

**Narrative Report
Annual Accomplishment Report for CY 2014**

Project Title: **Integrated Natural Resources and Environmental Management Project (INREMP)**
 Project Start: August 2013
 Project End: December 2020
 Funding Agency: Asian Development Bank (ADB), International Fund for Agricultural Development (IFAD), Global Environmental Facility (GEF), Climate Change Fund (CCF)
 Loan/Grant Nos: 2957-PHI (Loan), 0324-PHI (Grant)
 Regions: Cordillera Administrative Region (CAR), Region 7, Region 10, Autonomous Region of Muslim Mindanao (ARMM)

I. Executive Summary

As per closing date, time elapsed is 19.10%. The Project posted a weighted physical progress of 50.43% vis-à-vis CY 2014 revised WFP. The Project comprises four (4) components: Component 1: River basin and watershed management and investment planning; Component 2: Smallholder and institutional investments through conservation, rehabilitation, infrastructure, forestry and watershed management; Component 3: Strengthening of river basin capacity and related government mechanisms; Component 4: Project management and support services.

Yearend financial utilization rate (Allotment vs Obligation) is 19.90% based on the allotment of Php 512,431,000.00. Using the allotment on the revised work and financial plan (WFP) of Php 245,012,000.00, the financial utilization rate is 41.63%. Total obligation incurred in the continuing appropriation of Php 78,807,000.00 is Php 53,515,760.00 and utilization rate is computed at 68%.

As of ending December 2014, the project accomplished the following:

A. River basin and watershed management and investment planning

1. Community consultations conducted with indigenous people (IP) groups and regional and provincial National Commission on Indigenous Peoples (NCIP) in CAR and Region 10 for the issuance of the free and prior informed consent (FPIC);
2. Creation of provincial watershed management councils to provide policy direction in the management of river basins; and
3. Preliminary primary and secondary data gathered and field-verified in support of the completion of watershed management plans (WMP); and
4. Completion of draft watershed management plans for Bauko watershed in CAR, Wahig-Pamaksalan in Region 7 and five (5) watersheds in Region 10 subject to review.

B. Smallholder and institutional investments through conservation, rehabilitation, infrastructure, forestry and watershed management

1. Identified preliminary natural resources management and rural infrastructure investments such as community-based protection and monitoring for 3,360 hectares, afforestation and reforestation for 2,525 hectares, assisted natural regeneration for 3,190 hectares, agro-forestry with community participation for 4,900 hectares, commercial forest plantation for 170 hectares and renovation of farm-to-market roads.

C. Strengthening of river basin capacity and related government mechanisms

1. Preparation and finalization of manual of operations, sub-project guidelines and financial and procurement guidelines; and
2. Conducted trainings and orientations on watershed management planning, financial management and procurement, basic/advanced GIS operation, and project management software involving RPCO and PPMO staff.

D. Project management and support services

1. Project launching in CAR, Region 7 and Region 10;
2. Mobilization of staff and creation of Regional Project Coordinating Offices (RPCO), Provincial Project Management Offices (PPMO), Watershed Management and Project Coordination Offices (WMPCO) in CAR, Region 7 and Region 10; and
3. Procurement of office equipment, furniture and fixtures, office supplies and communication equipment.

II. Detailed Physical Accomplishments

The project has posted a weighted physical progress of 50.43% for CY 2014. The ratings are based on the revised WFP with cost-based criteria weights. The table below summarizes physical accomplishments per component.

Table 1. Summary of Physical Accomplishments

Component	Criteria Weight on Revised WFP	Weighted Progress
Overall	100.00%	50.43%
Component 1: River basin and watershed management and investment plans established	32.96%	7.34%
Component 2: Smallholder and institutional investments in conservation increased and URB productivity enhanced in the forestry, agriculture and rural sectors	12.87%	0.00%
Component 3: River basin and watershed management capacity and related governance mechanisms strengthened	5.04%	4.49%
Component 4: Project management and support services delivered	49.13%	38.60%

Component 1 activities centered on the completion, approval and adoption of Watershed Management Plans. Draft WMPs for the core watersheds, namely Bauko sub-watershed in CAR, Wahig-Pamaksalan in Region 7 and Manupali in Region 10, were targeted to be submitted in CY 2014. Formulation of WMPs entails consultation and coordination meetings with concerned stakeholders, community mapping, socio-economic surveys and profiling, collection of soil and water samples and flora and fauna inventory. Data gathered are analyzed to determine optimal natural resource management and infrastructure investments suitable to the site. As of end of CY 2014, required primary and secondary data were gathered for core watersheds only.

Table 2. Total Annual Target and Accomplishment under Component 1

P/A/P Code/MFO		Performance Indicator (UWM)	Total Annual Target	Total Annual Accomplishment
Component 1:			1542	113
<i>River basin and watershed management and investment plans established</i>				
NPCO			2	0
1	Procurement of satellite images	Satellite images procured	1	0
2	GIS Database Installation (hardware, software and systems development)	Contract awarded	1	0
CAR			60	59
1	Community Validation pursuant to the Free and Prior Informed Consent			
1.1	Coordination/Meetings with NCIP (Mt. Province, Kalinga, Apayao)	Agreement for the conduct of FPIC	3	3
1.2	Community Consultations	Certification of Pre-condition granted by NCIP (no.)	20	20
2	Formation of Watershed Management Council	WMC created	5	5
2.1	Consultation with LGUs/SB and Barangays (7 Mu	Consultation Conducted	5	5
2.2	Creation by legislation of Watershed Management	MOA Signed	5	5
2.3	Creation of Technical Working Group (TWG) - Re	TWG Created and operationalized	9	9
3	Preparation of Watershed Management Plans			
3.1	Characterization of Watershed	Report submitted	5	5
3.2	Vulnerability Assessment of Watershed	Report submitted	5	5
3.3	Preparation of Watershed Management Plan (Bauko Watershed)	Report submitted	1	1
4	Preliminary Investment Planning	Identified preliminary investments (report)	1	1
4.1	Consultation meetings/orientations with the partner LGUs and other stakeholders			
4.2	Identification of preliminary investments			
5	Adoption of Watershed Management Plan by the Council and LGUs	Watershed Management Plan Adopted	1	0

BOHOL			16	5
1	Preparation of Upper Wahig-Inabanga River Basin Integrated Development Plan	URB Framework Development Plan	1	1
2	Preparation of Watershed Management Plan (Wahit-Pamaksalan, Dagohoy, Danao, Inabanga)			
2.1	Characterization of Watershed	Report submitted	4	0
2.2	Vulnerability Assessment of Watershed	Report submitted	4	0
2.3	Watershed Management Planning	Watershed Management Plan prepared	1	0
3	Creation of Watershed and Sub-watershed Management Council	MOA signed and executed	4	4
4	Preliminary Investment Planning	Identified preliminary investments (report)	1	0

	4.1	Consultation meetings/orientations with the partner LGUs and other stakeholders			
	4.2	Identification of preliminary investments			
5	Adoption of Watershed Management Plan by the Council and LGUs		Watershed Management Plan adopted	1	0
REGION 10				1443	49
1	Stakeholders mobilization/consultation and institutional strengthening/operationalization				
	1.1	Coordination/meeting with NCIP	No. of meetings conducted	13	13
	1.2	Consultation/Orientation with the communities/lps within the barangays/municipalities under each WMPCO for FPIC issuance	No. of consultations/orientations conducted	6	6
	1.3	Institutional strengthening	No. of created PWMC and TWG	12	10
2	Watershed Characterization and Vulnerability Assessment		No. of watershed characterized with vulnerability assessment report	18	12
3	Deliberation and packaging of Watershed Characterization and Vulnerability Assessment Reports			18	0
4	Watershed Management and Investment Plan (WMIP) Preparation		No. of WMIP prepared/packaged	6	0
5	Deliberation, packaging, and adoption of WMIP by the PWMCs		No. of WMIP deliberated and adopted	6	0
6	Identification of preliminary investments		Report submitted	1	0
7	Survey, Mapping and Planning		No. of hectares surveyed	1351	0
8	Review/validation and packaging of sub-project proposals (area/site development, livelihood, infrastructure, and other investments)				
	8.1	Review/validation of sub-project proposals	No. of proposals reviewed/validated	8	8
	8.2	Approval and endorsement of sub-project proposals to MDFO for fund release	No. of proposals approved and endorsed	4	0

LANAO			21	0
1	Prepare and carry out communication/advocacy and social marketing plans targetting various audiences to facilitate the processes for the WMC formation of each of the 5 watersheds for the joint preparation, adoption, implementation, and monitoring of adopted URB and watershed management plans including the creation of TWGs through DENR SOs, LGU Executive Orders, resolutions of governance bodies, and other instruments	"Buy in" of land and resource management units through formal commitments (DENR-LGU MOA for the INREMP implementation)	7	0
2	Watershed Management Planning (i.e. 5 watersheds characterization, vulnerability assessment, etc.)			
	Characterization	Characterization completed	5	0

	Vulnerability	Vulnerability assessed	5	0
3	Social and institutional assessment of core watershed (Bubong)	Assessment Report	1	0
4	Participatory watershed planning (core watershed)	Watershed management plan of Bubong prepared	1	0
5	Preliminary Investment Planning	Identified preliminary investments (report)	1	0
5.1	Consultation meetings/orientations with the partner LGUs and other stakeholders			
5.2	Identification of preliminary investments			
6	Adoption of Watershed Management Plan by the Council and LGUs	Watershed Management Plan adopted	1	0

The following are the detailed activities under Component 2. WMPs are prerequisites for Component 2 activities. As a result, the Project was not able to achieve targeted outputs under this Component. Preliminary investments were identified in preparation of natural resources management and rural infrastructure subprojects implementation.

Table 3. Total Annual Target and Accomplishment under Component 2

P/A/P Code/MFO		Performance Indicator (UWM)	Total Annual Target	Total Annual Accomplishment
Component 2:			4	0
<i>Smallholder and institutional investments in conservation increased and</i>				
<i>URB productivity enhanced in the forestry, agriculture and rural sectors</i>				
REGION 10			4	0
1	Project plans implementation in accordance with agreed land use			
1.1	Afforestation and Reforestation (for 4 years including 2 years maintenance and protection)	Contracts awarded to PO covering 371 hectares	1	0
1.2	Assisted Natural Regeneration (for 3 years including 2 years maintenance and protection)	Contracts awarded to PO covering 290 hectares	1	0
1.3	Agro-Forestry with Community Participation (for 3 years including 2 years maintenance and protection)	Contracts awarded to PO covering 600 hectares	1	0
1.4	Commercial Forest Plantation (for 3 years including 2 years maintenance and protection)	Contracts awarded to PO covering 60 hectares	1	0

Almost all activities, mostly trainings and orientations, were accomplished under Component 3. The NPCO hosted the trainings for RPCOs on watershed management planning, financial management and procurement system and basic/advanced GIS operation. The RPCOs then passed on those trainings to their respective teams. These trainings enabled units to implement project activities such as preparation of WMPs and procurement of goods and services. Guidelines vital to the Project's operation and manuals were also prepared and finalized.

Table 4. Total Annual Target and Accomplishment under Component 3

P/A/P Code/MFO		Performance Indicator (UWM)	Total Annual Target	Total Annual Accomplishment
Component 3:			97	88
<i>River basin and watershed management capacity and related governance mechanisms strengthened</i>				
NPCO			10	10
1	Preparation of Guidelines and Manuals			
1.1	Drafting of Manual of Operations and Project Operations Plan	Manual of Operations and Project Operations Plan	1	1
1.2	Drafting of Sub-project Guidelines, M&E Tool and Templates	Sub-project Guidelines, M&E Tool and Templates	1	1
1.3	Module Preparation of Watershed Management Planning	Module prepared	1	1
2	Conduct of Trainings and Workshops			
2.1	Watershed Management Planning (Characterization and VA)	Watershed management training conducted	3	3
2.2	Sub-project Guidelines, M&E Tool and Templates Orientation	Orientation on Sub-project Guidelines, M&E Tool and Templates conducted	1	1
2.3	Financial Management and Procurement System Orientation	Workshop on financial management and procurement system conducted	1	1
2.4	Basic/Advanced GIS Operation	Basic/Advanced GIS training conducted	1	1
2.5	Training on Project Management Software	Project Management Software training conducted	1	1

CAR			22	21
1	Region-led Assessment and Planning Workshop			
1.1	Orientation about the program with LGUs and stakeholders at the provincial level	No. of orientations conducted	4	4
1.2	Assessment and planning workshops	No. of workshops conducted	3	3
1.3	Workshop on the review of the Cagayan River Management Development Framework/Inter-agency meetings	No. of workshops conducted	1	0
1.4	Financial Management and Procurement System Orientation	No. of workshops conducted	1	1
2	Reprogramming Workshop	No. of workshops conducted	1	1
3	Baseline Photo Documentation	No. of provinces documented	8	8
4	Conduct of Training Needs Assessment (TNA)	TNA conducted	1	1
5	Conduct of Trainings on			
5.2	Watershed Management Planning Process	No. of trainings	1	1
5.3	Land-use Assessment and Planning (Module 2, for 30 pax in 5 days)	No. of trainings conducted	1	1
5.4	Basic/Advance GIS Mapping and Planning (for	No. of trainings	1	1

BOHOL			8	8
1	Conduct of Training Needs Assessment (TNA)	TNA conducted	1	1
2	Conduct of Trainings on			
2.1	Watershed Management Planning Process (Module 1, for 30 pax in 5 days)	No. of trainings conducted	1	1
2.2	Land-use Assessment and Planning (Module 2, for 30 pax in 5 days)	No. of trainings conducted	1	1
2.3	Basic/Advance GIS Mapping and Planning (for 30 pax in 5 days)	No. of trainings conducted	1	1
3	Financial Management and Procurement System Orientation	No. of workshops conducted	1	1
4	Orientation about the Program with LGUs and stakeholders (province-based)	Orientation conducted	2	2
5	Provincial-led Assessment and Planning Workshop	No. Of workshops conducted	1	1

REGION 10			52	49
1	Stakeholders/Community Capacitation			
1.1	Institutional strengthening, networking/linkaging	No. of institutional strengthening/capacity building conducted	6	5
2	Development of training/capacity building activities			
2.1	Training Needs Assessment Workshop	No. of workshops conducted	2	1
2.2	Implementation/Conduct of trainings (DENR, BWPDC, TWG, LGUs, IPs, etc.)	No. of trainings conducted	10	10
2.3	Financial Management and Procurement System Orientation	No. of workshops conducted	1	1
3	Organizational Strengthening, Collaboration and Networking			
3.1	Coordination/consultation with existing River Basin Organizations (RBOs; CDORB & Tagoloan RB)	No. of coordination/consultations conducted	6	6
3.2	Inter-agency collaboration/meetings (NGAs, NGOs/CSOs, LGUs, IPs, etc.)	No. of meetings conducted	3	3
3.3	Community and Indigenous Peoples meeting (6 watersheds)	No. of meetings conducted	18	18
3.4	Strengthening/Meeting with PPWMC Secretariats	No. of meetings conducted	5	4
3.5	Orientation, meeting and planning/consultation with ENROs, C/MPDC, and DENR (CENRO, PENRO, RO)	No. of orientations/meetings/consultations conducted	1	1

LANAO			5	0	
1	Orientation about the Program with LGUs and stakeholders (province-based)		No. of LGUs oriented	1	0
1.1	Conduct of Training Needs Assessment (TNA)	TNA conducted	1	0	
2	Conduct of re-echo trainings on				
2.1	Watershed Management Planning Process (Module 1, for 30 pax in 5 days)	No. of trainings conducted	1	0	
2.2	Land-use Assessment and Planning (Module 2, for 30 pax in 5 days)	No. of trainings conducted	1	0	
2.3	Basic/Advance GIS Mapping and Planning (for 30 pax in 5 days)	No. of trainings conducted	1	0	

The two major activities under Component 4 are procurement of goods and services and establishment or operationalization of RPCOs, PPMOs and WMPCOs. Procurement of vehicles, motorcycles, assisting professionals and technical extension officers are on-going and contracts are scheduled to be awarded in the first quarter of 2015. RPCOs, PPMOs and WMPCOs, and institutional linkages in between, have been established. Personnel to augment workforce were also engaged. Start-up activities for project implementation were completed.

Table 5. Total Annual Target and Accomplishment under Component 4

PIA/P Code/MFO		Performance Indicator (UWM)	Total Annual Target	Total Annual Accomplishment
Component 4:			1574	1165
<i>Project management and support services delivered</i>				
NPCO			190	172
1	Procurement of Vehicles (4x4 double cab pick-up; 9 vehicles)	Contract awarded	2	0
2	Procurement of Motorcycles (324 motorcycles)	Contract awarded	2	0
3	Procurement of Office Equipment	Contract awarded	1	1
4	Procurement of Furnitures and Fixtures	Contract awarded	1	1
5	Procurement of IT Equipment	Contract awarded	2	0
6	Procurement of Communication Equipment	Contract awarded	1	0
7	Procurement of Technical and Scientific Equipment	Contract awarded	1	0
8	Procurement of Assisting Professionals	No. of contracts awarded	10	0
9	Support to Project Assisting Professionals	Project Assisting Professionals	1	1
10	Management, Supervision, Monitoring and Reporting		4	4
11	Hiring of staff	165 man-months hired	165	165

CAR			482	364
1	Organization/operationalization of RPCO, PPMO, & WMPCO			
1.1	Creation of office designating OR staff and operationalization	Special order	1	1
1.2	Operation of 1 RPCO, 3 PPMO, 6 WMPCO	Office operationalized	30	11
2	Project Launching	No. of MOA/ covenant signed	5	3
3	Monitoring and Evaluation of site activities	No. of M&E reports	16	13
4	Attendance to NPCO-led trainings and workshops	No. of workshops and trainings attended	4	4
5	Hiring of contractuels to augment existing workforce	Person-months	356	290
6	Support on the operations of 1 Regional, 3 Provincial and 5 Watershed Management Councils	Councils operationalized (no.)	18	9
7	Procurement of Office Equipment	Office equipment procured	1	1
8	Procurement of Furnitures and Fixtures	Furnitures and fixtures procured	1	0
9	Procurement of Communication Equipment	Contract awarded	1	0
10	Procurement of Technical and Scientific Equipment (8 GPS)	Contract awarded	1	0
11	Procurement of Technical Extension Officers (TEO)	No. of contracts awarded	5	0
12	Office supplies (for RPCO, 3 PPMO, 6 WMPCO)		33	23
13	Office improvement for RPCO	Office renovated (no.)	1	1
14	Office improvement for PPMO	Office renovated (no.)	3	3
15	Office improvement for WMPCO	Office renovated/improved (no.)	6	5

BOHOL		180	146	
1	Organization of RPCO, PPMO, & WMPCO	Project Management Office established	4	3
2	Hiring of contractuels to augment existing workforce	Personnel hired	128	128
3	Monitoring and Evaluation of site activities	No. of M&E reports	2	2
4	Attendance to NPCO-led trainings and workshops	No. of workshops and trainings attended	10	5
5	Support on the operations of Watershed Management Councils/Execom (4 WMCs and execom)	Councils operationalized (no.)	10	0
6	Procurement of Office Equipment	Office Equipment procured	1	1
7	Procurement of Fumitures and Fixtures	Fumitures and fixtures procured	1	1
8	Procurement of Communication Equipment	Contract awarded	1	1
9	Procurement of Technical and Scientific Equipment (5 GPS)	Contract awarded	1	1
10	Procurement of Technical Extension Officers (TEO)	No. of contracts awarded	2	0
11	Office supplies (for RPCO, 1 PPMO, 2 WMPCO)		16	4
12	Office improvement for PPMO	Office renovated/improved (no.)	1	0
13	Office improvement for CENRO	Office renovated/improved (no.)	2	0
14	Office improvement for RPCO	Office renovated/improved (no.)	1	0

REGION 10		673	483
1	Mobilization of staff, setting-up Project organization at the regional, provincial (PENRO) and municipal (CENRO/MWPCO) levels		
1.1	Office Renovation for PPMOs and WMPCOs (GOP)		
	For RPCO	No. of offices renovated	1
	For PPMOs of Bukidnon	No. of offices renovated	1
	For PPMOs of Misamis Oriental	No. of offices renovated	1
	For 4 WMPCOs under Bukidnon	No. of offices renovated	4
	For 1 WMPCO under Misamis Oriental	No. of offices renovated	1
1.2	Creation of Project Management Offices (RPCO, PPMOs, WMPCOs), official designation/mobilization of Project Officers and staff		
	Creation of offices and designation of existing staff (fulltime & secondment) with Special Order	No. of offices created with assigned staff	8
	Hiring of project staff for technical support	No. of person-months hired	371
	Orientation/levelling-off of assigned & hired personnel	No. of orientations/levelling-off conducted	1
1.3	Capacitation of RPCO, PPMO, WMPCO staff through trainings/seminars/orientation/etc.		
	Orientations/Training on developed GIS-based database for RPCO, PPMO, WMPCO, & LGU (Secretariat)	No. of orientations/trainings conducted	1
	Maintenance of database	No. of database maintained	2
	Technical trainings on NRM, climate change, PES, REDD, etc.	No. of trainings conducted	6
	Seminar/Levelling-off on sub-project proposal (infra.) preparation, review & approval, implementation, reporting, validation, acceptance, etc.	No. of seminars/levelling-off conducted	1
	Workshop on the preparation of Terms of Reference (TOR) for the procurement or hiring of services required (those not included of NPCO's prepared TORs)	No. of workshops conducted	1
	Seminar/Re-echo on Procurement Law (RA 9184), Financial Management/Reporting, etc.	No. of seminars/re-echo conducted	2
	Training on Basic Project Management	No. of trainings conducted	3
2	Project Launching	No. of launching conducted	2
3	Attendance to NPCO-led trainings and workshops	No. of trainings and workshops attended	9
4	Provision of technical assistance to LGUs, IPs, POs, etc.	No. of assistance extended	48
5	Monitoring and Evaluation of activities	No. of monitoring and evaluation conducted	48
6	Support on the operations of Watershed Management Councils	No. of supports extended to watershed management councils	5
7	Reprogramming (2014 target distribution) and presentation of 2015 WFP, levelling-off, and strategic planning	No. of workshops/strategic planning conducted	1
8	Procurement of Office Equipment	Office equipment procured	1
9	Procurement of Furnitures and Fixtures	Furnitures and fixtures procured	1
10	Procurement of Communication Equipment	Contract awarded	1
11	Procurement of Technical and Scientific Equipment (8 GPS)	Contract awarded	1
12	Procurement of Technical Extension Officers (TEO)	No. of contracts awarded	4
13	Maintenance and Operating Cost (for RPCO, 2 PPMOs, 6 WMPCOs)		144

LANAO			49	0
1	Organization of RPCO, PPMO, & WMPCO	Field offices organized		
	1.1	Creation of Office/Designating of staff	Special Order created	0
2	Hiring of Contractuals to augment existing workforce	No. of person-month hired	0	0
3	Prepare MOA with the academe for the Preparation of Watershed Management Plan	No. of MOA signed	1	0
4	Assessment and Planning of activities	No. of workshops attended	2	0
5	Monitoring and Evaluation of site activities	No. of M&E reports	2	0
6	Attendance to NPCO-led trainings and workshops	No. of trainings and workshops attended	9	0
7	Support on the operations of Watershed Management Councils (5)	WMC supported	10	0
8	Procurement of Office Equipment	Office equipment	1	0
9	Procurement of Furnitures and Fixtures	Furnitures and fixtures procured	1	0
10	Procurement of Communication Equipment	Contract awarded	1	0
11	Procurement of Technical and Scientific Equipment (2	Contract awarded	1	0
12	Procurement of Technical Extension Officers (TEO)	No. of contracts	1	0
13	Office supplies (for RPCO, 1 PPMO, 2 WMPCO)	Office supplies	16	0
14	Office Improvement for RPCO	Office improved	1	0
15	Office Improvement for PPMO	Office improved	1	0
16	Office Improvement for WMPCO	Office improved	2	0

DENR is still awaiting final conclusion of the MOA with ARMM and Provincial Government of Lanao Del Sur.

III. Financial Performance

Table 6. Summary of Financial Accomplishment

Allotment Received vs Obligation

IMPLEMENTING UNITS	ALLOTMENT 2014	OBLIGATION	%
GRAND TOTAL	512,431,000	101,996,000	19.9
FMB-NPCO	104,534,000	21,052,000	20.1
CAR	100,321,000	31,005,000	30.9
REGION 7	77,772,000	18,204,000	23.4
REGION 10	187,529,000	31,735,000	16.9
ARMM	42,275,000	-	0%

Reasons for underutilization

Several factors hindered the achievement of targets. Firstly, implementation in the Lake Lanao River Basin is still on hold due to the finalization of the Memorandum of Agreement (MOA) between DENR and the Autonomous Region of Muslim Mindanao (ARMM). Although efforts were made to advance the agreement, the Provincial Government of Lanao Del Sur has yet to concur. This impediment resulted to the non-utilization of allotment amounting to Php 17,703,000.00.

Secondly, the procurement of the satellite images amounting to Php 22,188,000.00 was not pursued since the National Mapping and Resource Information Authority (NAMRIA) will purchase and will provide the same to the Project at no cost. This allotment is considered as project savings.

Prolonged procurement process of goods and services specifically that of IT and office equipment, furniture and fixtures, vehicles, motorcycles and assisting professionals also adversely affected project implementation. The procurement of these items is essential to the conduct of initial activities such as the preparation of watershed management plans. As a result, most activities slated to be conducted this year were moved to next year and a total of Php 77.45M, from loan proceeds, was not utilized. The delay in the release of funds was identified to be the main reason for the non-utilization. Moreover, an allotment of Php13M grant funds from Global Environment Facility (GEF) and Climate Change Fund (CCF) was only released by DBM in November 2014.

Smallholder investments amounting to Php 31,529,000.00 has not been implemented pending the completion of Watershed Management Plans and subsequent approval by Watershed Management Councils. This activity is also complemented by a training component and survey research amounting to Php 61M.

In addition, the delay in the agreement by the funding institution and DENR on the type of consultancy services engagement hampered project progress. A decision has only been reached in December and the engagement has been moved to CY 2015. Php 54M was allotted for this activity in CY 2014.

Lastly, the allotment of Php 169.38M intended for rural infrastructure subprojects for LGUs, which was supposed to be administered by the Municipal Development Fund Office (MDFO), was inadvertently released to DENR.

Taking into account above reasons for underachievement of targets, the Project is continuously evaluating complexities in order to develop more grounded subsequent WFPs.

IV. Prospects for CY 2015

Aside from the completion of unaccomplished activities in CY 2014, the Project plans to accomplish the following activities for CY 2015:

1. Implementation of smallholder and institutional investment subprojects such as Conservation, Rehabilitation and Protection and Agroforestry and Commercial Tree Plantation subprojects;
2. Development of information, education and communication materials;
3. Capacity building trainings and orientations for stakeholders such as farmer business school; and
4. Engagement of consultants.

It is assumed that the engagement of consultants will greatly assist the Project in implementing and fast-tracking activities. Also, obstacles encountered in 2014, such as delays in fund release, have posed as lessons and will hopefully be averted in 2015.