

SUBPROJECT COMPLETION REPORT

of

MAASIN WATERSHED REHABILITATION SUBPROJECT

Forestry Sector Project
Loan Agreement No. PH-P 135

I. Subproject Description



The Maasin Watershed Rehabilitation Subproject is located on the northern part of Iloilo City and lies between geographical coordinates of $10^{\circ} 50'$ to $10^{\circ} 58'$ latitude and $122^{\circ} 20'$ to $122^{\circ} 28'$ longitude.

It is bounded on the northeast by the Municipality of Janiuay, on the southeast by the Municipality of Maasin, on the southwest by the Municipality of Alimodian and on the northwest by the province of Antique. The Subproject has a total area of 3,549.80 hectares or 53% of the Maasin Watershed Reserve and has about some 16 barangays within its jurisdiction.

1. Purpose/Objectives

A) Original

1. To improve the socio-economic conditions of the communities in and around the watershed;
2. To minimize soil loss and sedimentation of Tigum River and its tributaries by stabilizing stream banks;
3. To establish forest plantations in suitable areas within the watershed;
4. To establish Agroforestry plantations in areas cultivated/farmed by residents of nearby barangays along the periphery of the watershed; and,
5. To establish bamboo and rattan plantations.

B) Modification (No modifications was made)

- a. Modified purpose/objectives (N/A)

b. Reasons for the modification (N/A)

2. Subproject Scope and Dimension

A. Comparison of Original and Actual Scope & 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 & Planning</p> <p>B. Community Organizing ¹</p> <p style="padding-left: 40px;">Year 1</p> <p style="padding-left: 40px;">Year 2</p> <p>C. Comprehensive Site Development</p> <p style="padding-left: 20px;">1. SOIL EROSION CONTROL</p> <p style="padding-left: 40px;">a. Infrastructure</p> <p style="padding-left: 40px;">b. Trail and footpath</p> <p style="padding-left: 40px;">c. Plantation</p>	<p>6,150.00 hectares</p> <p>June 1997 to June 1999: 2,685.00 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 • Monitoring and Evaluation 	

2. VEGETATIVE MEASURES ²		
a. Agroforestry	1,164.0 hectares	1,320.10 hectares
b. Assisted Natural		
c. Enrichment Planting		
d. Tree Plantation		
d.1. Bamboo (and riverbank)	360.0 hectares	342.80 hectares
d.2. Rattan	111.0 hectares	200.10 hectares
d.3. Mangrove		
d.4. Plantation Sp.	1,050.0 hectares	1,042.80 hectares
e. Timber Stand Improvement		
TOTAL	2,685.0 hectares	2,905.80 hectares
3. INVENTORY RESIDUAL FOREST		
4. INCOME ENHANCEMENT PROJECT		
5. INFRASTRUCTURE		
• Bunkhouse	3 units	8 units
• Lookout Tower	5 units	8 units
• Nurseries	7 units	5 and 22* units
• Fire lines	45,817 sq.m.	46,251 sq.m.
• Trail and Footpath	148.7 km.	147.7 km.
		*sub-nurseries
D. INFRASTRUCTURE COMPONENT		
Farm to Market road		9.465 km
E. MONITORING & EVALUATION*		
Physical Validation	Inspection Chart Mapping (ICM)	Conducted in three (3) passes;
Year 1		January to May 2001;
Year 2		January to September 2002;
Year 3		January to June 2003

<p>*same activities are conducted each year</p> <p>Institutional and Project Benefit Assessment</p> <p>Year 1 Year 2</p>		<p>2,905.80 hectares</p> <ul style="list-style-type: none"> ▪ 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 ▪ Inspection of physical infrastructure <p>Conducted in two (2) passes:</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
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<p>2. SUSIMO Equipment provided to the office:³</p>		<p>relevant support systems</p> <ul style="list-style-type: none"> ▪ Identification of immediate benefits of the project and evidences that would indicate the intermediate and long-term socio-economic and environmental impacts. <ul style="list-style-type: none"> ○ 1 unit, 2-ton pick - up ○ 1 unit, Power Generator ○ 1 unit, Computer ○ 1 unit, Printer ○ 3 units, Motorcycles ○ 1 unit, UPS 500 VA ○ 1 unit, GIS Software (Maptitude) ○ 2 units, GPS ○ 1 unit, Base Radio ○ 3 units, Handheld Radio ○ 2 units, Forester's Transit ○ 1 unit, Typewriter (Manual) ○ 3 units, Brunton Compass ○ 2 units, Steel Nylon Tape ○ 2 units, Diameter Tape ○ 1 unit, Planimeter ○ 3 units, Abney
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<p>Researches conducted:</p> <p>Trainings attended:⁴</p>		<p>Hand Level</p> <ul style="list-style-type: none"> ○ 1 unit, Rain Gauge ○ 3 units, Binocular ○ 1 set, Lettering Set <p>NONE</p> <ul style="list-style-type: none"> • FSP reorientation, assessment & SUSIMO Action planning workshop • PO FSP re orientation & action planning workshop • On-the-job training on GIS/GPS operation • Workshop on benefit sharing system for CBFM-POs • Re-orientation course for FSP implementers • Workshop on Business Plan Preparation • Team Building towards Moral Recovery • On-the-job training on map digitization • Orientation & planning workshop on CRMF preparation • Orientation on Technical Integration of the community resource map & technical map • Community-based Resource mapping
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<p>Others: Subproject Site Management Office</p> <p>Infra Project office equipment/facilities turned over at the Regional Office</p>		<p>accounting</p> <ul style="list-style-type: none"> • Biodiversity assessment training <p>48 sq.m. floor area , Concrete with GI sheets roof.</p> <p>1 Unit SUSIMO Bunkhouse</p> <p>Manned by 11 SUSIMO Staff</p> <ul style="list-style-type: none"> ♦ Desktop Computer with printer & table ♦ Conference table & comp. Chair & 6 monobloc chairs
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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 Revision/Modification of scope and Dimensions

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/unseasonable 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 reason(s) and background

Others (PO initiative)

On Comprehensive Site Development (CSD)

There were changes in the CSD scope in almost all components due to PO initiatives and availability of areas except for bamboo. The PO members opted to plant in excess of the target for agro forestry and other plantation species without any additional fund from the DENR. Accomplishment for the bamboo component is below the target since a large portion of the area is already covered with bamboo. Some are just expansion of the existing bamboo plantations while the others are planted by individual farmers on their own initiative.

On Infrastructure

The distant location of plantations gave rise to an increase of nurseries as the PO found it more practical to establish sub-nurseries for ease of management and seedling distribution. Likewise, the construction of additional bunkhouses and look out tower to facilitate better monitoring and protection of plantation.

C. Contribution of Subproject to Relevant (Sub) Sector(s)

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

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Electric power and Gas | <input type="checkbox"/> Telecommunication | <input checked="" type="checkbox"/> Social services |
| <input checked="" type="checkbox"/> (Multipurpose) Dams | <input type="checkbox"/> Telecommunications | <input checked="" type="checkbox"/> Water supply |
| <input type="checkbox"/> Power Plants | <input type="checkbox"/> Broadcasting | <input type="checkbox"/> Sewerage |
| <input type="checkbox"/> Transmission lines | | <input checked="" type="checkbox"/> Education |
| <input type="checkbox"/> Distribution Systems | | <input type="checkbox"/> Health |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Irrigation and Flood control | <input checked="" type="checkbox"/> Tourism |
| <input type="checkbox"/> Others | <input checked="" type="checkbox"/> Irrigation | <input type="checkbox"/> Others |
| | <input checked="" type="checkbox"/> Flood control | |

- Transportation
 - Roads
 - Bridges
 - Railways
 - Airport
 - Ports
 - Marine Transportation
- Agriculture, Forestry and Fisheries
 - Agriculture and Forestry
 - Fisheries
- Mining and Manufacturing
 - Mining
 - Manufacturing
 - Others

c.2. Original (At the time of appraisal/Planned)

Item	Description
1. Project Area Development	<ul style="list-style-type: none"> ▪ Planting of endemic and fast growing tree species within the project has been perceived to improve bio-diversity in the area in due time; promote good soil water holding capacity thus reducing the risk of flash floods, soil erosion and sedimentation. Water yield and quality will also improve as a result of better vegetative cover. ▪ Irrigation systems, key production areas downstream, city dwellers, industrial and commercial establishments would be serviced by the watershed in terms of supplying their water requirements. This would have positive impact on the establishment of allied industries and economic activities in the area, which in turn will benefit the communities within the watershed as well as those located nearby. ▪ Since the main activity in the subproject implementation is plantation development, the stumpage stock of the watershed would increase, thus can be viewed as a

<p>2. Socio-institutional Development</p>	<p>future timber reserve and future sources of other valuable watershed resources. About 568,908 cu m of timber could be easily raised in the subproject.</p> <ul style="list-style-type: none"> ▪ Subproject implementation would provide immediate employment opportunities to the watershed communities dependent on the watershed resources, thus reducing the deforestation rate in the watershed. • Through Community Organizing, the knowledge and skills of the communities on proper subproject implementation, technical forestry and environmental protection would be enhanced to effect positive development in the watershed and its environment. • The communities would be capacitated to establish linkages/networks with other government and non-government organizations to respond to their needs and requirements, like : <ul style="list-style-type: none"> ○ Department of Agriculture (DA) for materials and technical resources to improve existing agricultural technology in the subproject area. ○ Department of Interior and Local Government (DILG) for strengthening LGUs and barangay capabilities particularly in protecting the watershed, improvement of barangay roads and other facilities. ○ Department of Health (DOH) for the delivery of basic health services. ○ Metro Iloilo Water District
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<p>3. Employment Generation</p> <p>4. Income raising</p>	<p>(MIWD) and National Irrigation Administration for assistance in providing benefits for the communities charged with looking after the development and protection of the watershed.</p> <ul style="list-style-type: none"> ○ Department of Education, Culture and Sports (DECS) for the assistance in environmental education through both formal and non-formal strategies. ○ Banks, Other Government Agencies (OGAs), Non-Government Organizations (NGOs) for livelihood and credit assistance, and also for information dissemination on the importance of the watershed. <ul style="list-style-type: none"> • The subproject is envisioned to generate employment of estimated 473,125 man days during the first 5 years. This is equivalent to a total incentive /income of PHP 47,312,440. When the agroforestry plantations start full blast operations on the 6th year, there will be substantial number of employment opportunities that will be created as a result of the sustainable development of the watershed. • The subproject including on-farm, off- farm and non-farm income sources is expected to yield an income that is greater than the poverty income level of upland areas in Region 6.
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c.3. Present situation and outlook for the future

Item	Description
1. The community	<ul style="list-style-type: none"> ▪ The Katilingban sang Pumuluyo nga naga-Atipan sang Watershed sang Maasin (KAPAWA) was formally organized and registered with the Bureau of Rural Workers last August 15, 1997. During the six-year implementation, the PO members have undergone trainings on improved CSD activities, financial management system, organizational development, and livelihood project planning and identification. These served as tools in accomplishing their targets, in augmenting knowledge and in boosting their courage to face challenges as the "manager" of the Maasin Watershed for twenty-five (25) years renewable for another 25 years. Per issued CBFMA the tenured area is 3,415.92 hectares ▪ Presently there are fifteen (15) livelihood projects implemented by KAPAWA. Four(4) were managed within the federation level while eleven (11) were managed by the member associations.⁵
2. Infrastructure	<ul style="list-style-type: none"> ▪ The rehabilitation of the Farm to Market Road improved access of agroforestry and bamboo products to the markets. It also paved the way for electricity to reach the barangays concerned and facilitated the construction and improvement of other connecting roads.
3. Eco-Tourism	<ul style="list-style-type: none"> ▪ This subproject has potential for eco-tourism but has to be planned by the SUSIMO, LGU and PO as it can provide economic opportunities in the area. In three years time, it is expected that the Maasin Watershed

<p>4. LGU Support</p>	<p>Eco-Tourism and Camping Park to be managed by the KAPAWA.</p> <ul style="list-style-type: none"> ▪ With the good support of the present municipal LGU, the subproject is expected to be sustained in the future. ▪ Maintenance of the constructed Farm to Market Road is expected to be sustained for long-term benefit of the communities. ▪ The constant visits of the other LGUs from other areas of the country demonstrate the strong partnership among the LGU, DENR and PO in CBFM approach in Watershed Management.
<p>5. Development activities on the project area</p>	<ul style="list-style-type: none"> ▪ The areas identified for development were completed exceeding the target. Reforestation and Agroforestry component have been established and its growth likely to continue in the future if the People's Organization (PO) sustains maintenance and protection activities. ▪ Construction of Comprehensive Site Development infrastructures more than the required number indicates the strong commitment of the PO to make the project successful. ▪ Bio-diversity within the project area increased with the planting of endemic and fast growing tree species. ▪ Water yield and quality will improve as a result of better vegetative cover. This will promote good soil water holding capacity thus, reducing risks of flash floods, soil sedimentation and

	<p>soil erosion.</p> <ul style="list-style-type: none"> ▪ The rehabilitation of 9.465 km farm-to-market road will facilitate further improvement and development of the watershed reserve, specifically the area covered by the CBFMA. Likewise, marketing of agricultural and livelihood products of the PO and adjacent communities will also be facilitated.
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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		Reasons for Change
	(1) Original	(2) Changed	
1. SMP Contractor	Diocesan Social Action Center, Inc.		
2. AO for CO	Kahublagan Sang Panimalay Foundation, Inc. (KSPFI)		
3. Assisting Professional	Efren Gerardino		
4. PO	Katilingban Sang Pumuluyo Sa Watershed		
5. M & E contractor	Participatory Governance for Natural Resources		

6. Infrastructure Contractor	<p>and Dev't. Inc. (PGI) - 1st Pass & 2nd Pass)</p> <p>Green Forum - Western Visayas (3rd Pass & 4th Pass</p> <p>International Builders Corporation (IBC)</p>		
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Please state:

1.1 Reasons for the change (No change)

1.2 Problems arising, counter measures adopted and results

1. Failure of the KSP to complete the CRMF preparation and the Process Documentation

The Assisting Organization (AO) failed to complete the CRMF preparation and process documentation per CO contract. Several reminders were issued by the Regional Office to submit the required documents/accomplishments but still no reports have reached the Office. This resulted to non-payment of balances and retention fee.

Since the CRMF was not completed, the SUSIMO facilitated the preparation and affirmation of the CRMF. Responsibilities and obligations of the PO in carrying out the CBFM were clarified, thus, active participation by KAPAWA members was encouraged.

2. The Board of Directors (BODs) were dominated by the Project Management Staff.

Before the SUSIMO installation, the BODs were overruled by the Project Management Staff due to lack of understanding on their organizational and functional structure. The SUSIMO and AP then facilitated and assisted the PO to conduct review of Constitution and By-Laws CBL), clarification of functions, duties and responsibilities of BODs, Officers and members, formulation and re-formulation of

policies in relation to subproject implementation were likewise undertaken. Corresponding amendments on the policies and revision of systems were made.

3. Poor quality of the planted seedlings and backlogs on area planted under reforestation and agroforestry components.

For the first three years of implementation, the PO had planted a total of 2,315.64 hectares in all components. However, evaluation registered an average survival rate of 77% and a 300 hectare backlog. To address the issue, the SUSIMO adopted the following strategies:

1. Undertook change of species.
2. Conducted on the-job-training on proper site preparation and planting (Hole digging is done two (2) months prior to planting to allow the fertile soil to accumulate with 1' X 1' X 1' dimension; 1 meter radius ringweeding and cultivation; and, basal and follow-up application of fertilizer (half foot away from seedling planted both sides);
3. Establishment of five (5) hectares demonstration farm (agro forestry farm) in So. Sambag, Brgy. Dagami as showcase of technical standards in plantation establishment.
4. Integration of crops (intercropping of banana, coconut, abaca, coffee) within the reforestation and agroforestry areas.
5. Organization of internal quality inspection committee composed of the BODs who conducted quarterly inspection and monitoring of the plantation.
6. Conduct of intensive IEC per barangay
7. Organization of fire brigade

The above strategies resulted to the recovery of the 300-hectare backlog and increased the survival of the plantations from 77% (first pass) to 95.11% (final pass). The PO is now assured of the quantity and quality of the established plantation.

Further, because of the intensive IEC by the SUSIMO and PO, most (90%) of the farmers with cultivations inside the subproject area have voluntarily given up their tilled/cultivated area.

4. Presence of stray animals and human activities

Stray animals and human activities were major causes of plantation damages. On this, the SUSIMO intensified the information, education and communication campaign (IEC) by barangay; increased visibility of

the SUSIMO staff in the area; coordinated closely with the respective municipalities and barangay officials with regard to the protection of the established plantations.

5. Frequent occurrence of fire during summer

Based on records, an average of 20 hectares per year is damage by fire. To abate, the SUSIMO assisted the PO in the creation and organization of fire brigade. A forty (40) man fire brigade to patrol 24 hours on rotation basis (Eight teams with average of 5 members) was organized and thus, minimized the area damaged by fire from an annual average of 20 hectares to 1.7 ha in 2003.

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

Organizational Charts are attached as Annexes 1a, 1b, 1c, 1d, 1e and 1f for Diocesan Social Action Center (SMP contractor), Kahublagaan Sang Panimalay, Inc (CO contractor), KAPAWA (PO), Participatory Governance for Natural Resources Development Incorporated and Green Forum-Western Visayas (M&E contractor), SUSIMO and International Builders Corporation (Infrastructure contractor), respectively.

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

Not applicable

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. SMP	September 19, 1994	February 1995
2. Contract of AO for CO	June 1997 to June 1999	June 1997 to June 1999
3. Contract of PO for CSD	September 1997 to December 2000	September 1997 to March 2003
4. Contract of NGO	January to May 2001 (1 st &	January to May 2001 (1 st &

for M&E	2 nd Pass) January to June 2002 (3 rd Pass) January to April 2003 (4 th Pass)	2 nd Pass) January to June 2002 (3 rd Pass) January to April 2003 (4 th Pass)
5. Contract of Infrastructure Component		January 16, 2002 to July 23, 2003
© Completion (Completion of Subproject)	December 31, 2000	October 13, 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/Unseasonable weather (e.g. earthquake, typhoon, etc.)
- Shortage of funds/Fluctuation of 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 consultant
- Others

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

- *Natural disaster/Unseasonable weather (e.g. earthquake, typhoon, etc.)*

The project experienced *El Nino* phenomenon in 1997 and 1998 that resulted to 10% survival rate of 200 hectares of Agroforestry, Bamboo and Reforestation components. Replanting of areas took place in the later years of implementation.

- *Structural and organizational problems of the agencies concerned (e.g. lack of staff, inadequate coordination with other agencies, etc.)*

Comprehensive Site Development

During the initial stage of implementation, only one site coordinator was assigned in the subproject site to assist, facilitate, monitor and evaluate the performance of the Assisting Organization (AO), People's Organization (PO) and the Monitoring and Evaluation (M&E) Contractor. This situation led to backlogs and low survival rate of the established plantation. In the same manner, the Composite Inspection Committee (CIC) were saddled with multiple functions in their respective offices, resulting to delays in the conduct of monitoring and evaluation of accomplishments of AO, PO and M&E contractors.

- *Performance of contractor/supplier*

On Comprehensive Site Development

Due to lack of site coordinators who can fully devote their attention to the tasks on hand, there was no proper monitoring and supervision of PO activities on CSD resulting to backlogs (300 hectares) and poor quality (77% Survival rate) of the plantations. So, replanting activity, application of fertilizer, and other maintenance and protection activities were conducted in the later years of project implementation (2001-2002). Moreover, there was still a need to capacitate the PO on technical, organizational and financial aspects to facilitate the implementation and completion of the CSD activities.

On Infrastructure

A punch list or comments was signed/agreed between parties for correction by the contractor before the final inspection as a result of a pre-final inspection conducted by the site engineer. Necessary corrective measures undertaken delayed completion of the project.

- *Others (Mutual Agreement of two parties)*

On Monitoring and Evaluation

The Participatory Governance in Natural Resources Development, Inc. (PGI) has exceeded the contract period as stipulated. The delay was not of their own doing but because of mutual agreement to give time for KAPAWA to complete the total target area for development under the CSD contract. In which case, a 3-month extension was granted to PGI to culminate the remaining activities in the said M & E contract.

C. Remedial Action Taken in Each Case of Delay

- *Natural disaster/Unseasonable weather (e.g. earthquake, typhoon, etc.) and Performance of contractor/supplier*

On Comprehensive Site Development

The contract was expected to end on December 2000; however, it was further amended/extended up to June 30, 2003 giving the PO ample time to fully plant and perform other developmental activities that were not met during the period of original contract.

On Infrastructure Component

After substantial completion of the project, a pre-final inspection was done in April 1-2, 2003. A punch list or comments were signed/agreed between parties for correction by the contractor before the final inspection. After all the corrections were complied and satisfied, final inspection was done and the Certificate of 100 % completion was issued in June 2003.

- *Structural and organizational problems of the agencies concerned (e.g. lack of staff, inadequate coordination with other agencies, etc.)*

The institutionalization of SUSIMO was done in compliance to Department Administrative Order (DAO) 2000-65 entitled "Guidelines Governing the Creation of Subproject Site Management Office and Its Institutionalization in the Forestry Sector Project Implementation" to ensure responsive subproject implementation and management.

- *Others (Mutual Agreement of two parties)*

On Monitoring and Evaluation

A 3-month extension of the contract was granted to PGI to finish the remaining activities in the M & E contract as agreed upon by the DENR and PGI to give KAPAWA enough time to fully accomplish the target and satisfy the requirements of the CSD contract.

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 (by admin)		
Community Organizing	4.833000	4.130600
Comprehensive Site Development	44.269144	45.657624
Monitoring and Evaluation	6.176090	5.889850
Infrastructure Development	18.698490	18.625873
Subproject Coordinating Office (SUSIMO)	2.544555	2.544555
TOTAL:	76.521279	76.848501

Please refer to Tables 7,8,9a-9d, 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 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 a change in the scope/work volume of the Subproject*

On Comprehensive Site Development

There was a difference between the original estimated and actual expenditure of the CSD component due to the adoption of the MC 2000-19 entitled "Guidelines Governing the Updating of Cost Estimates and Intensification of Plantation Maintenance and Protection Activities for DENR-FSP Watershed Subprojects under JBIC Funding". This resulted to increase in unit cost of different activities in different components as well as increase in frequency of ringweeding, cultivation and application of fertilizer (RCF) and patrolling.

On Infrastructure

There was a decrease in computation of surplus unclassified excavation by 6.087% equivalent to the amount unbilled.

- *Others (Performance of the Contractor)*

Failure of the AO contractor to complete the CRMF and the process documentation resulted to unbilled amount. On M&E, failure of the PGI to conduct soil sampling analysis resulted to unbilled amount.

C. Action taken in Case of Cost Overrun and Results

With regard to cost overrun on CSD component, additional obligation was made with corresponding revision of work and financial plan as well as amendment of the contract.

D. Comparison of Original Estimated Expenditure and Actual Expenditure (by Year)

Calendar Year	Original Cost (in M pesos)	Actual Expenditures (in M pesos)
1994		
1995		
1996		
1997	25.307881	5.962459
1998	14.595013	13.770218
1999	8.999250	10.048386
2000	2.610635	5.804898
2001	0.956215	11.243880
2002	2.378455	13.217289
2003	21.473830	16.454377
Total	76.521279	76.848501

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 Organizations (POs), 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 & Assisting Professionals (if any) Peoples Organizations, M&E and Infrastructure contractors

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

a.2 Description

○ Overall performance

On Community Organizing Contractor (AO)

The performance of the Kahublagan Sang Panimalay Foundation, Inc. (KSPFI) as CO contractor is deemed fair. While that they have undergone technical, organizational and financial training, there were no past evaluation however, of trainings conducted to determine the POs' level of understanding and internalization. Further, limited linkages were introduced to the PO in terms of support services.

The Executive Director has expertise on Community Organizing work. However, most of the deployed CO staff are foresters with minimal experience on CO work and other related activities. This resulted to weak understanding of KAPAWA as an organization or federation. Consequently, the KSP failed to comply with some provisions of the CO contract (CRMF preparation and Process Documentation) that caused reversion of portion of CO funds.

On CSD Contractor (PO)

The PO (Katilingban sang Pumuluyo nga naga-Atipan sang Watershed sang Maasin) had shown remarkable performance in attaining its target and compliance to the CSD contract with DENR. The overall performance rated VERY SATISFACTORILY for completing the activities and exceeding its target through planting of excess seedlings. With members of about 1,672, the PO is united and cooperative. There were instances however, when some could not actively participate in meetings because of their day-to-day family concerns.

On the Assisting Professional

The Assisting Professional hired by OIDCI to assist in the subproject implementation has the capability to facilitate technical assistance to the PO. He also conducted the assessment of KAPAWA capability, the result of which was used by SUSIMO as guide in readjustment planning during the second quarter of 2001 and up to the end of the contract. He also introduced the idea of transforming KAPAWA BOD into a working board and worked with the SUSIMO in installing the said system.

On Monitoring and Evaluation

Green Forum

Green Forum had performed very satisfactory, submitted quality reports on time. Its expertise on surveying and mapping facilitated the process of M&E.

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 it (them) with measure and results in (B) below.

- A. Technical Financial Institutional Economic
 Social/Distributional Others

B. Description

- *Delayed implementation of the project from the time of appraisal.*

Long delay in the implementation of the subproject after the SMP and appraisal altered the physical condition of the site during implementation and the original plan. Available (open) areas became less during implementation due to increased development by the individual initiatives.

- *Lack of capability of the CIC to validate the accomplishments of the AO and the PO.*

The DENR paid for the work accomplished by the PO as reported due to lack of capability of the CIC to validate the CSD activities. Some of the CIC members lack enough knowledge and the physical condition to do the work. On the other hand, some have the knowledge but are not physically fit, while others are physically fit but do not have the required knowledge.

- *Selection of Personnel to man the project implementation*

No proper selection process on personnel to man the project implementation was observed. Some project staff were selected not on the basis of technical expertise. Some staff have technical expertise but no commitment; still others have neither the technical expertise or the commitment.

III. Action Taken by the AOs, APs and POs relating to Recommendation(s)

1. Recommendation(s) made by SUSIMO

SUSIMO check: This article is (applicable or not applicable. There has been no recommendation with regard to the Subproject).

2. Action Taken and Results

Recommendations by the SUSIMO	Action taken		Results
	AP	PO	
1. Advise the AP to look for the potential linkage for the preparation of CRMF and livelihood development opportunities.	Identified the linkages for the preparation of CRMF and livelihood development opportunities.		CRMF prepared and completed
2. Advise the AP to assist the PO in the review of the existing policies, including CBL and other related policies.	Reviewed the CBL and other related policies, formulated and re-formulated policies, re-structured the PO creation of committees and units created (CSD, Livelihood and IEC units under the supervision of the Chairman of the Board of Directors)		Clarified duties and responsibilities, amended policies, re-structured PO resulted to smooth implementation of the subproject ,
3. Advise the PO to review the CBL and other related policies. Formulate and re-formulate the policies.		Reviewed the CBL and other related policies, formulated and re-formulated policies, re-structured the PO , creation of	Clarified duties and responsibilities, amended policies, re-structured PO resulted to smooth implementation of

<p>4. Advise the PO and facilitate the creation and institutionalization of Internal Quality Inspection System.</p>		<p>committees and units created (CSD, Livelihood and IEC units under the supervision of the Chairman of the Board of Directors)</p>	<p>the subproject.</p>
<p>5. Advise and assist the PO to establish demonstration farm.</p>		<p>The PO through the assistance of SUSIMO established a 5-ha demonstration farm.</p>	<p>This was used as showcase to all PO members.</p>
<p>6. Advise and assist the PO to strengthen their Financial Management System and to practice transparency in all aspect of operations.</p>		<p>The PO institute revision of the systems of operation, to include the periodic reporting of audited financial report to the GA, BOD regular meetings</p>	<p>Revised systems on financial operation and periodic reports on Financial transactions.</p>
<p>7. Advise the PO to improve the communication system, purchase additional handheld radio units, cell phones and institute roll call during nighttime.</p>		<p>Procured additional (17) units of handheld radio and one unit of cell phone. Instituted a roll call every night.</p>	<p>Immediate response of the PO in any unforeseen events on site, specifically fire protection and information dissemination.</p>

8. Advise the PO to formulate policies on credit collection		Formulated policies on credit collection	The PO was able to collect the collectibles.
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IV. Initial Operation and Maintenance of Subproject Facilities

1. Present Condition of Facilities

A. Please check: This article is (applicable due to problem(s) or not applicable. No particular problem has occurred since the initial operation started). If there have been any problems, please check the relevant space in the Table.

For the PO

Item	Status	Initial Operation	Maintenance	Management	Others
1. PUJ	serviceable				
2. Canter	serviceable				
3. Computer	serviceable		✓		
4. Computer Printer	condemned		✓ ✓		
5. Business Center	serviceable				
6. Field Office	serviceable				
7. Session hall	serviceable				
8. Water tank	serviceable				

For the SUSIMO

Item	Status	Initial Operation	Maintenance	Management	Others
1. SUSIMO Office	serviceable				
2. Computer	serviceable		✓		
3. Motorcycle	serviceable		✓		
4. Power generator	unserviceable		✓		
5. 2 ton-tractor	serviceable		✓	✓	
6. Water tank	unserviceable			✓	
7. UPS	serviceable		✓	✓	
8. Radio base	serviceable				
9. Typewriter					
10. Handheld radio					

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

- Technical
 Financial
 Institutional
 Economic
 Social/Distributional
 Others

C. Description

The problems on the facilities specified above were encountered on technical and financial aspects. Computer and UPS encountered technical problems because the systems malfunctioned while in operation. On the other hand, spare parts and supplies of 2 ton-truck, motorcycle as well as the power generator were found to be too expensive.

D. Aspect of utilizing the Subproject facilities

For the PO

Item	Original Plan	Actual Operation
1. PUJ	For the KAPAWA	For the KAPAWA
2. Canter	For the KAPAWA	For the KAPAWA
3. Computer	For the KAPAWA	For the KAPAWA
4. Computer		

Printer	For the KAPAWA	For the KAPAWA
5. Business Center	For the KAPAWA	For the KAPAWA
6. Field Office	For the KAPAWA	For the KAPAWA
7. Session hall	For the KAPAWA	For the KAPAWA
8. Water tank	For the KAPAWA	For the KAPAWA

For the SUSIMO

Item	Original Plan	Actual Operation
1. SUSIMO Office	For the SUSIMO Maasin Watershed Subproject	For SUSIMO
2. Computer		For SUSIMO
3. Power generator	For SUSIMO	For SUSIMO
4. Water tank	For SUSIMO	For SUSIMO
5. Motorcycle	For SUSIMO	Assigned to CENRO Iloilo City
1 unit	For SUSIMO	
2 unit	For SUSIMO	
1 unit	For SUSIMO	SUSIMO Maasin
6. 2 ton-truck	For SUSIMO	Assigned to FSP Regional Office
7. UPS	For SUSIMO	For SUSIMO
8. Radio base	For SUSIMO	For SUSIMO
9. Typewriter	For SUSIMO	For SUSIMO
10. Handheld radio	For SUSIMO	For SUSIMO

2. Organization for Operation and Maintenance

A. Name of the PO and SUSIMO

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

PO : Katilingban sang Pumuluyo sa Watershed sang Maasin (KAPAWA-MAASIN)
 SUSIMO : SUSIMO-Maasin Watershed Subproject

a.2. Please check:

The latest organization chart (or equivalent) for O/M of the Subproject facilities is (attached or not available).

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 : 25
 SUSIMO : 11

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: 7 years
 SUSIMO: 10 years

c.3. Availability of training program to promote the vocational ability of the staff, its contents and expected effects. None

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

A. Original Expected Expenditure

For the SUSIMO

(Unit: Mil Pesos)

Item/ Calendar year	Maintenance	Operation	Total
2001			0.956215
2002			0.652000
2003			0.936340
TOTAL			2.544555

B. Actual and Currently Expected Expenditure

For the PO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Maintenance and Operation (For expanded)	Total
1999 1. Canter	0.012722	0.013787		0.026509

2. Field Office		0.222105		0.022210
2000				
1. Canter	0.053472	0.051815		0.105287
2. PUJ	0.008938	0.037048		0.045986
2001				
1. Canter	0.072622	0.058245		0.130867
2. PUJ	0.066783	0.111995		0.178779
2002				
1. Canter	0.049525	0.057057		0.106582
2. PUJ	0.051628	0.090028		0.141630
3. Computer with printer		0.016110		0.016110
4. Session Hall		0.040000		0.040000
5. Water Tank		0.010000		0.010000
2003				
1. Canter	0.076725	0.051919		0.128644
2. PUJ	0.049678	0.087994		0.137672
3. Business Center		0.809982		0.809982
4. Computer with printer and scanner		0.022980		0.022980
Total	0.442093	1.681056		2.123150

Note: Actual and currently expected expenditure for expansion, replacement or any other improvement purposes

For the SUSIMO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Maintenance and Operation (For expanded)	Total
2001				
1. Computer	0.045005	0.195013		0.240018
2. Motorcycle				
3. Power generator		0.007545		0.007545
4. KIA	0.064000	0.020351		0.084351
2002				
1. Computer	0.020419	0.010919		0.031338
2. Motorcycle				
3. Power generator		0.020278		0.020278
4. SUSIMO office	0.041881	0.087732		0.129613
5. Watertank				
6. KIA ceres	0.032695	0.015871		0.048566
2003				
1. Computer	0.016323	0.033390		0.049713
2. Motorcycle	0.012440	0.010405		0.022845
3. Power generator	0.006000	0.012717		0.018717
4. SUSIMO office		0.110364		0.110364
5. Watertank				
6. KIA ceres	0.055068	0.074969		0.130037
TOTAL	0.293831	0.599554	0.1750	0.893385

Note: Actual and currently expected expenditure for expansion, replacement or any other improvement purposes

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

In case of PO, no budget for original as well as for expanded portion was allocated for the maintenance and operation of facilities, since the allocation would depend on the needs as they arise.

4. Maintenance Method

A. Content of Method

Repair and replacement of defective parts of the 2 ton-truck, motorcycle and computer set as the need arises. Change oil, tune-up, regular check-up of body parts and wheels rotation of the 2 ton truck will be undertaken on a regular basis. Change oil will likewise be undertaken periodically for motorcycle. Upgrading of computer system and check up on a regular basis will be done.

B. Frequency

Kind of Facility	Maintenance Method	Frequency
1. 2 ton truck	Repair/replacement of defective parts, Change oil, Wheels rotation	As the need arises Every after 3,000 km annually
2. Motorcycle	Repair/replacement of defective parts, Change oil,	Once a year Every after 3,000 km
3. Computer	Repair/replacement of defective parts,	As the need arises

C. Others, if any.

V. Benefits derived from 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.

Technological Transfer

The successful implementation of the Maasin Watershed subproject introduced a participatory scheme of watershed management particularly on the acceptance and participation of communities directly affected by the project. What other watershed projects failed to accomplish in the past, Maasin watershed was able to achieve. One particular example is the farmers acceptance to give up their cultivated farms in favor of forest rehabilitation and settlements inside the watershed. The cultivated farms were made to become agroforestry farms and affected farmers are given options to plant bamboo in their farm instead of open cultivation.

On agro-forestry technology and watershed management by the community, KAPAWA can rightfully share their actual experiences and lessons to serve as guide to other project development efforts in other watershed areas in the country. On IEC for phase II areas, KAPAWA BOD can serve as advocates/catalysts to their fellow farmers to gain their support and acceptance of the FSP Phase II.



Employment Generation

During the implementation of the subproject, a total of 1,742 members of the community residents were employed, thus, reduced the unemployment situation in the community level. About 218,948 Mondays were created during the CSD operation and infrastructure construction of the subproject.

Increased income

There was an increase in income of the project beneficiaries due to employment opportunities during the project implementation. An increase in household income from an annual average household income of P 13,000 (during the time of appraisal) to P20,000 during the project implementation (an increase of approximately 54%) is an evident direct benefit to the community. Indicators of socio-economic upliftment can be observed in the community such as improvement of individual houses, procurement of household equipment/facilities, and opportunities for children to go to school and even enroll in the college level, among others. The PO can now afford to buy farm inputs; thus, helped increase their agricultural products.

VI. CONCLUSIONS AND RECOMMENDATIONS

- Proper selection of dedicated and capable staff to fully supervise activities as well as the strong logistical and moral support given by the DENR top management played a big role in the success of the Subproject
- Rapport of the Assisting Professional with the SUSIMO staff is a positive contribution
- Dedicated and highly-committed PO is a major factor to the Project's success
- Integrity of those involved in the Subproject implementation is important.
- On the organizational development of the PO :
 - It is recommended that education of farmers be vision directed, situation-grounded, experience-based and participatory
 - It is recommended that there be a periodic review and amendment of CBL for sustained and effective PO management
 - That the "WORKING BOARD" type of leadership be adopted for CBFM PO
 - That a program to increase literacy rate of community members be included in the preparatory activities to train them to become successful CBFM holder
- On forest resource management:
 - It is recommended that Crop Integration be adopted in plant protection and maintenance especially for watershed areas like Maasin
 - That ownership/caretaker ship be considered as an effective approach to plantation management
 - That the adoption of the participatory community resource management planning be sustained
 - That the standards on seedling production, site preparation, plantation establishment and maintenance activities be followed to ensure successful project implementation

