

SUBPROJECT COMPLETION REPORT

of

KABULNAN WATERSHED SUBPROJECT

Forestry Sector Project
Loan Agreement No. PH-P 135

I. SUBPROJECT DESCRIPTION

The Kabulnan Watershed is within Barangays Saniag and Salman in the municipality of Ampatuan, Maguindanao and specifically located between $124^{\circ} 21' 20''$ to $124^{\circ} 25' 45.57''$ longitude and $6^{\circ} 45' 43.72''$ to $6^{\circ} 49' 11.80''$ latitude.

It is more than one-hour travel from Cotabato City. It is one of the basins of the Autonomous Region for Muslim Mindanao (ARMM)



that plays a very important role in the sustainable supply of water for agricultural and domestic uses in the provinces of South Cotabato, Maguindanao, and Sultan Kudarat. Executive Order No. 5 dated July 15, 1992 proclaimed the area as a watershed reservation.

1. Purpose/Objective

A. Original

a.1. Primary Objective

To uplift the socio-economic condition of the communities by providing them alternative sustainable livelihood projects and employment opportunities through rehabilitation of a portion of the watershed. The communities will be organized such that they will be capable of developing and managing the subproject on a sustainable basis.

a.2. Specific Objectives

1. To reforest 1,100 hectares for protection forest and for watershed purposes;

2. To establish 602 hectares agroforestry plantations to generate sustainable income for the households;
3. To establish 38 hectares bamboo plantations to stabilize and protect riverbanks;
4. To establish 80 hectares of rattan plantation to supply the raw materials requirement of rattan-based industries in the province; and
5. To enrich 180 hectares of residual forest for increased stumpage.

B. Modifications. (FOR SPECIFIC OBJECTIVES)

1. To establish 1,313.78 hectares for protection forest and for watershed purposes;
2. To establish 357.22 hectares agroforestry plantation to generate sustainable income for the households; and
3. To establish 69 hectares bamboo plantation to stabilize and protect riverbanks;

b.1. Reasons for Modification

During the conduct of plantation establishment, a portion of the area intended for agroforestry was planted with reforestation species resulting to a decrease in agro forestry target and consequently an increase in the reforestation per original target stated in the appraisal report.

On the other hand, the final physical validation conducted by the contracted non-government organization showed that the People's Organization (PO) had established a total of 69 hectares bamboo plantation, the final area accomplished by the PO under the said component.

(Targets for Rattan plantation and residual forest have not changed).

2. Subproject Scope and Dimension

A. Comparison of Original and Actual Scope and Dimensions

a.1 Please check: There has been (revision and/or modification or no revision and/or modification) of the Subproject scope and dimensions.

a.2 If "revision and/or modification", please complete the Table.

ITEM	Original Scope and Dimensions	Revised/ Modified (Actual)
<p>1. REFORESTATION/WATERSHED/CBFM</p> <p>A. Survey, Mapping, and Planning (SMP)</p> <p>B. Community Organizing (CO) ¹</p> <p style="padding-left: 40px;">Year 1</p> <p style="padding-left: 40px;">Year 2</p> <p>C. Comprehensive Site Development (CSD)</p> <p style="padding-left: 40px;">1. Soil Erosion Control</p> <p style="padding-left: 80px;">a. Infrastructure</p> <p style="padding-left: 80px;">b. Trail and footpath</p> <p style="padding-left: 80px;">c. Plantation</p> <p style="padding-left: 40px;">2. Vegetative Measures ²</p> <p style="padding-left: 80px;">a. Agroforestry</p> <p style="padding-left: 80px;">b. Assisted Regeneration</p> <p style="padding-left: 80px;">c. Enrichment Planting</p>	<p>October 1995-January 16, 1996</p> <p>3 months duration (2,000.00 hectares)</p> <p>Two (2) years duration: July 1997 to July 1999 (2,000.00 hectares)</p> <ul style="list-style-type: none"> • IEC activities • Assistance to CSD activities • Assistance on Networking and Linkage • Organizational Development and Capacity Building • Livelihood Project Implementation <p>Three (3) years duration: December 1997 to December 2000 (2,000 hectares)</p> <p>602.00 hectares</p> <p>180.00 hectares</p>	<p>October 1995-January 1996</p> <p>Conducted in 3 months (2,000.00 hectares)</p> <p>Extended for three (3) months: July 1997 to October 1999 (2,000.00 hectares)</p> <ul style="list-style-type: none"> • IEC activities • Assistance to CSD activities • Assistance on Networking and Linkage • Organizational Development and Capacity Building • Livelihood Project Implementation <p>Conducted within six (6) years: December 1997 to June 30, 2003 (2,000.00 hectares)</p> <p>357.22 hectares</p> <p>180.00 hectares</p>

<p>d. Tree Plantation d.1. Bamboo d.2. Rattan d.3. Mangrove d.4. Plantation Species</p>	<p>38.00 hectares 80.00 hectares 1,100.00 hectares TOTAL: 2,000.00 hectares</p>	<p>69.00 hectares 80.00 hectares 1,313.78 hectares TOTAL: 2,000.00 hectares</p>
<p>e. Timber Stand Improvement</p>		
<p>3. Inventory of Residual Forest</p>		
<p>4. Income Enhance Subproject</p>		
<p>5. Infrastructure a. bunkhouse b. lookout tower c. footpath d. firelines e. graded trail</p>	<p>3 units 4 units</p>	<p>4 units 4 units</p>
<p>D. Major Infrastructure a. Farm-to-market road b. Small water impounding dam</p>		<p>(270 days duration) 3.04 km 1 unit</p>
<p>E. Monitoring and Evaluation (M & E) Year 1 Year 2</p>	<p>Inspection Chart Mapping (ICM)</p>	<p>Physical Validation: Conducted in two (2) passes: May 2000-May 2001 March 2003 - June 2003 (2,000.00 hectares) • Verification of boundaries, monuments, and block corner posts • Seedling production inventory analysis • Survival Counting with 20% sampling intensity, including mapping of developed areas • Height and diameter measurement, assessment of overall health/appearance</p>

<p style="text-align: center;">Year 1</p> <p>2. Subproject Site Management Office (SUSIMO)</p> <p>Equipment provided to this office: ³</p>		<ul style="list-style-type: none"> • Inspection of physical infrastructure <p>Institutional and Project Benefit Assessment: March 2003 - June 2003 Conducted in one (1) pass only:</p> <ul style="list-style-type: none"> • Assessment of the overall development of the PO • Assessment of the capability of the PO to pursue sustainable resource management and sustain its livelihood initiatives • Identification of various issues/problems/constraints related to the development and strengthening of the PO and the relevant support systems • Identification of immediate benefits of the project and evidences that would indicate the intermediate and long-term socio-economic and environmental impacts. <p>1 Pick-up truck 1 Motorcycle 1 Power generator 1 set Computer with software and printer (1 set) 1 UPS 500VA 1 GIS Software (mapitude) 2 units GPS 3 Handheld radios 2 Forester's transits</p>
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<p>Researches conducted:</p> <p>Training attended by the SUSIMO: ⁴</p> <p>Others:</p>		<p>1 Manual Typewriter 1 Camera 4 Brunton Compass 1 Steel cabinet 2 Steel/diameter tapes 1 Planimeter 4 Abney hand levels 1 Rain gauge 3 Binoculars 1 Lettering set 4 Petromax 4 Brush cutters 1 Water pump 4 Flashlights 3 Calculators 12 Plastic chairs</p> <p>From Infrastructure Contractor: (donations) 1 Revo vehicle Tables and chairs Sala set 1 Conference table 1 Camera</p> <p>NONE</p> <p>1. Enhancement training for DENR 2. Orientation on DAO 2000-65 3. PO orientation on new FSP guidelines 4. GPS and GIS training 5. FSP re-orientation course 6. FSP Phase-in/out Planning Workshop</p> <p>Construction of Subproject Site Management Office</p>
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¹ Please refer to Table 1 for details of trainings attended by PO's

² Table 2 details the subproject performance in terms of area planted

³ Table 3 shows the details of equipment provided to SUSIMO

⁴ Table 4 shows the trainings attended by the SUSIMO staff

B. Reasons for Revisions/Modifications

b.1. Where there has been "revision/modification" of the Subproject scope and dimensions.

Please choose the reason(s) from the following list and check.

- Revision of the superior plan (e.g. sector development plan, etc.)
- Revision of the supply-and-demand estimate
- Large fluctuation in the subproject cost
- Substantial revision of design due to the unforeseeable physical condition at the time of the original design (e.g. poor soil condition, etc.)
- Natural disaster/unreasonable weather
- Unusual circumstances beyond the control of the executing agency.
- Structural and organizational problems of the agencies concerned (e.g. lack of staff, inadequate coordination with other agencies, etc.)
- Availability of funds (e.g. lack of funds, use of contingency, fluctuation of the exchange rate, etc.)
- Unrealistic initial plan/Technical problems
- Procurement problems
- Performance of contractor/supplier
- Performance of consultant
- Change in construction period
- Others

b.2. Detailed statement of reasons

Unusual Circumstances beyond the control of the executing agency

- *On Community Organizing*

Peace and order problems in the region affected the project during its first year of implementation. The Assisting Organization could hardly mobilize the PO to do the CSD activities and attend pre-membership seminars, orientation, trainings, and other important activities as part of project operations.

Performance of Contractor

- *On Comprehensive Site Development*

The planting of reforestation species on a portion originally intended for the establishment of agro forestry plantations

decreased the accomplishment for that component and resulted on the other hand in the increase of the reforestation area.

The total area established under bamboo component increased per result of the latest Monitoring and Evaluation by NGO. This was regarded as the final area accomplished by the PO.

The increase in bunkhouse target was due to the PO's initiative to construct another unit. No payment was given for the additional bunkhouse.

Others (Inclusion of Infrastructure Development Project)

Among the objectives of the Forestry Sector Project (FSP), improvement of the living standard of beneficiary communities is considered as the key to the sustainable management of forest resources. As an additional support, the rehabilitation and construction of infrastructures that are directly linked to promoting livelihood of the communities has been included as a major project component.

C. Contribution of Subproject to Relevant Sectors to which the Subproject Belongs

c.1. (Sub) Sector(s) to which the subproject belongs

- | | |
|---|--|
| <input checked="" type="checkbox"/> Electric Power and Gas | <input checked="" type="checkbox"/> Irrigation and Flood Control |
| <input checked="" type="checkbox"/> (Multi purpose) Dams | <input checked="" type="checkbox"/> Irrigation |
| <input type="checkbox"/> Power plants | <input checked="" type="checkbox"/> Flood Control |
| <input type="checkbox"/> Transmission lines | |
| <input type="checkbox"/> Distribution systems | <input checked="" type="checkbox"/> Transportation |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Roads |
| <input type="checkbox"/> Others | <input type="checkbox"/> Railways |
| <input type="checkbox"/> Telecommunication | <input type="checkbox"/> Bridges |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Airport |
| <input type="checkbox"/> Broadcasting | <input type="checkbox"/> Ports |
| | <input type="checkbox"/> Marine transportation |
| | <input type="checkbox"/> Others |
| <input checked="" type="checkbox"/> Agriculture, Forestry & Fisheries | <input type="checkbox"/> Mining and Manufacturing |
| <input checked="" type="checkbox"/> Agriculture and Forestry | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Fisheries | <input type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Social Services | |
| <input checked="" type="checkbox"/> Water Supply | |
| <input type="checkbox"/> Sewerage | |

- Education
- Health
- Tourism
- Others

C.2. Original (At the time of appraisal/planned)

ITEM	DESCRIPTION
1.Socio-institutional Development and Community Organizing	<ul style="list-style-type: none"> ▪ The community residents covered by the Subproject will be organized such that they will be capacitated to take leadership in the rehabilitation, development, protection, and sustainable management of the subproject. ▪ The technical knowledge of the people will be enhanced with the provision of necessary trainings and information dissemination to harmonize and strengthen, the coordination among communities amidst cultural differences
2. Project Site Development	<ul style="list-style-type: none"> ▪ The improvement of the general biophysical condition of the site with the introduction of multiple land uses such as forestry and agroforestry, to include construction of CSD infrastructures (lookout tower, bunkhouse, footpath, etc.) Soil erosion will be reduced and at the same time, siltation of rivers will be minimized. ▪ The developed plantations will serve as protection forest that will increase water yield and provide shelter for wildlife.
3. Employment and Economic Subproject Benefits	<ul style="list-style-type: none"> ▪ The subproject at full implementation will generate employment opportunities equivalent to an average of 175,548 man-days per year or a total of 4.56 million man-days in 26 years. The expected annual total net cash income per household will range from PHP 732,162 on the first year to PHP 15,917,291 on the 26th year. ▪ Agricultural productivity within the Subproject will improve with the introduction of agro forestry, which will result to maximum economic benefits. ▪ Increase in irrigated rice farms ▪ With the establishment and sustained-yield of the Subproject's plantations, forest industries will grow thereby increasing employment opportunities for the people.

C.3 Present Situation and Outlook for the Future

ITEM	DESCRIPTION
1. The Community and land tenure	<ul style="list-style-type: none"> ▪ Residents of Barangay Saman and Saniag Ampatuan, Maguindanao were organized by the contracted NGO into cooperative, the Kabulnan Watershed Tree Grower and Tree Developer Multi-Purpose Cooperative. Series of Information Education Campaigns (IEC) were conducted during the community-organizing phase. Members of the cooperative were given trainings and seminar that further enhanced their knowledge and skills in plantation establishment, financial management, and livelihood project operations. Despite these, the PO still lacks initiative and has weak management system. The PO management is dependent on the financial returns of activities undertaken. ▪ With continuous assistance from the DENR and other entities, sustainability can be assured even with the present situation of the organization. As managers of the 2,000 hectares of forest area per issued Community-based Forest Management Agreement (CBFMA), members will be trained further and re-oriented on the concept of CBFM.
2. Plantation Development	<ul style="list-style-type: none"> ▪ The 2,000 hectares plantation registered a weighted average survival rate of 42.68% in the latest Monitoring and Evaluation of the contracted NGO. This rate can be attributed to the rampant occurrence of forest fire in the area. ▪ Increase in water yield, shelter for wildlife, and sustained-yield management can be achieved with further provision of necessary technical assistance, especially on the conduct of protection and maintenance of the plantations.
3. Employment and Economic Benefits	<ul style="list-style-type: none"> ▪ The project has been the source of additional income for the community residents employed to conduct the CSD activities as well as those indirectly involved in it. Livelihood projects for the PO have been proposed but are yet to be implemented. They tried to go into Kabir Chicken production but it failed. ▪ Linkage with other institutions and further provision of trainings on financial and livelihood management will improve livelihood opportunities
4. Infrastructure Development	<ul style="list-style-type: none"> ▪ Rehabilitation of farm-to-market road provides ease in transporting agricultural crops and other resources derived from the forest.

	<ul style="list-style-type: none"> ▪ Convenience is assured if regularly maintained by the LGU, in close coordination with the PO and the DENR.
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⁵ Please refer to Table 5 for livelihood projects implemented by PO's

II. Subproject Implementation

1. Organizations for Implementing Subproject

Function in the Subproject Implementation	Name of Organization		Reason for change
	(1) Original	(2) Changed	
1. SMP Contractor	Kadayong, Incorporated		
2. Assisting Organization for CO	Kongreso ng Mga Manggagawa at Mangisngisda Para sa Kaunlaran, Inc.		
3. Assisting Professional (AP)	Guiamaludin G. Guiam		
4. People's Organization (PO)	Kabulnan Watershed Tree Grower and Tree Developer Multi-purpose Cooperative		
5. M & E contractor	Al-Hidayah Upliftment Foundation, Inc.	Mindanao Social Technical and Environment Society, Inc. (MIN-STEMS)	Al-Hidayah internal organizational problem
6. Infrastructure Contractor	Dhayang Construction Firm		

Please state:

1.1. Reasons for change:

M & E Contractor

The Al-Hidayah Upliftment Foundation, Inc. completed the first and second pass of the activity but did not continue the contract for 3rd pass due to internal problems on the part of the NGO contractor.

1.2. Problems arising, counter measures adopted and results

PO for Comprehensive Site Development

Attitude is the major factor that contributed to the poor accomplishment of the PO. Even SUSIMO personnel had a hard time mobilizing the organization especially to do protection and maintenance of the plantation. Series of dialogues, meetings, and leveling-off were conducted but management problem in the organization persists.

Assurance of support and cooperation by the PO failed to elicit action from the members. Despite this, the SUSIMO, with the regional office, continue to influence and reform the attitude of the organization.

1.3. The latest organization chart (or equivalent) for the implementation of the subproject is (attached or not available).

The latest organizational charts are attached as Annexes 1a-1e, except for the CO contractor and Al-Hidayah Upliftment Foundation, Inc. documents of which were lost. New copies cannot be secured anymore.

1.4 If the organizational chart (or equivalent) is not available, please state the reason.

2. Implementation Period

A. Comparison of Original Schedule and Actual Period

Please fill in the following blanks with actual period for each item.

ITEM	ORIGINAL SCHEDULE	ACTUAL PERIOD
1. Survey, Mapping and Planning	October 1995-January 16, 1996	October 1995-January 1996

2. Contract of Assisting Organization for Community Organizing	July 1997 to July 1999	July 1997 to October 1999
3. Contract of PO for CSD	December 1997 to December 2000	December 1997 to June 30, 2003
4. Contract of NGO for M&E	May 2000-May 2001 March 2003 - June 2003	May 2000 - May 2001 March 2003-June 2003
5. Contract of Infrastructure component	December 2002-August 2003	December 2002-July 2003
©Completion of subproject	December 2000	July 2003

Please refer to Table 6 for the Subproject Status Report

Notes: Completion of the Subproject was defined as (completion ceremony or final disbursement or other than the above.

The completion date was scheduled for December 31, 2000 (at the time of appraisal) and is indicated (thus ©) in the above Table.

B. Reasons for Delay or early completion

b.1. In case of delay or early completion, please choose the reason(s) from the following list and check.

- Change in scope/dimensions
- Natural disaster/Unreasonable weather (e.g. earthquake, typhoon, etc.)
- Shortage of funds/Fluctuations on the exchange rate
- Problems in procurement
- Inflation
- Unusual circumstances beyond the control of the Executing Agency
- Structural and organizational problems of the agencies concerned (e.g. lack of staff, inadequate coordination with other agencies, etc.)
- Legislative matters
- Unrealistic initial plan/Technical problems
- Performance of contractor/supplier
- Performance of the consultant
- Others

b.2. Reasons and background for the delay or early completion

Natural Disaster/Unreasonable Weather

- *On the Conduct of Comprehensive Site Development*

The El Niño phenomenon that occurred on the second quarter of 1999 delayed the establishment of nursery. There were problems on availability of planting materials.

Unusual Circumstances beyond the control of the executing agency

- *On the Conduct of Community Organizing*

This activity was delayed because of the instability of the peace and order situation in the region, aside from the fact that members of the PO showed less interest and cooperation.

- *On the Conduct of Comprehensive Site Development*

Peace and order has been a factor as well in the delays of PO accomplishments. Insurgency affected PO operation causing inconveniences. There was an instance when rice support for the workers then was suspected by the military as support for the MILF in the upper portion of the subproject site.

Structural and organizational problems of the agencies concerned

During the first three (3) years of the project, only one (1) Site Coordinator was assigned to monitor and validate PO accomplishments. There were delays in payment and pending requests for validation. There was difficulty in mobilizing the PO to undertake CSD activities without partial payment.

C. Remedial Action Taken in Each Case of Delay

Natural Disaster/Unreasonable Weather

During the El Niño phenomenon, the SUSIMO personnel advised the organization to purchase planting materials instead of wasting time to produce the required number of planting stocks.

Unusual Circumstances beyond the control of the executing agency

- On Community Organizing

An extension was given to the Assisting Organization to continue and complete the remaining activities like intensive IEC, PO meetings, and documentation, among others.

- On the Comprehensive Site Development

Right after the insurgency, the SUSIMO called a meeting and formulated strategies to cope with backlogs, among them increase of manpower and division of area of assignments on the basis of strength of group leaders.

Structural and organizational problems of the agencies concerned

During the early part of project implementation, only one (1) site coordinator was assigned to do the monitoring and validation of PO's overall project operations. The creation of the Subproject Site Management Office by virtue of DAO 2000-65 not only in the Kabulnan Subproject but in the entire country further improved the implementation of the Forestry Sector Project. It also established and develop better partnership with the community, thus ensuring greater participation.

3. Subproject Cost

A. Comparison of Original Estimated Cost and Actual Expenditure (by component)

Item	Original Cost (in M pesos)	Actual Expenditures (in M pesos)
Survey, Mapping and Planning	1.350000	1.350000
Community Organization	3.550000	3.550000
Comprehensive Site Development	21.881165	25.705301
Monitoring and Evaluation	2.631250	2.669939
Infrastructure Dev't	13.990811	13.990811
Subproject Coordinating Office (SUSIMO)	1.889265	0.964371
TOTAL	45.292490	48.230421

Please refer to Tables 7,8,9 and 10 for details on the cost of SMP, CO, CSD & M and E. Table 11 shows the lists of infra projects with corresponding cost.

B. Reasons for the Difference Between Original Estimated Cost and Actual Expenditure

b.1. If there is any difference between Table a.1 and table a.2 in paragraph a please choose the reason(s) from the following list and check.

- Increase in reconstruction cost arising from natural disaster/unreasonable weather (e.g. earthquake, typhoon, etc)
- Increase or decrease arising from a change in construction period
- Increase or decrease arising from inflation
- Increase or decrease arising from fluctuation in the exchange rate
- Increase or decrease arising from a change in the scope/work volume of the Subproject
- Decrease arising from keen competition in tender
- Unusual circumstances beyond the control of the Executing agency
- Unrealistic cost estimates/technical problems
- Others

b.2. Description of the detailed reason(s) and background

Increase or decrease arising from fluctuation in the exchange rate

- *On the Comprehensive Site Development Cost*

There was updating of cost estimates per activity during 2001. The Annual Work and Financial Plan of the Kabulnan Tree Growers and Tree developers MPC has undergone revisions. The final revised cost was PhP 31,179,858.84. The PO, for its failure to attain the 80% weighted average survival rate of the whole plantation did not claim retention fee; hence the disbursement was only PhP 25,705,300.98.

- *On the Monitoring and Evaluation Cost*

The original contract amount of PHP 1,130,249.60 for Physical Validation of Al-Hidayah Upliftment Foundation, Inc. has been revised to PHP 1,168,939.00. The unit cost of specific activities was further updated per Memorandum Cicular (MC) 2001-04 entitled "Revised Guidelines on the Conduct of Monitoring and Evaluation of the Forestry Sector Project."

Others (Re-alignment)

- *On the Subproject Site Management Office Cost*

The allotment per object (traveling allowances, communication, office supplies, etc) was not the exact amount that was obligated because realignment was made at the regional level; hence a difference of PHP 924,894.16. This was used/spent as well in the implementation of Forestry Sector Project in the region.

C. Comparison of Original Estimated Expenditure and Actual Expenditure (by year)

Calendar year	Original Cost (in M pesos)	Actual Expenditure (in M pesos)
1996	1.350000	1.350000
1997	0.532500	0.532500
1998	14.568976	6.650909
1999	6.052345	3.483858
2000	5.407594	5.722435
2001	0.556000	7.074740
2002	0.536125	5.465253
2003	16.288950	17.950726
TOTAL	45.292490	48.230421

Please refer to Table 12 on details of the Annual Work & Financial Plan

4. Comments on Performance of Assisting Organizations (AOs), Assisting Professionals (APs), Peoples Organization (PO), M&E and Infrastructure contractors.

Please describe the performance of each organization after checking the item(s) in the relevant lists on which you have any comment.

A. Performance of Assisting Organizations and Assisting Professionals (if any) Peoples Organizations, M&E and Infrastructure contractors.

- a.1. Overall performance
- Contract administration
 - Expertise
 - Coordinating ability
 - Performance related to any other than the Subproject scope, if any.
 - Design
 - Construction supervision
 - Staff qualifications
 - Compliance with contracts

□ Others

a.2. Description

Overall Performance

▪ The Assisting Professional

The Assisting Professional assigned in Kabulan Watershed Subproject has satisfactorily done his job per the Terms of Reference (TOR). He has shown full support and cooperation to the SUSIMO and PO.

▪ The Peoples Organization

The PO was very slow and weak in the protection and maintenance despite recommendations and instructions made by the SUSIMO. They showed less support and cooperation with the SUSIMO and other project implementers.

▪ Infrastructure Contractor

The contractor was efficient. Laborers were working even at night so that they were able to satisfactorily complete the construction of small water impounding dam and farm-to-market road a month ahead of the schedule.

Expertise

▪ The Assisting Organization

The Kongreso ng Mga Manggagawa at Mangisngisda Para sa Kaunlaran, Inc. has satisfactorily accomplished their activities as well. The weak point was in the manner of giving instructions and directions to the members of the organization. In the absence of the articulate and effective personnel, dissemination of information and assistance was ineffective.

5. Other matters relating to Subproject Implementation

Please choose the item(s) from the following list on which you have any comment, check it (them), and describe (them) with measure and results in (B) below

- A. Technical Financial Institutional Economic
 Social/Distributional Others

B. Description

Social/Distributional

- Organizational System of the PO

The presence of "Datuism" within the organization wherein the head dictates every action on matters pertaining to project implementation made it difficult for the SUSIMO to introduce development and change specifically on the financial management of the organization. Application of Co-management scheme was ineffective.

Others (Management Strategy)

- Hiring of Assisting Professional

The idea of hiring an Assisting Professional in Kabulnan Watershed Subproject has helped a lot. The technical, administrative, financial, and livelihood development needs of the organization were covered by the Terms of Reference. But with the attitude of the majority of members of the organization, all proposals and recommendations became useless.

III. Action Taken by the AOs, Aps and POs relating to Recommendations

1. Recommendation(s) made by SUSIMO
SUSIMO check: This article is (applicable. The recommendations are given in Annex-I herewith or not applicable. There has been no recommendation with regards to the subproject.)
2. Action Taken and Results

RECOMMENDATION FROM THE SUSIMO	ACTION TAKEN		RESULTS/REMARKS
	By the AP	By the PO	
1. For the PO to deploy manpower on the area for patrolling activities	Agreed and assisted in the implementation	Agreed and cooperated but only during the first 2-3 weeks after the meeting	The so-called 13 lead men group was created and further divided into two (2). The first seven is assigned in Salman portion and the other in Siniag. Each was tasked to conduct patrolling and to monitor their respective areas on a shifting basis. As agreed, there will be additional incentive for the group with less fire occurrence within their areas of responsibilities. This was not sustained. Fire still occurred that resulted to very low survival rate of plantations.
2. For the PO to resettle some members on site temporarily to look over the PO facilities and the plantation per se.	Agreed and assisted in the implementation	Agreed and cooperated but only within a short period of time	After plantation has been established, the PO seldom reported to the office.
3. For the PO to buy working animal to facilitate agricultural activities within member's own backyard		Did not consider the recommendation.	Buying of working animals is yet to be decided within the organization.
4. For the PO to buy handheld radio communicating device		Did not consider the recommendation.	Buying of handheld radio is yet to be decided within the organization.
5. For the PO to issue voucher for every release of money		Did not consider the recommendation.	No transparency within the organization. Co-management scheme (SUSIMO and PO) is not implemented

IV. Initial Operation and Maintenance of Subproject Facilities

1. Present Condition of Facilities

A. Please check: This article is (applicable due to problems or not applicable.

No particular problem has occurred since the initial operation started). If there have been any problems, please check relevant space in the table.

For the Peoples Organization:

Item	No. of Units	Status	Initial Operation	Maintenance	Management
1. PO office	1	serviceable			
2. Base Radio	1	unserviceable	✓		
3. Brushcutter	1	serviceable			
4. Jeep	1	serviceable	✓		
5. Generator	1	-do-			
6. Computer	1	unserviceable	✓		
7. Printer	1	unserviceable	✓		
8. Tables and chairs	2 & 15	serviceable			
9. Conference table	1	serviceable			
10. Steel cabinet	1	serviceable			
11. Camera	1	serviceable			
12. Gas stove	1	serviceable			
13. Refrigerator	1	serviceable			
14. Bulldozer	1	serviceable	✓		
15. Aircon	1	serviceable			

For the SUSIMO:

Item	No. of Unit	Status	Initial Operation	Maintenance	Management
1. Pick-up truck	1	serviceable			
2. Motorcycle	1	-do-	✓		
3. Power generator	1	-do-			
4. Computer with software and printer	1	serviceable -do-			
5. UPS 500VA	1	-do-	✓		
6. GIS Software (maptitude)	1	unserviceable			
7. GPS	2	serviceable			
8. Handheld radios	3	1 unit unserviceable	✓		
9. Forester's transits	2	serviceable			
10. Manual Typewriter	1	-do-			
11. Camera	1	-do-			
12. Brunton Compass	4	-do-			
13. Steel cabinet	1	-do-			
14. Steel/diameter tapes	2	-do-			
15. Planimeter	1	-do-			
16. Abney hand levels	4	-do-			
17. Rain gauge	1	unserviceable	✓		
18. Binoculars	3	serviceable			
19. Lettering set	1	-do-			

20. Petromax	4	1 unit unserviceable	✓		
21. Brush cutters	4	serviceable			
22. Water pump	1	-do-			
23. Flashlights	4	-do-			
24. Calculators	3	-do-			
25. Plastic chairs	12	-do-			
From Infrastructure Contractor: (donations)					
26. Revo vehicle	1	serviceable			
27. Tables an chairs	1	-do-			
28. Sala set	1	-do-			
29. Conference table	1	-do-			
30. Camera	1	-do-			

B. Please check: The Problem(s) has arisen owing to the following reason(s):

- Technical Financial Institutional Economic
 Social/Distributional Others (Minor/common problem).

C. Description

Motorcycle - lights was damaged but is now functioning

GIS Software- damaged/affected by the AVR voltage problem

Handheld radio - damaged battery pack

Rain gauge - service wire was damaged and is now unserviceable

Petromax - spare parts were accidentally damaged

Spare parts of damaged facilities are not available in the locality/nearby hardware and electrical supplies; hence said facilities are no longer operational.

D. Aspect of utilizing the Subproject Facilities

For the PO:

Item	Original Plan	Actual Operation
1. PO office	For PO use	For PO use
2. Base Radio	-do-	-do-
3. Brushcutter	-do-	-do-
4. Jeep	-do-	-do-
5. Generator	-do-	-do-
6. Computer	-do-	-do-
7. Printer	-do-	-do-
8. Tables and chairs	-do-	-do-
9. Conference table	-do-	-do-
10. Steel cabinet	-do-	-do-

11. Camera	-do-	-do-
12. Gas stove	-do-	-do-
13. Refrigerator	-do-	-do-
14. Bulldozer	-do-	-do-
15. Aircon	-do-	-do-

For the SUSIMO:

Item	Original Plan	Actual Operation
1. Pick-up truck	For SUSIMO use	For SUSIMO use
2. Motorcycle	-do-	-do-
3. Power generator	-do-	-do-
4. Computer with software and printer	-do-	-do-
5. UPS 500VA	-do-	-do-
6. GIS Software (maptitude)	-do-	-do-
7. GPS	-do-	-do-
8. Handheld radios	-do-	-do-
9. Forester's transits	-do-	-do-
10. Manual Typewriter	-do-	-do-
11. Camera	-do-	-do-
12. Brunton Compass	-do-	-do-
13. Steel cabinet	-do-	-do-
14. Steel/diameter tapes	-do-	-do-
15. Planimeter	-do-	-do-
16. Abney hand levels	-do-	-do-
17. Rain gauge	-do-	-do-
18. Binoculars	-do-	-do-
19. Lettering set	-do-	-do-
20. Petromax	-do-	-do-
21. Brush cutters	-do-	-do-
22. Water pump	-do-	-do-
23. Flashlights	-do-	-do-
24. Calculators	-do-	-do-
25. Plastic chairs	-do-	-do-
From Infrastructure Contractor: (donations)		
26. Revo vehicle		-do-
27. Tables and chairs		-do-
28. Sala set		-do-
29. Conference table		-do-
30. Camera		-do-

2. Organization for Operation and maintenance

A. Name of People's Organization/SUSIMO

a.1 Please give the name of PO and/or Body in charge of O/M

PO: Kabulnan Watershed Tree Growers and Tree
Developers Multi-Purpose Cooperative
SUSIMO: SUSIMO Kabulnan Watershed Subproject

The PO and SUSIMO organizations were in-charge of the operation and maintenance of their respective facilities. The BOD/officers of the PO, on the other hand, had greater responsibilities than members.

a.2 Please check: The latest organizational chart (or equivalent) for O/M of the subproject facilities is (attached or not available).

The latest organizational charts of the PO and SUSIMO are attached as Annexes 1c and 1e.

a.3. If the organization chart (or equivalent) is not available, please state the reason.

B. Number of staff/workers of the PO or Body for Operation and Maintenance of Subproject facilities.

PO: 9 BOD/Officers
SUSIMO: 10 DENR Personnel

C. Please check and explain the following.

c.1. The number of staff is currently (sufficient or insufficient).

If "insufficient, please describe your estimate of the optimum number of staff and your plan for providing them.

c.2. Average employment period of the present staff

PO: 6 years
SUSIMO: 10 years

c.3. Availability of training programs to promote the vocational ability of the staff, its contents, and expected effects.
(NONE)

There are no other training programs line-up for the PO and the SUSIMO.

3. Annual Budget or Actual Expenditure for Operation and Maintenance (by year)

A. Original Expected Expenditure

<i>For the SUSIMO:</i>		<i>Unit: Mil pesos)</i>	
<i>Item Calendar year</i>	<i>Maintenance</i>	<i>Operation</i>	<i>Total</i>
<i>2001</i>			<i>0.248000</i>
1. SUSIMOffice (office supplies, communication)		0.101000	
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.045000		
4. Others		0.102000	
<i>2002</i>			<i>0.273125</i>
1. SUSIMOffice (office supplies, communication)		0.100000	
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.083125		
4. Others		0.090000	
<i>2003</i>			<i>0.563000</i>
1. SUSIMOffice (office supplies, communication)		0.208900	
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.214000		
4. Others		0.140100	
<i>TOTAL</i>	<i>0.342125</i>	<i>0.742000</i>	<i>1.084125</i>

Although 15% of every billing is allotted as the Project Management Cost/Administrative Cost of the PO, no data was available with regard to the annual budget of the PO. They just allotted certain amount as the need arose.

B. Actual and Currently Expected Expenditure

For the PO:

(Unit: in Mil peso)

Item Calendar year	Maintenance	Operation	Total
2001			0.200000
1. PO office (supplies and materials)		0.200000	
2. Fuel and oil (for jeep and generator)			
3. Electricity (lights, refrigerator, aircon, etc.)			
4. Others			
2002			1.23984
1. PO office (supplies and materials)		0.100000	
2. Fuel and oil (for jeep, bulldozer and generator)	0.859840		
3. Electricity (lights, refrigerator, aircon, etc.)	0.120000		
4. Others		0.160000	
2003			1.203856
1. PO office (supplies and materials)		0.150000	
2. Fuel and oil (for jeep, bulldozer, and generator)	0.773856		
3. Electricity (lights, refrigerator, aircon, etc.)	0.120000		
4. Others		0.160000	
TOTAL	1.873696	0.770000	2.643696

For the SUSIMO:

(Unit: in Mil peso)

Item Calendar year	Maintenance	Operation	Maintenance	Operation	Total
			For expanded Portion		
2001					0.124380
1. SUSIMO office (office)					

supplies, communication)					
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.124380				
4. Others					
2002					0.172436
1.SUSIMOffice (office supplies, communication)		0.050908			
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.067941				
4. Others		0.053587			
2003					0.092825
1. SUSIMOffice (office supplies, communication)		0.031907			
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)	0.060918				
4. Others					
TOTAL	0.253238	0.136402			0.389641
<i>July-December 2003</i>					<i>0.32000</i>
1. SUSIMOffice (office supplies, communication)				0.124400	
2. Gas and oil lubricants (for motor,			0.128400		

pick-up, petromax, and generator)					
4. Others				0.069600	0.19000
<i>January-March 2004</i>					
1. SUSIMOffice (office supplies, communication)				0.043750	
2. Gas and oil lubricants (for motor, pick-up, petromax, and generator)			0.061250		
4. Others				0.080000	0.51000
TOTAL			0.19000	0.32000	

Actual expenditures of the PO from year 1998 to 2000 are not available.

A total amount of PHP 112,500.00 was allotted for the PO for the whole 2004 year of operation. Said amount is the Administrative Cost that will be derived from the maintenance and protection billing for year 2004. Other than this, expenses of the PO would depend solely on their income from livelihood operations and Agroforestry crops, and from other sources, if there is any.

- Please describe the basis for the above estimate and your financing plan for the same.

The SUSIMO Budgetary and Actual expenditures are based on previous experiences of project operations. It has been part of the strategy to facilitate overall subproject activities, specifically to minimize delay of processing of payments for the PO.

4. Maintenance Method

The maintenance methods being applied by the SUSIMO and PO for their major facilities like vehicles, offices, and computer, among others are the usual or very common ways such as change of oil, payment for electricity, and renovation. Others are applied as the need arise.

For the PO:

Item	Content of Method	Frequency
1. Jeep	Change of oil/tuning up	Quarterly
2. Bulldozer	Change of oil/tuning up	Quarterly
3. PO office and other equipment	Electricity/renovation	As the need arise

For the SUSIMO:

Item	Content of Method	Frequency
1. Pick-up	Change of oil/tuning up	Quarterly
2. Motorcycle	Change of oil/tuning up	Quarterly
3. Computer	Cleaning of hardisk	Irregular/as the need arise
4. SUSIMO office	Electricity/renovation	arise

V. Benefits derived from the subproject

1. Indirect Effects

A. Please choose and check the item(s), which are dealt with this Article by you.

- Technological transfer (e.g. application of technology used in the Subproject to other similar projects and subprojects)
- Employment creating (e.g. during construction, contribution to the sector(s) after completion.
- Income raising (e.g. income of the residents in the region)
- Other intended or unintended effects on the relevant sector(s) and/or the region concerned

B. Please give details for each of the item(s) you checked.

Employment creating and income raising

The six years implementation of the project in Kabulan has provided additional but temporary employment for the residents of Barangay Saniag and simultaneously increased income of the same from the CSD and infrastructure activities. A total of 196,584 Mondays were generated mainly for the 158 members of the PO.

There was a considerable increase of income per annum from PHP 2,574 during appraisal to PhP 13,000 during project implementation on off-farm activities.

VI. CONCLUSIONS AND RECOMMENDATIONS

- Observance of weak community organizing activities with cash benefits foremost in the minds of most of the members even before the conduct of the activity, contributed greatly to the adverse condition at the site;
- The first two years of Project implementation is critical so that lack of DENR personnel deployed at the site to meet work requirements during peak of community organizing activities affected implementation considerably.
- For further improvement of the PO in the Kabulnan Watershed Subproject, it is recommended that it be streamlined;
- The DENR should continuously and strictly monitor and supervise the operations of the PO while providing technical assistance;
- The conduct of re-orientation on the concept of Community-based Forest Management Program should be intensified;
- The conduct of a series of dialogues with PO members to find solution to the "agreed-no-action" attitude should be pursued;
- Participatory activities that will promote harmonious relationship among the PO members and with the DENR should be introduced;
- Support on networking with other institutions for possible funding of PO livelihood projects should be provided by the DENR