components: (i) Community and Institutional Development, (ii) Natural Resource Management, (iii) Small Enterprise Development and credit, and (iv) Project Implementation. Total project costs were estimated at US\$18.15 million of which the International Fund for Agricultural Development (IFAD) was to finance US\$15.54 million (85.6 per cent), including a grant of US\$ 0.75 million.

4. The goal of WMCIP was increased subsistence, higher incomes, better standards of living and greater resilience of livelihood of up to 16,000 farm and fishing households. Twenty one municipalities with 80 barangays ("village" level administrative unit) were pre-identified for inclusion at design stage (later increased to 81). The project was appraised during 1996-97 and approved in 1998, with an implementation period of six years; it became effective in 1999. The original loan closing date was extended from Dec 2005 till Dec 2006, and now Dec 2007, with project completion 30 June 2007.

5. This interim evaluation followed the Office of Evaluation's (OE) methodology for project evaluation in assessing performance and impact. Its objective was to develop recommendations for enhancing the design and implementation of new and ongoing IFAD-funded projects, and to facilitate IFAD management's decision on whether or not a follow-up phase of WMCIP should be financed by the Fund. The Evaluation Team visited three of the four provinces covered by the project, Zamboanga del Norte, Zamboanga del Sur, and Zamboanga Sibugay. Visits to Basilan and Tawi Tawi were not possible due to security concerns. At the time of the field work, the self assessment by the government, project completion report, and United Nations Office for Project Services (UNOPS) final supervision mission report were not available, hampering the evaluation.

II. PERFORMANCE

6. **Design.** The project components were designed to emphasize participatory planning and implementation and covered: community development and institutional capacity building, natural resource management and enterprise development.

7. It covered three supposedly contiguous sites where the most disadvantaged populations could be targeted, comprising upland areas, agrarian reform lowland areas, coastal areas, and indigenous peoples. Barangay project sites, however, were not contiguous, their wide spread locations making project implementation and supervision difficult. In addition, interconnectivity of upland-lowland-coastal ecosystems was not captured. The design, however, did focus on key environmental concerns that impacted on people's livelihoods: (i) over-exploited land resources, farmed in a haphazard manner, resulting in degradation and loss of soil fertility, affecting production and incomes; and (ii) depleted fish stocks from over-fishing and use of destructive methods and practices, resulting in damage to marine and water resources.

8. A pilot scheme to address concerns of vulnerable households was introduced in 2003, and expanded in 2005. The credit sub-component of the project was not implemented for three years, the design not being suitable to the needs of the project beneficiaries given the stringent lending policies of the Land Bank of the Philippines (LBP - the implementing agency), and reluctance of credit conduits to participate in the credit program. Changes recommended by studies commissioned by the government to address the problem were not implemented.

9. **Overall performance.** By June 2007, the project achieved or exceeded practically all quantitative targets, apart from some infrastructure provision. Initial project start-up was delayed pending resolution of project management issues (para.18 below), while performance up to mid 2004, when the project was originally due to be completed, was slow. The project has been extended by three years. Over 9,300 poor farmer households and almost 2,400 poor fishermen households have directly benefited, including nearly 3,400 vulnerable households. Nearly 9,000 households are involved in the process of enterprise development. The draft Project Completion Report (PCR) states that households' income increased by 50 per cent to 75 per cent over six years. However, based on a survey conducted by the project in 2007, average annual income of beneficiaries has increased by about 38 per cent since 2005. This was largely due to higher farm incomes, attributable to the beneficiaries' adoption of new agricultural technologies under the project.

10. **Community and institutional development.** Involved the mobilization and participation of the community in the identification of development needs and in the prioritization of interventions responsive to the needs of the community. Targets for assisting community organizations were exceeded, and several innovative practices introduced are now considered as good practice. Local Government Units' (LGU) capacity was strengthened and partnerships developed with line agencies. The objective of improved community capacity to plan programs and access funds for the communities' priority projects was achieved.

11. **Natural resource management.** In land resource management, over 9,000 farmers were trained in appropriate farming technologies; nearly 8,000 adopted the technologies, conserving approximately 2,405 hectares. Project activities focused on conservation or regeneration of natural resources, new farming technologies reducing production costs and integrating short-term production (crop and animal) and long gestation crops in farming systems. They addressed nutrition, food security, environment protection, and improved productivity. Technologies introduced have been socially and culturally acceptable; training was provided to improve para-technicians' capabilities in transferring technology to other farmers in the community. If more beneficiary barangays had been contiguous, then benefits from the new technologies may have spread more widely.

12. In marine and water resource management, over 2,300 fishermen were trained in appropriate technologies, such as coastal resource management with built-in environmental protection features. Mangroves were rehabilitated, and artificial coral reefs installed; 289 hectares of municipal waters

have been delineated and declared as Marine Sanctuary. The Marine Protected Areas, artificial reefs, and mangrove rehabilitation had positive effects on the marine environment and fish populations.

13. **Indigenous people.** The project in partnership with the National Commission on Indigenous Peoples (NCIP) helped security of land tenure, facilitating the award of Certificates of Ancestral Domain Claims (CADCs), and conversion to title (CADT).

14. **Rural infrastructure.** Slippage and time over-runs of infrastructure sub-projects occurred due to delay in fund releases, and to LGUs' absorptive capacity. Many sub-projects have not been completed, with over 40 not started; 12 sub-projects will be cancelled. Maintenance is a concern for some of the roads, which are beyond barangay capabilities. Sub-projects were chosen through community consultation meetings as part of preparation of the barangay development plans; however they were not then specifically reviewed to determine their feasibility and environmental viability.

15. **Small enterprise development.** Overall numerical targets were achieved, but there is no evidence that beneficiaries are consistently engaged in enterprises and making reasonable returns, nor that effective government and private research and advisory services for on- and off-farm enterprises were successfully established. The LGUs and Non Governmental Organisation (NGO)s lacked capacity in business advisory services, and interventions did not produce desired results; only a few enterprises have potential. Few beneficiaries availed of credit, with low repeat credit availment. The savings and credit approach, however, was a positive project achievement. Efforts to redesign the credit component did not materialize. Credit operations moved forwards towards the end of the project, but the project no longer had resources to provide advisory support.

16. **Gender equality and mainstreaming.** The proactive approach to include women in barangay and livelihood activities was very evident, with women's associations being formed in all project sites. However, instead of balancing and harmonizing roles of men and women, the project approach resulted in a compartmentalized perspective of gender and development.

17. **Conflict and peace building.** Natural Resources Management (NRM) partner agencies, NGOs-People's Organizations (POs), civil society and the armed forces converged in efforts to achieve the project objectives. The armed forces cooperated with civil society in the protection of the Buluan Fish Sanctuary. Support was extended by "leftist" elements in Zamboanga del Norte. In Zamboanga del Sur and Zamboanga Sibugay, Moro Islamic Liberation Front-Moro National Liberation Front (MNLF) leaders assisted in maintaining environmental protection of marine sanctuaries, even involving lawless elements (pirates) and the Abu Sayaf.

18. **Project implementation was slow.** Initially there was an impasse between Department of Agrarian Reform (DAR) and IFAD on the role of NGOs in project management that took 18 months to resolve. In 2003, DAR conducted a comprehensive review of progress and processes and identified implementation problems and measures to address them. In late 2003, WMCIP was mainstreamed into regular activities of DAR Region IX. Withdrawal application processes were slow, resulting in project implementation delays. This seriously affected operations in 2006, and particularly infrastructure projects. DAR and the Project Management Office (PMO) have developed an exit strategy plan designed to ensure sustainability of activities after the WMCIP project is closed.

19. The project area is part of a conflict zone, which together with the widely scattered location of project sites, presented problems for implementation and supervision. This was not conducive for efficient and effective project management and supervision, and must be recognized as a constraint in operating in such areas.

20. **Relevance.** The project is very relevant to the needs of the beneficiaries and to IFAD's strategic objectives and targeting in the Philippines. It is in line with the priorities of the Government in meeting the basic needs of the poor as embodied in the MTPDP and the Social Reform Agenda, the framework for poverty alleviation. However, the credit program had deficiencies, while the targeting of three different beneficiary groups added to management difficulties of an already complex project – the credit and coastal communities' components could have been excluded.

21. While the project was targeted at poverty reduction in one of the poorest parts of the Philippines, it recognized that increasing inequality and persistent poverty are concerns for future stability and is thus highly relevant to the needs of conflict-affected communities. It addressed two key objectives of IFAD's crisis prevention and recovery policy: (i) a proactive approach to addressing deep-rooted causes, such as land security and access to resources, services and opportunities; and (ii) a focus on institutional development at the rural level, enhancing local ability to respond to shocks resulting from civil strife and conflict.

22. **Effectiveness and efficiency.** The project goal was accomplished, nearly 22,000 households benefiting by June 2007. Physical accomplishments exceeded targets. Incomes increased, but generally remain below the poverty threshold. The small enterprise development and credit component, however, was not very effective. Resource use on most components was good, with almost all loan funds likely to be utilised before project closing, but the three year project extension enabled this.

23. **Performance of partners.** IFAD, UNOPS and the government and its agencies performed satisfactorily. IFAD was constrained by having no field presence, and supervision was handled by UNOPS, but IFAD staff should have participated in the Mid-term Review (MTR) field mission. UNOPS fielded well qualified supervision missions and their reports addressed major concerns and provided clear recommendations for actions, with respective responsibilities. However, for the first half of the project life, UNOPS project personnel changed - there was little consistency of knowledge on project progress during this period, and no follow up on recommendations between missions. The government and its partner agencies have complied with loan covenants and implemented most recommendations of the supervision missions. Initially project implementation progress was slow, but improved after the project was mainstreamed in DAR in late 2003. Mainstreaming has raised the likelihood of sustainability. The performance of different NGOs was not consistent, with varying levels of capabilities and experience. LBP and the Local Participating Credit Institution (LPCI) fulfilled their responsibilities, but LBP could have been more proactive in addressing credit design weaknesses.

III. PROJECT IMPACTS

24. **Poverty impacts.** Overall the project's impact on rural poverty was satisfactory, with improvements in physical and human assets, social capital and empowerment. Agricultural productivity and food security improved. The project had positive impacts on environment, but limited impact on creation of financial assets and in marketing. The project contributed to institutional strengthening at local levels and had a satisfactory impact on policy advocacy.

25. **Sustainability and ownership.** Sustainability of WMCIP community-initiated projects and activities is dependent on the capabilities of individual beneficiaries, barangay communities, POs and cooperatives. Capacity building takes time, and will need the continued support of LGUs and other agencies. Mainstreaming activities into regular provincial and regional programs, and continued provision of support activities, is essential for sustainability. DAR has already mainstreamed many activities into its own operations and has indicated it will continue to provide such support and act as the coordinating agency for other government agencies. Partner agencies have also indicated their commitment to the mainstreaming arrangements set out in the WMCIP exit strategy. WMCIP is thus potentially sustainable, with DAR taking a lead proactive role. However, maintenance of some of the rural infrastructure, and particularly farm to market roads, is beyond the capabilities of barangays and will require LGU technical and financial help. Many of the collective enterprises and other agri-business enterprises may not be sustainable due to the absence of effective advisory services. Neither the LGUs nor NGOs have the capability to provide this.

26. The participatory planning and social empowerment processes of WMCIP were critical in generating ownership of project activities by communities and beneficiaries, which will help in sustainability. DAR and some LGUs, such as the Zamboanga del Norte Provincial LGU, have taken a very active involvement and appear committed to continue their support.

27. **Innovation, replication and scaling up.** WMCIP adapted proven procedures for the Community and Institutional Development (CID) component; innovative NRM technologies were adopted, some of which have already been scaled up. But to enhance replication and scaling-up, agricultural production should move beyond subsistence farming practices and be more entrepreneurial – most of the livelihood projects have been on a backyard-scale, with few incentives for innovation. The project was not able to implement a replicable agri-business and market-oriented strategy.

IV. CONCLUSIONS AND RECOMMENDATIONS

Performance Ratings of the WMCIP Project

Evaluation Criteria	Evaluation Ratings
Project Performance	
Relevance	5
Effectiveness	4
Efficiency	3
Overall project performance	4
Rural Poverty Impact	
Physical assets	4
Food security	4
Agriculture productivity	5
Environment and natural resources	5
Human assets	5
Financial assets	3
Social capital and empowerment	5
Institutions and services	4
Markets	3
Overall rural poverty impact	4
Other performance criteria	
Sustainability and ownership	4
Innovation, replication, scaling up	4
Performance of Partners	
IFAD	4
UNOPS	4
NGOs	3
Government and its agencies	4
Overall project achievement	4

Source: IFAD Evaluation Mission 2007

28. Overall performance of the WMCIP was highly relevant, targetting the poor, and was successful in meeting its targets, although implementation was slow. The project targeted the poorest in 81 barangays in the four provinces; inclusion from 2003 of vulnerable households significantly enhanced outreach and distribution of benefits. Incomes increased, and significant changes at the household level are evident, although poverty remains prevalent. Crop and fisheries production has led to diversification that has improved food security and nutrition intake. Capacity building has been substantial at barangay and LGU levels, with partnerships developed for supporting development activities. The small enterprise development and credit component was not successful.

29. WMCIP's focus on indigenous people, and the inclusion of the small grant component - Support Project for the Indigenous Cultural Communities MNLF in the Zone of Peace within the Agrarian Reform Communities (SPICCNZPARC) that addressed concerns of the marginalized ex-combatants, highlights the depth of WMCIP engagement. Most barangays included are within conflict areas (leftist and Islamic groups). It was reported to the evaluation team that WMCIP was "brave" to have worked in these areas and in developing partnerships with its varied stakeholders. WMCIP clearly focused on the Millennium Development Goals of poverty and hunger, gender and equality and empowerment of women, and environmental sustainability. It addressed IFAD's overarching goal of enabling the rural poor to overcome poverty.

30. While WMCIP has been partly successful, much remains to be accomplished, with some infrastructure and livelihood initiatives still under implementation. The level of poverty at project commencement was high, and while incomes have increased, poverty remains below the threshold in many barangays. However, initiatives are in place in both natural resources and small enterprise development that provide a basis for further development to help increase incomes and improve livelihoods. Capacity at barangay and LGU level has been improved. Agency sustainability mechanisms have been established to help take the WMCIP initiatives further. A follow-on program is needed to take advantage of, and build on this.

31. **Lessons learned and issues arising.** The evaluation identifies several significant lessons/issues which have a bearing both on the future of WMCIP, and similar projects that might be pursued. Some of these relate to project design, and particularly the context within which the design is developed, others to project management and implementation, while specific issues have arisen over the enterprise development and credit component. These have been taken into account in the recommendation and sub-recommendations set out below.

Recommendations

32. **IFAD activities should continue to support development in upland areas where poverty remains persistent and IFAD has experience. In particular, it will be desirable** to continue working in the WMCIP upland areas of Zamboanga Peninsula¹. This recommendation could be part of a future IFAD-funded project covering two or three other upland regions in the Philippines. Its objectives would be to strengthen ongoing WMCIP activities, address its weaknesses, and help ensure sustainability of benefits. Requirements of coastal communities are different, and thus should be handled under a different project to ensure the required developmental results of those involved in artisanal fisheries.

33. If IFAD and the Government subsequently decide to undertake a future project focusing on upland areas such as in WMCIP areas then, the following sub-recommendations should be taken into account. These are grouped under recommendation 1.1 clarity of design, recommendation 1.2 project organisation and management, and recommendation 1.3 specific project components and implementation.

Recommendation 1.1 - Clarity of Design

34. **Integrate the principles of a watershed and landscape approach to Natural Resource Management (NRM).** For this it is recommended that:

- In order to promote better control and accountability over resource destructive activities and the flow of positive benefits between communities (e.g. less siltation and improved water quality) within the project area, future interventions should work in a more limited geographic area. Future interventions should be limited to headwater areas incorporating the principles of a landscape approach (see next bullet) considering downstream effects, but limiting implementation or support to critical upland areas.
- Within the upland areas, targeting of project sites should be to the extent possible contiguous for better environmental benefits and incorporate the principles of a landscape approach, which integrates social, cultural, and environmental concerns with the management of the land

¹ As this was an interim evaluation, a key question for the evaluation from the approach paper was whether or not a follow-up phase of the project should be pursued. Thus, in addressing this question, the evaluation suggests the need for follow on activities. The evaluation believes that there are opportunities to build on the stronger project activities and to help address some of its weaknesses in order to help ensure sustainability of benefits. As with the CHARM project area, where IFAD has been involved for more than 20 years, the WMCIP upland areas are a challenging environment and a longer term perspective may be required to ensure impact and sustainability.

area, but with special care taken of the possibilities of environmental disturbances beyond the control of the project.

- A locus for intervention in terms of geographic coverage and beneficiary needs has to be clearly identified during design of a potential second phase - together with the corresponding institutional considerations for the development of improved monitoring and supervision and implementation support arrangements.

35. **Specify more accurately the target groups.** Aligned with the Government of the Philippines (GOP) development thrusts and directions, the project design should be in line with the IFAD targeting policy and clear on the poverty level of the targeted groups, and whether to include the enterprising poor and vulnerable groups. WMCIP had a selection guide for vulnerable households and during implementation these were integrated with the KALAHARI (Linking Arms to Fight Poverty) program priorities of the National Anti-Poverty Commission at the *barangay* and municipal level. This approach was useful and should be considered in the design of future projects.

36. **Improved integration of components.** In WMCIP, the different project components had impacts on the effectiveness of succeeding components. For example, technologies under Component 2 had a high rate of adoption of innovations, this being partly attributed to a high rate of awareness resulting from the social preparation initiatives under Component 1. However the links between components 2 and 3 were not as strong (i.e. poor Small Enterprise Development Component (SEDC)). Also, the integration was not consistent across all project areas. As such, any future operation should build on and improve the implementation of the approach adopted in WMCIP to ensure improved integration and sequencing of components and activities.

37. **Enhance the government's participation in the design process.** In line with the evolving operating model within IFAD, future project design should involve the country program management team (CPMT) and enhance the participation of government, in all levels, in order to improve country ownership, relevance, and partnership.

Recommendation 1.2 - Project Organisation and Management

38. **Mainstreaming for sustainability.** Activities should be mainstreamed into regular regional and provincial operations of all agencies and sustainability instituted from project onset². In this regard, clear coordination mechanisms between partner agencies should be established. NRM in particular cuts across institutional mandates of several agencies, and the project design and logical framework should be clear on inputs, activities and expected outputs and impact. To enhance project mainstreaming, coordination mechanisms between the IFAD and the GOP/Executing Agency should be in line with the institutional set ups negotiated and agreed in the project loan agreement, based on a transparent assessment of the needs of the project and the existing institutional capabilities. Clarity of responsibilities is also important if the project covers parts of Autonomous Region in Muslim Mindanao (ARMM) as well as Region 9 (e.g. in Basilan).

39. **Project management in conflict zones.** Project execution and supervision and implementation support mechanisms need to be flexible, given the constantly changing security circumstances in the region. For example, reliance on local agencies may be necessary. Project management staff must be able to work with and communicate across the varied different groups in conflict areas: at local levels, being indigenous to the area or of the same ethnic group would be advantageous.

40. **Increased IFAD visibility.** IFAD needs to make its presence felt more widely during project execution, for example, by ensuring that its policy priorities and declarations (e.g. related to indigenous people) remain areas of focus throughout the project life cycle and undertaking direct

² Specifically during design IFAD should consider: (a) the responsibilities between the regional directors and the project managers; (b) the role of other staff of the regional bureaus of the line departments vis-à-vis those who may need to be recruited on temporarily basis; and (c) how to deal with the issues around the implementation of convergence between different line departments (DA, DAR, DENR, etc).

supervision and implementation support including participation of the field presence officer. The continuation of direct supervision and the strengthening of the field presence officer are contingent on available resources allocated within the wider framework of IFAD activities related to field presence and direct supervision.

41. **Screen community initiatives:** New community infrastructure projects, while continuing to be selected in a participatory manner by communities, should also be screened by the project for technical and environmental feasibility. Project appraisal mechanisms to ensure objective review and approval of infrastructure projects should be established.

Recommendation 1.3 - Specific Project Components and Implementation

(a) Resources and Environment

42. **Mindanao conflict and regulation of resource use.** Control and development of the region's lands and natural resources has contributed to the Mindanao conflict, particularly in terms of the inequitable use/control of resources. WMCIP made initiatives in peace and development, such as peace zones formation in Basilan, peace process consultation between the government and a splinter local rebel group from the Communist Party of the Philippines, and some training in conflict sensitivity and peace building. Future projects must recognize and support the dynamics of tri-communities (Muslim, Christian and Indigenous Peoples) in conflict areas by bringing these partners together to resolve conflicts and manage natural resources. This good practice from WMCIP should be continued as conflicts around natural resource use are intrinsically anchored in the diversity of ethnicity, religion and socio-economic and cultural knowledge, structures and practices.

43. **Environment.** The influx of mining activities within the four provinces poses a clear threat to the sustainability of WMCIP and needs to be kept under review. If there is no IFAD follow on intervention, as part of the mainstreaming, DAR, Department of Environment and Natural Resources (DENR), and relevant LGU should be involved in this review.

44. **Indigenous Peoples (IPs) and Certificate of Ancestral Domain Claims (CADCs).** Based on the WMCIP experience working with three communities to Convert their CADCs to Certificate of Ancestral Domain Titles (CADTs)³, there are two pressing issues that affect the concern for Indigenous People and should be incorporated into future activities; (i) financing of Ancestral Domain Sustainable Development and Protection Plans; and (ii) organizing other IP groups within the region to formally file their respective CADC where viable under Indigenous Peoples Rights Act.

(b) Capacity Building

45. **Community development.** (i) Financial support by Municipal Local Government Unit (MLGUs) should be continued for the CDVs to support POs and development work in *barangays*, in coordination with the Sangguniang Pambarangay (*Barangay Council*). The financial management capabilities of officers of People's Organizations, Farmers/Fishermen's Associations and Cooperatives should be further enhanced and include provisions for assessing the economic viability of proposed investment activities. In addition, assistance should be provided in establishing market linkages.

46. **LGU capacity development.** (i) Continue training and technical support to Municipal and Provincial LGU personnel in monitoring and evaluation; and (ii) Continue support to LGUs in assessing and updating of the Sustainable *Barangay* Development Plans responsive to the emerging needs of the *barangays* and for fund mobilization.

47. **Line agency support and partnership.** (i) Line agencies should continue providing technical support to community organizations in pursuing NRM, livelihood and marketing and credit; (ii) Linkage of ongoing and new programs using existing structures such as *Barangay* Development Team/ Municipal Development Team and *Barangay* Infrastructure Monitoring Board should be

³ See Table 1. The logical framework results chain from the PCR.

pursued to ensure continuity of institutional development (and avoid duplication) in the identification and implementation of projects funded by other agencies.

(c) Enterprise Development and Credit

48. **Market-oriented approach.** An integrated approach is needed covering production, processing and marketing, recognizing the importance of market linkages for the rural poor. Capacity-building and investment is needed in activities that are commercially viable in the market. NGOs may not have capabilities in enterprise development and business development services, and if used, need training.

49. **Credit.** A different credit modality should be sought with other government entities. This should take into account lessons learned from the evaluation of the previously IFAD-funded Rural Micro-Enterprise Finance Program and the recently launched Rural Micro-Enterprise Promotion Project (RuMEPP). For example, RuMEPP's effort to use the credit funds as a deposit/guaranty in the Small Business Guaranty and Finance Corporation working in partnership with Micro-finance Institutions (MFIs) is a step in the right direction.

50. If IFAD and the Government subsequently decide to undertake a future project in coastal areas then the recommendations under 2.1 coastal areas should be taken into account.

Recommendation 2.1 – Coastal areas – These recommendation are only relevant if there is a future intervention related to coastal issues.

51. **Environment.** If a follow on intervention continues to work in coastal areas, greater effort has to be made to enhance the involvement of the DA- Regional Field units and Bureau of Fisheries and Aquatic Resources, especially in regard to extending technical assistance to the various land and water resource management technologies.

52. **Department of Environment and Natural Resources (DENR) – complementarity of two laws, namely RA 7586 and RA 8550,** affecting marine and coastal resource management and fisheries in National Integrated Protected Areas Systems (NIPAS), needs to be addressed. The Fisheries Code (RA8550) is more localized and operable at the Local Government Unit (LGU) level. NIPAS requires congressional approval across a vast stretch of protected areas.

Republic of the Philippines

Western Mindanao Community Initiatives Project (WMCIP)

Interim Evaluation

Agreement at Completion Point

I. BACKGROUND AND CORE LEARNING PARTNERSHIP

1. The Western Mindanao Community Initiatives Project (WMCIP) targeted the poor, including indigenous people, in four provinces in Western Mindanao. WMCIP was executed between 1999 and 2007 by the Department of Agrarian Reform (DAR) of the Government of the Philippines (GOP), in co-operation with the Land Bank of the Philippines (LBP), the Department of Agriculture (DA), the Department of Environment and Natural Resources (DENR) and the National Commission on Indigenous Peoples (NCIP). The evaluation of the project was conducted in 2007 by IFAD's Office of Evaluation (OE).
2. Following usual practice for OE evaluations, a Core Learning Partnership¹ was established providing critical inputs at key stages in the evaluation, including towards the preparation of the Agreement at Completion Point.
3. This Agreement at Completion Point reflects an understanding between the GOP represented by DAR and the International Fund for Agricultural Development (IFAD) represented by the Asia and Pacific Division on key findings from the evaluation (see section II below), and their agreement to adopt and implement the evaluation's recommendations listed in section III - according to the established timeframes.

II. MAIN EVALUATION FINDINGS

4. **Design features.** The project components were designed to emphasize participatory planning and implementation, community development and institutional capacity building, natural resource management and enterprise development. The project was admirable in its attempt to work from head waters to blue waters². Although the targeting of some municipalities was based on a landscape approach, the actual *barangay* sites were spread out, meaning that the interconnectivity of upland-lowland-coastal ecosystems was not adequately captured. Thus, environmental disturbances beyond the control of the project affected results. For example coastal initiatives were affected by upstream activities and upland river-based initiatives affected by upstream mining. This was further aggravated when the resource abuse was located beyond the municipality/province concerned. Similarly, the spread of project sites and the number of government agencies (DA, DAR, DENR)³ involved in the

¹ Members of the Core Learning Partnership included: Department of Agriculture, Department of Agrarian Reform, Department of Environment and Natural Resources, Bureau of Fisheries and Aquatic Resources, National Commission on Indigenous Peoples, National Economic and Development Agency, Asian Development Bank Philippine Country Office, USAID (Growth with Equity in Mindanao project staff), and the Country Program Manager and Field Presence Officer of IFAD.

² This approach is optimal for natural resource management. However, to be successful in this approach the project would have needed significantly more resources to work contiguously from headwater to coastal and even island ecosystems.

³ The 1997 Technical Review Committee issues paper highlighted that working in the uplands, lowlands, and coastal areas and involving three major agencies complicated and added to a diffuse project.

project made supervision and implementation support challenging. The project design had weaknesses in the small enterprise development and credit component, while the targeting of three different beneficiary groups (upland, lowland, and coastal) contributed to the complexity, adding to project management difficulties. Thus, in order to simplify the project, the credit and coastal communities could have been excluded.

5. **Implementation, outputs and attaining project objectives.** By June 2007, the project achieved or exceeded practically all quantitative targets, apart from some infrastructure provisions such as water supply systems. Initial project start-up was significantly delayed by 18 months while issues of project management were resolved by IFAD and GOP; performance up to mid 2004, when the project was originally due to be completed, was slow. The project was therefore extended by three years. Over 9,300 poor farmer households and almost 2,400 poor fishermen households have directly benefited, including nearly 3,400 vulnerable households. Nearly 9,000 households are involved in the process of enterprise development, although sustainability remains a challenge. Based on the 2007 WMCIP survey, average annual income of WMCIP beneficiaries has increased by about 38 per cent since 2005. This was largely due to higher farm incomes, which may be attributed to the beneficiaries' adoption of new agricultural technologies under the project.

6. **Relevance, effectiveness and efficiency.** The project objectives and activities are relevant to the needs and aspirations of the stakeholders in the project area, as well as to the needs of conflict-affected and post-conflict communities. They are also in line with the priorities of GOP in meeting the basic needs of the poor, and to IFAD's strategic objectives and targeting priorities in the Philippines. The project goal was accomplished, nearly 22,000 households benefiting by June 2007. Physical accomplishments exceeded targets. Incomes increased, but generally remain below the poverty threshold. The small enterprise development and credit component, however, was not very effective. Resource use on most components was good, with almost all loan funds likely to be utilised before project closing, but the three year project extension enabled this.

7. **Performance of IFAD and its partners.** Initially, IFAD was constrained by having no field presence,, but its involvement was lacking at two crucial stages in project implementation, namely at start up and during the mid term review. The government and its partner agencies have complied with loan covenants and implemented most recommendations of the supervision missions. Initially project implementation progress was slow, but improved after the project was mainstreamed in DAR in late 2003. UNOPS fielded qualified supervision missions and their reports addressed major concerns. However, for the first half of the project life, UNOPS project personnel and location changed and there was little consistency of knowledge on project progress which may have impacted negatively on the processing of project management requirements during this period. For example, during supervision missions and the MTR the project missed an opportunity to make positive changes to the Small Enterprise Development Component (SEDC). The performance of NGOs was moderately unsatisfactory, as it was not consistent across sites due to varying levels of capacities and experience.

8. **Rural poverty reduction impacts.** Positive impacts were achieved in improvements in physical assets, agricultural productivity, food security and nutrition, human assets, social capital and empowerment, and institutional capacity development. However, its impact on financial assets and markets was limited.

9. **Sustainability and ownership.** Sustainability of WMCIP initiatives is dependent on the capabilities of individual beneficiaries, *barangay* communities, Peoples Organizations (POs) and cooperatives to sustain the community-initiated programs and projects. Capacity building takes time, and will need the continued support of Municipal Local Government Units (MLGUs), Provincial Local Government Units (PLGUs) and other agencies. Mainstreaming of the programs and projects into regular provincial and regional programs and continued provision of support activities was an important feature for the sustainability of WMCIP. The participatory planning and social empowerment processes of WMCIP were critical in generating ownership of project activities by communities and beneficiaries, which will help in promoting sustainability.

10. **Innovation, replication and scaling up.** WMCIP used proven procedures such as the use of a Community Organization – Community Development (CO-CD) framework, community development volunteers (CDVs) and participatory approaches, for the Community and Institutional Development (CID) component - while innovative technologies were adopted in natural resources management, some of which have already been scaled up.

11. **Overall assessment.** WMCIP targeted the poorest in 81 *barangays* in 21 municipalities in the four provinces, and the inclusion from 2003 of vulnerable households significantly enhanced outreach and distribution of benefits. Incomes increased, and significant changes at the household level are evident, although poverty remains prevalent. Crop and fisheries production has led to diversification that improved food security and nutrition intake. Much was achieved in capacity building at *barangay* and LGU levels, with partnerships developed for supporting development activities. The SEDC component achieved limited impact in developing small enterprises, business advisory services and a sustainable credit delivery system. The focus on indigenous people, and on *barangays* within conflict areas is seen as a bold and praiseworthy initiative.

III. KEY RECOMMENDATIONS AGREED BY PARTNERS

12. The following recommendations from the evaluation have been discussed with GOP and IFAD during the final WMCIP evaluation stakeholders meetings held in Manila on 17 December 2007. It was agreed they will be considered for possible follow up to the extent possible, depending on resource availability and taking into account mutually agreed priorities at the time.

13. **Recommendation – IFAD activities should continue to support development in upland areas where poverty remains persistent and IFAD has experience. In particular, it will be desirable** to continue working in the WMCIP upland areas of Zamboanga Peninsula⁴. This recommendation could be part of a future IFAD-funded project covering two or three other upland regions in the Philippines. Its objectives would be to strengthen ongoing WMCIP activities, address its weaknesses, and help ensure sustainability of benefits. Requirements of coastal communities are different, and thus should be handled under a different project to ensure the required developmental results of those involved in artisanal fisheries.

14. If IFAD and the Government subsequently decide to undertake a future project focusing on upland areas such as in WMCIP areas then, the following sub-recommendations should be taken into account. These are grouped under recommendation 1.1 clarity of design, recommendation 1.2 project organisation and management, and recommendation 1.3 specific project components and implementation.

Recommendation 1.1 - Clarity of Design

15. **Integrate the principles of a watershed and landscape approach to Natural Resource Management (NRM).** For this it is recommended that:

- In order to promote better control and accountability over resource destructive activities and the flow of positive benefits between communities (e.g. less siltation and improved water quality) within the project area, future interventions should work in a more limited geographic area. Future interventions should be limited to headwater areas incorporating the principles of a landscape approach (see next bullet) considering downstream effects, but limiting implementation or support to critical upland areas.

⁴ As this was an interim evaluation, a key question for the evaluation from the approach paper was whether or not a follow-up phase of the project should be pursued. Thus, in addressing this question, the evaluation suggests the need for follow on activities. The evaluation believes that there are opportunities to build on the stronger project activities and to help address some of its weaknesses in order to help ensure sustainability of benefits. As with the CHARM project area, where IFAD has been involved for more than 20 years, the WMCIP upland areas are a challenging environment and a longer term perspective may be required to ensure impact and sustainability.

- Within the upland areas, targeting of project sites should be to the extent possible contiguous for better environmental benefits and incorporate the principles of a landscape approach, which integrates social, cultural, and environmental concerns with the management of the land area, but with special care taken of the possibilities of environmental disturbances beyond the control of the project.
- A locus for intervention in terms of geographic coverage and beneficiary needs has to be clearly identified during design of a potential second phase - together with the corresponding institutional considerations for the development of improved monitoring and supervision and implementation support arrangements.

16. **Specify more accurately the target groups.** Aligned with the GOP development thrusts and directions, the project design should be in line with the IFAD targeting policy and clear on the poverty level of the targeted groups, and whether to include the enterprising poor and vulnerable groups. WMCIP had a selection guide for vulnerable households and during implementation these were integrated with the KALAH (Linking Arms to Fight Poverty) program priorities of the National Anti-Poverty Commission at the *barangay* and municipal level. This approach was useful and should be considered in the design of future projects.

17. **Improved integration of components.** In WMCIP, the different project components had impacts on the effectiveness of succeeding components. For example, technologies under Component 2 had a high rate of adoption of innovations, this being partly attributed to a high rate of awareness resulting from the social preparation initiatives under Component 1. However the links between components 2 and 3 were not as strong (i.e. poor SEDC). Also, the integration was not consistent across all project areas. As such, any future operation should build on and improve the implementation of the approach adopted in WMCIP to ensure improved integration and sequencing of components and activities.

18. **Enhance the government's participation in the design process.** In line with the evolving operating model within IFAD, future project design should involve the country program management team (CPMT) and enhance the participation of government, in all levels, in order to improve country ownership, relevance, and partnership.

Recommendation 1.2 - Project Organisation and Management

19. **Mainstreaming for sustainability.** Activities should be mainstreamed into regular regional and provincial operations of all agencies and sustainability instituted from project onset⁵. In this regard, clear coordination mechanisms between partner agencies should be established. NRM in particular cuts across institutional mandates of several agencies, and the project design and logical framework should be clear on inputs, activities and expected outputs and impact. To enhance project mainstreaming, coordination mechanisms between the IFAD and the GOP/Executing Agency should be in line with the institutional set ups negotiated and agreed in the project loan agreement, based on a transparent assessment of the needs of the project and the existing institutional capabilities. Clarity of responsibilities is also important if the project covers parts of Autonomous Region in Muslim Mindanao (ARMM) as well as Region 9 (e.g. in Basilan).

20. **Project management in conflict zones.** Project execution and supervision and implementation support mechanisms need to be flexible, given the constantly changing security circumstances in the region. For example, reliance on local agencies may be necessary. Project management staff must be able to work with and communicate across the varied different groups in conflict areas: at local levels, being indigenous to the area or of the same ethnic group would be advantageous.

⁵ Specifically during design IFAD should consider: (a) the responsibilities between the regional directors and the project managers; (b) the role of other staff of the regional bureaus of the line departments vis-à-vis those who may need to be recruited on temporarily basis; and (c) how to deal with the issues around the implementation of convergence between different line departments (DA, DAR, DENR, etc).

21. **Increased IFAD visibility.** IFAD needs to make its presence felt more widely during project execution, for example, by ensuring that its policy priorities and declarations (e.g. related to indigenous people) remain areas of focus throughout the project life cycle and undertaking direct supervision and implementation support including participation of the field presence officer. The continuation of direct supervision and the strengthening of the field presence officer are contingent on available resources allocated within the wider framework of IFAD activities related to field presence and direct supervision..

22. **Screen community initiatives.** New community infrastructure projects, while continuing to be selected in a participatory manner by communities, should also be screened by the project for technical and environmental feasibility. Project appraisal mechanisms to ensure objective review and approval of infrastructure projects should be established.

Recommendation 1.3 - Specific Project Components and Implementation

(a) Resources and Environment

23. **Mindanao conflict and regulation of resource use.** Control and development of the region's lands and natural resources has contributed to the Mindanao conflict, particularly in terms of the inequitable use/control of resources. WMCIP made initiatives in peace and development, such as peace zones formation in Basilan, peace process consultation between the government and a splinter local rebel group from the Communist Party of the Philippines, and some training in conflict sensitivity and peace building. Future projects must recognize and support the dynamics of tri-communities (Muslim, Christian and Indigenous Peoples) in conflict areas by bringing these partners together to resolve conflicts and manage natural resources. This good practice from WMCIP should be continued as conflicts around natural resource use are intrinsically anchored in the diversity of ethnicity, religion and socio-economic and cultural knowledge, structures and practices.

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(b) Capacity Building

26. **Community development.** (i) Financial support by MLGUs should be continued for the CDVs to support POs and development work in *barangays*, in coordination with the Sangguniang Pambarangay (*Barangay Council*). The financial management capabilities of officers of People's Organizations, Farmers/Fishermen's Associations and Cooperatives should be further enhanced and include provisions for assessing the economic viability of proposed investment activities. In addition, assistance should be provided in establishing market linkages.

27. **LGU capacity development.** (i) Continue training and technical support to Municipal and Provincial LGU personnel in monitoring and evaluation; and (ii) Continue support to LGUs in assessing and updating of the Sustainable *Barangay* Development Plans responsive to the emerging needs of the *barangays* and for fund mobilization.

⁶ See Table 1. The logical framework results chain from the PCR.

28. **Line agency support and partnership:** (i) Line agencies should continue providing technical support to community organizations in pursuing NRM, livelihood and marketing and credit; (ii) Linkage of ongoing and new programs using existing structures such as *Barangay* Development Team/ Municipal Development Team and *Barangay* Infrastructure Monitoring Board should be pursued to ensure continuity of institutional development (and avoid duplication) in the identification and implementation of projects funded by other agencies.

(c) Enterprise Development and Credit

29. **Market-oriented approach.** An integrated approach is needed covering production, processing and marketing, recognizing the importance of market linkages for the rural poor. Capacity-building and investment is needed in activities that are commercially viable in the market. NGOs may not have capabilities in enterprise development and business development services, and if used, need training.

30. **Credit.** A different credit modality should be sought with other government entities. This should take into account lessons learned from the evaluation of the previously IFAD-funded Rural Micro-Enterprise Finance Program and the recently launched Rural Micro-Enterprise Promotion Project (RuMEPP). For example, RuMEPP's effort to use the credit funds as a deposit/guaranty in the Small Business Guaranty and Finance Corporation working in partnership with MFIs is a step in the right direction.

31. If IFAD and the Government subsequently decide to undertake a future project in coastal areas then the recommendations under 2.1 coastal areas should be taken into account.

Recommendation 2.1 – Coastal areas – These recommendation are only relevant if there is a future intervention related to coastal issues.

32. **Environment.** If a follow on intervention continues to work in coastal areas, greater effort has to be made to enhance the involvement of the DA- Regional Field units and Bureau of Fisheries and Aquatic Resources, especially in regard to extending technical assistance to the various land and water resource management technologies.

33. **Department of Environment and Natural Resources (DENR) – complementarity of two laws, namely RA 7586 and RA 8550 affecting** marine and coastal resource management and fisheries in National Integrated Protected Areas Systems (NIPAS), needs to be addressed. The Fisheries Code (RA8550) is more localized and operable at the Local Government Unit (LGU) level. NIPAS requires congressional approval across a vast stretch of protected areas.

Republic of the Philippines

Western Mindanao Community Initiatives Project (WMCIP)

Interim Evaluation

Main Report

I. INTRODUCTION

A. Country Background

1. **Economy.** The Republic of the Philippines is an archipelago of 7,107 islands¹. The country spans three main island groups: Luzon, Mindanao and the Visayas. It has a total land area of around 30 million hectares. The Philippine Gross Domestic Product (GDP) reached Philippines Pesos (PHP) 1,209.4 billion in 2004 and the economy, as measured by GDP, grew by 5.1 per cent in 2005. The growth in 2005 slipped from a year earlier (six per cent), attributed mainly to weaker agricultural performance and, to a lesser extent, slower growth in the services sector. In recent years the contribution to GDP of the manufacturing sector has been around 23 per cent, agriculture, fishing and forestry 13 per cent, and the services sector 54 per cent.

2. **Demography.** The estimated population in 2004 was 86.4 million. The average population growth rate is relatively high for South East Asia at an estimated 2.2 per cent per year 2002-2004. The high population growth, along with geographical and climatic challenges, contributes to the continuing high rate of poverty in the Philippines. Around 80 per cent of the Filipino population is Catholic, 15 per cent Muslim (mainly in Mindanao), and the rest are mostly smaller Christian denominations and Buddhist. The Philippines has recognized the rights of “Indigenous Peoples (IPs)” through a specific law, the Indigenous Peoples Rights Act (IPRA) which was enacted in 1997. The total population of IPs was estimated to be between 12-15 million, 15-20 per cent of the total population in 1998². There are 171 different indigenous languages signifying different tribes with distinct cultures.

3. **Natural resources.** The coastlines extend to about 36,000 kilometres, of which over one-third occurs in Mindanao, and a total of 680,000 sq km of territorial waters and around 26,000 square kilometres of coral reefs. More than 52 percent of the land area or 15.8 million hectares are forestlands/uplands while the rest are alienable and disposable. Recent estimates in the just concluded Forest Resources Assessment project showed that around 7,168 million hectares of forests are under various canopy covers, including those forests within private lands (Acosta, 2005). Mindanao accounts for 29 per cent (2.06 million ha) of this forest cover.

4. The rate of denudation of forestlands in the Philippines is 140,000 hectares ³per year, mainly due to illegal logging, mining, land conversion and slash-and-burn activities. Records of the latest environmental accounting⁴ have shown that the Philippines’ forestlands are decreasing at a rate of 2.1 per cent annually. At this rate of deforestation, the country is expected to experience severe environmental and ecological consequences. The report further noted that illegal logging has not been effectively contained despite the imposition of the selective logging ban since 1991. As a result, only 6 million hectares of the country’s total 16 million hectares of forestlands are forested.

¹ Official website of the Republic of the Philippines: <http://www.gov.ph/aboutphil/general.asp>.

² Asian Development Bank (2002). *IPs/Ethnic Minorities and Poverty Reduction: Philippines*, p.7.

³ Project Appraisal Document. (December 2006) MRDP/DA-WB.

⁴ As cited in Pollisco-Botengan, M. et. al. (November 2000) *Poverty Assessment in Project Areas and Impact of Project Intervention on Poverty Reduction: The Social Dimensions*. DENR-ADB-TA No. 3282-PHI.

5. The country's virgin forests have been reduced to only 804,900 hectares; a decrease of 34 per cent from the total area recorded in 1988. For a period of 37 years (from 1960 to 1997), the government, in partnership with local communities, and the private sector was able to reforest only 1.6 million hectares of forestlands. However, these efforts were not sustained. Because of indiscriminate logging activities and the illegal conversion of forestlands for agricultural and residential purposes, the total area deforested from 1991 to 1997 far exceeded the total area reforested⁵.

6. **Agriculture sector**⁶. The Philippine agriculture sector accounts for over a third of total employment and grew by only two per cent in 2005, down from 4.9 per cent in the previous year. This deceleration was largely due to drought in the first half of the year. Agricultural production is not keeping pace with population growth. Low labour productivity characterizes the agricultural sector compared with the service and industry sectors. The agriculture sector consists of rice, corn, coconut, sugar, banana, livestock, poultry, other crops and fishery production activities. Agriculture is characterized by a mixture of small, medium and large farms. The majority of the farms in the country are small farms averaging about two hectares. These are simple farms, owned and managed by single families, ranging from subsistence to commercial production.

7. A large part of the Philippine agriculture sector operates at subsistence level and is vulnerable to year-to-year weather changes. About six out of ten people in rural areas depend on agriculture for their livelihood. In Mindanao, almost one third of the land is devoted to agriculture; the island accounts for 40 per cent of the Philippines' food requirements, contributing more than 30 per cent of the country's food trade.

8. Fishing is an important sub-sector, employing 1.4 million people (October 2003 - mostly at near-subsistence level) and providing an important and generally growing source of foreign earnings. However, although commercial fishing and fish farming have grown over the past decade, subsistence fishing has declined, depressing output growth in the sector. This reflects over fishing of inshore waters as commercial fleets encroach within these areas. Coral reefs have suffered serious damage from dynamiting and other destructive fishing practices. Foreign fleets are also depleting Philippine waters.

9. **Poverty.** Poverty in the Philippines is predominantly rural and, although varying by region, is pervasive in the southern Philippines, particularly Mindanao. Using resource base and source of income as criteria, the poor in the rural areas are: (i) lowland landless agricultural workers; (ii) lowland small farm owners and cultivators; (iii) upland farmers, including tribal communities; and (iv) artisan fisher folk. Poor productivity growth in agriculture, under-investment in rural infrastructure, unequal land and income distribution, high population growth and the low quality of social services lie at the root of rural poverty. Natural disasters, risks associated with variable markets, and the persistence of armed conflict in Mindanao, also threaten to deepen existing disparities by disrupting growth and exacerbating poverty.

10. Despite substantial efforts by the Government in recent years, the incidence of poverty in rural areas remains high. NCO estimates (1997) show that over 40 per cent of poor families live in rural areas. The trend in poverty worsens as one moves from the lowlands to the uplands, and from irrigated to rain fed farming areas (FDC 1990). Poor upland farmers numbering about 17 million (30 per cent of the 1990 population) were ranked by the National Economic Development Authority (NEDA) as the poorest of the poor, followed by marginal lowland farmers, landless rural labourers, subsistence fishermen and the urban poor.

⁵ Ibid.

⁶ ADB Outlook 2006 Philippines, Department of Agriculture of the Philippines: Profile of Agriculture, Economic Intelligence Unit.

11. In 2000, just over 28 per cent of families in the Philippines were judged to be “poor”. In each of Mindanao’s six regions, the proportion of poor families was higher than the national figure, ranging from 32 per cent in Region 11 to 57 per cent in the Autonomous Region for Muslim Mindanao. Six of the country’s poorest 10 provinces were in Mindanao, with the highest poverty incidence of 63 per cent of families in Sulu. More than 50 per cent of families were considered poor in eight Mindanao provinces.

B. The Project



Overview of the project region and panorama of the Sibugay River, Zamboanga Sibugay

Source: Graham M Walter

Background to the Region

12. The project is located in four provinces⁷ in the Zamboanga Peninsula, in the west of Mindanao. It has a total area of 10,810 km square, and is a largely mountainous, rocky region. The population was estimated at 2.8 million in 2005. The population comprises indigenous (Lumads) and Muslim (Moro) ethnic groups, and migrant settlers from Visayas and Luzon (Christian and non-Christian). The main languages are chavacano, cebuano and subanen; English and Spanish are also spoken. Indigenous peoples and Muslim groups form a major part of the upland and coastal populations.

13. **The economy**⁸. The region posted a Gross Domestic Product (GDP) growth of 7.2 per cent in 2005, topping all the other regions, and a significant improvement from its 4.1 per cent growth in 2004. The region’s strong performance was brought about by the 8.7 per cent expansion of the agriculture sector which accounted for more than half of the region’s economy. The region contributed to the country’s economy with 2.6 per cent share of the national GDP. The region’s per capita income increased to PHP10,159 in 2005 from PHP9,672 in 2004 and was ranked seventh lowest among 17 regions in the Philippines. The region is a key supplier of coconuts, rubber, palm oil, bananas, mango, other fruits and fish to the rest of the country.

⁷ The original project documents refer to 3 provinces, but in 2002, Zamboanga del Sur was divided into Zamboanga del Sur and Zamboanga Sibugay. The other two are Zamboanga del Norte and Basilan. Basilan is now part of the Autonomous Region for Muslim Mindanao, while the other three comprise what is now Region IX.

⁸ National Statistical Coordination Board, Philippines, July 2006; GDP and per capita are calculated based on constant prices of 1985.

14. **Agriculture and rural development.** The current Medium-Term Philippine Development Plan (MTPDP) identifies Mindanao as an area of strong agricultural potential, including the development of export crops. However, the island's contribution to the gross value of agricultural production has declined over the last 20 years, and yields of rice and corn are generally below or no better than the national averages. Some areas face severe environmental problems as a result of widespread and indiscriminate clearance of forests and the cultivation of even the steepest slopes.

15. Rural infrastructure plays a significant role⁹ in rural and agricultural development programs. In Mindanao, barangay (a "village" level administrative unit) roads comprise the largest portion of the total road network¹⁰. Most road projects since 1993 have been rehabilitation and improvement/widening of existing ones, not new roads or networks. Although substantial progress has been achieved in water supply and sanitation in the past two decades, in general, less than half of the rural population in Mindanao is served by potable water supply systems. Irrigation covers only 30 per cent (284,806 hectares) of the 959,020 hectares of potentially irrigable areas¹¹, with unfulfilled potential of 674,214 hectares. Furthermore, the existing irrigation systems are deteriorating due to the National Irrigation Administration's lack of repair, operation and maintenance funds.

16. **Poverty in Zamboanga.** Western Mindanao is one of the poorest and least developed in the Philippines, with high rates of illiteracy and underemployment and a poverty rate significantly higher than the national average. Recent poverty statistics (Table 1) show that Tawi-Tawi has the highest poverty incidence among the Western Mindanao Community Initiatives Project (WMCIP) provinces, followed by Basilan. In terms of severity¹² of poverty, Zamboanga del Norte ranks highest, followed by Tawi-Tawi.

Table 1. Incidence and Severity of Poverty by WMCIP Province

Province	Incidence	Severity
PHILIPPINES	25.70	2.47
Zamboanga del Norte	63.20	12.80
Zamboanga del Sur	40.10	4.91
Zamboanga Sibugay	No Data	
Basilan	65.60	6.47
Tawi-Tawi	69.90	10.06

Source: Constructed from the Philippine Human Development Report 2005, 2nd Ed.

17. Table 2 shows that between 2005 and 2006, Region IX ranked second to Region VII in terms of per capita poverty threshold, very closely followed by Regions VIII and II¹³.

⁹ Op. cit. Project Appraisal Document.

¹⁰ Mindanao Highway Development Plan, 1993-1998.

¹¹ NIA website (www.nia.da.gov.ph).

¹² Poverty severity is the total of the squared income shortfall (expressed in proportion to the poverty line) of families with income below the poverty threshold, divided by the total number of families – National Statistical Coordination Board.

¹³ The minimum income/expenditure required for a family/individual to meet the Basic Food and Non-food Requirements.

Table 2. Annual Per Capita Poverty Thresholds by Province, 2005 – 2006
(Revised estimates as of 21 June 2007)

Region/Province	2005	2006
	14,046	14,906
Region I	15,227	15,899
Region II	12,842	13,457
Region III	15,835	1,646
Region IV-A	16,103	17,151
Region IV-B	13,557	14,394
Region V	14,076	14,927
Region VI	13,820	14,552
Region VII	11,726	13,138
Region VIII	12,787	13,470
Region IX	12,528	13,252
Region X	13,327	14,184
Region XI	13,844	14,831
Region XII	13,217	13,982
ARMM	14,118	14,950
CAR	15,953	16,432
Caraga	13,820	14,740

18. **Conflict.** The conflict¹⁴ in Mindanao can be traced to centuries of discrimination, as perceived by the Lumad and Moro people, that has marginalized them in terms of social and economic development. They have persisted in fighting for rights to their land and resources, and respect for their socio-political institutions.

19. While a peace agreement was signed between the Philippine government and the Moro National Liberation Front (MNLF) in 1996¹⁵, episodes of conflict in 2000¹⁶ and 2003¹⁷ have been costly¹⁸. The immediate effect of the conflict was the displacement of nearly one and a half million people, including those in WMCIP areas (Table 3 below).

Table 3. Conflict-Affected Individuals by WMCIP Province

Affected Areas	Number Affected	Per cent of Total
Basilan	22,975	56.0
Zamboanga Del Norte	13,165	32.1
Zamboanga Del Sur	2,717	6.6
Zamboanga Sibugay	2,156	5.3
TOTAL	41,013	2.7¹⁹

¹⁴ Pollisco-Botengan, M. Environment and Social Safeguard Concerns in the Mindanao Joint Needs Assessment: Final Report. (January 2005). The World Bank-Manila Office.

¹⁵ This agreement led to the amendment and the restructuring of the Autonomous Region in Muslim Mindanao through the passing of the Republic Act 9054 in February 2001. At the ensuing referendum mandated by Rights Act 9054, the ARMM region was restructured composed of the provinces of Basilan (except the capital town of Isabela), Lanao del Sur, Maguindanao, Sulu, Tawitawi and the City of Marawi, while the province of North Cotabato and the city of Cotabato chose to be under Region 12.

¹⁶ Estrada administration declaration of an “all-out-war.”

¹⁷ Under the Arroyo regime, the military assaulted the so-called “Buliok Complex.”

¹⁸ The Joint Needs Assessment for Reconstruction and Development of Conflict-Affected Areas in Mindanao: Integrative Report (December 2005). Produced jointly by the Government of the Philippines, International Funding Agencies, and Mindanao Stakeholders. The International Bank for Reconstruction and Development/The World Bank. Ortigas Center, Pasig City, Philippines 1605.

¹⁹ Percent from 1,496,721 total affected Mindanao-wide.

20. But the upheaval in Mindanao should not be seen as a war between Christians and Muslims²⁰. It is deeply rooted in economic, social, cultural and political concerns, and in particular access to, and control of, resources. Despite the armed conflict, tri-communities co-exist in Mindanao: Lumads, Moro ethnic groups, and migrant settlers from Visayas and Luzon (Christian and non-Christian) through time have learned to co-exist.

The Project

21. **Project overview.** WMCIP was identified and appraised during 1996-97; the International Fund for Agricultural Development (IFAD) Executive Board approved WMCIP in 1998, with an implementation period of six years. The project became effective in 1999, following the start-up workshop. The original loan closing date was extended from Dec 2005 till Dec 2006, and now December 2007, with project completion 30 June 2007. The project data summary (Appendix 8) provides the key partners, milestones, and financing details.

22. **Project goal.** The goal of the project is increased subsistence, higher incomes, better standard of living and greater resilience of livelihood of up to 16 000 farm and fishing households in selected areas of Western Mindanao. Twenty one municipalities with 80 barangays were pre-identified for inclusion at design stage.

23. **Financing.** Total project costs were estimated at US\$18.15 million (at January 1998 prices, PHP775.0 million) of which IFAD was to finance US\$15.54 million (85.6 per cent), including a grant of US\$0.75 million for rehabilitation of ex-combatants. The Government and the beneficiaries were to provide the balance of the funding. Special Drawing Rights (SDR) 11.56 million was actually approved, a loan of SDR11.0 million and a grant of SDR560,000. SDR8.57 million was to be managed by DAR, and SDR2.43 by the Land Bank of the Philippines (LBP).

24. **Context - Comprehensive Agrarian Reform Program.** WMCIP was implemented during a period of important policy and contextual changes in the Philippines and Mindanao. The Comprehensive Agrarian Reform Program mandated by Republic Act 6657, otherwise known as Comprehensive Agrarian Reform Law, was signed by President Corazon Aquino on 10 June 1988 to promote social justice and industrialization. This law embodies the state policy of liberating the vast potential wealth of Philippine agriculture by giving the majority of Filipinos a stake in the land.



Matt Weaving, Zmboanga Sibugay
Source: Evaluation Mission 2007

25. **Local government autonomy.** Another important contextual development was the local government code/local Government Code of 1991 or R.A. 7160. This provided for Local Government Units (LGUs) to have more autonomy in managing their own development direction and generating fiscal resources. As a consequence, key national agencies such as agriculture, social welfare and health were devolved to the provincial and municipal governments. Local agriculture development, which used to be under the national government, was passed on to the LGUs with the latter bearing the technical and fiscal responsibility of maintaining local personnel and implementing local agriculture development projects.

26. **IPRA and NCIP.** Republic Act 8371 or the Indigenous Peoples Rights Act (IPRA) was signed into law on 29 October 1997 to uphold

²⁰ Pollisco-Botengan, Op. cit.

four basic rights of indigenous peoples; the right to ancestral domains and lands, self-governance and empowerment, social justice and human rights, and cultural integrity. IPRA resulted in the creation of the National Commission on Indigenous Peoples (NCIP), mandated to protect and promote the interest and well being of indigenous peoples with due regard to their beliefs, customs, traditions and institutions. It serves as the primary government agency responsible for the formulation and implementation of appropriate policies, plans and programs to carry out the policies set forth in the law.

27. NCIP is endowed with quasi judicial, quasi legislative and executive functions, which include authority to : (i) issue certificates of ancestral land/domain²¹ title subject to existing laws, (ii) enter into contracts, agreements, arrangement, with government or private agencies or entities as may be necessary to attain objectives of this Act, and (iii) subject to the approval of the President, obtain loans from government lending institutions and other lending institutions to finance its programs. At design stage in 1998 the Department of Environment and Natural Resources (DENR) was asked to oversee IP needs regarding the processing of ancestral domain claims. However, by 2000, NCIP was institutionally set in place thus the project adjusted to include NCIP as one of its partners. All tasks related to IPs originally assigned to the DENR were transferred to NCIP.

28. **Government credit programs.** In 1999, Executive Order 138 mandated all National Government Non-Financial Agencies and Government-Owned and Controlled Corporations to desist from providing credit services and to transfer their lending programs to Government Financing Institutions, such as the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP). These would be the main Government vehicles for the delivery of credit services to clientele, providing wholesale funds to private financial institutions engaged in retail lending. Private financial institutions include rural banks, thrift banks, development banks, cooperatives, cooperative rural banks, non-government organizations and people's organizations and other financial institutions regulated by the central bank of the Philippines with acceptable experience in credit delivery. Thus credit delivery options for WMCIP were limited, with LBP being chosen as the delivery instrument.

29. **Implementation arrangements.** The project was to be implemented under the overall responsibility of the Department of Agrarian Reform (DAR). Originally it was conceived as a project decentralised from Manila to the region with DAR as the 'lead' agency and with Non-Governmental Organisation (NGOs) and the private sector involved in implementation at the Site-Operating Units (SOU) level both to ensure local ownership & local demand for services but recognizing the lack of qualified government staff at field level and the unlikelihood (given financial constraints) of adequate, qualified staff being available. However, after a long impasse on NGO selection, it was decided that DAR would also manage the SOUs. NGOs were only engaged and contracted to do specific activities. The Project Management Unit comprised a Project Management Office (PMO) in the regional centre of Zamboanga City, and three SOUs in Dipolog for Zamboanga del Norte, Ipil for Zamboanga Sibugay and Zamboanga del Sur (including a satellite office in Pagadian) and Isabela, for Basilan. The Project Management Unit coordinated and managed, in a participatory manner, the day to day operations of the project, including monitoring and evaluation. LBP was to implement the credit component. Supervision missions were fielded by the cooperating institution, United Nations Office for Project Services (UNOPS), who prepared regular supervision mission reports, including the mid-term review (MTR).

²¹ Ancestral Domains refer to all areas generally belonging to IPs comprising lands, inland waters, coastal areas, and natural resources therein, held under a claim of ownership, occupied or possessed by IPs, by themselves or through their ancestors, communally or individually since time immemorial, continuously to the present except when interrupted by war, force majeure or displacement by force, deceit, stealth or as a consequence of government projects or any other voluntary dealings entered into by government and private individuals/corporations, and which are necessary to ensure their economic, social and cultural welfare. It includes ancestral lands, forests, pasture, residential, agricultural, and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and other natural resources, and lands which may no longer be exclusively occupied by IPs but from which they traditionally had access to for their subsistence and traditional activities, particularly the home ranges of IPs who are still nomadic and/or shifting cultivators.

C. Objectives of the Evaluation

30. The main objectives of the interim evaluation were to: (i) assess the performance and impact of WMCIP; and (ii) develop a series of findings and recommendations for enhancing the design and implementation of new and ongoing IFAD funded projects in the Philippines. In particular, the evaluation would provide key building blocks to facilitate IFAD management's decision on whether or not a follow-up phase of WMCIP should be financed by the Fund.

31. **Evaluation methodology.** The evaluation followed the Office of Evaluation's (OE)s methodology for project evaluation. This included the assessment of WMCIP across internationally recognised evaluation criteria, namely: (i) the performance of the project measured in terms of relevance, efficiency and effectiveness; (ii) project impacts including rural poverty reduction impact, sustainability and ownership, and innovation, replication and scaling up; and (iii) the performance of partners, including IFAD, the Government of the Philippines, the Land Bank of the Philippines and other partners. Following OE's methodology, a 6 point scale²² was applied to rate each evaluation criteria and for assessing overall project performance (see Appendix 1).

32. The Evaluation Team visited three of the four provinces covered by the project, Zamboanga del Norte, Zamboanga del Sur, and Zamboanga Sibugay. Visits to Basilan and Tawi Tawi²³ were not possible due to security concerns, although Basilan stakeholders participated in a meeting with the team in Zamboanga City. The team visited, and met with, stakeholders and officials in 15 municipalities and 28 barangays, a high proportion of project sites given their scattered nature over a wide area, with travel constrained by security concerns in the peninsula as a whole.

33. The Evaluation Team employed various means of generating information including: (i) review of existing project and related documents (baseline study, progress and supervision reports, documentation on workshop proceedings, other related studies); (ii) use of recall and participatory methods in interacting with project beneficiaries during focused-group discussions and stakeholders' consultation meetings; (iii) interviews with key informants on the participation and assessment of partner agencies' contribution and participation in the planning and implementation of the project interventions; and (iv) provincial stakeholders' consultation meetings for each of the four provinces. The initial findings of the Evaluation Team were presented in two separate meetings with Core Learning Partners in Zamboanga City (30 July 2007) and in DAR Central Office in Quezon City (31 July 2007).

34. The evaluation used the results-chain principle in determining project performance, impacts and effectiveness. The three components were inter-related but with component one on Community and Institutional Development (CID) delivering outputs that fed into implementation of components two and three on Natural Resource Management (NRM) and Small Enterprise Development and Credit (SEDC). In effect, the outputs of components two and three, are to some extent the effects (outcomes) of component one. The sequential distinction of the outputs of the CID relative to outputs of the NRM and SEDC is highlighted to demonstrate the (direct) impact of the CID component, avoiding duplication in the discussion of impacts and minimizing the problem of attribution of impacts. Appendix 2 provides a matrix of effectiveness and impact indicators using this sequential approach.

35. Numerous documents and data were provided to the evaluation team, but at the time of the field work, the self assessment by the government and draft project completion report were not available, nor was the UNOPS report on their final supervision mission²⁴. Subsequently a partial draft of the Project Completion Report (PCR) has been provided, but some of the numbers differ from numbers previously provided, hampering the evaluation. It was not possible to calculate an EIRR for the project

²² 6 is the best and 1 the worst score on the scale.

²³ Support Project for the Indigenous Cultural Communities MNLF in the Zone of Peace Within the Agrarian Reform Communities (SPICCINZPARC)- grant project for US\$ 0.75 million. This grant project is not covered under this evaluation.

²⁴ May 21- June 5, 2007. UNOPS Aide Memoire only available, not full report.

due to inadequacies in the available data. WMCIP diligently monitored inputs and activities, but there was no system for assessment of outcomes, impacts and sustainability²⁵. The evaluation does report on average increases in households across the provinces, and returns on a few selected enterprises, but there is no valid method for determining an overall project benefit stream to compare with a cost stream. This would require major surveys beyond the resources of the evaluation. In addition, there is no 'control' group to act as a counterfactual as there are many projects and programs covering households in the region.

II. PERFORMANCE

A. Design Features

36. **Project goal and objectives.** The goal of the project is increased subsistence, higher incomes, better standard of living and greater resilience of livelihood of up to 16,000 farm and fishing households in selected areas of Western Mindanao. It aimed to improve material conditions (food security, income, assets and natural resources) and non-material conditions (social mobilisation, partnership building, convergence of services, participation, empowerment) to improve the quality of life in the project area.

37. **Target area and beneficiaries.** The project was designed to cover three contiguous sites in Western Mindanao where the most disadvantaged populations could be targeted. The selection of these sites took into account possible support to existing initiatives, particularly those relating to asset control and with replication potential, and communities where NGOs were actively present.

38. Upland areas, agrarian reform lowland areas, coastal areas, and indigenous peoples were identified as focus groups; further criteria were set for selecting target groups, namely: (i) the magnitude and depth of poverty; (ii) low ranking of minimum basic needs; (iii) low LGU revenues; (iv) absence of development aid, or where there was aid, complementarity with it; and (v) presence of support units, such as NGOs, Peoples Organizations (POs), private sector or academia. In addition, in line with the overall peace and development process, returning ex-combatants were included. The original project design, as described in the appraisal report, selected three reportedly contiguous sites, one within each Province and each with upland, lowland and coastal communities. These sites covered 80 barangays in 21 municipalities. Subsequently an additional barangay in Lakewood municipality was added, making 81. Twenty Agrarian Reform Communities (ARC) were covered by the project (five in Zamboanga del Norte, four in Zamboanga del Sur, ten in Zamboanga Sibugay, and one in Basilan).

39. **Components and design.** The project was designed to be process-oriented. A two-pronged strategy was proposed to promote synergy in (i) partnerships between the line agencies, LGUs, NGOs, POs and private and academic sectors that - in unison - had the requisite implementation capabilities, and strengthening of their systems and operational capacity; and (ii) a participatory, demand-driven, community based approach to solicit and take up productive and social sub-projects and programmes, contracting most of the services required on a competitive and performance related basis.

40. The project components were designed to emphasize participatory planning and implementation, community development and institutional capacity building, natural resource

²⁵ Baseline and intermediate surveys, and participatory impact monitoring studies, were conducted in 35 selected barangays, but these focused on improved capabilities and incomes of those communities and not on impacts of specific project interventions or enterprises (apart from a few such as Masipag Rice Technology (MRT) and Bio Intensive Gardening (BIG). The credit impact study did not examine any specific enterprises. No assessments were made of the impact of infrastructure: in many cases the farm to market roads were only short stretches, incomplete without further investment, and thus benefits cannot be apportioned solely to the project. Project Results Monitoring and Evaluation (RME) studies looked at incomes and in some cases health statistics, but the barangays surveyed may have benefited from other projects. DARs own RME study, which compared five foreign funded projects, only looked at income figures for WMCIP (plus health) not covering travel and transport costs which it did for 3 of the projects.

management and enterprise development. The project had four components: (i) CID, (ii) NRM, (iii) SED and (iv) project implementation. The following paragraphs briefly describe activities of each component.

41. **Community and Institutional Development (CID).** The component had three sub-components: (i) community organizational development to support formation and strengthening of group and community organizations and assist in preparation of area development plans; (ii) LGU capacity development to capacitate LGU staff through awareness, re-orientation and skills training in order to support community-based rural development; and (iii) line agency process support to provide training on project cycles and enhance skills of staff to work with indigenous peoples.

42. **Natural Resource Management.** The component had three sub-components: (i) land resource management to improve extension services; (ii) marine/water resource management to carry on applied research, farm demonstration and improve extension services; and (iii) infrastructure and resource enhancement to improve rural infrastructure.

43. **Small Enterprise Development and Credit.** The component had two sub-components: (i) business advisory services and (ii) enterprise development credit. The expected output of Business Advisory Services (BAS) was effective government and private advisory, research and counseling services for owner/operators of on- and off-farm enterprises. The expected output of Enterprise Development Credit (EDC) was viable and accessible credit services providing 36,000 loans for small businesses. The two components were expected to complement each other, with the BAS activities serving as building blocks for the provision of credit under EDC.

44. **Project implementation.** The component was to assure provision of inputs and effective management to achieve the project targets and objectives.

45. The project also provided Support to Indigenous Cultural Communities in the Zone of Peace within Agrarian Reform Communities (SPICCNZPARC) to make resources available to 1,000 former MNLF combatants for their rehabilitation and re-integration into agrarian reform communities within the settlement locations in Tawi-Tawi area.

46. **Financing.** Total project costs were estimated at US\$18.15 million (at January 1998 prices, equals PHP775.0 million) of which IFAD was to finance US\$15.54 million (85.6 per cent), including the grant of US\$0.75 million for rehabilitation of ex-combatants. The Government and the beneficiaries were to provide the rest of funding as shown below.

Table 4. Project Financing and Components

Component	Total Investment (US\$ million)	Share of Base Costs	IFAD (loan and grant)	Beneficiaries	Government
1. Community and Institutional Development					
a. Community organizational development	1.35	7.4%	1.28	-	0.06
b. LGU capacity development	0.42	2.4%	0.42	-	-
c. Line agency processes support	0.25	1.4%	0.25	-	-
Subtotal	2.02	11.2%	1.95	-	0.06
2. Resource Management					
a. Land resource management	2.21	12.2%	2.12	-	0.09
b. Marine and water resources management	0.65	3.6%	0.63	-	0.02
c. Infrastructure and resource enhancement	6.14	33.8%	4.29	0.31	1.53
Subtotal	9.00	49.6%	7.04	0.31	1.65
3. Small Enterprise Development and Credit					
a. Business advisory services	0.62	3.4%	0.60	-	0.01
b. Enterprise development credit	3.64	20.1%	3.65	-	-
Subtotal	4.26	23.1%	4.25	-	0.01
4. Project Implementation	2.85	15.7%	2.29	-	0.56
Total	18.15	100%	15.54	0.31	2.31

Evaluation of Project Design

47. **Design alternatives.** The design/appraisal indicates three separate options were considered for the project; (i) sectoral, (ii) institutional, and (iii) agro-ecological. It was noted that all depend for effective implementation on a cohesive mix of Government, LGU, NGO and private sector capabilities. In view of the government's devolution policy and IFAD country strategy, an integrated two-pronged approach was adopted, combining the three options: (i) a sectoral and institutional approach to address priority areas for intervention; and (ii) an agro-ecological approach to guide intervention in specific zones. The approach was designed to conserve and augment the natural resource base, facilitate institutional decentralization and strengthen grassroots institutions so that communities - and women in particular - could better access productive resources. The devolution of authority and responsibility to LGUs, dictated that priority be given to strengthening local administrations, service institutions, peoples organizations, POs, and the links between them. The CID component was essential for providing strategic support to the local institutions consistent with the intent of the Local Government Code of 1991 (R.A. 7160), and was an essential pre-requisite for the NRM and SEDC components.

48. **Partners.** Key partners were identified during appraisal. DAR as the lead agency, with strong support from DENR, National Commission on Indigenous Peoples (NCIP) and Department of Agriculture (DA), together with LGUs. Given the coverage of the project components, its overlapping nature across the agency mandates, but its focus on agrarian reform areas, DAR seemed the natural lead agency. Activities of DA have been devolved, thus if DA led, it would have been the regional office. Whether this would have made initial coordination more effective is unclear, but implementation and coordination did improve once the project was mainstreamed into DAR's regional activities and led by its regional office (see para.106 below). No agreements were made with private sector partners, although this might have helped, as would closer ties with other agencies working in the same areas, such as United States Agency for International Development (USAID).

49. **Targeting.** The 1998 Appraisal document stipulated that targeting be guided by "three contiguous sites, one within each Province and each with upland, lowland and coastal communities", but the contiguous criterion was not followed in reality when the 80 barangays were pre-selected for

implementation. While some of the municipalities selected are contiguous²⁶, the actual barangay project sites were spread out. Not only did this make project implementation and supervision difficult, but upland-lowland-coastal interconnectivity was not established. Thus the essence of inter-related ecosystems, and the flow of project benefits between barangays (e.g. improved water quality), was not captured. Since barangays were often isolated, any intervention outside of the project site resulting in negative environmental impacts could not be directly mitigated and great effort had to be made to elevate concerns to mandated entities to address problems. The draft PCR, however, is more generous and refers to project units as being a conglomeration of barangays having common characteristics in terms of dominant ecosystems and/or potential for sustainable integrated area development, on the basis of geographical continuity, ecosystem configuration, or government-defined program area (e.g. ARCs, CADCs).

50. The 1997 Technical Review Committee Issues paper had noted that the desire to include barangays in upland, lowland and coastal areas, thus involving three government flagship programs of ARCs, CADCs and Integrated Social Forestry, and coastal communities, required involvement of three lead agencies of DAR, DENR and DA respectively. The paper noted that this made project management more complicated and added to an already diffuse project. It also noted that the approach to coastal communities remained hazy. With hindsight, the coastal community component could have been excluded.

51. The design, however, did focus on key environmental concerns that were having an impact on people's livelihoods: (i) exploited land resources farmed in a haphazard manner resulting in degradation and loss of soil fertility, affecting production and incomes for farmers; and (ii) depleted fish stocks from over-fishing, intrusion of commercial vessels in municipality zones, and injudicious and destructive methods and practices resulting in further damage to the marine and water resources.

52. **Credit.** For about three years (from loan effectivity in 1999 until 2002) the credit sub-component of the project was not implemented. In the supervision missions of 2001 and 2002, the credit component design was deemed to be non-responsive to the needs of the project beneficiaries due to the LBP stringent lending policies, and reluctance of the pre-identified Lead Credit Conduits (LCC) to participate in the project's credit program. The 2001 supervision mission strongly proposed the redesign of the micro-credit component, to start by January 2002 (paras. 56-57 below).

53. The 1997 Technical Review Committee Issues paper had flagged concerns on the credit component, noting that modification and use of the existing Rural Micro-enterprise Finance Project would obviate the need for the credit component.

54. **Logical Framework.** The original logical framework and monitoring and evaluation indicators included in the appraisal report (Appendices 2 and 4 of the appraisal report) set out expected inputs and outputs, but did not specify targets or numeric values for the outputs, and did not detail expected outcomes other than the objective of improving livelihoods for 16,000 agricultural and fishery households. A re-calibrated logical framework was prepared in August 2003 and included in the mid term review report of 2004 (see Appendix 3). The PMO has used this re-calibrated logical framework for monitoring purposes.

Changes in Design During Implementation

55. **Vulnerable households.** In August 2002, the UNOPS Supervision Mission noted that many households²⁷ covered in the profile were not included as beneficiaries or if they were, participation was not high; they remained passive despite community organizing initiatives. The Mission thus recommended pilot testing of a strategic intervention to reach out and empower vulnerable households. A scheme was designed to ensure greater and meaningful participation in WMCIP micro-

²⁶ The appraisal refers to the selected municipalities within a province as being the project sites.

²⁷ The VHH sector comprises 30 per cent of the target 16 000 Household (HH) beneficiaries of the project are considered as the poorest of the poor.

projects and other technologies in order to improve their standards of living. The innovative intervention for vulnerable household was then implemented. Based on its success, the UNOPS 2005 supervision mission recommended expansion of this innovative intervention. The PMO reformatted this as a neighborhood clustering program (“Magkapitbahayanan” – neighborhood cluster symbiosis development) as the term vulnerable household was considered demeaning, and was generating a dependency/handout reaction.

Box 1. Vulnerable Households

Vulnerable households are characterized as follows: They could barely provide their basic family needs such as food, clothing, shelter and education. They may have the resources but they are less knowledgeable in utilizing them. They seldom or never participate in any community activities. They are less empowered. They see themselves inferior. They don’t speak up and just choose to remain passive. Unconsciously, they are detached to the changes that happen around them. They choose to be because they feel little --- Kapitbahayan Revised Guidebook, 2007.

56. **Credit.** Efforts were made to redesign the component after realization of the mismatch between the credit design and the project beneficiaries. UNOPS supervision missions in 2001 & 2002 pushed for redesign, and DAR-Foreign Assisted Projects Office (FAPSO) commissioned two studies. The Moreno study²⁸ proposed conversion of 62 per cent of the incremental credit fund into a Special Poverty Alleviation Fund, to be disbursed by the government as grants/subsidies to the beneficiaries through the WMCIP-recommended partner institutions, with the remainder retained for incremental credit. The Villegas study²⁹ supported this and proposed lowering the LBP interest rate from 8.75 per cent to 6.75 per cent and pilot-testing the existing credit models of LBP, Quedancor and the People’s Credit and Finance Corporation with the WMCIP qualified beneficiaries. Both studies also proposed the reformulation of the Subsidiary Loan Agreement, allowing a direct lending arrangement from LBP to Loan Participating Credit Institutions (LPCI).

57. The proposed changes, however, did not materialize, except the direct on-lending from LBP to LPCIs, doing away with the LCCs. The MTR of 2004 did not support the introduction of the key recommendations in these studies, stating that there is “not enough time left before the end of the project to examine and implement such proposal”³⁰. FAPSO indicated to the evaluation team that DAR, in consultation with the other partners, did not pursue the redesign of the component and the reformulation of the Subsidiary Loan Agreement since there were constraints³¹ which would involve design changes and would have to go through NEDA and the Investment Coordinating Committee, a long and tedious process.

B. Implementation and Outputs

58. **Overall performance.** By June 2007, the project achieved or exceeded practically all quantitative targets set at Appraisal, apart from some infrastructure provision. Initial project start-up was delayed while issues of project management were resolved (see para.102), while performance up to mid 2004, when the project was originally due to be completed, was slow³². While initial progress on NRM and rural infrastructure was slow, capacity building activities under the CID component were

²⁸ Micro-Credit Capability of the Rural Poor in Western Mindanao by Frede G. Moreno.

²⁹ Technical Review of Lending Rates and Reformulation of the SLA by Pablito Villegas.

³⁰ Paragraph 144 of the MTR.

³¹ These include: i) EO 138 which requires that credit funds be channeled through Government Financing Institutions; ii) identified the latter could not qualify as LCCs as they already exceeded their loan facility ceiling under the LBP; and iii) interest rates were subject to existing lending rules and regulations.

³² Physical performance per component was tracked according to the national government standards for foreign-assisted projects where achievement of physical targets established for each sub-component is calculated as a percentage.

required before expenditure on them could effectively begin. The credit component was substantially delayed. The project has been extended by three years. Final physical achievements are generally high for all components, although infrastructure activities remain ongoing.



Fishing, Zamboanga del Sur

Source: IFAD Evaluation Mission 2007

59. Community and institutional development component.

The CID component initially prepared the community and local institutions as partners in the development process of their respective locality. It involved the mobilization and participation of the community in the identification of development needs and in the prioritization of interventions responsive to the needs and peculiar characteristics of the community and its people. It aimed to improve the capacity of cohesive and gender sensitive communities to plan programs and access funds in carrying out the communities'

priority projects. The implementation of these priority projects was pursued through the support of the LGUs (Municipal & Province) and the various line agencies and NGOs.

60. The CID component had an allocation of about PHP86.3 million (16 per cent) of the total project allocation of PHP537.1 million excluding credit (Appendix 4, Table 2). It also accounted for nearly half of the funds provided through the NGOs during the period 2001-2004.

Sub-Component (i)

61. **Community organizational development.** community organizational development was contracted through competitive bidding of NGOs, line agencies or other institutions with demonstrated capability and proficiency to undertake this work in the locality. The NGOs deployed Community Organizers (COs), who were village-based and responsible for direct contact with rural people in developing their organisations. The work of the COs was directed by Community Organisation Coordinators, operating from the three SOUs. The deployment of COs was phased to match barangay uptake in order to assure the depth and duration of support needed.

62. At the start of the Project, little information was available on some barangays, especially those in upland and indigenous people's areas. The process of preparation of community area plans and programs started with participatory needs assessment and resource/opportunity surveys. Communities carried out these surveys with technical assistance for survey design, interviewer training and materials. Formulation of Sustainable Barangay Development Plans (SBDP) was then undertaken, including preparation of annual work plans and budgets.

63. The ability of the COs to gain the trust and confidence of the local leaders and the community was of critical importance in the process of promoting participatory development processes. It was noted during the Focused-Group Discussion (FGD) that Community Organizers (COs) who were able to speak the local dialect and/or of the same ethnic grouping were able to easily gain acceptance and successfully worked with the community. In the case of Basilan, the COs also worked through the clan leaders in promoting attendance of beneficiaries in the community organizing process. The COs provided assistance to the community during the period 2001-2004, depending on the duration of their

contract. Subsequently, the work of the Community Organiser was continued with the deployment of Community Development Volunteers (CDVs)³³.

64. The component exceeded most of the original targets in providing assistance to the community organizations existing in the barangays. The summary of outputs delivered is shown in Table 5 below.

Table 5. Targets and Accomplishments CID Component (as at 30 June 2007)

Output Indicators	Global Target						Actual Accomplishment (30 June 2007)						Per cent accomplished
	P M O	ZDN	ZDS	ZS	BAS	Total	P M O	ZDN	ZDS	ZS	BAS	Total	
1. No. of CDVs deployed		24	17	18	15	74		23	16	17	12	68	92%
2. No. of POs assisted		24	21	21	15	81		70	26	64	19	179	221%
3. No. of households (HH) profiled		4,600	4,200	4,200	3,000	16,000		5,048	6,693	6,396	3,689	21,826	136%
4. No. cluster of vulnerable HHs assisted		24	21	21	15	81		24	87	91	15	217	268%
5. No. SBDPs prepared		24	21	21	15	81		24	21	21	15	81	100%
6. No. of BIMB formed		24	21	21	15	81		24	21	21	15	81	100%
7. No. infra O&M Group formed		41	21	42	32	136		14	30	34	24	102	75%
8. No. BLST Conducted		159	183	160	25	527		206	311	169	25	711	135%

65. Analysis of success in undertaking the activities for community organization development by DAR/PMO and the partner NGOs shows that several practices introduced, and adjustments/innovations made, are judged as good practices, including:

- Direct involvement of Barangay Council members, the Presidents of existing organizations such as purok leaders, and Women's Associations in the conduct of households surveys and consultation meetings in the barangay;
- Involvement of traditional leaders such as clan leaders, religious leaders in initial consultation meetings, prior to visits to households in order to provide support and encouragement in responding to the questionnaire and attend meetings;
- Use of common and agreed upon Community Organization – Community Development (CO-CD) framework to ensure consistency of NGO interventions in organizing and strengthening community and stakeholders' organization;
- Participatory approach in preparing SBDPs with the involvement of all the sectors in the barangay, enhancing ownership of the development efforts; and
- Deployment of CDVs, who are residents of target barangays, helped in ensuring continued operations of the POs after the period of NGO engagement, through technical support and follow-up activities on livelihood, animal dispersal and other concerns.

Sub-Component (ii)

66. **LGU capacity building.** The LGUs were the key partners in helping strengthen capacities at the barangay level, and in implementation of priority projects in the barangays. As such, LGU

³³ The CDV in barangays Moyo and Polayo, Siayan, Zamboanga del Norte listed the following roles and responsibilities: (a) assist women's group in soapmaking; (b) attend sessions & updating of reports on needs and progress/development; (c) monitor and assist POs in the following areas: paratech, natural resources management, demofarm (SOU-led), infrastructure, vulnerable families or kapitbahayan, mango-based farming, barangay nursery (rubber-based), masipag demo (rice & corn), sustaining sloping agricultural land technology (salt) farming system; (d) assist established nursery for commercialization; (e) facilitate meetings; and (e) assistance in the strengthening of community organizations.

personnel at the Municipal and Provincial levels were included in strengthening activities, with 460 LGU personnel participating in capacity building training (exceeding the target of 303). Municipal Local Government Unit (MLGU) personnel were directly involved through hands-on training in the preparation of SBDPs, together with the community and barangay official. The SBDPs were integrated into Project Unit Sustainable Integrated Area Development Plans (PU-SIAD) during these workshops; 14 PU-SIADs were prepared, taking into account the priority interventions identified by the communities in their respective SBDPs.

**Table 6. Targets and Accomplishment LGU Capacity Building Subcomponent
(as at 30 June 2007)**

Output Indicators	Global Target						Actual Accomplishment (30 June 2007)						per cent Accom
	PMO	Z D N	Z D S	ZS	BAS	Total	PMO	Z D N	Z D S	ZS	BAS	Total	
1. No. of LGU Trainings conducted	26					26	19	5	1			25	96%
2. No. of LGU cadres trained	303					303	460					460	152%
3. No. of PU-SIAD Prepared		5	3	2	4	14		5	3	2	4	14	100%

Sub-Component (iii)

67. Line Agency Processes Support Program addressed the need to ensure coordination and synergy among concerned line agencies in supporting the implementation of the project. This covered 10 government line agencies including DAR, DA, NCIP, DENR, Department of Trade and Industry (DTI), Department of Science and Technology (DOST), NCIP, Bureau of Fisheries and Aquatic Resources (BFAR), Technical Education and Skills Development Authority, and Department of the Interior and Local Government, as well as the Provincial LGUs and Municipal LGUs.

68. **Partnerships.** In addition to the support of line agencies and Provincial/Municipal LGUs, the project also pursued partnerships with local and international organizations towards enhancing the delivery of assistance to the beneficiaries and their respective communities. For example: (i) partnership with the USAID funded Growth with Equity in Mindanao (GEM) Program in the provision of training and technical support to beneficiaries in Basilan fisheries and livelihood program of WMCIP; and (ii) international organizations such as International Center for Research on Agro-forestry (ICRAF), which provided technical assistance in soil and water conservation through demonstration farms in various barangays.

69. **Gender concerns.** In order to mainstream the concerns on Gender and Development (GAD), ten training activities were conducted in GAD, aimed at improving the capacity of stakeholders and implementers to take into account the different challenges and needs of men, women and other groups in the various project interventions.

70. **Natural resource management component.** The project design used ecosystems as a guiding principle for targeting, but fine tuned during stakeholder consultations (para.38) to take into account poverty and other concerns. The beneficiary communities were cross-matched by ecosystems, and the associated institution designated to serve the identified area (Table 7). The design recognized that Certificate of Ancestral Domain Claim (CADCs) give indigenous people permanent access to traditional lands of the tribe for agriculture (this is mostly in uplands areas).

Table 7. Cross-Matching Beneficiary Communities by Ecosystem and Lead Agency

Ecosystem	Community	Lead Agency
Upland ³⁴	ISF	DENR
	CADC	NCIP
Lowland ³⁵	ARC	DLR
Coastal ³⁶	Ex-Combatants	Variable
	Variable	Variable

71. In Sub-Component (i) land resource management, 9,334 farmers were trained in appropriate farming technologies and it is reported that 85 per cent (7,946 farmers) adopted the technologies, conserving approximately 2,405 hectares, against a target of 2,100 ha. Many WMCIP interventions focused on conservation or regeneration of natural resources, applying various land-based technologies/practices including: agro-forestry cum watershed development, Sloping Agricultural Land Technology (SALT), natural vegetative filter strip, alley cropping, contour farming with goat raising, integrated diversified farming systems (rubber, coconut, and fruit trees based), coco-based farming system, Masipag rice and corn, Mais Binhian (corn seed production), Integrated Pest Management rice and corn, bio-intensive gardening, compost making, livestock and poultry raising, and other improved farming technologies. Most of these farming technologies reduced production costs³⁷ and integrated short-term production (crop and animal) and long gestation crops to the farming systems. The technology interventions addressed nutrition, food security, environment protection, and improved productivity. Technologies introduced have been socially and culturally acceptable; training was provided to improve para-technicians' capabilities in transferring technology to other farmers in the community.

³⁴ Upland Integrated Social Forestry Projects was initially under the DENR but in time devolved to LGUs. Project areas cater to the plight of marginalized upland farmers and communities dependent on forestlands for their livelihood and who are encouraged to maintain ecological stability while optimizing agricultural productivity. Security of tenure is extended to beneficiaries. CADCs originally were under the mandate of the DENR, however by 1997, with the institutionalization of the NCIP through IPRA, tenurial concerns for IPs were transferred to NCIP, which in time also became an attached agency of the Department of Land Reform (DLR).

³⁵ Lowland Agrarian Reform Communities (ARC) is under the aegis of the DLR tasked to service landless poor families, known as Agrarian Reform Beneficiaries (ARBs). Aside from tenure concerns, DLR is tasked to assist ARBCs in infrastructure development and provision of supporting credit and marketing services. ARCs generally are found in lowland areas.

³⁶ Coastal Agencies tasked to take the lead in development of coastal communities are variable. DENR leads if these communities are found in mangrove ecosystems, together with DA, and in some cases, DLR. Overlaps occur, and LGUs often take the lead. A special concern was extended to rebel returnees/ex-combatants of Tawi Tawi, separation from mainstream society having aggravated marginalization and threatened the resource base of their livelihood.

³⁷ Masipag Rice Technology, according to WMCIP documents, reduces production cost by 40-50 per cent, see document on lessons learned and best practices. www.wmcip.org. However the evaluation estimates suggest it might be nearer to 22 per cent.

Box 2. Institutional Convergence: Conflict Resolution

NRM partner agencies, NGOs-POs, civil society and the armed forces converged in efforts to achieve project objectives. In Zamboanga del Norte, the Provincial LGU actively participated in harnessing different resources to bridge WMCIP efforts. The armed forces cooperated with civil society (Rotary Club International) in the protection of the Buluan Fish Sanctuary. Technical expertise provided by line agencies as well as specialized entities like International Center for Research in Agro Forestry (ICRAF) and state universities were harnessed. Significantly, the support extended by “leftist” elements within conflict-affected areas also contributed to convergence. In Zamboanga del Sur and Sibugay, Moro Islamic Liberation Front (MILF)-MNLF leaders assisted in maintaining environmental protection of marine sanctuaries, such conflict resolution even involving lawless elements (pirates) and the Abu Sayaf.

72. Partnerships with line agencies and LGUs were forged in each province. For example, Zamboanga del Norte entered into partnerships with LGUs at the municipal and provincial level, where technology support centres have been established to cater to the technical needs of WMCIP barangays (i.e., goat/sheep stock farm, poultry breeding farm, and nurseries).

73. The partnership with ICRAF was productive. Learning sites were established in Lakewood and Siayan. In Siayan, ICRAF achieved the following in farming systems development; (i) diagnosis of constraints and opportunities in upland farming systems; (ii) identification of agro forestry-oriented on-farm innovations, building on farmer preferences and potentially applicable innovations from ICRAF sites, and provision of hands-on training for key interested farmer researchers, LGU staff, and WMCIP partners; and (iii) identification of appropriate cultivars and planting materials, and sources, in support of innovations that farmers might try. In Lakewood and Siayan, ICRAF co-facilitated assessment sessions among key farmers and LGUs on the results of innovations and development of joint LGU community plans to utilize trial results.

74. In Lakewood, indigenous knowledge systems and practices were documented through an ethnobotanical study including IP biodiversity conservation initiatives of traditional/upland rice varieties, and a learning center constructed in Biswanga. However, documents remain under-utilized (lack of dissemination) and the architecture of the learning center (a small modern tin-roofed building), is inappropriate for an IP cultural learning center. Further, some documented practices in contour farming adopted by beneficiaries now simply remain in photos.

75. In Sub-Component (ii) marine and water resource management, 2,391 fishermen were trained and became familiar with proven and appropriate technologies with built-in environmental protection features, such as coastal resource management. 289 hectares of municipal waters have been delineated and declared as Marine Sanctuary against a target of 170 hectares. Mangroves were rehabilitated, and artificial coral reefs installed. The 2,423 fishing households-adopters applied proven technology options, including: fish aggregating devices, net fishing, baling-baling, squid traps, fish traps, inland fishing, grouper culture, talaba culture, crab culture, fresh water prawn culture in cages, pearl/oyster culture, seaweed farming, fish cage culture, upland fishponds, lapu-lapu culture, abalone culture, ampisan.

76. The Marine Protected Areas, artificial reefs, and mangrove rehabilitation had positive effects on the marine environment and fish populations. The latest assessment conducted in Pulo Bato Fish Sanctuary³⁸ of Leon B Postigo, Zamboanga del Norte highlighted increased biomass. Eighteen months after establishment of the fish sanctuary, the biomass potential of target species (high commercial value) increased from 57.9 tons/km² to 78.3 tons/km². The percentage of live corals increased from 40.5 per cent to 48.9 per cent. The Buluan Island Marine Sanctuary of Ipil, Zamboanga Sibugay also showed increases in catch among hook and line fishing households. In Zamboanga del Sur, the Municipal government and the tri-community of Pingalay joined together in preserving and protecting the Cabug Island Marine Sanctuary. Accomplishments are summarised in Table 8 below:

³⁸ Pulo na Bato Fish Sanctuary Resource Re-Assessment: June 2007.

Table 8. Component 2 Summary of Accomplishment by Target³⁹

Output Indicators	Targets	Accomplishment	per cent Accomplished
1. Training symposia and cross-visits conducted on LRM & MWRM	2,187	2,458	116%
2. Farming HHs trained and familiar with appropriate farming options	8,400	9,334	111%
3. Fishing HHs trained and familiar with proven/appropriate technologies with built in environmental protection features	2,200	2,391	109%
4. House holds adopting improved productivity systems	5,330	7,946	149%
5. Resource management proposals approved and implemented (SIAD collective farming/land resource management established)	14	16	114%
6. Hectares of farms conserved	2,100	2,405	115%
7. Municipal waters delineated and/or declared as marine reserve/sanctuary (in hectares)	170	289	170%

77. **Vulnerable households.** As noted in para.55, a pilot intervention was introduced in 2002, following a UNOPS supervision mission recommendation, to involve poor households that had been unable to participate in the project for various reasons. The pilot covered 12 vulnerable households in barangay Damitan, Municipality of Bayog, Zamboanga del Sur. Having proved successful, the pilot clustering was then extended to all 81 barangays. As of 30 June 2006, initial results of the replication showed that 155 clusters, with a total of 1,676 households, were undertaking micro-projects, such as poultry and livestock-raising, and crop production in their respective backyards. By June 2007, an estimated total of 3,387 vulnerable households participated, which is about 21.2 per cent of the overall targeted 16,000 households. The Supervision Mission had identified around 30 per cent of the 16,000 households as being vulnerable households, thus WMCIP at project end was able to cover 71 per cent.

78. **Indigenous people and ancestral domain.** Concerns for Indigenous People were highlighted at design stage and the project in partnership with NCIP facilitated the awarding of CADCs, and conversion to Certificate of Ancestral Domain Title (CADT). The project targeted one conversion from CADC to CADT, but no target was specified for award of CADC, the necessary first step. WMCIP facilitated the CADC award in Pilas Island in Lantawan, Basilan Province (2,673 has); Lakewood, Zamboanga del Sur (12,696 has); and, Godod-Leon Postigo-Sindangan (GSL) of Zamboanga del Norte (36,000 has) for a total area of 51,369 hectares. Land title in Basilan CADC had been issued to the Yakan and they are in the process of drafting the Ancestral Domain Sustainable Development and Protection Plan (ADSDPP). The CADCs for Zamboanga del Norte and Zamboanga del Sur were submitted to NCIP Commission en banc for deliberation, awaiting conversion to CADT.

³⁹ Op. cit. PCR

Sub-Component (iii)

79. **Rural infrastructure.** Table 9 presents the summarized accomplishments for rural infrastructure against the global targets defined in the revised log frame. Slippage and time over-runs of infrastructure sub-projects have occurred due to delay in fund releases, and to partners' and LGUs'



Farm to market road needing repair
Source: IFAD Evaluation Mission 2007

absorptive capacity. Virtually all the sub-projects taken up under the first uptake starting in 2002 have been completed, however many of those from the second uptake have not been completed, with over 40 not even started⁴⁰. The LGUs hope to finish these (with WMCIP and own funds), but a further 12 sub-projects⁴¹ (seven in Zamboanga del Sur and five in Basilan) will be cancelled. Maintenance is a concern for some of the larger sub-projects, which are beyond the capacity of the barangay to maintain. Indeed in some road projects where construction delays occurred due to funding flow problems, major maintenance concerns have arisen prior to the projects being completed, with barangays refusing to take over the projects until rehabilitation work is conducted.

⁴⁰ Including 23 in Zamboanga del Sur, 12 in Zamboanga Sibugay, 3 in Zamboanga del Norte and 7 in Basilan. They cover 6 FMR, 14 water supply, 3 MPC, 14 livelihood support, and 8 other infrastructure.

⁴¹ 4 water supply and 1 infrastructure in Basilan; 1 water supply, 1 MPC, 1 irrigation scheme and 4 other infrastructure in Zamboanga del Sur.

Table 9. Rural Infrastructure Summary of Accomplishment by Target⁴²

Output Indicators	Targets	Accomplishment	Per cent accomplished
Farm to market road construction/Road rehabilitation (km)	167	140	84%
Foot Bridge (lm)	310	375	121%
Wharf (sq.m.)	108	108	100%
Rock Causeway (lm)	400	240	60%
Slope Protection (lm)	218	218	100%
Level I & II water system (unit)	55	36	65%
Storage Facilities (unit)	6	6	100%
Crop Dryer (unit)	14	10	74%
Multi Purpose Center (MPC)(unit)	24	20	83%
Pre/Post Harvest Equipments (unit)	13	13	100%
Flood Control (lm)	7,682	7,682	100%
Irrigation System (ha)	293	264	90%
Support to livelihood	6	4	67%

80. Identification of sub-projects was through community consultation meetings as part of preparation of the SBDPs. The sub-projects were then jointly validated by the LGU, DAR, SOU, NGO and a barangay representative, however they were not subjected to any form of feasibility or environmental impact analysis to determine their viability. Most were constructed by the municipal LGUs by “force account” (administration), hiring labor from the community. Farm to Market Roads (FMRs) were often constructed with sub-contracting of major work to private contractors. The MTR pointed out⁴³ that this was disadvantageous to the project as management could not impose sanctions on erring contractors as their contracts were with the LGU. In addition, the MTR noted the weak capacity and lack of staff of many LGUs. In view of the limited budget provided for Community Infrastructure, the project adopted a policy of putting a cap on infrastructure investment of PHP 2 million per barangay. For the first uptake, in trying to address community needs, this resulted in reduced technical standards of FMR, including the deletion of a layer of base course (a standard specification on all weather roads) which has adversely affected the quality and has made them prone to early deterioration from the rain, as evidenced during the evaluation mission field trips.

81. The PMO took stringent steps for the second uptake sub-projects wherein the LGUs had to strictly follow the plans and specifications and Program of Works and Bill of Quantities as set in the DAR FAPsO. This means that prior to implementation of the sub-project; all plans and Programme of Work had first to be reviewed and approved by WMCIP prior to the preparation of the Sub Project Agreement to ensure quality assurance and quality control. Provincial engineers assisted where the MLGUs lacked technical capacity, both for design and implementation supervision. Training was provided to the LGUs (Municipal Engineer’s Office (Municipal Planning Development Coordinators)) in operations and maintenance to assist in project sustainability, and LGUs were requested to allocate funds in their 20 per cent Municipal Development Funds for FMR maintenance.

82. WMCIP’s supervision and control mechanism was weak before 2004 due to the number of projects sites to be monitored and their scattered locations. The bulk of the sub-projects were in Zamboanga del Sur prior to its division into two provinces in 2003. However, the PMO has fielded an additional Community Infrastructure Engineer for the Province of Zamboanga del Sur, while the Community Infrastructure Engineer of Zamboanga Sibugay has concentrated on supervision in the new province, with operational supervision from the site operation manager based in Ipil, Zamboanga Sibugay and technical assistance from the DAR Rural Infrastructure Specialist.

⁴² Op. cit. PCR.

⁴³ Page 17.

83. Table 10 below shows costs per kilometer for the project FMR. Average costs vary depending on terrain. WMCIP expenditure on the roads was lower than for two other DAR projects, Belgian Integrated Agrarian Reform Support Program⁴⁴ and Agrarian Reform Infrastructure Support Program (ARISP) I⁴⁵ as shown below. This raises doubts on the quality of the road construction, although much of the work on the WMCIP FMR was force account:

- a. FMR Regravelling without earthworks (grade corrections) PHP 750,000.00
- b. FMR Repair and Rehabilitation with grade corrections 1,000,000.00
- c. FMR Reconstruction with grade establishment/earthworks 1,250,000.00
- d. FMR Construction/Opening 1,750,000.00

Table 10. Infrastructure Built by LGUs

Province	No. of kms	Total Cost (Php)	Cost per km (Php)	Modality of Implementation	
				Force Account	Contract
1 st Uptake					
Basilan	28.20	19,096,644.51	677,85.98	7	3
Zamboanga Sibugay	13.728	10,649,000.00	775,713.87	1	7
Zamboanga del Sur	10.90	9,770,993.00	968,230.31	1	4
Zamboanga del Norte	55.30	25,708,356.64	464,889.91	13	5
Totals	108.128	65,224,994.15		22	19
2 nd Uptake					
Basilan	6.80	8,300,000.00	1,220,588.21	4	
Zamboanga Sibugay	16.60	14,300,000.00	861,445.78	3	
Zamboanga del Sur	11.90	10,428,014.14	875,631.44	5	
Zamboanga del Norte	18.82	13,007,044.40	691,128.82	1	4
Totals	54.12	46,035,058.54	3,648,794.25	13	4

84. The project called for cost-sharing arrangements with the LGUs at barangay and municipal levels, and with the beneficiaries. 70 per cent was funded by WMCIP; the Provincial government provided 15 per cent, LGU ten per cent and the barangay/beneficiaries five per cent.

85. Support to Indigenous Cultural Communities in the Zone of Peace within Agrarian Reform Communities (SPICCNZPARC). IFAD provided a grant of SDR560,000 (US\$750,000) with the objective to make resources available to 1,000 former MNLF combatants for their rehabilitation and re-integration into agrarian reform communities within the settlement locations in Tawi-Tawi. Activities included: (i) survey and demarcation of land, (ii) promotion of agriculture production and farm management, (iii) livelihood support, credit and savings, and (iv) infrastructure support. Specifically, the grant component hoped to improve the level of income of MNLF communities through the following; (i) issuance of Certificate of Land Ownership Awards (CLOAs) to about 1,000 former MNLF combatants in Tawi-Tawi by September 1999 and (ii) the promotion of agro-production and livelihood projects providing training and production inputs for the settlers. This grant project is not covered as part of this evaluation but summary performance provided by the PMO is reported in Appendix 5.

86. **Small enterprise development component.** Overall, the project achieved its output targets, ranging from a low achievement of 78 per cent to a high of 127 per cent, an average of 101 per cent as illustrated in Table 11 below.

⁴⁴ Belgian Integrated Agrarian Reform Support Programme.

⁴⁵ Agrarian Reform Infrastructure Support Programme.

Table 11. SEDC Overall Component Physical Targets & Accomplishments⁴⁶

Output Indicators	Global Target ⁴⁷	Accomplished as of Jun-07	Percentage Accomplished
1. No. of households engaged in on-and off-farm and non farm enterprises	5,940	7,533	127%
2. HHs engaged in enterprise and making reasonable returns	4,692	4,486	96%
3. HHs involved in the process of enterprise development	11,300	8,766	78%
4. HHs eligible for credit	11,300	10,833	96%
5. HHs accessed credit	11,300	12,571	111%
Average			99%

87. **Business Advisory Services (BAS).** The draft PCR shows an average achievement rate of 98 per cent for BAS (Table 1, Appendix 6). BAS activities consisted of training in product development and enhancement, training in entrepreneurship skills, facilitation of enterprise registration, installation of management and financial systems, feasibility studies preparation, attendance at trade fairs, provision of training equipment on post-harvest facilities, product testing, market linkages and preparation of enterprise sustainability manuals. As shown in Table 2, Appendix 6, eight agencies and institutions were tapped by PMO to provide various enterprise support services.

88. **Group-based enterprises with potential.** Of the 84 group enterprises assisted by the project in various enterprise development support, only 31 enterprises or 37 per cent, involving 1,941 individual beneficiaries, have been reported to be operational as shown in Table 12. The mission was able to validate seven of these.

Table 12. List of Operational Enterprises⁴⁸

Province	No. of Enterprises (operational only)	Asset Size (PHP)	Cost of Project		Beneficiaries			Net Profit (PHP)
			WMCIP Funds (PHP)	Community Counterpart (PHP)	M	F	Total	
Basilan	9	2,296,521.00	180,000.00	229,670.00	267	339	606	147,000.00
Zamboanga del Norte	6	2,349,784.00	875,000.00	761,814.00	205	562	767	335,939.00
Zamboanga del Sur	7	100,000.00	254,000.00	16,600.00	-	180	180	20,000.00
Zamboanga Sibugay	9	1,051,700.00	1,319,143.00	33,950.00	57	331	388	197,100.00
TOTALS	31	5,798,005.00	2,628,143.00	1,042,034.00	529	1,412	1,941	700,039.00

89. **Savings generated.** The draft PCR reports that a total of PHP5 million was generated as savings and another PHP5.8 million as capital-build-up among the 66 people's organizations and cooperatives assisted by the project⁴⁹.

90. **Beneficiaries of enterprise development credit.** The EDC sub-component was implemented by LBP in partnership with ten LPCIs which availed financing from LBP, mainly through a rediscounting arrangement. Table 3 of Appendix 6 shows 111 per cent accomplishment for households

⁴⁶ Source: Preliminary data supplied by PMO during evaluation mission field visits and draft PCR provided by PMO after field visits.

⁴⁷ Based on "recalibrated targets" of 2003 by PMO.

⁴⁸ This table was generated by the PMO CEDA as required by and with assistance of the Small Enterprise & Credit Specialist of the evaluation mission. It should be noted that the project has not maintained this type of enterprise reporting and monitoring system and despite producing the above information, the Specialist has no basis to validate the claim of net profit achieved amounting to PHP 700 039.

⁴⁹ Para 72, draft PCR. This information was not validated during the mission field visits and in the draft PCR there is no supporting document for these figures.

who have availed credit (item 2) based on the draft PCR (project targets were re-calibrated in 2003, which lowered the original target of 36,000 households to 11,300).

91. **Micro-credit fund utilization.** The draft PCR states that total credit investment loan to be disbursed by LBP under the Subsidiary Loan Agreement to the project beneficiaries was US\$3.27 million (PHP182 million) but the total disbursement made by LBP to 12 LPCIs amounted only to PHP 153.5 million, an 84 per cent utilization rate. Table 4, Appendix 6 illustrates the list of LPCIs who have accessed credit from LBP.

92. **Institutional Development Funds.** Provided under the Subsidiary Loan Agreement between the Department of Finance and LBP to finance the capacity building needs of the LPCIs, a total amount of PHP 9 097 453 25 was allocated as a concessional loan bearing three per cent interest per annum. As of 30 June 2007, only one LPCI (i.e., Lakewood Farmers Integrated Cooperative) has accessed PHP645,000 from LBP at three per cent per annum payable in ten years. With this drawdown, the utilization rate for Institutional Development Funds is only seven per cent.

93. **Savings and Credit (SaCred) Organizations.** Aside from the credit services provided by LBP through the LPCIs, 1,879 WMCIP beneficiary households have accessed credit services from the savings and credit organizations assisted by the project as shown in Table 5, Appendix 6. Table 6 shows a total of 75 trainings conducted for the Savings and Credit Organizations organizations (SaCred). The five SaCred organizations, already existing prior to WMCIP, have been able to generate an increase in loan portfolio amounting to PHP5.4 million (47 per cent based on total loan portfolio of PHP11.3 million prior to WMCIP) as a result of PMO interventions to these cooperatives. Of the PHP5.4 million, 85 per cent (PHP4.6 million) was utilized and disbursed as loans to WMCIP beneficiary households.

94. **Disbursement to project barangays.** Of the total amount of credit disbursed by Land Bank, only PHP49.8 million went to the 52 project barangays. This represents only 32 per cent of the Land Bank credit facilities that went to the project area. The implication of this finding is that 68 per cent of the Land Bank credit exposure through the 12 conduits went outside the project barangays. In terms of credit support by Land Bank through its conduits to the project area, only 64 per cent (52 project barangays) of the targeted 81 project area/barangays were serviced⁵⁰.

95. However, while the project reportedly achieved 101 per cent of targets it is not possible to show evidence that these beneficiaries are consistently engaged in enterprises and making reasonable returns. The BAS sub-component has an achievement rate of 98 per cent but there is little substantiation to show that effective government and private advisory, research and counselling services for owner/operators of on- and off-farm enterprises were successfully established by the project. Most of the NGOs contracted, while strong in social preparation and community development, were not adept in enterprise development. While some line agencies: DOST, Bureau of Food and Drugs, DTI, DA-Bureau of Soils) were competent in assisting the business development needs of the group enterprises, most if not all of the Municipal LGUs in the project areas did not have the competence and capacity to carry out business support services, except for the regulatory requirements such as issuance of business permits and corresponding licenses. Private sector engagement on the other hand was sporadic, and only towards the end of the project.

96. **Harmonization and complementarity of project components.** As noted above, the different project components had impacts on the effectiveness of succeeding components. Technologies under Component 2 had a high rate of adoption of innovations, this being attributed to a high rate of awareness resulting from the social preparation initiatives under Component 1. The link between Components 2 and 3, however, was not so straightforward, being affected by externalities, i.e., policy environment specifically pertaining to credit and enterprise development. However, inter-component synergy was evident in ventures such as small-scale vinegar and soap making, arts and craft for local consumption.

⁵⁰ 2007 Supervision Mission Aide Mémoire, para 62 & 63.

97. Sub-component harmonization and complementarity was similarly observed between land and marine/water resource management and rural infrastructure. Flooding in barangay Mejo, Diplahan, Zamboanga Sibugay seriously affected rice production. The construction of the diversion canal improved production from once or twice a year to three times a year without fear of crop damage due to flooding. In Dumpoc, Imelda, Zamboanga Sibugay, the construction/improvement of the FMR enabled easy transport for farm produce and more significantly, electricity was introduced.

98. Complementarity is also seen in barangay Setog in Katipunan, Zamboanga del Norte where the protection of the water supply system was reinforced by the establishment of agro forestry systems (fruit trees and forest species) along the water source. This allowed for the sub-catchment to naturally rejuvenate and sustain the water supply⁵¹ to the community. Such observations, however, were not consistently noted across sites.

99. **Project implementation component.** From 1999-2003, the Executive Director of the DAR-PDMS/FAPsO was designated as the WMCIP Project Director and was the over-all administrator of the project. The Project Director, with office in Manila, was accountable to an Inter-Departmental Steering Committee (DENR, DA, NEDA, LBP, Southern Philippines Council for Peace and Development). In late 2003 WMCIP was mainstreamed into DAR Region IX, and the Regional Director became Project Director. The Regional Coordinating Committee and Provincial Coordinating Committees were designated as ad hoc advisory committees and provided advice on management issues and key technical and social concerns. The committees were composed of representatives of the LAs, LGUs, NGO, and private sector groups.

100. The PMO based in Zamboanga City was headed by a Project Manager and was responsible for the over-all supervision, management, coordination and monitoring of all project work, excluding management of funds. The Project Manager reports directly to and is accountable to the WMCIP Project Director of DAR Region IX.

101. A Project Executive was constituted and composed of the Financial Controller/Administrator, Monitoring and Evaluation Officer, Community Development Supervisor, the Natural Resources Specialist, and Site Operations Manager. The Project Executive looked at management efficiency, effectiveness and performance of implementing units and agencies to include review of contracts and memoranda of agreement. It served mainly as an advisory body to the Project Manager. Project Executive Meetings were on a monthly basis or as often as necessary.

102. The SOUs directly under the supervision of the Project Manager (PM) were headed by Managers detailed from DAR. They served as the coordination and nerve center of WMCIP's development interventions at the field level, orchestrating project activities in the municipal, barangay and project units. As noted in para.29, SOUs were established in Dipolog, Ipil (with satellite in Pagadian) and Isabela. They were responsible for fund disbursement for approved projects, routine technical assistance and monitoring, and participation of cooperating agencies within their respective project area. They were given the authority, powers and discretion (with corresponding accountability) to meet explicit project targets and objectives.

103. The IFAD Appraisal Report had prescribed that management of the SOUs would be contracted out locally, with private firms, individuals and NGOs invited to bid. The government wanted to amend this for varied reasons, including the desire to forestall any legal and technical issues that might have arisen questioning the appropriateness and legal capacity of the selected NGOs to disburse WMCIP Funds, which are public funds. Following an 18 month impasse it was agreed that the SOUs would be headed by senior DAR officials and not NGOs. At the community level, 15 NGOs were engaged for community mobilization for two years from 2001 to 2003. In 2004, ten of them were further engaged for agriculture extension services. The NGOs developed critical links between LGUs and line agencies and the target communities, assisting the communities in developing and enhancing their capacity to plan, decide and implement community initiated development projects.

⁵¹ FGD in Katipunan, Zamboanga del Norte, July 2007.

104. The LGUs, through their municipal engineering offices, implemented the infrastructure projects. Provincial and municipal agriculture offices were involved in the implementation of the NRM component, notably in Zamboanga del Norte. NCIP, DENR, Technical Education and Skills Development Authority, BFAR, DTI, and Quedancor were also involved as partners in implementing various projects under the NRM and SEDC components. A support mechanism was established through the creation of Municipal Development Teams and the Village/Barangay Development Teams (BDTs) that ensured full participation of target beneficiaries, particularly women and vulnerable households, in all aspects of the project and development process.

105. While the loan agreement had been signed in 1998, project activities only started in 2000 with the establishment of the PMO in Zamboanga city. CID activities started first, and the NRM component got underway from 2001. Uptake I of the infrastructure commenced in 2002; it could not have started earlier as the selection of projects as part of the SBDP process was an essential part of CID activities and outputs. Small enterprise support started in 2001, but as noted above, the credit component was largely unutilised until 2005. In October 2003, disbursements reportedly were only 34 per cent, although by June 2004, when the project was originally scheduled to be completed, 57 per cent of funds had been disbursed. While progress was slow, the original planned timeline, leaving aside the delayed start, was unrealistic. Nevertheless, DAR and IFAD/UNOPS were concerned about the slow progress.

106. In 2003 DAR conducted a comprehensive review of progress and processes and identified implementation problems and measures to address them. The October 2003 UNOPS report noted that WMCIP “has streamlined its financial and administrative procedures such as pre-evaluation and award committees, pre-qualification, bidding awards committee, staff selection committee”. However, the staff turnover was quite high; there was no natural resource specialist in PMO for seven months in 2003, and no SOU Manager, Zamboanga del Norte, from January 2002 to May 2003. UNOPS noted “Vacancy of key positions for such a long period would lead to delay the pace of implementation of the project. The slow progress on loan utilization at 34 per cent continues to be one of the major concerns of IFAD and UNOPS”.

107. Towards the end of 2003, following the review and with the project due for closure in December 2004, DAR decided that WMCIP would be mainstreamed into regular activities of DAR Region IX. This resulted in an initial slowdown in project activities, with only 15 per cent of the 2004 Annual Work Programme and Budget being spent by June, but was deemed essential to improve project performance. According to the MTR, DAR “reviewed WMCIP’s sub-project packaging, screening, and approval processes and tried to rationalize them and make them more responsive to the overall objectives of the project. This resulted in more stringent processes, which, in some cases, caused some delays in implementation during the first half of 2004 as they warranted certain re-orientations and adjustments.” Following this review and the resultant changes in some processes, and some re-organisation, project progress improved. In April 2004, the project manager, who had been a regular DAR staff on detail to WMCIP, converted to a consultancy contract and as such no longer had the authority under the mainstreamed structure for financial administration, the PMO unit concerned then reporting directly to the DAR Regional Director. However, the project manager continued to recommend/endorse the approval of all project-related concerns, both technical and financial, and was able to make cash advances to facilitate project implementation. As such the change to a consultancy does not appear to have unduly affected project implementation.

108. It should be noted that the project was implemented in a region of ongoing and post-conflict tensions, which together with the widely scattered location of project sites, presented problems for implementation and supervision. Over the project life, actual areas of tension and conflict varied specific problems and security concerns often being short-lived, but the situation needing constant attention. At the time of the evaluation, for example, the team could not visit Basilan and had to take care traveling in other areas, monitoring the situation on a daily basis. This is not conducive for efficient and effective project management and supervision, and must be recognized as a constraint in operating in such areas. Implementation and supervision mechanisms need to be flexible for both the implementing agencies and supervising agencies such as IFAD.

109. DAR and the PMO have developed an exit strategy plan designed to ensure sustainability of activities after the WMCIP project is closed. An outline of this is included as Appendix 7. This shows strategies, responsibilities and coordinating mechanisms for mainstreaming activities into DAR, but more specific details are required.

110. **Project costs, budgets and financing.** Budget allocations for the project, and for DAR and its partners, hindered project progress. Budgets for government agencies and projects in both 2005 and 2006 were restricted to planned levels of expenditure for 2004 when the proposed national budgets in those years were not approved by Congress and government had to operate on a re-enacted 2004 budget, thus not allowing expanded operations.

111. In addition, processing of withdrawal applications and subsequent releases of funds for project activities hindered progress, particularly on infrastructure. LGUs are not allowed to place public tenders for materials and contracts unless they have guaranteed funds; funds have to be disbursed to them before bids can be tendered. The project has been marked by a relatively slow withdrawal application process. In mid 2004, it took about six months from time of submission by DAR to receipt of funds in the project account. It took two-three weeks from DAR/PMO through to UNOPS, five months for IFAD approval, and another month for funds to reach the project through Department of Budget and Management. In 2005, the time from submission to UNOPS and IFAD approval shortened to about 3.5 months, but still totaled five months. There was improvement in the first part of 2006, but then no withdrawal applications were approved between July 2006 and end December 2006, a period when the extension of the project was being actively pursued (recommendation of July 2006 UNOPS supervision mission). In December UNOPS approved release of only a third of the amount WMCIP had expected, as they started recouping part of the funding advances as the project was due for closing in December 2006. UNOPS was only officially informed on 30th January 2007 of the project extension to 30 June 2007⁵², with loan closing on 31st December 2007. This resulted in a severe lack of funds for implementation from August 2006 till end year, with community infrastructure projects in particular being affected as no commitments could be made by LGUs without the assurance of funds. While further releases of funds have been made in 2007, recovery of the full advance resumed on completion on 30 June 2007. As of 1st June 2007, only 45 per cent of the IFAD loan funds for community infrastructure had been disbursed.

112. By June 2007, total loan disbursement stood at US\$8.72 million, 75.7 per cent of the US\$11.522 million (Table 4, Appendix 7), excluding the credit component. The PMO, however, reports an achievement of US\$11.519 million (99.97 per cent - Table 4, Appendix 7), this being the total amount obligated as payables to various partners (e.g. line agencies, local government units and other contractors), such commitments being covered by Memorandum of Agreements. They plan to complete withdrawal applications and disbursements by end December 2007 when the loan closes. The anticipated final position is set out in Table 13 below.

Table 13. Actual Cost and Financing (US\$ million)

Component	IFAD		Beneficiaries		Government		Total	
	Appraisal	Actual	Appraisal	Actual	Appraisal	Actual	Appraisal	Actual
Million US Dollars								
CID	1.95	1.85			0.06	0.03	2.02	1.88
NRM	7.04	6.00	0.31	0.10	1.65	1.36	6.14	7.46
SEDC	0.6	1.18			0.01	0.01	0.62	1.19
PI	2.29	2.50			0.56	0.76	2.85	3.25
Subtotal	11.88	11.52		0.10	2.31	2.15		13.78
EDC	3.65	3.11					3.65	3.11
Total	15.54	14.63	0.31	0.10	2.31	2.15	18.15	16.88

Source: draft PCR; Table 4 this report

113. **Compliance.** The draft PCR and UNOPS 2007 Supervision reports indicate that the Borrower has satisfactorily complied with the covenants of the loan agreement and the recommendations of various supervision missions. The counter-part funding committed by the Borrower was adequately

⁵² 2007 Supervision Mission Aide memoire, paras. 17-24.

provided, including the counterpart funds from various partners and the beneficiaries. In most cases, the bulk of counterpart funds of the LGUs were provided at the start of project implementation, ahead of the tranching release of Project funds (FGD & Stakeholders' Forum, 2007), thus indicating strong ownership and acceptance of priority projects identified by the communities. The draft PCR indicates that the LGUs/LA provided about 26 per cent of the counterpart funding while the communities also provided an equivalent of about two per cent of the total project cost.

C. Attaining Project Objectives

114. **Project goal and objectives**⁵³. The goal was increased subsistence, cash crops and fishery production of up to 16,000 farm and fishing households in selected areas in Western Mindanao, leading to higher incomes, at a minimum above the poverty threshold, better standards of living, and greater resilience of livelihood. The principal beneficiaries were to be the indigenous people, upland poor, coastal fishing families, and agrarian reform beneficiaries, with a sharper focus on women. This was to be achieved through the three components which had objectives of: (i) improved community capacity to plan programs and access funds in carrying out the communities' priority projects; (ii) sustained higher productivity of natural resources for up to 16,000 agricultural and fishery households; and (iii) expanded and new on and off farm enterprises. The project targeted the poorest in 81 barangays in 21 municipalities in the four provinces.

115. **Targeting the poor.** As discussed above, targeting was fine-tuned through stakeholder consultations, and in particular took into account the : (i) magnitude and depth of poverty; and (ii) low ranking in terms of minimum basic needs. Under the project, over 9,300 poor farmer households and almost 2,400 poor fishermen households directly benefited from the NRM component. The project had a special focus on vulnerable groups and was successful in benefiting nearly 3,400 vulnerable households, about 20 per cent of all beneficiaries and nearly three quarters of those identified as vulnerable in the project areas. In addition, under the SEDC component, nearly 9,000 households are involved in the process of enterprise development. Paras. 128-129 below, discuss increased incomes, while section IIIA on poverty impacts further discusses increases in assets and food security.

116. **Community and LGU capacity development.** The objective of improved community capacity to plan programs and access funds in carrying out the communities' priority projects was achieved. The outcome indicators serving as the evidence for this include: (i) 81 SBDPs implemented and serving as the reference planning document for projects undertaken under DAR/WMCIP, the LGUs and for new projects being funded by other agencies and NGOs; (ii) 243 community organizations established/assisted in the target barangays and involved in the preparation and implementation of projects; and (iii) 81 BDTs mobilized and involved in Monitoring & Evaluation (M&E) of project implementation, helping ensure that specifications in the Program of Work will be followed.

117. Evidence that the LGUs and the LAs were effectively strengthened in supporting the planning and implementation of community projects can be seen by: (i) the 14 Project Unit Sustainable Integrated Area Development Plan (PU-SIADs) are being implemented, actively promoting integration and sustainability of resources to local communities; (ii) 81 SBDPs have been mainstreamed in Municipal Development Plan, helping ensure mobilization of financial resources from the Municipal LGUs as well as from other agencies for priority projects in the barangays; (iii) 14 PU-SIAD have been mainstreamed into the Provincial Development Plan (PDP), thus helping ensure technical and financial support for development projects from the provincial LGU and from other agencies; (iv) 144 LGUs & LA Agricultural Technicians mobilized (original target of 22,) thus ensuring technical support to farmers on appropriate farm technologies; (v) 544 FEAs and Paratech mobilized (original target of 397) to continually provide technical support at the barangay level with quicker response time and lower cost of service; (vi) 74 CDVs deployed to support community development efforts at barangay level through the monitoring and follow-up of the animal dispersal program as well as coordination with FEA and para-technicians; and (vii) barangay officials provided with community and development skills training have demonstrated confidence in undertaking their

⁵³ Based on re-calibrated logical framework.

lead role in dealing with other LGU officials and personnel in advocating for the needs of the community.

118. Overall the community organizations were strengthened in terms of their ability to directly participate in the development efforts in their respective communities⁵⁴. DAR carried out an assessment on the capacity of community organizations in Region IX in 2006 based on six Key Result Areas. This assessment (Assessment of the Level of Development of ARC – Assessment of Level of Development of ARC (ALDA))⁵⁵ is 71.5 compared with the overall barangay average (barangays with foreign-assisted projects in Region IX) of 71.8. Unfortunately there is no comparison for the period prior to WMCIP, thus no conclusion can be drawn concerning WMCIP areas remaining below the average. However, community organizations in Zamboanga del Norte covered by WMCIP had an average of 74.9, higher than the average, while those in Zamboanga del Sur rated 67.8, and those in Zamboanga Sibugay 71.6. In general, community organizations in WMCIP covered barangays had low scores in GAD (59.6), organizational maturity (60.3) and economic and infrastructure support services (63.2). This very likely represents a low start basis, the project having targeted the poorest areas, where capacity was likely to be weakest.

119. **Natural resource management.** The objective was sustained higher productivity of natural resources for up to 16,000 agricultural and fishery households. The project achieved this through the introduction of: (i) proven/new/improved crop options and farming systems with built-in environmental protection; (ii) proven/new/improved sustainable fishery development options; and (iii) improved infrastructure and resource enhancement sub-projects undertaken by LGUs. Most of these farming technologies reduced production costs and integrated short-term production (crop and animal) and long gestation crops to the farming system. The technology interventions addressed nutrition, food security, environment protection, and improved productivity. Technologies introduced have been socially and cultural acceptable such that community and women participated in training-related activities and in honing para-technicians' capability in transferring technology to other farmers in their communities. If more beneficiary barangays had been physically contiguous, then this benefit may have spread more widely.

120. As noted above, marine resources have also been protected and enhanced. There are about 289 hectares of municipal waters delineated and declared as Marine Sanctuary, mangroves have been rehabilitated and artificial coral reefs installed. The fishing households-adopters are using proven technology options. The marine protected areas, artificial reefs, and mangrove rehabilitation have all had a positive effect on the marine environment and on the fish population.

121. The rural infrastructure provided has improved agricultural productivity by enhancing production through irrigation and protection from floods and soil erosion, providing post harvest facilities, and improving access to markets. Importantly, it also provided water systems for 36 communities, a major priority for these communities in improving their well being and quality of life. However, as noted above, the proposals, while selected by the communities as priorities through consultative processes, were not subject to feasibility assessment and as such some had weak justification; some of the farm to market roads require further road improvement links to make them fully effective, while some multi-purpose centres are not well designed or sited.

122. Indigenous people were helped with the award of CADCs and assistance from the project and ICRAF in improved agricultural technologies, documentation of their traditional practices and related learning and knowledge management activities.

⁵⁴ Observations of the Evaluation Team and views of participants, during the focused group discussions during the barangay consultations and stakeholders' forum.

⁵⁵ The 2006 Assessment of the Level of Development of ARC (ALDA) Report for Region IX is covered in detail in separate technical Annex C.



FMR culvert under construction, Zamboanga del Norte
Source: Graham M Walter

123. **Small enterprise development and credit.** The objective was the development and expansion of on- and off- farm enterprises. As discussed in paras. 88-96 above, while the project achieved a performance rate of 101 per cent, it is not possible to show evidence that these beneficiaries are consistently engaged in enterprises and making reasonable returns. The LGUs and NGOs lacked capacity in business advisory services, and in the absence of a small enterprise development framework, the interventions did not produce the desired results and only a few enterprises have potential. Few beneficiaries actually availed of credit, and there was a low repeat availment of credit, although credit availed was used for productive activities. There does not seem to be viable and accessible credit services leading to development and sustained operations of on and off farm enterprises. The SaCred approach, however, was a positive project achievement.

124. **Gender equality and mainstreaming.** The proactive approach of WMCIP to include women and livelihood activities largely associated with women was very evident. The concern for gender resulted in the formation of women's associations in all Project sites. Similarly, livelihood activities (e.g., vinegar-making, soap-making, cut-flower production, etc.) were extended to women beneficiaries. During site visits, it was noted that there was a high level of participation among women beneficiaries. However, instead of balancing and harmonizing the respective roles of men and women, the Project approach resulted in a compartmentalized perspective of gender and development.

125. **Conflict and peace building.** As noted in para.72, NRM partner agencies, NGOs-POs, civil society and the armed forces converged in efforts to achieve the project objectives. The armed forces cooperated with civil society (Rotary Club International) in the protection of the Buluan Fish Sanctuary⁵⁶. Support was also extended by "leftist" elements within conflict-affected areas, including in Zamboanga del Norte with its relatively recent New Peoples' Army concerns. In Zamboanga del Sur and Sibugay, Moro Islamic Liberation Front-MNLF leaders assisted in maintaining environmental protection of marine sanctuaries, even involving lawless elements (pirates) and the Abu Sayaf⁵⁷.

126. **Components' contribution to the achievement of project goal.** The outputs and outcomes of the three components are linked and are directly contributing towards the achievement of increasing agricultural productivity and diversification of livelihood as evidenced by the following achievements: (i) 103 Barangays, Municipal and Provincial LGUs were able to access funds for development initiatives other than DAR/WMCIP funds; (ii) 20 Memorandum of Agreement (MOA) of farming systems and 41 MOA on fishery development were put in place on the joint financing of high impact

⁵⁶ FGD with SOU (July 2007) as well as project documents on Buluan Fish Sanctuary.

⁵⁷ FGD in Pngalay, Lapuyan, Zamboanga del Sur during fieldwork, July 2007.

support programs – for example the MOA with Municipal and Provincial LGUs in the dispersal of livestock and seedlings (Zamboanga del Norte) with support of Office of the Provincial Agriculturist and the protection of mangrove and marine sanctuaries (Zamboanga Sur and Zamboanga Sibugay) with the support of Provincial Environmental and Natural Resource Office. Other Line Agencies provided technical support to NRM and livelihood projects even without a formal MOA, such as the case of DTI's support to calamansi juice making by the Nazareth Women's Organization; (iii) A total of 289 hectares (original target 170 hectares) of municipal waters were declared as marine reserve/sanctuary, thus improving conservation of resources and access of marine products to communities; (iv) 448 sub-projects (original target 400) were funded and completely implemented by target barangays with about 50 per cent of total sub-projects implemented in 200; (v) 129 Community Organizations/Cooperatives (original target 81) generated Capital Building Up (CBU) funds and savings, thus helping ensure that affordable credit funds for livelihood and other needs of members would be available.

127. **Increased income.** Data limitations restricted assessment to changes in gross income. The PCR states that households' income increased by 50 per cent to 75 per cent over six years. However, based on the 2007 WMCIP survey, average annual income of WMCIP beneficiaries increased by about 38 per cent since 2005 (Table 14). The increase in total income was largely due to higher farm income, which may be attributed to the beneficiaries' adoption of new agricultural technologies recommended under the project. Among others, the component recommended the use of BIG as it eliminates the use of inorganic fertilizers and agro-chemicals. Cost-Benefit analysis shows that multiple crop-BIG (bitter melon, sweet pepper, and tomato) yields an aggregate potential Return on Total Cost of 26 per cent.

Table 14. Average Household Income (in Php) of WMCIP Beneficiaries, 2005 and 2007

Province	Farm Income		Off-Farm Income		Non-Farm Income		Total Income	
	2005	2007	2005	2007	2005	2007	2005	2007
(pesos per household per year)								
Basilan	16,257	36,548	6,095	714	15,752	21,892	38,104	59,065
Zamboanga del Norte	9,488	31,088	0	3,524	21,700	34,644	31,263	69,256
Zamboanga del Sur	13,813	19,775	1,950	6,000	5,521	18,018	19,855	42,594
Zamboanga Sibugay	23,377	31,670	0	10,030	56,357	19,174	78,285	60,300
Average	15,734	29,770	2,011	5,067	24,833	23,432	41,876	57,804
per cent Difference							38 per cent	

Source: Project Results Monitoring Evaluation (2007)

128. Increase in income vis-à-vis poverty thresholds was determined by using case results from BIG, the baseline study conducted by NGOs in 2001, results from Results Monitoring & Evaluation (RME) 2005, and regional poverty thresholds over time. In terms of increased income above poverty thresholds, it was determined that while there were increases, it remained ten per cent below the regional threshold (Table 15).

Table 15. Income Change (in Php) and Poverty Threshold: 2001 to 2007

Year	Per Capita Income	Increase Income Attributable to BIG ⁵⁸	Regional Poverty PCI Threshold
2001	3,500.00 ⁵⁹		9,128.00 ⁶⁰
2005	8,375.00 ⁶¹		
2006		3,185.00	12,898.00 ⁶²
2007	11,561.00 ⁶³		

⁵⁸ Computed using 2006 Cost Benefit Analysis of BIG in Zamboanga del Norte.

⁵⁹ Derived from NGO baseline data (2001).

⁶⁰ http://www.nscb.gov.ph/poverty/2004/table_1.asp.

⁶¹ Derived from RME 2005 results.

⁶² Annual Per Capita Poverty Thresholds by Province, 2005 – 2006. National Statistical Coordination Board (NSCB).

D. Assessment: Relevance, Effectiveness and Efficiency

129. **Assessment process.** During the evaluation, participants at all levels were given an opportunity to assess the project from their own perspective. The self-assessment ratings (where 1 is the lowest rating and 6 the highest) were triangulated with the qualitative and quantitative assessments resulting from the evaluation team fieldwork and analysis. The resultant evaluation team ratings are shown below.

130. **Relevance** (rating: 5). The project objectives and activities are very relevant to the needs and aspirations of the stakeholders in the project areas (livelihoods, social capital improvement, basic services such as water, health & sanitation, education & housing,). The project responds to IFAD's strategic objectives and targeting in the Philippines as stated in the Country Strategic Opportunities Paper (COSOP)⁶⁴. It is in line with the priorities of the Philippine Government in meeting the basic needs of the poor (rural and urban) as embodied in the Medium-Term Philippine Development Plan (MTPDP)⁶⁵, to achieve the Millennium Development Goals. It is line with the Social Reform and Poverty Act of 1997 which institutionalised the Social Reform Agenda, establishing the framework for poverty alleviation. The poverty reduction program⁶⁶ of the current government, known as Kapit-Bisig Laban sa Kahirapan (KALAHI), focuses on five core strategies, namely: Asset Reform, Human Development Services, Livelihood and Employment, Pro-Poor Infrastructure and Public Works, Social Protection and People's Participation. Its goals center on poverty reduction, improvement of governance and community empowerment and recognise the needs of indigenous people. However, the project design had weaknesses⁶⁷ in the credit component, which could have been excluded, while the targeting of three different beneficiary groups contributed to the complexity, adding to project management difficulties – coastal communities could have been excluded.

131. In the context of the government's peace and development programs for Mindanao, and Western Mindanao & ARMM in particular, the project is highly relevant to the needs of conflict-affected and post-conflict communities. However, it should be noted that the project was not targeted as a post-conflict project (other than the small grant component in Tawi Tawi for ex-combatants). The project was clearly designed for poverty reduction in one of the poorest parts of the Philippines, recognizing, however, that increasing inequality and persistent poverty are concerns for future

⁶³ Summation of 2005 income and BIG expected income.

⁶⁴ Strategic Objective for Philippines' Country Program: IFAD's Country Program aims to strengthen the capabilities of the rural poor by providing greater access to assets and services (education, technology, markets and financial services), reforming property and tenurial rights, improvement of their social well-being, and enhancing active participation in local decision making. The 1999 COSOP defined IFAD's targets groups as : upland groups (including indigenous peoples and ARBs), coastal fisherfolk and landless groups. It supported the government's social reform agenda and recognized that quality of life improves with comprehensive interventions focussed on the promotion of human development, socio-economic growth and development, absence of civil strife and an environmental/ecological balance. Strengthening the capabilities of both service delivery institutions at LGU level and the beneficiaries to ensure impact and sustainability was a key element. These objectives were reconfirmed in the 2006 COSOP, which stressed the need to ensure consistency with the government's MTPDP.

⁶⁵ This means giving priority attention to the poor and other vulnerable groups by placing them in the "mainstream of development by broadening their access to basic services and livelihood opportunities, and providing them a voice in decision-making, thus eliminating their vulnerability to adverse shocks and improving their ability to cope" (MTPDP 2004-2010).

⁶⁶ Enhanced Integrated Monitoring System for Anti-Poverty Programs and Projects. (2003). National Anti-Poverty Commission. Manila, Philippines.

⁶⁷ As noted in paras. 50 and 53 above, the Technical Review Committee Issues paper had flagged concerns on the credit component, noting that modification and use of the existing Rural Micro-enterprise Finance Project would obviate the need for the credit component. The Technical Review Committee also noted that the desire to include barangays in upland, lowland and coastal areas, thus involving 3 GoP flagship programs of ARCs, CADCs and Integrated Social Forestry, and coastal communities, involving 3 lead agencies of DAR, DENR and DA, added to an already diffuse project. The approach to coastal communities remained hazy. With hindsight it could have been excluded.

stability. The region has a turbulent history of civil unrest, but this is intermittent and its nature has varied over time and different locations, from the leftist problems in parts of Zamboanga del Norte to more deep rooted conflicts between the indigenous peoples, Muslims and Christians in parts of Zamboanaga del Sur and Zamboanga Sibugay, related more to unequal control over and access to natural resources, including land. Competition for resources remains an underlying factor, but the communities generally live in harmony, as noted earlier in this report. The strife in Basilan is very recent. The project thus does not really fit the IFAD model of phases of conflict and peace, and related conflict prevention and peace building. However, the project addresses two key objectives of IFAD's crisis prevention and recovery policy: it has taken a proactive approach in addressing the deep-rooted causes, such as in land security (CADC/CADT) for the IPs, and access to resources, services and opportunities in upland and coastal areas. Its focus on institutional development at the rural level is helping build local capacity which should enable them to respond to any potential shocks that conflict might cause.

132. **Effectiveness** (rating: 4). The project goal of targeting "16,000 farm and fishing households to increased subsistence, cash crops and fishery production to result in higher income, at minimum above the poverty threshold; better standards of living; and greater resilience of livelihoods" was actually accomplished with 21,826 households benefiting by June 2007. Physical accomplishments reflect over 100 per cent achievement in all key output indicators. Incomes increased, but generally remained below the poverty threshold. However, the small enterprise development and credit component is partly ineffective.

133. The project has not created a functional and coherent small enterprise development framework. Most BAS activities were initially provided by NGOs to collective enterprises of POs and coop beneficiaries, but there were no BAS activities for individual borrowers from LPCIs (except those provided by Quedancor and the Rural Bank of Roxas). Over the last three years of the project (2004-2007) the LBP and LPCIs have provided credit services to individual beneficiaries, but WMCIP no longer had capacity-building funds for BAS interventions. In most project sites visited by the mission, livelihood and enterprise inputs and models are almost the same, regardless of the marketability of the commodities and products and the level of development of the beneficiary households and partner POs/coops⁶⁸. The project seemingly treated all the livelihood and enterprise options as interventions for subsistence and food security requirements of the beneficiaries, with only a few exceptions.

134. **Efficiency** (rating: 3). Resources used on the SEDC component did not produce the desired impacts. Resource use on other components was eventually relatively good, with almost all loan funds likely to be utilised before project closing, however the project was extended three years enabling this achievement. Accomplishments for CID, land and water resource management were over 100 per cent as at June 2007, while that for infrastructure and resource enhancement was just over 80 per cent. However, there were delays in funding components, particularly uptake two infrastructure and resource enhancement projects, which affected implementation progress, and many projects remain ongoing, while a few projects will be cancelled. As noted above, it is not possible to calculate an economic rate of return for the project as a whole, although returns have been calculated on some productive livelihoods such as savings of 22 per cent on production cost for Masipag Rice Technology (MRT) and earnings of 15 per cent from BIG.

E. Performance of Partners

135. **Performance of IFAD** (rating: 4). The quality of project preparatory work (viz targeting the poor, gender equality and mainstreaming, participation of the poor in design and implementation, partner selection and engagement and innovation as per OE Manual) was satisfactory under IFAD supervision. Targeting ensured participation of the poor and marginalized, and, although delayed, a

⁶⁸ In Lakewood town where the project had the opportunity for innovative enterprise strategies and approaches, and where perhaps the most viable SaCred organization exists (i.e., LAFICO with an asset size of PHP15M and loan portfolio of PHP13M), there was no attempt to use the coop as a vehicle for consolidating the trading of marketable commodities from the town such as vegetables, rice, rubber, copra. NRM and agriculture technology packages are implemented separately from the SaCred project and EDC sub-component.

focus on vulnerable households materialized midway in the project. There was an impasse after loan effectiveness in March 1999 of about 18 months over project management arrangements for the SOUs (whether NGOs or not). IFAD faced a dilemma; they initially held out for the original project arrangements set out in the appraisal report with a non-government form of SOU management, but eventually conceded to the Government's request for DAR management of SOUs, with NGOs being used at local levels. It is unclear whether resolution should have taken so long and whether this was affected by the lack of an IFAD staff CPM from April 1998 to March 2002⁶⁹.

136. IFAD's operational modalities did not allow for a field presence in the Philippines and implementation supervision was left to UNOPS; a greater involvement of IFAD would have been advantageous, however, and particularly at the MTR. The RRP required that an MTR would be jointly carried out by the Borrower and IFAD, with the assistance of the cooperating institution (i.e. UNOPS). While IFAD was responsible for the preparation of Terms of Reference for the MTR, and recruitment of consultants, IFAD staff was not present in the MTR, which was a joint review by the UNOPS supervision team and IFAD consultants. While the IFAD CPM reviewed and finalised the MTR report, the MTR is an important point for the project as a whole, and IFAD should have directly participated in the field mission. The MTR provided a crucial opportunity for key design changes and decisions that the project and the SEDC component required.

137. **Performance of UNOPS** (rating: 4). UNOPS generally fielded well qualified supervision missions and their reports addressed major concerns and provided clear recommendations for actions, with respective responsibilities. However, for the first half of the project life the UNOPS personnel on the project changed, with different portfolio managers leading the three supervision missions in 2002, 2003 and 2004. Thus there was little consistency of knowledge on project progress during this period. As part of the "joint UNOPS Supervision mission cum IFAD mid term review, UNOPS could have made a more positive recommendation for changes in the SEDC component. In the second half of 2006, the processing of withdrawal applications and recovery of authorized advance allocations by UNOPS followed the guidelines for a project due to close in December 2006 but considering the pending approval of a further six months project extension, about which UNOPS was aware following its last supervision mission, UNOPS could have taken a more proactive role in determining whether the project completion date had indeed been extended, or was about to be extended. This apparent lack of coordination with IFAD resulted in the early recoupment of funds, which delayed the implementation (and some cancellation) of projects in the second update barangays.

138. **Performance of GOP and its agencies** (rating: 4). Government and partner agencies have complied with loan covenants and implemented recommendations of the varied supervision missions. They also effectively implemented the project, including conduct of the participatory processes, while enhancing project approaches and strategies in response to emerging challenges, including the innovative intervention to reach out to the poorest of the poor through the neighborhood clustering approach or the "Kapitbahayanan", and the formation and capability building of CDVs and para-technicians.

139. However, DAR as the main responsible government agency, should have worked more actively with IFAD in solving the 18 months impasse at the start of the project on the issue of NGO management of the SOUs, which was agreed to in the loan covenant. Also, it did not exercise management decisiveness in responding to the needs and constraints of the project on the credit design. It commissioned two well prepared credit studies as a basis for the redesign of the credit component yet there is no record to show that it attempted to pursue official communication or exploratory moves with appropriate government agencies such as NEDA-ICC and Department of Finance.

140. Once the project was mainstreamed in DAR Region IX in late 2003, project implementation improved, with mainstreaming raising the likelihood of sustainability, and is rated 5 for this period.

⁶⁹ From 1998 to mid 2001 UNOPS provided a part-time Country Programme Manager, based in Kuala Lumpur; from mid 2001 to March 2002, a consultant acted as Country Programme Manager. From April 2002 a formal Country Programme Manager was appointed.

PMO is similarly rated 5, generally fulfilling its responsibilities in implementing a project scattered across a large area, with logistical and security problems and constraints. The ability of PMO staff to work with the varied beneficiaries and others in the conflict areas was a key to success. The change in the status of the Project Manager does not appear to have had anything other than a short term impact on implementation progress. The ability of the PMO to engage other partners, such as USAID's GEM project, was advantageous. LGUs are rated 4, moderately satisfactory. Some LGUs actively participated in harnessing resources to bridge WMCIP efforts, notably Zamboanga del Norte Provincial LGU in agro-extension and business support services, however some project beneficiaries and implementers complained that LGUs were not responsive enough in providing capacity building support, and particularly in the SEDC component where the project lacked a strategy for LGU capacity building support.

141. **NGOs** (rating: 3). The performance of NGOs was not consistent across sites due to varying levels of capacities and experience. There were many NGOs assisting NRM but their roles were limited or contractual, with little continuity for follow through, especially in cases where there was mismatching of introduced technologies with the absorptive capacities of local stakeholders. Their management and financial systems were often insufficient. While the NGOs strength and capacity is normally in community organizing and community development, in which some of them performed well, they did not perform well on the BAS sub-component, despite the numerous activities funded by WMCIP, generally lacking competence in enterprise and business development services.

142. **LBP, LPCIs** (rating: 4). LBP, although delayed, performed its responsibility of releasing the credit funds to the LPCIs who were qualified under the bank's rediscounting window - the design problem of the credit sub-component of the project is essentially an IFAD, DAR and PMO responsibility which was not acted upon in a more timely and effective manner. The LPCIs have fulfilled their responsibility of utilizing the IFAD funds in LBP. Some LPCIs, who have existing credit lines prior to WMCIP, have disbursed the credit funds to non-WMCIP barangays, as noted above.

III. PROJECT IMPACTS

A. Poverty Impacts

143. **Overall poverty impact** (rating: 4). As discussed below, the project was moderately successful in generating rural poverty reduction impacts, averaging a rating of 4. The project was successful in its impact on human resources and empowerment and agricultural productivity, having a moderate impact on food security and asset formation. However it was less successful in improving market conditions and creating financial assets.

144. **Physical assets** (rating: 4). Stakeholders groups rated physical assets just below 5. The project provided improved infrastructure for the 81 barangay beneficiaries and helped increase the value of farm, agro-forestry and fisheries assets, including land productivity through soil conservation measures, buildings, equipment and farm tools. Some beneficiaries were also able to improve their homes. However there are some concerns about the viability of some group enterprises in the absence of continued support for livelihood/enterprise advisory services and credit, putting the sustainability of their assets at risk.

145. **Food security** (rating: 4). Limited data exists on food availability but beneficiaries reported that food security has been improved and malnutrition reduced with increased yields and more varied production due to the introduction of new and alternative technologies in cash crop and livestock production, including bio-intensive gardening, masipag rice technology, livestock production and fisheries development, but sustained support is needed. Stakeholders rated food security just below 5.

146. **Environment and common resource base** (rating: 5). The project was able to contribute to the protection and rehabilitation of natural resources and the environment through: (i) introduction of production technologies with built-in environmental filters such as the MRT, SALT, BIG, contour farming, (ii) creation of marine protected areas and fish sanctuaries, and rehabilitation of mangrove

forests, (iii) documentation, as in the case of Lakewood, of sustainable traditional agricultural practices, culturally-significant natural resources, and impacts of economic activities on the natural environment, (iv) enforcement of laws relevant to mining explorations, particularly in the Barangay Dabiac and Bayog through community-organized petitions, and (v) issuance of CADCs and development of ADSDPPs and SBDPs. Stakeholders rated it just below 5, with Basilan reporting a rate near 4. It should be noted, however, that some farmers receiving loans under the SECD component continued to use chemical fertilisers.



Labelling Sardine Bottles

Source: IFAD Evaluation Mission

147. Human assets. (5) Training proved additional knowledge and skills in various technologies in farming and fishing systems, soil and water conservation, feed formulation, organic fertilizers production, and product/enterprise development. CDVs have been trained in community organizing, facilitation, planning, record keeping, minutes writing, conduct of survey, and monitoring of projects. The capability of para-technicians for crops and livestock maintenance has been created. Fish wardens have been trained to dive and are able to assess and inventory coral and fish species in the marine sanctuary. Capacity building in group enterprises has been enhanced

through use of financial and management systems, preparation of regular monthly monitoring reports, improved self confidence and leadership. Stakeholders rated this almost 5.

148. Social capital and empowerment (rating: 5). The project's participatory approach to planning and decision-making helped community members, particularly the vulnerable households, POs, and women to develop a degree of ownership and encouraged greater proactive participation in activities including project planning and implementation at individual, barangay and municipal levels, and in technology transfer and environmental protection. It most likely will have long lasting effects. Different barangays were able to negotiate additional development assistance from government and other funding agencies by enhancing their SBDPs. Group enterprises have increased their capacity to relate with regulatory and technical support agencies, government or private, and individual borrowers have improved their knowledge and experience in loan management as a result of their linkage and credit access from the credit conduits. There is a need, however, to enhance participation of the youth in development work in their respective localities, particularly strengthening of youth organisations. Stakeholders rated this just below 5, with Zamboanga del Norte reporting a rating of nearly 6.

149. Agriculture productivity (rating: 5). The introduction of alternative and integrated agricultural production technologies (including bio-intensive gardening, sloping agricultural land technology, integrated pest management, the MRT, and crop rotation and diversification) and improved agricultural infrastructure has helped improve yields and productivity. However there have been high mortality rates of poultry and livestock in some areas, adequate care and appropriate food provision seemingly beyond some beneficiaries' capabilities. The creation of fish sanctuaries has significantly increased resource regeneration rates and average fish catches. Construction of relevant agricultural infrastructures and communication systems has significantly augmented agricultural productivity in the project sites. Stakeholders rated this at almost 5.

150. Institutional services (rating: 4). Stakeholders rated this almost 5, with strengthened BDCs, POs and cooperatives enabling them to undertake more productive livelihood activities. However, it should be noted that many of these organisations existed prior to the project, which thus was able to

focus on strengthening activities rather than having to establish new ones. The different government agencies particularly DAR, DA, NCIP, DENR, DTI, DOST, NCIP, BFAR, GEM, NGOs, Provincial Loan Government Units (PLGUs), and MLGUs combined resources to provide interventions in the target communities. DA, through the PLGU-Office of the Provincial Agriculturist- and MLGU-Municipal Agricultural Officers provided technology assistance to both crop and livestock producers and para-technicians. NCIP initiated the titling of the 56,000-hectare ancestral domain in GSL, Pilas Island, and Lakewood, but the delay is institutional as the Commission has to still be reconstituted/appointed by Presidential order, beyond legitimate actions for DAR/DLR. Different government agencies and LGUs have worked together in providing resources and support to project activities. Credit conduits have been strengthened. However, the project agencies seemed unable to push for innovative changes in the credit design component of the project.

151. **Financial assets** (rating: 3). While the project generally helped improve incomes of beneficiaries, much of the increase was spent on household assets, consumption, and school fees rather than generating savings for increased future incomes. In many cases, the increased incomes were insufficient to lift the beneficiaries above the poverty threshold where savings are possible, while improved incomes for tree crop farmers are largely in the future. Stakeholders rated this 4.

152. **Markets** (rating: 3). While the project helped improve access to agricultural commodity markets through construction of farm to market roads, it did not address institutional concerns of market operations and pricing, nor did it focus on improving farmer beneficiaries' knowledge and skills in agri-business and marketing. Much of the project's focus was on improving food security and livelihoods of those at near subsistence levels. Stakeholders all rated this lowest at just below 4.

153. **Policy interventions/advocacy** (rating: 4). Stakeholders rated this as almost 5 evidenced by the services provided by LGUs such as permits and licenses, product development and testing support by national line agencies. However IFAD, DAR-FAPSO and PMO were unable to push for innovative changes in the credit design component of the project.

154. **Gender concerns** (rating: 4). While as noted above the project actively pursued the engagement of women in project activities, the approach resulted in a compartmentalised perspective of gender and development, and there was no clear strategy other than active participation. The M&E system conscientiously recorded disaggregated data, but in the project there was no clear strategy and approach other than increased involvement, opportunities thus being missed. Stakeholders rated this 5.

B. Sustainability and Ownership

155. **Sustainability** (rating: 4). Sustainability of WMCIP initiatives is very dependent on the capabilities of individual beneficiaries, barangay communities, POs and cooperatives to sustain the community-initiated programs and projects. A key component of WMCIP was capacity building at these levels, but capacity building takes time, and will need the continued support of MLGUs, PLGUs and other agencies. Mainstreaming of the programs and projects into regular provincial and regional programs and continued provision of support activities is thus essential for the sustainability of WMCIP initiatives. DAR has already mainstreamed many activities into its own operations and has indicated it will continue to provide such support and act as the coordinating agency for other government agencies. Partner agencies⁷⁰ have also indicated their commitment to the arrangements set out in the WMCIP exit strategy. The commitment of these agencies to mainstream NRM into their regular programs should help achieve environmental sustainability. Thus WMCIP is potentially sustainable, with DAR taking a lead proactive role. However, maintenance of some of the rural infrastructure, and particularly the FMR, is beyond the capabilities of barangays (other than minor work) and will require LGU technical and financial interventions. In addition, many of the collective enterprises and other agri-business enterprises may not be sustainable due to the absence of effective and sustained business advisory services. Neither the LGUs nor NGOs have the capability to provide this. Stakeholders rated sustainability as just below 5.

⁷⁰ DENR, Community Environment and Natural Resources Office (CENRO), NCIP, DA and LGUs.

156. **Ownership** (rating: 5). Participatory planning and social empowerment processes adopted by WMCIP were critical in generating ownership of project activities by communities and beneficiaries, which will help in sustainability. DAR and some LGUs, such as the PLGU in Zamboanga del Norte, have also taken a very active involvement and appear committed to continue their support.

157. **Participation** (rating: 4). This has a direct impact on ownership and stakeholders rated this almost 5, recognizing their own active participation in activities, particularly for members of pre-existing POs and cooperatives. However, participation of many new comers appears to have been motivated partly by project inputs (free food and free agro-inputs such as seeds, livestock, start-up materials, loans) with little local counterpart.

C. Innovation, Replication and Scaling Up

158. **Innovation** (rating: 4). The CID component adopted proven procedures such as the CO-CD framework, participatory development of SBDPs, deployment of CDVs, and participatory impact assessment in support of results monitoring and evaluation, and thus was adaptive rather than innovative. However WMCIP adopted innovative NRM technologies. BIG, MRT, diversified integrated farming systems, ruminant and poultry centers, aqua-silviculture, marine protected area development have been tried, tested, adopted and scaled-up into the mainstream agricultural development program of LGU partners. However, WMCIP did not take into account the varying degrees of capacities and needs of farming communities from subsistence, through agro-productivity, to growth/market participation. The “one-size fits all” approach adopted lessened the potential for replication and upscaling interventions of the component activities.

159. **Replication and scaling-up** (rating: 4). The Integrated Upland Farming System Development Program has been replicated in 192 barangays in Zamboanga del Norte (outside WMCIP coverage), the WMCIP concept and procedures being adopted in the Hi-green Program. Replication and scaling-up of the MRT can be observed in Katipunan. But to enhance innovation, replication, and scaling-up, agricultural production should move beyond subsistence farming practices and be more entrepreneurial – most of the livelihood projects to date have been on a backyard-scale, with few incentives for innovation. For SEDC, the project was not able to implement a responsive and innovative agri-business and market-oriented strategy that would effectively capture and integrate the gains of CID and NRM to feed into the SEDC component. In the absence of such a strategy, replication and up-scaling interventions did not come about. The SaCred organizations, while considered innovative and successful as far as savings generation and internally generated capital for lending are concerned, have not yet been replicated.

160. **Knowledge management** (rating: 3). Opportunities for replication and scaling-up remain constrained due to limited accompanying localized information and education materials. While documents detailing sustainable traditional agricultural practices have been produced these have not been widely circulated and utilized. Sharing and managing knowledge between direct beneficiaries (group enterprises and individual households) and other groups and individuals within the community has not been done systematically. Skills, knowledge and experience from NRM and agro-based livelihood initiatives have not been communicated to the local credit institutions. While assessments of coastal and marine resources have been used, IP studies in Lakewood (Limnology, Indigenous Knowledge Systems and Practice on traditional rice production, and IP needs assessment) were not fully utilized.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. Overall Assessment and Conclusion

161. **Overall performance** (rating: 4). WMCIP was highly relevant, targeted the poor, and was successful in delivering its physical targets, although implementation was slow. Incomes increased, and significant changes at the household level were evident across sites, although poverty remains prevalent. Crop and fisheries production led to diversification that improved food security and nutrition intake among the marginalized households. Much was achieved in capacity building at barangay and LGU levels, with partnerships developed for supporting development activities. While the SEDC component was not successful, with limited impact in developing small enterprises, business advisory services and a sustainable credit delivery system, the overall assessment of WMCIP is that it is partly successful (average rating of 4; no single domain was rated as unsuccessful). The project Stakeholders rated the project as nearly 5.

162. The project targeted the poorest in 81 barangays in 21 municipalities in the four provinces. Its additional focus from 2003 on vulnerable households significantly enhanced outreach, distribution of benefits and gender impacts. 44 per cent of the barangays included in the project are priority barangays of the national anti poverty commission's KALAHI program. Even the much criticized capping for infrastructure investments had the good intention of an equitable distribution of benefits to barangays.

163. WMCIP's focus on IP needs as well as the inclusion of the grant component (SPICCNZPARC) that addressed concerns of the marginalized ex-combatants similarly highlights the depth of WMCIP engagement. Most barangays included are within conflict areas of either leftist groups or Islamic groups such as the Moro Islamic Liberation Front, MNLF, and Abu Sayaf... It was reported to the evaluation team that WMCIP was "brave" to have worked in these areas and in developing partnerships with its stakeholders.

164. WMCIP clearly focused on the Millennium Development Goals of poverty and hunger, gender and equality and empowerment of women, and environmental sustainability. It addressed IFAD's overarching goal of enabling the rural poor to overcome poverty.

165. The table below shows the project ratings for performance, impact and overarching factors.

Table 16. Performance Ratings of the WMCIP Project, 2007

Evaluation Criteria	Evaluation Ratings
Project Performance	
Relevance	5
Effectiveness	4
Efficiency	3
Overall project performance	4
Rural Poverty Impact	
Physical assets	4
Food security	4
Agriculture productivity	5
Environment and natural resources	5
Human assets	5
Financial assets	3
Social capital and empowerment	5
Institutions and services	4
Markets	3
Overall rural poverty impact	4
Other performance criteria	
Sustainability and Ownership	4
Innovation, replication, scaling up	4
Performance of Partners	
IFAD	4
UNOPS	4
NGOs	3
Government and its agencies	4
Overall project achievement	4

Source: IFAD Evaluation Mission 2007

166. While WMCIP has been partly successful, much remains to be accomplished, with some infrastructure and livelihood initiatives still under implementation. The level of poverty at project commencement was high, and while incomes have increased, poverty remains below the threshold in many barangays. However, initiatives are in place in both NRM and SEDC activities that provide a basis for further development and help increase incomes and improve livelihoods. Capacity at barangay and LGU level has been improved. Agency sustainability mechanisms have been established to help take the WMCIP program initiatives further. A follow on program is needed to take advantage of, and build on this.

B. Lessons Learned and Issues Arising

167. Several significant lessons can be learned from this project which have a bearing both on the future of WMCIP, and similar projects that might be pursued. Some of these relate to project design, and particularly the context within which the design is developed, others to project management and implementation, while specific issues have arisen over the enterprise development and credit component.

Design

168. Mindanao conflict and regulation of resource use. Control and development of the region's lands and natural resources has contributed to the Mindanao conflict, particularly in terms of the inequitable use/control of resources. WMCIP has made initiatives⁷¹ in peace and development such as peace zones formation in Basilan, peace process consultation between the government and a splinter local rebel group from the Communist Party of the Philippines), and some training in conflict

⁷¹ The evaluation mission was not able to validate all these initiatives, being unable to visit Basilan due to security reasons, and other security sensitive areas in Western Mindanao where WMCIP operates.

sensitivity and peace building. Specific initiatives involving support of the varied parties have been noted above.

169. Future projects must recognize and support the dynamics of tri-communities in conflict areas as these intrinsically are anchored in the diversity of ethnicity, religion and socio-economic and cultural knowledge, structures and practices. A menu of different approaches in all project components will have to be matched with prevailing site characteristics that lessens conflict situations and enhances greater participation among the tri-communities.

170. **Indigenous people.** Any further initiative has to persevere in addressing and respecting intricacies in land tenure, especially with IP, Muslim or settler beneficiaries to reduce one of the causes of armed conflict in the area. In addition, two other concerns were raised during the evaluation and which need to be considered: (i) classification and identification of IPs in ARMM, and (ii) delineation seemingly being dictated by geopolitical boundaries rather than culturally determined territories.

171. The example of the marine protected area in Lapuyan, Zamboanga del Sur clearly suggests that future projects must identify and harness effective local groups for conflict resolution for improved implementation and eventual project ownership by the beneficiaries in conflict areas. Projects must recognise local protocols among tri-communities that include ex-combatants, active Moro Islamic Liberation Front/MNLF, and the New People's Army. Close cooperation is needed with LGUs in conflict areas (and even those outside). Local dynamics are such that leadership in these areas is consensually agreed upon by the tri-communities.

172. **Environmental considerations.** While targeting was based on a landscape approach, environmental disturbances beyond the control of the project significantly affected outcomes; for example coastal initiatives being affected by upstream activities; upland river-based initiatives affected by upstream mining. This was further aggravated when the resource abuse was located beyond the municipality/province concerned. The gains of WMCIP especially at increasing environmental awareness, empowering local institutions and setting limits to allowable use of resources can be threatened by the increase of mining and other resource extractive activities within or adjacent to Project barangays, as well as the proliferation of piracy and illegal fishing activities near established marine sanctuaries.

Better Integration and Harmonisation of Project Components

173. There is a need for better integration and harmonisation of project components, sequencing and linkages being important. The different WMCIP project components had impacts on the effectiveness of succeeding components. Technologies under Component 2 had a high rate of adoption of innovations, this being partly attributed to a high rate of awareness resulting from the social preparation initiatives under Component 1. The link between Components 2 and 3, however, was not so straightforward, being affected by externalities, i.e., policy environment specifically pertaining to credit and enterprise development. However, NRM interventions increased the resource base for the SEDC component, improving the potential for success.

174. Rural infrastructure provided opportunities for complementarity and harmonisation of components. The construction of a diversion canal restricted flooding in one rice area, resulting in increased cropping, while protection of water supply systems in several localities was reinforced by the establishment of agro-forestry systems along water sources. Such observation though was not consistently noted across sites. Allowing the communities to prioritise their own choices was laudable for democracy and ownership, but without feasibility assessments and technical and environmental filters, opportunities were lost.

Project Organisation, Management and Implementation Strategy

175. Mainstreaming and integration with activities of other agencies should be considered from the design stage, to ensure continued support of other agencies and consequent sustainability. Project

management of many foreign-assisted projects in the Philippines has been carried out by consultants/contracted personnel, assisted by some regular agency personnel. Although initially fast-tracking project implementation, it has perpetuated the situation of lack of qualified agency personnel as contracted staff depart on project completion. The transition/hand-over from contractual personnel to regular agency personnel (mainstreaming) may also affect the momentum of project implementation, and the sustainability of the project interventions, particularly when hand-over is done towards project closure. This is a concern of donors and governments in many countries. It might be noted that for WMCIP, the proposed contracting out of the management of the SOUs, had it occurred, might have made the mainstreaming even harder to achieve.

176. Project management should be mainstreamed from the start to address sustainability as an integral part of the implementation strategy. This could be achieved by designating agency personnel to key positions in the PMO, with support of a team of consultants/specialists providing advisory support. However, while it is easy to include this in project documentation, implementation should avoid a consultant-lead PMO, which can easily happen as (i) regular staff assigned to projects usually have concurrent regular responsibilities; and (ii) consultants have specific Terms of Reference defining the deliverables/outputs and budgets, and with a timeline.

177. To improve the effectiveness of mainstreaming a PMO within regular operations of the agency, and/or staffing the PMO with regular agency personnel, the following steps should be enforced: (i) application of results based project management (Managing for Development Results-MfDR), planning and management being directed towards the achievement of project outcomes and impact; (ii) regular agency personnel assigned to key PMO positions to be released from their regular functions; (iii) Terms of Reference to be prepared for regular agency personnel assigned to key PMO positions, consistent with those of any consultants providing project management and technical services, and ensuring partnership between them in the delivery of project outputs to project beneficiaries; and (v) regular and qualified personnel should be encouraged to take on key positions in project implementation (this may require provision of some incentives - incremental salaries, extra earned leave, additional medical and accident insurance, etc).

178. **Results monitoring for sustainability.** Sustainability is an important management concern of a development project that should be addressed at the very beginning. While DAR has adopted results M&E, RME processes and uses detailed RPMES systems for project monitoring, WMCIP M&E largely focused on input and activity monitoring and reporting. For better results achievement and accountability in future projects, IFAD should strengthen learning processes in results-based management concepts and tools for its projects involving lead agency, PMO personnel and other direct project stakeholders.

179. The project has a well-established M&E System but focused on inputs, activities and outputs. It initiated some monitoring of outcomes and impact in line with DAR's RME, commissioning baseline and intermediate surveys and Participatory Impact Monitoring (PIM). However, these focused on income impacts and improved capabilities of selected communities and not on individual project interventions or enterprises assisted by the project, and were not integrated into project operations (delivery of outputs) to help adjustment of strategies and/or delivery mechanisms. They were not very useful for project management.

180. PIM is relatively simple, and project staff, with the requisite training could undertake this annually or semestally and use the results as a basis in assessing the contribution of various outputs delivered by the project towards the achievement of outcomes and impacts. The log frame could then be reviewed and updated using the results of the PIM, with the corresponding adjustments integrated in the preparation of the annual work and financial plan. The survey type RME is expensive, and could be undertaken every two to three years, perhaps by external agencies, feeding into overall impact assessment.

181. **Conflict area project supervision.** Implementation and supervision mechanisms need to be flexible for both the implementing agencies and supervising agencies (IFAD, UNOPS, DAR) given the constantly changing security circumstances. If overseas agencies are unable to travel in the project

area, then these agencies must have confidence in the capabilities of, and arrangements made with, local agencies for supervision and reporting if they are to continue financing projects in conflict areas. Project management staff must be able to work with and communicate across the varied different groups in conflict areas: at local levels, being indigenous to the area or of the same ethnic group proved to be advantageous.

182. **IFAD visibility.** IFAD was notably absent in project supervision, particularly at the MTR. The link between UNOPS and IFAD was not clearly defined at implementation stage. Increased IFAD involvement is critical in following through recommendations noted during Missions, as well as in increased participation in settling constraints encountered at implementation. Greater IFAD presence could ensure that its flagship policy declarations on indigenous peoples' issues, social participation, empowerment and policy dialogue continue to be addressed during implementation.

Enterprise Development and Credit

183. **Market-oriented approach to rural livelihoods/enterprise development.** This was a weakness in WMCIP, with both its orientation on subsistence activities and poor market linkages. IFAD in its Private Sector Development Strategy published in 2005, emphasized the importance of developing private agricultural markets and their effective linkage to rural poor people. It calls for integrated approaches covering production, processing and marketing. Recognizing the importance of market linkages for the rural poor implies the need for capacity-building and investment in activities that are commercially viable on the market. Once the market becomes the organizing principle for livelihood development for poor people, particularly for smallholder producers, IFAD interventions will have to adopt a multi-stakeholder, holistic approach that involves all actors operating in markets⁷². Moving forward, IFAD may have to consider a broader approach that brings together the key elements in enterprise development (such as markets, technology and finance), benefiting individuals and sectors spread across the country rather than focusing on specific geographic areas.

184. **NGO capacity in Business Development Services (BDS).** NGOs in general are not cut-out for enterprise development and business development services. To capacitate NGOs in enterprise development and BDS, IFAD should initiate strategic activities under its country programs and projects that will bring together NGOs/POs and private sector groups (e.g., chambers of commerce, industry associations, retailers associations, etc.) to promote learning processes for collaboration and complementation in BDS provision.

185. **Opportunities for innovation.** The group enterprises and individual livelihoods implemented in WMCIP have created a basis for continuing opportunities for innovation, including: (i) linking farmers to local consolidators/traders and processors; (ii) finding niche markets for organic products; (iii) leveraging financial resources of the savings and credit groups with local financing institutions; and (iv) installing quality control systems for organically grown products as prelude to certification.

Credit

186. **ODA-funded credit programs.** In view of GOP's policy (i.e., Executive Order 138) restricting ODA funded lending programs to government financing institutions (e.g., LBP, DBP), IFAD should pursue different credit modalities with other government entities. IFAD's decision under its recently launched Rural Micro-Enterprise Promotion Project (RuMEPP) to lodge the credit funds as deposit/guaranty in the Small Business Guaranty and Finance Corporation working in partnership with MFIs is a step in the right direction. For future projects, IFAD should draw on the lessons learned in its previous Rural Micro-Finance Program (RFMP) completed in 2002⁷³.

⁷² IFAD Private Sector Development Strategy, 2005, para 45 and 46.

⁷³ (i) financial services should be provided by prudently regulated and effectively supervised financial institutions; (ii) linkages between Microfinance Institutions (MFIs) and business development service providers need support; (iii) flexible interest rates for on-lending to MFIs under market conditions should be considered; and (iv) members of enterprising borrower groups should be graduated to individual lending. Other lessons from RFMP that served as guiding posts for its current RuMEPP are also relevant to agricultural micro-finance:

187. Agricultural Micro-finance has been one of the most prominent elements of rural development strategies used by development agencies and national governments. The Consultative Group to Assist the Poorest offers a model termed agricultural micro-finance, for providing financial services to poor, rural farming households. It combines the most relevant and promising features of traditional micro-finance, traditional agricultural finance and other approaches⁷⁴ including leasing, area-based insurance, use of technology and existing infrastructure, and contracts with processors, traders and agri-business.

188. Lessons can also be learned from other MFI institutions that have made innovations in micro-finance for agricultural loans, such as the Center for Agriculture and Rural Development⁷⁵ (transformed into CARD Bank), Kabalikat para sa Maunlad na Buhay, Inc./KMBI, Taytay sa Kauswagan Inc (TSKI) which operates in Zamboanga del Norte. In future, IFAD and DAR should be able to utilize sound practices, tap existing initiatives and resources that are already available in the sector so as not to reinvent the wheel.

C. Recommendations

189. **Recommendation – IFAD activities should continue to support development in upland areas where poverty remains persistent and IFAD has experience. In particular, it will be desirable** to continue working in the WMCIP upland areas of Zamboanga Peninsula⁷⁶. This recommendation could be part of a future IFAD-funded project covering two or three other upland regions in the Philippines. Its objectives would be to strengthen ongoing WMCIP activities, address its weaknesses, and help ensure sustainability of benefits. Requirements of coastal communities are different, and thus should be handled under a different project to ensure the required developmental results of those involved in artisanal fisheries.

190. If IFAD and the Government subsequently decide to undertake a future project focusing on upland areas such as in WMCIP areas then, the following sub-recommendations should be taken into account. These are grouped under recommendation 1.1 clarity of design, recommendation 1.2 project organisation and management, and recommendation 1.3 specific project components and implementation.

Recommendation 1.1 - Clarity of Design

191. **Integrate the principles of a watershed and landscape approach to Natural Resource Management (NRM).** For this it is recommended that:

- In order to promote better control and accountability over resource destructive activities and the flow of positive benefits between communities (e.g. less siltation and improved water quality) within the project area, future interventions should work in a more limited geographic area. Future interventions should be limited to headwater areas incorporating the principles of

(i) micro-enterprise development should encompass financial and non-lending aspects and facilitate market linkages; (ii) successful projects have been characterized by easy and timely availability of credit, at market rates, generally for short-term income-generating investments; (iii) decentralized project management and decision-making, combined with well-established systems and procedures, are key to successful project implementation and impact; and (iv) NGOs have been effective and responsive in community-level interventions.

⁷⁴ CGAP Occasional Paper no. 11, August 2005.

⁷⁵ Visit www.cardbank.ph.com for information about the Center for Agriculture and Rural Development.

⁷⁶ As this was an interim evaluation, a key question for the evaluation from the approach paper was whether or not a follow-up phase of the project should be pursued. Thus, in addressing this question, the evaluation suggests the need for follow on activities. The evaluation believes that there are opportunities to build on the stronger project activities and to help address some of its weaknesses in order to help ensure sustainability of benefits. As with the CHARM project area, where IFAD has been involved for more than 20 years, the WMCIP upland areas are a challenging environment and a longer term perspective may be required to ensure impact and sustainability.

a landscape approach (see next bullet) considering downstream effects, but limiting implementation or support to critical upland areas.

- Within the upland areas, targeting of project sites should be to the extent possible contiguous for better environmental benefits and incorporate the principles of a landscape approach, which integrates social, cultural, and environmental concerns with the management of the land area, but with special care taken of the possibilities of environmental disturbances beyond the control of the project.
- A locus for intervention in terms of geographic coverage and beneficiary needs has to be clearly identified during design of a potential second phase - together with the corresponding institutional considerations for the development of improved monitoring and supervision and implementation support arrangements.

192. **Specify more accurately the target Groups.** Aligned with the GOP development thrusts and directions, the project design should be in line with the IFAD targeting policy and clear on the poverty level of the targeted groups, and whether to include the enterprising poor and vulnerable groups. WMCIP had a selection guide for vulnerable households and during implementation these were integrated with the KALAH (Linking Arms to Fight Poverty) program priorities of the National Anti-Poverty Commission at the *barangay* and municipal level. This approach was useful and should be considered in the design of future projects.

193. **Improved integration of components.** In WMCIP, the different project components had impacts on the effectiveness of succeeding components. For example, technologies under Component 2 had a high rate of adoption of innovations, this being partly attributed to a high rate of awareness resulting from the social preparation initiatives under Component 1. However the links between components 2 and 3 were not as strong (i.e. poor Small Enterprise Development Component (SEDC)). Also, the integration was not consistent across all project areas. As such, any future operation should build on and improve the implementation of the approach adopted in WMCIP to ensure improved integration and sequencing of components and activities.

194. **Enhance the government's participation in the design process.** In line with the evolving operating model within IFAD, future project design should involve the country program management team (CPMT) and enhance the participation of government, in all levels, in order to improve country ownership, relevance, and partnership.

Recommendation 1.2 - Project Organisation and Management

195. **Mainstreaming for sustainability.** Activities should be mainstreamed into regular regional and provincial operations of all agencies and sustainability instituted from project onset⁷⁷. In this regard, clear coordination mechanisms between partner agencies should be established. NRM in particular cuts across institutional mandates of several agencies, and the project design and logical framework should be clear on inputs, activities and expected outputs and impact. To enhance project mainstreaming, coordination mechanisms between the IFAD and the GOP/Executing Agency should be in line with the institutional set ups negotiated and agreed in the project loan agreement, based on a transparent assessment of the needs of the project and the existing institutional capabilities. Clarity of responsibilities is also important if the project covers parts of ARMM as well as Region 9 (e.g. in Basilan).

196. **Project management in conflict zones.** Project execution and supervision and implementation support mechanisms need to be flexible, given the constantly changing security circumstances in the region. For example, reliance on local agencies may be necessary. Project management staff must be able to work with and communicate across the varied different groups in conflict areas: at local levels, being indigenous to the area or of the same ethnic group would be advantageous.

⁷⁷ Specifically during design IFAD should consider: (a) the responsibilities between the regional directors and the project managers; (b) the role of other staff of the regional bureaus of the line departments vis-à-vis those who may need to be recruited on temporarily basis; and (c) how to deal with the issues around the implementation of convergence between different line departments (DA, DAR, DENR, etc).

197. **Increased IFAD visibility.** IFAD needs to make its presence felt more widely during project execution, for example, by ensuring that its policy priorities and declarations (e.g. related to indigenous people) remain areas of focus throughout the project life cycle and undertaking direct supervision and implementation support including participation of the field presence officer. The continuation of direct supervision and the strengthening of the field presence officer are contingent on available resources allocated within the wider framework of IFAD activities related to field presence and direct supervision.

198. **Screen community initiatives.** New community infrastructure projects, while continuing to be selected in a participatory manner by communities, should also be screened by the project for technical and environmental feasibility. Project appraisal mechanisms to ensure objective review and approval of infrastructure projects should be established.

Recommendation 1.3 - Specific Project Components and Implementation

(a) Resources and Environment

199. **Mindanao conflict and regulation of resource use:** Control and development of the region's lands and natural resources has contributed to the Mindanao conflict, particularly in terms of the inequitable use/control of resources. WMCIP made initiatives in peace and development, such as peace zones formation in Basilan, peace process consultation between the government and a splinter local rebel group from the Communist Party of the Philippines, and some training in conflict sensitivity and peace building. Future projects must recognize and support the dynamics of tri-communities (Muslim, Christian and Indigenous Peoples) in conflict areas by bringing these partners together to resolve conflicts and manage natural resources. This good practice from WMCIP should be continued as conflicts around natural resource use are intrinsically anchored in the diversity of ethnicity, religion and socio-economic and cultural knowledge, structures and practices.

200. **Environment.** The influx of mining activities within the four provinces poses a clear threat to the sustainability of WMCIP and needs to be kept under review. If there is no IFAD follow on intervention, as part of the mainstreaming, DAR, DENR, and relevant LGU should be involved in this review.

201. **Indigenous Peoples (IPs) and Certificate of Ancestral Domain Claims (CADCs).** Based on the WMCIP experience working with three communities to Convert their CADCs to Certificate of Ancestral Domain Titles (CADTs)⁷⁸, there are two pressing issues that affect the concern for Indigenous People and should be incorporated into future activities; (i) financing of Ancestral Domain Sustainable Development and Protection Plans; and (ii) organizing other IP groups within the region to formally file their respective CADC where viable under Indigenous Peoples Rights Act.

(b) Capacity Building

202. **Community development.** (i) Financial support by MLGUs should be continued for the CDVs to support POs and development work in *barangays*, in coordination with the Sangguniang Pambarangay (*Barangay Council*). The financial management capabilities of officers of People's Organizations, Farmers/Fishermen's Associations and Cooperatives should be further enhanced and include provisions for assessing the economic viability of proposed investment activities. In addition, assistance should be provided in establishing market linkages.

203. **LGU capacity development.** (i) Continue training and technical support to Municipal and Provincial LGU personnel in monitoring and evaluation; and (ii) Continue support to LGUs in assessing and updating of the Sustainable *Barangay* Development Plans responsive to the emerging needs of the *barangays* and for fund mobilization.

204. **Line agency support and partnership.** (i) Line agencies should continue providing technical support to community organizations in pursuing NRM, livelihood and marketing and credit; (ii) Linkage of ongoing and new programs using existing structures such as *Barangay* Development

⁷⁸ See Table 1. The logical framework results chain from the PCR.

Team/ Municipal Development Team and *Barangay* Infrastructure Monitoring Board should be pursued to ensure continuity of institutional development (and avoid duplication) in the identification and implementation of projects funded by other agencies.

(c) Enterprise Development and Credit

205. **Market-oriented approach.** An integrated approach is needed covering production, processing and marketing, recognizing the importance of market linkages for the rural poor. Capacity-building and investment is needed in activities that are commercially viable in the market. NGOs may not have capabilities in enterprise development and business development services, and if used, need training.

206. **Credit.** A different credit modality should be sought with other government entities. This should take into account lessons learned from the evaluation of the previously IFAD-funded Rural Micro-Enterprise Finance Program and the recently launched RuMEPP. For example, RuMEPP's effort to use the credit funds as a deposit/guaranty in the Small Business Guaranty and Finance Corporation working in partnership with MFIs is a step in the right direction.

207. If IFAD and the Government subsequently decide to undertake a future project in coastal areas then the recommendations under 2.1 coastal areas should be taken into account.

Recommendation 2.1 – Coastal areas – These recommendation are only relevant if there is a future intervention related to coastal issues.

208. **Environment.** If a follow on intervention continues to work in coastal areas, greater effort has to be made to enhance the involvement of the DA- Regional Field units and Bureau of Fisheries and Aquatic Resources, especially in regard to extending technical assistance to the various land and water resource management technologies.

Department of Environment and Natural Resources (DENR) – complementarity of two laws, namely RA 7586 and RA 8550 affecting marine and coastal resource management and fisheries in National Integrated Protected Areas Systems (NIPAS), needs to be addressed. The Fisheries Code (RA8550) is more localized and operable at the Local Government Unit (LGU) level. NIPAS requires congressional approval across a vast stretch of protected areas.

Evaluation Rating Scales

Appendix 1-Table 1. Rating Scale for Relevance, Efficiency and Effectiveness

Highly relevant (6)	Relevant (5)	Partly relevant (4)	Partly irrelevant (3)	Irrelevant (2)	Highly irrelevant (1)
The project objectives are <u>relevant and significant</u> (addressing a priority) to the poor and to IFAD's country strategy.	The project objectives are relevant to the needs of the poor <u>and</u> to IFAD's country strategy.	The project objectives are relevant to the needs of the poor <u>or</u> to IFAD's country strategy.	The project objectives are not relevant to the needs of the poor and/or to IFAD's country strategy.	The project objectives are not relevant to the needs of the poor or to IFAD's country strategy.	The project objectives are irrelevant to the poor and to IFAD's country strategy and are not significant to the reduction of rural poverty
Highly effective (6)	Effective (5)	Partly effective (4)	Partly ineffective (3)	Ineffective (2)	Highly ineffective (1)
The project surpassed 20 per cent or more of stated objectives (to the extent they are quantifiable), and met all of its stated project objectives.	The project met all of its stated project objectives.	The project met most, but not all of its stated project objectives.	The project met only a few of its stated project objectives.	The project did not meet most of its stated project objectives.	The project did not meet any of its stated project objectives.
Highly efficient (6)	Efficient (5)	Moderately efficient (4)	Moderately inefficient (3)	Inefficient (2)	Highly inefficient (1)
Excellent use of resources: unit costs are much lower than averages or those of comparators, exceptionally high rates of return.	Good use of resources: unit costs on par with or below those of comparators, average rates of return.	Average use of resources: unit costs are slightly higher than those of comparators and rates of return are lower than alternative investments but still positive.	Poor use of resources: unit costs are above those of comparators, and rates of return are lower than alternative investments and negative.	Inefficient use of resources: unit costs are well above those of comparators, and processes are inefficient resulting in unnecessary loss of time.	Unsatisfactory use of resources: unit costs are a multiple of those of comparators, and processes are wasteful of time and resources.

Appendix 1-Table 2. Rating Scale for Rural Poverty Reduction Impacts

Rural Poverty Reduction Impacts	
Highly successful (6)	The project generated all expected (and possibly additional unexpected positive) rural poverty reduction impacts, and no unintended negative impacts.
Successful (5)	The project generated all expected rural poverty reduction impacts (impact domains that were relevant to the project as per design at the beginning and/or after revision).
Partly successful (4)	The project generated rural poverty reduction impacts in around half but not all of the expected impact domains (impact domains that were relevant to the project as per design at the beginning and/or after revision) and/or to a lesser extent than expected.
Partly unsuccessful (3)	The project generated rural poverty reduction impacts in fewer domains than expected (impact domains that were relevant to the project as per design at the beginning and/or after revision) and to a lesser extent than expected.
Unsuccessful (2)	The project did not generate expected rural poverty reduction impacts, and possibly some unintended negative impacts.
Highly unsuccessful (1)	The project did not generate any positive rural poverty reduction impacts but unintended negative rural poverty impacts.

Matrix on Effectiveness and Impact Indicators Using WMCIP Logframe Indicators¹ Community and Institutional Development (CID) in Relation to the NRM² and SEDC³ Components				
Subcomponents (1)	Outputs (2)	Effects (3)	Impact (direct) (4)	Impact (Subsequent) (5)
Community Organizational Development under the CID Component	<ul style="list-style-type: none"> ▪ No. of HHs profiled ▪ No. cluster of vulnerable HHs assisted ▪ No. of Barangay Infra Monitoring Board (BIMB) formed ▪ No. of infra O&M (Takers) Group formed ▪ No. of People's Organization (POs) assisted ▪ No. of Sustainable Barangay Development Plans (SBDPs) prepared ▪ No. of Barangay Level Skills Training (BLST) Conducted No. of Organizational Capacity Self-Assessment (OCSA) conducted 	<ul style="list-style-type: none"> ▪ No. of SBDPs implemented ▪ No. of community organizations established/assisted in <i>target</i> barangays and are involved in the preparation and implementation of projects ▪ No. of BDTs/COTs involved in M&E on project implementation 	<ul style="list-style-type: none"> ▪ Barangays & Municipal LGUs that are able to access funds for development initiatives other than the project (WMCIP) fund ▪ No. of sub-projects that are funded and completely implemented by target barangays (note: the number reaches 50 per cent of total sub-projects by 2004) ▪ No. Community Organizations/Cooperatives that generated Capital Building Up (CBU) funds and savings ▪ <i>Organizational Status based on results of OCSA and Assessment of Level of Development of ARC (ALDA)</i> 	
LGU Capacity Development Program	<ul style="list-style-type: none"> ▪ No. of LGU Trainings conducted 	<ul style="list-style-type: none"> ▪ No. PU-SIAD plan implemented 	<i>Impact Domain 7 – Institutions: Impact indicators would include</i>	

¹ Summary Matrix on Effectiveness and Impact Indicators using performance indicators in the WMCIP logframe with possible additional indicators (shown in blue font). The matrix was prepared with reference to Annex 2 on “Methods & Practices – Underlying Principles” (Section 5) of IFAD Evaluation Manual and adapted to the evaluation framework of Community and Institutional Development (Component 1) of the Western Mindanao Community Initiatives Project (WMCIP).

² Natural Resource Management (Component # 2 of WMCIP).

³ Small Enterprise Development and Credit (Component #3 of WMCIP).

Matrix on Effectiveness and Impact Indicators Using WMCIP Logframe Indicators¹ Community and Institutional Development (CID) in Relation to the NRM² and SEDC³ Components				
Subcomponents (1)	Outputs (2)	Effects (3)	Impact (direct) (4)	Impact (Subsequent) (5)
under the CID Component	<ul style="list-style-type: none"> No of LGU cadres trained No. of PU-SIAD Plans prepared 	<ul style="list-style-type: none"> No. of SBDPs mainstreamed to Municipal Development Plans No. of PU-SIAD mainstreamed to PDP No. of Community Devt. Volunteers (CDVs) deployed 	<i>sustainability mechanisms for expansion and continuing operation of development interventions</i>	
Line Agency (LA) Processes Support Program under the CID Component	<ul style="list-style-type: none"> No of LAs operating and providing assistance in the Barangays No. of consultative meetings & dialogue conducted on NRM 	<ul style="list-style-type: none"> No. of LGUs & LAs Agricultural Technicians mobilized No. of MNRW Paratech Mobilized 	<ul style="list-style-type: none"> No. of MOA forged on farming systems interventions No. of MOA forged of fishery system development interventions Area of municipal waters delineated and/or declared as marine reserve/sanctuary 	
Gender and Development under the CID Component	<ul style="list-style-type: none"> No. of GAD Trainings conducted 	<ul style="list-style-type: none"> <i>Changes in the functioning of institutions or organizations (e.g. participation of all sectors/groups in the community in the planning of projects as well as on decision making)</i> 	<i>Impact Domain 7 – Institutions: Impact indicator would include wider opportunities for women and youth in the implementation of appropriate livelihood and related projects</i>	
Land Resources Management under the Natural Resource Management Component]	Crop Farming Systems	<ul style="list-style-type: none"> No. Farm Plans made & implemented 	<ul style="list-style-type: none"> No. HHs adopting improved productivity systems 	<p>Output and sales of food and cash crops, livestock and fisheries products from the barangays, Project area and Region (Indicator in Appraisal Logframe)</p> <p>HH food security and self-sufficiency, nutritional status, health and income levels improved</p>

Matrix on Effectiveness and Impact Indicators Using WMCIP Logframe Indicators¹ Community and Institutional Development (CID) in Relation to the NRM² and SEDC³ Components				
Subcomponents (1)	Outputs (2)	Effects (3)	Impact (direct) (4)	Impact (Subsequent) (5)
				(Indicator in Appraisal Logframe)
Land Resources Management under the Natural Resource Management Component]	Soil and Water Conservation	<ul style="list-style-type: none"> No. of natural Resource Enhancement (NRE) conducted 	<ul style="list-style-type: none"> Hectares of farms conserved 	
Marine/Water Resources Management under the Natural Resource Management Component]	Fisheries development	<ul style="list-style-type: none"> No. of Fishery Option Devt. (FOD) plans made No. of CRM planning conducted 	<ul style="list-style-type: none"> No. fisherfolks adopting FOD implemented 	
Land Resources Management & Marine/Water Resources sub-components under the Natural Resource Management Component]	Training on Agriculture Technology	<ul style="list-style-type: none"> No. of land Resource Management (LRM) trainings conducted No. of LRM exposure and cross visit conducted No. of Marine/Water Resource Management (MWRM) training conducted No. of MWRD exposure and cross visit conducted 	<ul style="list-style-type: none"> Farming HHs (trained &) familiar with appropriate farming options, i.e. soil and water conservation measures (e.g. SALT, mixed cropping) with built-in environmental protection features. Fishing HHs (trained &) familiar with proven/appropriate technologies with built-in environmental protection features, e.g. Coastal Resource Management 	
Land Resources Management & Marine/Water Resources sub-components under the Natural Resource Management Component	Research and Extension on Agriculture	<ul style="list-style-type: none"> No. of Farming System Technology (FST) identified No. of farming demo trials made No. of farm studies conducted No. of copy of IEC materials reproduced and distributed No. of fishery technology 		.

Matrix on Effectiveness and Impact Indicators Using WMCIP Logframe Indicators¹ Community and Institutional Development (CID) in Relation to the NRM² and SEDC³ Components				
Subcomponents (1)	Outputs (2)	Effects (3)	Impact (direct) (4)	Impact (Subsequent) (5)
		identified and validated ▪ No. of Demo trials conducted on MRWM		
Infrastructure and Resource Enhancement under the Natural Resource Management Component	Water Supply Systems	▪ No. of level II water system constructed ▪ No of tools for water supply system maintenance provided		
Infrastructure and Resource Enhancement under the Natural Resource Management Component	Farm to Market Roads (FMR), footbridge & wharf	▪ No. of Km of Farm to Market Road (FMR) rehabilitated/ constructed ▪ No. of Lm of foot bridge constructed ▪ Total area (sq. m.) of wharf constructed ▪ Length Lineal meter (lm) of slope protection constructed ▪ Length lineal meter (lm) of rock causeway constructed ▪ No. of trainings on infra maintenance conducted ▪ No. of tools for FMR maintenance provided		
Infrastructure and Resource Enhancement under the Natural Resource Management Component]	Irrigation and flood control Infrastructure	▪ Length (lm) of flood control structure constructed ▪ Hectares of irrigated farmland rehabilitated		
Infrastructure and Resource Enhancement under the Natural Resource Management	Marketing and Post Harvest Facilities	▪ No. of units of storage facilities constructed ▪ No. of units of crop dryer		

Matrix on Effectiveness and Impact Indicators Using WMCIP Logframe Indicators¹ Community and Institutional Development (CID) in Relation to the NRM² and SEDC³ Components				
Subcomponents (1)	Outputs (2)	Effects (3)	Impact (direct) (4)	Impact (Subsequent) (5)
Component]		constructed <ul style="list-style-type: none"> No. of units multi-purpose building constructed 		
Business Advisory Services under the Small Enterprise Development and Credit Component]	Skills training and enterprise development	<ul style="list-style-type: none"> No. of participants on trainings on product development No. of participants on entrepreneurship skills training No. of participants who attended barangay level skills training on enterprise development No. of products tested/assessed with provided with technical assistance 	<ul style="list-style-type: none"> No. of market tie-ups established No. of trade fairs participated 	
Credit Services under Small Enterprise Development and Credit Component]	Credit Services	<ul style="list-style-type: none"> No. of Credit Conduits identified 		
Credit Services under the Small Enterprise Development and Credit Component]	Credit Services	<ul style="list-style-type: none"> No. of households eligible for credit identified No. of capability building training on savings and credit for key coop/PO leaders No. of Coops/POs with linkage to banks, etc 	<ul style="list-style-type: none"> No. of households accessed credit to QUEDANCOR & assisted coops 	

Logical Framework of the Project

(Logical framework in the Report and Recommendations of the President 1998 and the MTR 2004)

Note: Changes made by the MTR are highlighted in red

Narrative Summary	Verifiable Indicators	Monitoring Mechanisms & Information Sources	Assumptions
Goal: Increased subsistence, cash crops and fishery production of up to 16,000 farm and fishing households in selected areas of Western Mindanao			
Component: Community organizational development			
Objective: Cohesive communities able to plan programmes and access funds to meet priority needs Outputs: a) <u>About 200⁹¹</u> functional community organizations able to implement locally-conceived sub-projects, programmes and plans Add. <u>Community organizations have developed economic and social activities based on their own Vision, Mission and goal</u> b) improved planning and coordination capability at 21 municipally level and 80 barangay level LGUs c) effective procedures for support to community organizations by three DAR and three DENR province offices and DA Region/Centre Add. <u>Idem for new Province of Zambaonga Sibugay</u>	(a) POs established, trained, and effectively managed community plans prepared, costed, approved, funded and implemented Projects prepared, approved, funded and implemented (b) LGU cadre trained, oriented, motivated Timely, professional output of sub-project plans Schemes, programmes implemented using resources other than Project, e.g. CIDA-Local Government Support Program/GEM (c) Agency staff sensitized, trained, given on-job and exchange visit exposure/experience Operating manuals/systems for improved procedures	(a) Project PMO and SOU progress and M&E reports Minutes of PO meetings and periodic reports Reports of contractors – line agencies, NGOs, private Province/LGU records, accounts and reports (b) as above, plus: Training course/contractor records Individual sub-project progress reports Interim impact assessment; completion report (c) as above, plus: line agency field and periodic reports management records/surveys especially of CDS	(a) Communities agree to need for and take all steps for formalizing, organizations LGUs adopt procedures to fund community development plans (b) LGUs obtain necessary funds allocation – IRA LGUs adopt planning procedures, provide/train staff (c) Line agency acceptance/enthusiasm for partnership approach and cooperation with service contractors
Component: Natural resource management			
Objective: Sustained higher productivity of natural resources available			

⁹¹ As per Appraisal 80 organizations were to be assisted.

Narrative Summary	Verifiable Indicators	Monitoring Mechanisms & Information Sources	Assumptions
<p>to up to 16,000 agricultural and fishery households</p> <p>Outputs:</p> <p>a) proven new crop options and farming systems ready for distribution by extension services</p> <p>b) proven new fishery enterprise options for effective extension services</p> <p>c) improved farm infrastructure and resource management sub-projects chosen and installed by up to 80 rural communities</p>	<p>(a) number of farms/groups adopting SALT Areas of trees planted, extent of conservation works Schemes/acreage of adoption of mixed cropping</p> <p>(b) Number of cage fish/seaweed culture units adopted Lagoons declared as communal sanctuaries Number of aquaculture enterprise started (inc. inland)</p> <p>(c) Number of feasible proposals and plans submitted Number of infrastructure facilities constructed Number of resource management schemes completed</p>	<p>(a) SOU and contractor reports Contract and works progress records/accounts FEA, farmer/group, PO and DAR, DA records</p> <p>(b) as above, plus: CFEW records LGU, DENR, DA and contractor records</p> <p>(c) as above, plus: Provincial and LGU reports DAR, DENR progress/completion documents</p>	<p>(a) Field trials find appropriate, profitable packages acceptable to farmers Present imprudent/exploitative use restricted <u>Add. Access to credit guaranteed</u></p> <p>(b) imposition/enforcement of fisheries regulations Pilot trials/demonstrations successful New enterprise/techniques feasible/profitable <u>Add. Access to credit guaranteed</u></p> <p>(c) acceptance of and capability for beneficiary/LGU maintenance, operation and upkeep <u>Add. High quality packages developed by partner institutions</u></p>
<p>Component: Small enterprise development and credit</p> <p>Objective: Expanded and new on- and off-farm enterprises</p> <p>Outputs:</p> <p>(a) effective Government and private advisory, research and counselling services for owner operators of on- and off-farm enterprises</p> <p>(b) viable and accessible credit services providing 36,000 loans for small businesses</p>	<p>(a) number of enterprises expanded/started up and making reasonable returns</p> <p>(b) number of loans made by LCCs and LCPIs Loan recovery and re-application rates</p>	<p>(a) SOU, LBP and contractor reports Individual enterprise accounts CEDO records</p> <p>(b) LCC and LCPI records and accounts Lender records</p>	<p>(a) Viable investment opportunities emerge</p> <p>(b) Risk aversion of beneficiaries mitigated Financing facilitation successful <u>Add. Loan conditions acceptable to LCPIs</u></p>

Component: Project implementation support			
<p>Objective: responsive, cost-effective and timely delivery of Project services/resources, efficient management of implementation to achieve Project targets</p> <p>Outputs: (a) Steering/Advisory Committees and Project Directorate at DAR-PDMS set up; Project Management Office and three contracted Site Operations Units established with efficient and project management cadres, systems and capability</p>	<p>Committees, Directorate, Secretariat operational Service contracting system working AWPBs of contractors/ implementing agencies completed on schedule Progress of sub-projects and activities</p>	<p>Committee meeting minutes, reports Contract/MOA documents and progress reports PMO, SOU operations and M&E records Periodic, interim evaluation and completion reports</p>	<p>Wholehearted cooperation by incumbents Service contract principle and systems accepted Strict adherence to performance criteria/systems Proficient contractors available/selected</p>

Project Costs and Financing

Appendix 4-Table 1. Allocation by Category

Category	Loan Proceeds			
	In US\$ (million)			Pesos
	Allocation	Disbursement	Availment per cent	Disbursement
I. A. Vehicles, Equip, Materials	0.592	0.741	125.3	38 141 679
B. PMO Office Bldg	0.255	0.186	72.8	9 721 967
II. Training, Cons	2.192	2.338	106.7	128 509 390
III. Community Infrastructure	3.738	1.794	48.0	95 933 622
IV. Incremental Credit	3.267	3.109		
V. A. Incl Salaries	2.971	2.442	82.2	126 425 244
B. Offices	0.148	0.342	231.2	18 155 223
VI. Unallocated	1.627	0.879	54.1	33 369 348
Total WMCIP	11.523	8.723	75.7	450 256 675
Total LBP	3.267	3.109	95.2	
Total	14.790	11.832	80.0	

Appendix 4-Table 2. Allocation by Project Component – 30 June 2007

Component	AWP/B			Achievement
	Loan Proceeds	GOP	Total	Loan Proceeds
I. CID	86 340 903	1 214 940	87,555,843	86 340 903
II. NRM	279 647 746	63 214 889	342,862,635	279 647 745
III. SEDC	54 777 574	616,460	55,394,035	54 777 575
IV. Project Implementation	116 291 757	35 667 751	151,959,508	106 430 382
Total	537 057 980	100 714 040	637,772,020	527 196 605

Appendix 4-Table 3. Allocation by Project Area – 30 June 2007

Project Area	AWP/B			Achievement
	Loan Proceeds	GOP	Total	Loan Proceeds
PMO	100 287 520	24 215 364	124,502,884	90 426 145
SOU's Basilan	98 458 271	20 450 132	118 908 403	98 458 271
Ipil	204 557 779	26 991 321	234 549 100	204 557 779
Dipolog	133 754 4109	26 057 222	159 811 632	133 754 410
Total	537 057 980	100 714 040	637 772 020	527 196 605
Less: disbursements				450 256 675
Unfunded Obligations				76 939 930

**Support to Indigenous Cultural Communities in the
Zone of Peace within Agrarian Reform Communities (SPICCnZPARC)**

Appendix 5-Table 1. Summary of Accomplishment by Target

Activities	Target	Accomplishment	per cent Accomplished
I. LAND SURVEY AND DEMARCATION OF PLOTS			
1000 beneficiaries selected and identified	1 000	918	92 per cent
Conducted Survey to 1,000 beneficiaries (baseline data form)	1 000	918	92 per cent
No. of hectares surveyed	2 620	2 388	91 per cent
No. of CLOAs issued	932	884	95 per cent
No. of meetings conducted	6	5	83 per cent
II. PROMOTION OF AGRI PRODUCTION & LIVELIHOOD			
1. Cassava Production			
a. No. of Hectares utilized	400	300	75 per cent
b. No. of beneficiaries engaged in cassava production	500	400	80 per cent
2. Integrated Farming Systems			
Establishment of demo farms (5 has/demo farm)	4	3	75 per cent
Establishment of Seedling Stocking Sheds	4	4	100 per cent
Land Clearing & preparation (ha.)	20	15	75 per cent
Procurement and Delivery of:			
a. Farm tools & equipment	Assorted	Assorted	80 per cent
b. Seedlings			
Durian	2 100	2 028	97 per cent
Coffee	8 400	4 444	53 per cent
Pineapple	6 000	6 000	100 per cent
Banana	6 250	625	10 per cent
c. Fertilizers	Assorted	Assorted	40 per cent
Crop Culture and Management	For implementation		
3. Seaweed Production			
No. of beneficiaries engaged in seaweed production	80	120	150 per cent
4. Production & Marketing of High Value Marine Species			
No. of beneficiaries engaged	1 000	700	70 per cent
Construction/Installation of Fish pens & Fish cages	20	14	70 per cent
Conversion of MSU Tawi-Tawi Hatchery for Abalone Production			
Improvement of Hatchery Facilities	1	1	98 per cent
Upgrading of Seawater and air supply System	1	1	98 per cent
SKILLS TRAINING:			
Meetings/conferences conducted with LAs/PMC/ Community	20	21	105 per cent
Community organizing activities	5	4	80 per cent
No. of ARBs benefited from community organizing activities	300	308	103 per cent
Demo farms established	4	3	75 per cent
Farm nurseries established	4	4	100 per cent
Techno transfer training conducted @ 50 pax per training	20	20	100 per cent
No. of ARBs trained from techno transfer training	1 000	1 103	110 per cent
FARM IMPLEMENTS / EQUIPMENT / FACILITIES			
Provision of different farm implements & equipments	700	300	58 per cent
Number of farm implements/tools/ equipment facilities provided		105	

Appendix 5-Table 2. Status of Funds April 30 2007

Components	Total Grant Proceeds	Total Expenditures	Balance
LAND SURVEY & DEMARCATION OF PLOTS			
MAINTENANCE & OTHER OPERATING EXPENSES	4 200 000.00	4 200 000 00	-
CONDUCT OF SURVEY	890 000 00	890 000 00	-
Travelling Expenses	200 000 00	200 000 00	-
Supplies and Materials	690 000 00	690 000 00	-
AWARDING OF CLOAs	2 350 000.00	2 350 000 00	-
Traveling Expenses	300 000 00	300 000 00	-
Supplies and Materials	400 000 00	400 000 00	-
Representation Expenses for Meetings	300 000 00	300 000 00	
Communications Services	300 000 00	300 000 00	-
Repair and Maintenance of Equipment	250 000 00	250 000 00	-
Spare parts, Gasoline, Oil and Lubricants	500 000 00	500 000 00	-
Repair and Maintenance of Vehicles	300 000 00	300 000 00	-
OTHERS	960 000 00	960 000 00	-
Miscellaneous	600 000 00	600 000 00	-
Contract of Service for Project Coordination	360 000 00	360 000 00	-
CAPITAL OUTLAY	650 000 00	650 000 00	-
Speed Boat	300 000 00	300 000 00	-
Computer, Printer & Accessories	200 000 00	200 000 00	-
Two (2) units Motorcycle	150 000 00	150 000 00	-
TOTAL	4 850 000 00	4 850 000 00	-
MOOE	4 200 000 00	4 200 000 00	-
CO	650 000 00	650 000 00	-
PROMOTION OF AGRI-PROD'N & LIVELIHOOD ACTIVITIES			
MAINTENANCE & OTHER OPERATING EXPENSES	32 514 891 00	25 562 979 00	6 951 912 00
Inputs	22 786 667 00	16 606 732 00	6 179 935 00
Trainings (contracted work - lump sum)	9 728 224 00	8 956 247 00	771 977 00
CAPITAL OUTLAY	2 000 000.00	2 000 000 00	-
Furniture, Fixtures, Equip, Books, Small Farm Implements	2 000 000.00	2 000 000 00	-
TOTAL	34 514 891 00	27 562 979 00	6 951 912 00
MOOE	32,514,891 00	25 562 979 00	6 951 912 00
CO	2 000 000 00	2 000 000 00	-
CREDIT AND SAVINGS INFRA DELIVERY			
CAPITAL OUTLAY	2 000 000 00	1 000 000 00	1 000 000 00
Loans Outlay	2 000,000 00	1 000 000 00	1 000 000 00
TOTAL	2 000 000 00	1 000 000 00	1 000 000 00
MOOE			
CO	2 000 000.00	1 000 000 00	1 000 000 00
GRAND TOTAL	41 364 891 00	33 412 979 00	7 951 912 00
MOOE	36 714 891 00	29 762 979 00	6 951 912 00
CO	4 650 000 00	3 650 000 00	1 000 000 00

Achievement: Small Enterprise Development Component

Appendix 6-Table 1. BAS Subcomponent Physical Targets & Accomplishments⁹²

Activities/Inputs	Output Indicators	Global Target	Accomp. as of Dec 06	Accomp. as of Jun 07	Percentage Accomp.
1. Conduct of training on product development and enhancement	Trainings conducted	81	53	68	84 per cent
	Participants attended	2 430	1 508	1 800	74 per cent
2. Assist target groups in enterprise development	Target groups assisted	81	75	84	104 per cent
3. Conduct entrepreneurship skills training	• No. of skills trainings conducted	18	30	32	178 per cent
	• Participants attended	576	786	791	137 per cent
4. Conduct of barangay level skills training	• Skills trainings conducted	582	558	573	98 per cent
	• No. of participants	17 460	15 323	15 323	88 per cent
5. Facilitate product testing - concerned govt agencies	No. of Products tested/assessed	52	39	42	81 per cent
6. Facilitate the registration of enterprises	No. of enterprises registered	39	12	23	59 per cent
7. Preparation of Enterprise Sustainability Manual	No. of Manuals prepared	81	44	44	54 per cent
8. Assist target groups in the installation of management & financial systems	No. of systems installed	81	47	70	86 per cent
9. Assist NGOs/individual beneficiaries in FS preparation	No. FS preparations assisted	141	136	140	99 per cent
10. Establish market linkage	No. of market tie-ups established	38	28	28	74 per cent
11. Attend trade fairs and exhibitions/expositions (local & national)	No. of trade fairs participated	27	40	42	156 per cent
12. Training Equipment on PHF made available	No. of PHF provided	3	3	3	100 per cent
Average					98 per cent

⁹² Source: PMO-supplied data during the evaluation mission field visits.

Appendix 6-Table 2. Institutions Tapped by WMCIP for Livelihood and Enterprise Support Services

Name of Institutions	Activity/Test Undertaken
1. DOST, provinces, Zbga, Cebu & Central Office -Industrial Technology Devt. Institute (ITDI)	Nutri Facts analysis, micro-biological analysis, Vitamin C, commercial sterility test, chemical & physical analysis, packaging
2. DTI	Technology Training, marketing, trade fairs, registration, labelling, packaging
3. DA-Bureau of Soils	Technology Training, testing
4. Bureau of Foods & Drugs	Testing and permits
5. Phil Fruits & Vegetables Board	Marketing of Products, product packaging
6. College of Agriculture Central Mindanao University-Bukidnon	N-P-K Testing for Compost Making (for Brgys. Labrador & Mejo)
7. LGUs	Permits & Licenses
8. GS1 Phils-Manila (formerly the Phil Article Numbering Council, Inc)	Bar code

Appendix 6-Table 3. EDC Sub-component Physical Targets & Accomplishments⁹³

Activities/Inputs	Output Indicators	Global Target	Accomp. as of Dec 06	Accomp. as of Jun 07	Percentage Accomp.
1. Generate list of households eligible for credit	No. of households identified	11 300	11 407	11 539	102 per cent
2. No. of HH accessed credit	No. of households accessed credit to QUEDANCOR & assisted coops	11 300	11 891	12 571	111 per cent
3. Facilitate conduct of meeting to LPCIs	Coordinative meetings conducted for LPCIs	19	43	43	226 per cent

⁹³ PMO-supplied information during the evaluation mission field visits.

Appendix 6-Table 4. List of LPCIs⁹⁴

Name of LPCI	Location	Year established/ started operations	Years in credit/lending operations in the area
1. Lamitan Agrarian Reform Beneficiaries MPC (LARBECO)	Lamitan, Basilan	1995	4
2. Tumahubong Agrarian Reform Beneficiaries Integrated Devt' Coop (TARBIDC)	Sumisip, Basilan		
3. QuedanCor-Basilan	Zamboanga City	1992	6
4. Lakewood Farmers Integrated Coop	Lakewood, ZDS	1991	16
5. Lapuyan Multi-Purpose Coop (LAPMUCO)	Lapuyan, ZDS	2003	4
6. First Valley Rural Bank	Pagadian City, ZDS	2006	1
Quedancor-Sur	Pagadian City, ZDS	1992	6
Quedancor- Sibugay	Ipil, ZS	1992	6
7. Bayside MPC	Leon Postigo, ZDN	1995	12
8. Rural Bank of Katipunan	Katipunan, ZDN	no data	no data
9. Rural Bank of Labason	Labason, ZDN	no data	no data
10. Rural Bank of Manukan	Manukan, ZDN	no data	no data
11. Rural Bank of Roxas	Roxas, ZDN	1978	29
12. Sindangan FTMP	Sindangan, ZDN	1996	9
Quedancor-Norte	Dipolog City, ZDN	1992	6

⁹⁴ Source: PMO CEDA.

Appendix 6-Table 5. Basic Financial Profile of Sacred Organizations⁹⁵

Name of Coop	Location	Status before launching SaCred			Status as of June 30, 2007						
		No. of members	Asset	Loan Portfolio	No. of members	Asset	Loan Portfolio	Releases to WMCIP Barangays			
								Loan portfolio		# of WMCIP beneficiaries	
1. Siayan Farmers Multi-purpose Coop	Poblacion, Siayan, ZDN	51	90156.64	60500.00	227	1 509 784 39	1 369 590 93	1 232632 00	90 per cent	207	91 per cent
2. Lakewood Farmers Integrated Coop	Poblacion, Lakewood, ZDS	276	12 496 272.88	10 963 801.37	1 053	15 368 105 47	13 327 422 01	12 927 599 00	97 per cent	989	94 per cent
3. Women's Multi-purpose Coop	Poblacion, Bayog, ZDS	40	47 642 55	33 862.00	67	95 477 73	77 966 65	77 966 65	100 per cent	67	100 per cent
4. Kinaugalingong Paningkamot Multi-purpose Coop	Concepcion, Kabasalan, ZS	69	111 754 35	105 338.30	217	1 241 288 60	1 016 431 41	904 623 95	89 per cent	197	91 per cent
5. Makilas Integrated Development Multi-Purpose Coop	Makilas, Ipil, ZS	64	180 701 68	168 710.00	493	971 692 23	910 367 25	792,019.00	87 per cent	419	85 per cent
TOTAL		500	12 926 528 10	11 332 211.67	2 057	19 186 348 42	16 701 778 25	15 934 840 60	93 per cent	1 879	92 per cent

⁹⁵ Data provided by PMO CEDA as requested and coached by the Small Enterprise & Credit Specialist.

Appendix 6-Table 6. List of Trainings Provided to SaCred Organizations⁹⁶

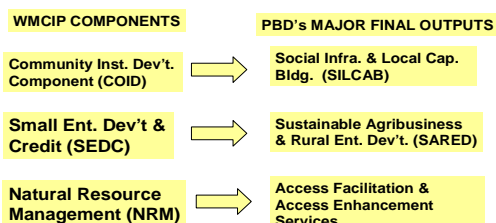
Training Title	No. of batches (coop level)	No. of batches (PMO-wide trng)	Total batches conducted	Institutions/ Agencies tapped (for region-wide trainings)
1. Members Savings Operation (MSO)	10	1	11	Care-Phils/SEAD
2. Delinquency Control & Credit Management	10	1	11	Care-Phils/SEAD
3. Model Credit Union Building	10	1	11	DAR-SaCred Trainors
4. Financial Discipline and Business Planning	5	1	6	DAR-SaCred Trainors
5. Exposure trip to successful Coops in Davao		1	1	CUTE-Foundation
6. Workshop on Policy Review & Reformulation on Savings & Credit	5		5	DAR-SaCred Trainors
7. PEARLS	5	1	6	CUTE-Foundation
8. Internal Control		1	1	CUTE-Foundation
9. Leadership & Governance	1	1	2	Care-Phils/SEAD
10. Comprehensive PEARLS		1	1	CUTE-Foundation
11. Exposure trip to successful micro-finance coops to Cagayan de Oro City		1	1	PFCCO-MASSPECC
12. Collateral Appraisal		1	1	CUTE-Foundation
13. Loan Process Review & Documentation		1	1	CUTE-Foundation
14. "Truth in Lending"		1	1	CUTE-Foundation
15. Capacity-based Lending		1	1	CUTE-Foundation
16. Micro-finance Risk Management & Resource Mobilization		1	1	Care-Phils/SEAD
17. Computerization on MS Excel & Financial Report (MMR)		1	1	DAR-SaCred Trainors
18. Quarterly SaCred Managers Mtg & Assessment (since 2005-present)		10	10	DAR-WMCIP
19. Yearly Business Planning (2005-2007)		3	3	DAR-WMCIP
20. Monthly Monitoring & performance review				DAR-WMCIP
Total (batches)	46	29	75	

⁹⁶ Data provided by PMO-CEDA.

DAR-WMCIP Exit Strategy Sustainable Plan

Strategies

- Component activities in line with DAR's mandate will be mainstreamed with DAR Offices

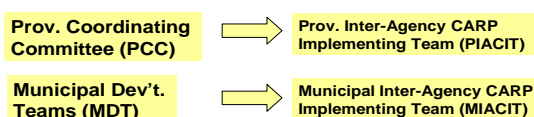


Strategies

- Except for ZamboSur Prov, where project implementation is already mainstreamed with DAR, component coordinators will be designated in DARRO and DARPOs to take the lead in project implementation-
 - DARRO - coordinates and supervises financial management, planning & monitoring activities & provide technical support to field implementers
 - DARPOs - incharge of implementation of all components thru the DARMOs, LGUs, LAs and other partners

Strategies

- Those projects/activities not within DAR's mandate will be mainstreamed to appropriate partner agencies (BFAR, DA-LGU), while DAR will assume the monitoring functions
- Coordinating mechanisms established will be integrated in the existing structures established by DAR



Activities/Concerns for Mainstreaming

Component/Activities/ Projects for Mainstreaming w/ DAR	Roles/Persons Responsible at DAR	Needs Identified for Effective Mainstreaming
Community & Inst. Dev't. Component (COID)		
SBDPs & PUSIAD Plans	Update & integrate w/ ARCDPs (SIBS/Insti.Devt. Coordinators/ MAROs)	Computers Mobility Briefing on project implementation strategies
Organized POs/ Cooperatives/Users' Group/VHHs clusters	Strengthen/monitor (MAROs/DFs, Insti. Devt. Coordinators)	
Implementing structures (MDTs/PCCs)	Integrate w/ MIACIT/ PIACIT (MAROs/ PAROs)	

Strategies

- Existing tools at DAR will be used to monitor project performance and determine the efficiency and effectiveness of interventions
 - ex. ALDA – ARC Level of Dev't. Assessment
 - OMA – Organizational Maturity Assessment Forms 1-11
- DAR and partner agencies' implementers' knowledge & skills will be enhanced thru the conduct of capability bldg. programs, coaching

Strategies

- Existing equipments & vehicles of the project will be turned over to DAR Offices (based on need) to enhance implementers' capacity at project implementation

Activities/Concerns for Mainstreaming

Component/Activities/ Projects for Mainstreaming w/ DAR	Roles/Persons Responsible at DAR	Needs Identified for Effective Mainstreaming
Natural Resource Management Component		
HHS tracking & monitoring	Monitoring & evaluation (Reg. & Prov. Coordinators)	Vehicle/computers Briefing/ orientation on project
Monitoring & field visits to completed and ongoing projects	-do-	
Implementation of projects approved but not yet implemented as of Dec. 2006	Project implementation/ Coordinate & monitor project implementation/ (Reg. & Prov. Coordinators)	

Activities/Concerns for Mainstreaming

Component/Activities/ Projects for Mainstreaming w/ DAR	Roles/Persons Responsible at DAR	Needs Identified for Effective Mainstreaming
Natural Resource Management Component		
HHS tracking & monitoring	Monitoring & evaluation (Reg. & Prov. Coordinators)	Vehicle/computers Briefing/ orientation on project
Monitoring & field visits to completed and ongoing projects	-do-	
Implementation of projects approved but not yet implemented as of Dec. 2006	Project implementation/ Coordinate & monitor project implementation/ (Reg. & Prov. Coordinators)	

Activities/Concerns for Mainstreaming

Component/Activities/ Projects for Mainstreaming w/ DAR	Roles/Persons Responsible at DAR	Needs Identified for Effective Mainstreaming
Small Enterprise Dev't Component (SEDC)		
Existing enterprise of coops/organizations (including Savings & Credit Centers)	-Strengthening of coops/ -Product enhancement/ -Marketing Assistance/ -Monitoring & evaluation (Coordinators)	Vehicle/ computers
Monitoring/Coordinating w/ Local Participating Credit Institutions (LPCIs)	-Coordinate w/ LBP for more LPCIs/M & E (Coordinators)	

Activities/Concerns for Mainstreaming

Critical RIS Projects (Possible Spillover to 2007) :

Province	Name of Project
Zambo. Norte	FMR Bagsakan Center 4 RIS Projects
Zambo. Sur	Analytical Soil Laboratory 22 RIS Projects (FMR, Water Supply System, Multi- purpose Center, Mechanical & Solar Dryer)
Zambo. Sibugay	Buug Integrated Agri. Dev't. Center Analytical Soil Laboratory Bagsakan Center Paje Hatchery Fish Processing Center 8 RIS Projects (FMR, Water Supply System, Crop Dryer)

Project Data Summary

US\$ 1.00 = Peso 36 (at appraisal, 1998)
 US\$ 1.00 = Peso 47 (at completion, 2007)

1. Country	Republic of the Philippines		
2. Executing Agency	Department of Agrarian Reform (DAR) Land Bank of the Philippines		
3. Implementing Agencies	<ul style="list-style-type: none"> Local Government Units (LGU): Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Basilan Department of Environment and Natural Resources (DENR) National Commission on Indigenous Peoples (NCIP) 		
4. Financial Assistance (US\$ mil)	Amount		Net Amount
IFAD Loan No. -PH	14.75		
IFAD Grant	0.75		
TOTAL	15.54		

5. Terms of Loan⁹⁷			IFAD Loan No.
Commitment Charge			
Service Charge			0.75 per cent pa
Interest Rate			
Maturity (number of years)			40
Grace period (number of years)			10

Key Milestones	
1. WMCIP Feasibility Study	
2. IFAD Appraisal Mission	January 1998
3. Loan Negotiations	31 March 1998
4. Board Approval	22 April 1998
5. IFAD Loan Agreement Signed	29 April 1999
7. Loan Effectiveness/Conditions	March 1999
<ul style="list-style-type: none"> Establishment of Project Support Office Effectivity of Loan Agreement 	<ul style="list-style-type: none"> 2000
7. Implementation Schedule	
8. Original Project Completion Date	30 June 2005
9. Original Loan Closing Date	31 December 2005
10. 1 st Revised Project Completion Date	30 June 2006
11. Final Revised Project Completion date	30 June 2007
12. Final Revised Loan Closing date	31 December 2007

⁹⁷ Interest rate accordance with the Bank's pool-based variable lending rate system for US\$ loans.

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