

SUBPROJECT COMPLETION REPORT
Of
SAUG WATERSHED SUBPROJECT

Forestry Sector Project
Loan Agreement No. PH-P 135

I. SUBPROJECT DESCRIPTION

The Saug Watershed Subproject lies within the Provinces of Compostela Valley and Davao del Norte specifically between latitude 7°34'31" to 7°43'32" and longitude 125°52'39" to 125°58'04". The subproject has a total approximate area of 3,928 hectares distributed in three (3) municipalities namely: Montevista (1,508 has.), Nabunturan (1,201 has.) both in Compostela Valley province and New Corella (1,149 has.) in Davao del Norte province.

The Subproject is accessible from several entry points mainly passing through Nabunturan, Montevista and New Corella. It is classified as timberland as reflected in LC Map No. 1901 dated September 1, 1955.



1. Purpose/Objectives

A) Original

1. To institutionalize community participation in watershed development and management through comprehensive and watershed-focused on community organizing activities;
2. To provide direct employment and income generating activities to the participants;
3. To reforest and rehabilitate 3,928 hectares of open and degraded grasslands and denuded forestlands within the subproject site;
4. To plant 3,960,000 forest trees and 318,000 banana suckers for firebreak under comprehensive reforestation; 181,597 fruit trees under agro forestry and 14,560 bamboo culms cutting under stream bank stabilization;
5. To instill forest conservation in the minds of the upland watershed dwellers; and
6. To develop the overall capability of the community to sustainably manage the watershed resources.

B) Modification

a. Modified purpose/objectives

1. To reforest and rehabilitate 2,903 hectares of open and degraded grasslands and denuded forestlands within the subproject site;
2. To plant 1,424,572 forest trees and 318,000 banana suckers for firebreak under comprehensive reforestation; 338,055 fruit trees under agro forestry and 728 bamboo culms under stream bank stabilization;

b. Reasons for the modification

The assessment and validation conducted in 2000 on the performance of the PO reduced the target for Comprehensive Site Development (CSD) from the original 3,928 hectares to 2,903.00 hectares. The NFDO advised the revision when the PO showed poor performance on some of the established plantations. The two out of the three (3) People's Organizations (PO) of the subproject were advised to reduce the target for site development. This eventually reduced the original target on seedling production from 3,960,000 forest trees for reforestation component to 1,424,572. On the other hand, the agro forestry seedlings increased from 181,597 to 338,055 grafted fruit trees seedlings when the community people manifested their willingness to include their land claims for agro forestry component after they were convinced with the merit in adjusting costing of seedlings.

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 and Planning (SMP)</p> <p>B. Community Organizing (CO)¹</p> <p>Year 1</p> <p>Year 2</p> <p>Year 3 (six months extension)</p> <p>C. Comprehensive Site Development (CSD)</p> <p>1. Soil Erosion Control/SWC</p> <p> a. Infrastructure</p> <p> b. Trail and footpath</p> <p>2. Vegetative Measures²</p> <p> a. Agroforestry</p> <p> b. Assisted Natural Regeneration</p> <p> c. Enrichment Planting</p> <p> d. Tree Plantation</p> <p> d.1. Bamboo (stream bank)</p> <p> d.2. Rattan</p> <p> d.3. Mangrove</p> <p> d.4. Plantation Species (Refo spp.)</p>	<p>5,259 hectares</p> <p>Aug.-Nov., 1995 (1st contract)</p> <p>Sept. -Dec., 1995(2nd contract)</p> <p>Oct.95-Feb.,1996(3rdcontract)</p> <p>Two (2) years duration:</p> <p>3,928 ha.</p> <p>June 1997-June 1999</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 <p>Four (4) years duration</p> <p>Sept, 1997-June, 2001</p> <p>711.00 hectares</p> <p>28.00 hectares</p> <p>3,189 hectares</p>	<p>5,259 hectares</p> <p>Aug.-Nov., 1995 (1st contract)</p> <p>Sept. -Dec., 1995(2nd contract)</p> <p>Oct.95-Feb.,1996(3rdcontract)</p> <p>Extended for another six months: 3,928 ha.</p> <p>June 1997-June, 2001</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 <p>Extended for two (2) years</p> <p>June 1997-Sept. 2003</p> <p>1,538.81 hectares</p> <p>1.4 hectares</p> <p>1,362.79 hectares</p>

<p style="text-align: center;">Year 1 Year 2</p> <p>2. Subproject Site Management Office (SUSIMO) Equipment provided to the Office³:</p>		<p>Institutional and Project Benefit Assessment: Conducted two (2) passes only; 1691 ha. (1st pass) - Aug. 2000-July 2001 2nd pass: 2903 has. Oct. 2002 - Sept. 2003</p> <ul style="list-style-type: none"> •Assessment on the overall development of the PO •Assessment on 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>3 units Binocular 2 units Calculator 3 units Computer Desktop 2 units Cassette Tape Recorder 2 units Meter Tape 2 units Tape Measure 3 units Steel Cabinet</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

		<p> 1 unit Manual Typewriter 3 units VHF handheld Radios 4 units Brunton Compass 4 units Abney Hand Level 2 units Camera 6 units Motorcycles (SUZUKI 125) 1 unit Forester's Transit 1 unit Base Radio 1 unit Rain Gauge 2 units Computer Table 12 units Office table w/ chair 1 unit Generator 2 units Printer 1 unit GPS 2 units Fire extinguisher 1 unit Refrigerator 1 unit Planimeter 1 unit Lettering set 2 units Computer Table 2 Computer Rack 3 units Petromax 1 unit UPS 500VA 1 unit GIS software 2units Electric fan 1 unit Airpot 2 units Stapler 2 units Puncher 1 unit CD writer 1 unit Truck/vehicle (KIA) 1 unit Television 1 unit Stereo component 1 unit Gas stove 3 units Jungle bolo 3 units Steel rake 3 units Rubber boots 1 unit Helmet 3 units Shovel 3 units Axe </p>
--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>Researches conducted:</p> <p>Trainings attended⁴:</p> <p>Others:</p>		<p>3 units Horse (work animal) From Infra Engineer: 1 unit Desk top computer 1 unit Office building 2 units Double deck bed</p> <p>NONE</p> <ol style="list-style-type: none"> 1. FSP Phase-in/Phase out workshop 2. FSP Assessment and Planning Workshop 3. Orientation Course of SUSIMO Staff of Watershed Subproject Site 4. Pre-phase in/phase out workshop 5. FSP Re-Orientation Course 6. Field exposure on SALT farming 7. FSP Orientation Course <p>Construction of field office (SUSIMO): 1 storey structure with quarters for office staff.</p>
------------------------------------------------------------------------------------	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

¹Please refer to Table 1 for the details on trainings attended by the POs

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

³Table 3 shows the details of the equipment provided to the SUSIMO

⁴Please refer to Table 4 for 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, additional component

B.2. Detailed statement of reasons

Unrealistic initial plan/Technical problem.

➤ *On Comprehensive Site Development*

a. *Agro forestry* - Originally, only 711 hectares was targeted based on the appraisal report. The CSD contracts were amended and the Work and Financial Plan (WFP) was revised due to the unrealistic cost estimates on the procurement/production of fruit tree seedlings which resulted to the resistance/low interest of several target community people to join and commit their land claims for the project. A series of dialogues and consultations were conducted with prospected planters for agro forestry component. This resulted to more commitment of areas to be planted when the community members learned that grafted fruits tree seedlings with improved pricing will be used for planting. The prospective planters committed a total of 1,538.32 hectares.

b. *Reforestation* - The target for reforestation was reduced to offset/compensate the increase in agro forestry target of the subproject. Further, most of the participants become more interested in subjecting their land claims for agro forestry purpose rather than for reforestation because they can harvest agro forestry products from their respective land claims.

c. *Infrastructure* - The POs constructed 11 bunkhouses instead of (4) four to correspond to the 11 barangays. No lookout tower was erected within the subproject for fear that this might be used by "bad elements" in conducting their surveillance activities. Footpath construction was also reduced from 11.8 km to 10.85 km because the Subproject had existing footpaths/graded trails traversing within the site even prior to implementation.

Performance of Contractor/supplier

➤ *On Comprehensive Site Development*

a. *Tree Plantation (Reforestation & Bamboo)* - From the strategizing workshop of PO target for CSD with technical assistance team and DENR-NFDO, the PO assessed their capability in terms of physical accomplishment with respect to limited time left in CSD activities and their manpower availability and came up with a decision to reduce their target area for reforestation from 3,189 hectares to 1,362.79 hectares. They also decided to reduce bamboo plantation target from 28 to 1.4 hectares.

Others (Additional Component)

➤ *On Infrastructure*

From the interview conducted by the TA Team and DENR-NFDO with the respondent participants of the subproject, they assessed that the introduction of livelihood components for the community can be best promoted if there is a good road condition. Thus,



a farm-to-market road rehabilitation project was pursued as part of the infrastructure component of the subproject to improve mobility of their farm produce thereby enhancing their livelihood projects.

➤ Creation of SUSIMO

Past experience showed that lack of DENR personnel assigned to monitor and supervise the developmental phasing of the subproject on full time basis also contributed to subproject shortcomings. To address this, the DENR through Department Administrative Order (DAO) 2000-65 created and institutionalized the Subproject Site Management Office (SUSIMO) mandated to ensure effective implementation and management of the subproject by the PO. Selected DENR personnel from Regional to PENRO and CENRO level were assigned on full time basis and provided with capability building trainings and seminars. Office building and other equipment were also provided to effectively render the services required in Subproject implementation.

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

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

- | | | |
|----------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <input type="checkbox"/> Electric power and Gas | <input type="checkbox"/> Telecommunication | <input checked="" type="checkbox"/> Social services |
| <input type="checkbox"/> (Multipurpose) Dams | <input type="checkbox"/> Telecommunication | <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 type="checkbox"/> Irrigation and Flood control | <input checked="" type="checkbox"/> Education |
| <input type="checkbox"/> Distribution Systems | <input checked="" type="checkbox"/> Irrigation | <input checked="" type="checkbox"/> Health |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Flood control | <input type="checkbox"/> Tourism |
| <input type="checkbox"/> Others | | <input checked="" type="checkbox"/> Others,
Employment
Livelihood |
| <input checked="" type="checkbox"/> Transportation | <input checked="" type="checkbox"/> Agriculture, Forestry and Fisheries | |
| <input checked="" type="checkbox"/> Roads | <input checked="" type="checkbox"/> Agriculture and Forestry | |
| <input checked="" type="checkbox"/> Bridges | <input type="checkbox"/> Fisheries | |
| <input type="checkbox"/> Railways | <input type="checkbox"/> Mining and Manufacturing | |
| <input type="checkbox"/> Airport | <input type="checkbox"/> Mining | |
| <input type="checkbox"/> Ports | <input type="checkbox"/> Manufacturing | |
| <input type="checkbox"/> Marine Transportation | | |
| <input type="checkbox"/> Others | | |

c.2. Original

Item	Description
1. Bio-Physical & Environmental Development Aspect	<p>With the implementation of the subproject, land uses will improve and will consequently minimize accelerated soil erosion, landslides and stream bank erosion. A sufficient vegetative cover in the area will minimize flooding in the downstream municipalities and reduce the occurrence of drought. The established vegetative cover will likewise enhance the ecological habitat of the remaining wildlife both flora and fauna in the area and nearby communities. The yield and quality of water will improve and will support the irrigation, industrial and domestic needs of the downstream agricultural farms and communities. Lastly, spill over effects will be felt in adjacent communities in terms of environmental and economic benefits.</p>
2. Socio-Economic and Institutional Development Aspect	<p>The community will be organized such that institutional structures will be established to address social and economic problems of the people. The level of awareness and willingness of the people regarding the project will be encouraged and developed giving emphasis on the participation of women. Appropriate linkages and networks will be established with other public and private organizations. Likewise, employment opportunities and livelihood activities will be created to uplift the socio-economic conditions of the people. Support services and facilities will be addressed through the assistance of CO/NGO in the Subproject site and the local government units.</p>

c.3. Present situation and outlook for the future

Item	Description
1. Physical and Environmental component	<p>The People's Organizations were able to develop a total forest land area of 2,903.00 hectares (i.e. 1,538.81 ha.- Agro forestry; 1,362.79 ha.- Reforestation; and 1.40 ha.- Stream bank Stabilization) with a general weighted average survival rate of 84.67%. Changes in biophysical and environmental condition are not significantly felt since vegetation is not yet fully grown and developed in the area. But in due time, change in microclimatic condition and other aesthetic values will be attained considering the good performance of the plantation. The Subproject in general is expected to have an entirely stable environment with continuous supply of water for domestic, industrial and agricultural consumption and minimal soil erosion, flooding and drought occurrence. Wildlife flora and fauna observed to be diminishing are expected to be restored in the area.</p>
2. Socio-economic and Institutional Component	<p>With the advent of the subproject, the members of the community were able to improve their income through various livelihood⁵ projects aside from the direct income derived from the CSD activities. The various trainings and workshops offered to the project participants equipped them with technical knowledge and skills needed in operating the project and managing the organization as a whole. The people have become aware of the importance of the forest and the environment and how it affects their lives. The subproject, especially the agro forestry component is expected to provide the community with continuous source of income through harvests from the fruit trees planted in the area. Thereby, a stable community with empowered people will be developed in the long run.</p>

3. Infrastructure component	The Subproject has provided the community with farm-to-market road and bridges needed in transporting their farm products to the market sites. Aside from these, the PO was able to acquire different facilities and equipment that are very useful not only in the continuity of project operation but also in their livelihood activity improvements. With the facilities provided to the community and equipment they acquired, the POs will have the chance to engage in different activities and means of improving their quality of lives for a long period of time.
4. Tenorial component	With the Community-Based Forest Management Agreement awarded to the community, they were given the privilege to manage, utilize, conserve, rehabilitate and develop the forest land for 25 years and renewable for another 25 years. This land tenure arrangement will be of great advantage to the community in terms of security and investment purposes.

Please refer to Table 5 for the livelihood project being implemented by the POs

II. SUBPROJECT IMPLEMENTATION

1. Organizations for Implementing Subproject

Function in the Subproject Implementation	Name of Organization	
	(1) Original	(2) Changed
1. SMP Contractor	➤ Southeastern Mindanao Development Cooperative, Inc.	
2. AO for CO	➤ Davao Environmental Concern Group, Inc. (DECGI) - New Corella ➤ Kaliwat Resources Development Found. (KRDEF) - Nabunturan ➤ Resources Ecology Foundation for Regeneration of Mindanao (REFORM) - Montevista	➤ Institute of Small Farms and Industries (ISFI); Six (6) months contract. ➤ Institute of Small Farms and Industries (ISFI); Six (6) months contract.
3. PO	➤ Elcadefe CBFM Planters	

	Association (ELCADEFE) - New Corella, DDN ➤ San Isidro Mambing Bayabas Multipurpose Cooperative (SAMABACO) - Nabunturan, ComVal ➤ Dalesan Montevista Watershed Multipurpose Cooperative (DALESAN) - Montevista. ComVal	
5. M & E contractor	➤ RDI Philippines Inc. (RDI PHILS)	LEAF Foundation, Inc.

Please state:

1.1 Reasons for the change

➤ *On Community Organizing*

The failure of KRDEF (Kaliwat Resources Development Foundation) to submit/comply with necessary requirements for DENR re-accreditation when its contract had lapsed was a ground that deterred the extension of its CO contract for six months. The REFORM (Resource Ecology Foundation for Regeneration of Mindanao) on the other hand was terminated because many CO activities were left unaccomplished due to staff unavailability and incompetence disqualifying them to extend their CO contract. The two (2) CO/NGOs were replaced by ISFI (Institute of Small Farmers and Industries) using the available/unused fund left by the previous contractors. ISFI was given 6 months to complete the CO activities particularly the further strengthening and capacitating of POs.

➤ *On Monitoring and Evaluation (M & E)*

The M & E contractor (RDI Philippines) decided to rescind their contract with the DENR because of change in contract provision and stipulation. DENR had awarded the first contract based on the provisions of MC 99-17 (Guidelines on the Conduct of Monitoring and Evaluation (M&E) of Forestry Sector Project under Loan II) and

eventually issued a revised M&E contract based on MC 2000-04 (Revised Guidelines on the Conduct of M&E of the Forestry Sector Project) which the contractor did not comprehend. This ended up with the cancellation of M&E contract and change of creditor in favor of LEAF Foundation.

1.2 Problems arising, counter measures adopted and results

➤ *On Community Organizing*

The CO contractors particularly KRDEF and REFORM voluntarily rescinded their contract due to non-compliance with the DENR rules concerning NGO accreditation and performance expectation (availability of competent staff). Despite DENR encouragement, the NGOs seemed to be unwilling to renew the accreditation (for KRDEF) and to improve the quality of the CO staff (for REFORM). The DENR was compelled to re-award the CO extension to ISFI.

➤ *On Monitoring and Evaluation*

The first pass of M&E contract was smoothly undertaken by the contractor. It was during the second pass that the contractor became uninterested to pursue the activity because of revisions in the guidelines on the conduct of M&E for FSP under Loan II especially on the matter of budget. This prompted the RDI Philippines to voluntarily cancel the M&E contract.

The DENR had no alternative but to re-award the M&E contract to the LEAF Foundation which was able to complete the unfinished activities of the previous contractor for the Physical Assessment and Socio and Project Benefit Assessment.

➤ *On Comprehensive Site Development*

The CSD activities had also encountered unavoidable operations-related problems such as:

- a. Since community organizing activities were done simultaneously with CSD implementation, the establishment of plantation was fast tracked without the benefit of proper social preparation and training in comprehensive site development

- b. The El Niño Phenomenon in 1998 affected the quality of growth of the young stands.
- c. Delayed payments of billings greatly affected the morale of the PO in carrying out the maintenance and protection activities.
- d. Non-compliance with the plantation establishment target for agro forestry and rubber plantations, brought about by the following reasons:
 - Lower costs of seedlings for both agro forestry and rubber species;
 - No maintenance and protection cost for agro forestry plantation;
 - Reluctance of the PO members to plant un-grafted and un-budded agro forestry and rubber seedlings respectively.

These problems were remedied through series of dialogues and leveling-off meetings with the PO and through adjustments in contract specifications and revision of WFP based on MC 2000-19 (Guidelines Governing the Updating of Cost Estimates and Intensification of Plantation Maintenance and Protection Activities for DENR-FSP Watershed Subproject Under JBIC Funding). With this, the POs dissatisfaction with the Subproject waned and their active participation and willingness bounced back particularly in CSD operation.

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

Organizational Charts for M & E and Infra components are attached as Annex 1a and 1b, respectively.

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

Organizational Charts of SMP and CO were not available because profile documents/records of NGOs for SMP and CO were already condemned considering that these are CY-1995 and CY-1997 files.

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. Contract for SMP	Aug., 1995-Feb., 1996	Aug., 1995-Feb., 1996
2. Contract of AO for CO	June 1997 - June 1999	June 1997 - June 2001
3. Contract of PO for CSD	Sept 15, 1997 - June 30, 2001	June 30, 1997 - Sept 15, 2003
4. Contract of NGO for M&E	Aug. 30, 2000 - Feb., 2002	Aug. 30, 2000 - Sept., 2003
5. Contract of Infrastructure Component (Farm to Market Road w/ Bridge)	Aug. 6, 2002 - June 30, 2003	Aug. 6, 2002 - August 30, 2003
© Completion (completion of Subproject)	June 30, 2001	September 30, 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 June 30, 2001 (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, voluntary rescission from contract

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

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

➤ *On Infrastructure component*

Unfavorable weather condition caused the delay of the rehabilitation of the farm-to-market road. Heavy rains and bad weather condition interrupted the actual road works. The contractor was prompted to request for an extension.

Unrealistic initial plan/Technical problems

➤ *On Comprehensive Site Development (CSD)*

Unrealistic cost estimate in the WFP and the resistance of PO members to plant un-grafted fruit tree seedlings caused the delay of CSD implementation. Another reason is the late conduct of parcellary survey of established plantations that in turn contributed to the delayed completion of accomplishment resulting to late releases of payments. This caused the CSD contract to go through series of revisions.

Performance of contractor/supplier

➤ *On Community Organizing (CO)*

The below par performance of NGOs/AOs assigned to conduct CO in the Subproject resulted to the delay of payments of CO billings which in turn affected the financial status of the AO and also delayed the release of compensation to their staff. The work schedule for field implementation

was consequently affected. This circumstance prompted the DENR to extend the CO contracts for another six months after its termination to further strengthen the PO organization and make up for the backlogs in CO.

Others, voluntary rescission from contract

➤ *On Monitoring and Evaluation (M&E)*

The non-adherence of the M&E contractor (RDI Philippines) to honor & comply with the change of provisions on M&E Guidelines from MC 99-17 to MC 2000-04 led them to voluntarily rescind and discontinue the contract on M&E. The M&E contract was re-awarded to LEAF Foundation Inc. with modification on contract duration from August, 2000-Feb. 2002 to Aug. 2000 - Sept. 2003.

C. Remedial Action Taken in Each Case of Delay

➤ *On Infrastructure component*

The need for extension was deemed necessary in the view of the situation being an act of nature and could not be avoided. The Regional Executive Director of DENR XI approved the request for extension after a thorough evaluation conducted by DENR Staff. Cost adjustment was also included in the request.

➤ *On Comprehensive Site Development (CSD)*

A workshop was conducted to revise the CSD Work and Financial Plan adopting the MC 2000-19 or Guidelines Governing the Updating of Cost Estimates and Intensification of Plantation Maintenance and Protection Activities for DENR-FSP Watershed Subproject under JBIC Funding. CSD contract was revised and cost of seedlings increased.

➤ *On Community Organizing (CO)*

The NGOs/AOs general performance were reviewed and assessed while CO activities needing immediate attention and further action for the benefit of the POs were identified. A move for CO contract extension was pursued because of unfinished activity on CO.

➤ *On Monitoring and Evaluation (M&E)*

The LEAF Foundation, Inc., who took over the M&E contract over RDI Philippines, had some activities in physical assessment which need further verification in the field as clamored by the PO. Through the assistance and supervision of DENR and the PO, the M&E contactor returned to the site and conducted field survey and validation. This particular activity had been agreed upon in a workshop meeting conducted by the groups.

3. Subproject Cost

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

Item	Original Cost (based on appraisal) (in M pesos)	Actual Expenditures (in M pesos)
Survey Mapping and Planning	3.549825	3.549825
Community Organization	7.070400	6.916279
Comprehensive Site Development	31.413111	41.538879
Monitoring and Evaluation	1.767095	2.817664
Infrastructure Dev't	20.220373	22.612761
Subproject Site Management Office (SUSIMO)	4.292100	2.462902
T O T A L :	68.312904	79.898310

Please refer to Table 7, 8, 9a-c, 10 for the details on cost of SMP, CO, CSD and M&E.

List of Infra project/s with its corresponding cost is also attached as Table 11.

B. Reasons for Difference between Original Estimated Cost and Actual Expenditure

B.1. If there is any difference between Column a.1 and Column 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 in reconstruction cost arising from natural disaster/unreasonable weather.

➤ *On Infrastructure component*

Bad weather condition wrought damages on the already rehabilitated road. The occurrence of landslide forced the contractor to conduct re-work and clearing operation on the damaged portion, making them spend outside the original contract cost. This prompted them to request for additional funding.

Increase or decrease arising from a change in the scope/work volume of the Subproject

➤ *On Community Organizing (CO)*

The CO funds left by KRDEF and REFORM had been obligated to ISFI to be utilized for the CO strengthening of the POs for six months, however, said AO/NGO (ISFI) failed to accomplish the activity on assistance and supervision of PO in the preparation and documentation/processing of CBFM Agreement. The corresponding

amount for this activity was discarded from the work and financial plan and disallowed the contractor to claim the payment for the said activity.

➤ *On Monitoring and Evaluation*

The increase of cost on actual expenditure was brought about by the increase of target area subject to M&E from 1,691 hectares (from the first creditor) to 2,903 hectares (second creditor). The M&E scope followed the actual area accomplished by the POs on CSD.

Unrealistic cost estimates/Technical problems

➤ *On Comprehensive Site Development (CSD)*

Change in the economic situation in the country caused the revision hence, an urgent need to adjust the cost of plantation establishment and maintenance and protection.

The revision of WFP was based on the updated cost estimate as provided in the Memorandum Circular (MC) No. 2000-19 otherwise known as the "Guidelines Governing the Updating of Cost Estimates and Intensification of Plantation Maintenance and Protection Activities" for DENR-FSP Watershed Subproject under JBIC funding signed by the Secretary dated September 8, 2000.

C. Action taken in Case of Cost Overrun and Results

Additional obligation was provided by the Project Management Office (National Level) to the Subproject upon request of the contractors and submission of revised WFPs and amended contract. Thus, all activities were completed with desirable results.

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

Calendar Year	Original Cost (in M pesos)	Actual Expenditures (in M pesos)
1995	3.549825	3.549825
1996	-	-
1997	3.888720	1.248512
1998	23.786463	8.421196
1999	8.976194	4.193606

2000	2.508534	5.828542
2001	3.729895	14.811455
2002	3.711056	12.132228
2003	18.162217	29.712945
TOTAL	68.312904	79.898310

Please refer to Table 12 for the details of the Annual Work and 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 the SMP contractor, 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 (in detail)

Overall Performance/Expertise/Staff qualification

➤ *Assisting Organization*

DECGI's overall performance in carrying out organizing activities was quite all right except for some networking activities that took time to be accomplished. As a consequence, time frame in CO was affected necessitating an extension of the contract for another 6 months. On the whole, the CO experts and staff of said NGO were all qualified and competent enough to do the CO works for the PO of ELCADEFE.

The same is true with KRDEF which also performed well in Community Organizing and with staff generally qualified and with sufficient expertise. However, like in the case of DECGI, said AO also encountered some CO activities that required time to accomplish hence, an extension of CO contract was inevitable. However, the CO contract extension was awarded to ISFI because the former failed to comply with the requirements in renewing the accreditation of their association with the DENR.

A low performance rate was given to REFORM, the AO that conducted the CO for DALESAN. The AO staff assigned in the field was mostly fresh graduates and had no actual experience in doing CO tasks. This slowed down the organizing process which in turn resulted to slow phasing of CO/CSD accomplishment.

Finally, ISFI who took over the CO contract extension vice KRDEF and REFORM, generally performed satisfactorily. The CO strengthening activities were all accomplished in due time and in accordance with the contract stipulation employing competent CO experts and staff.

➤ *Assisting Professional*

The DENR hired two Assisting Professionals (APs) in the person of Librado G. Aro and Arnelito Culiao. Their performance can be rated satisfactory since they were able to continue the major activities left unaccomplished by the assisting organizations. Their work was focused on the milestone compliance of the three PO's of Saug Watershed Subproject particularly on the following major activities:

- a. P.O. Organization and Structure;
- b. Forest Resource Management;
- c. Management Systems Development and Installation; and
- d. Project Management.

The APs Contract started from January 2001 and expired on June 30, 2003 with most of the milestones accomplished except for some activities under the Forest Resource Management like affirmation of Community Resource Management Framework

(CRMF), Annual Work Plan (AWP) and Resource Use Permit/Plan (RUP).

➤ *People's Organization*

PO's performance on comprehensive site development had been limited, constrained by the operational problems encountered during its implementation period. Despite the odds, however, and with the institutionalization of SUSIMO, the three (3) POs in general performed very satisfactorily for this project. The required targets of the POs were attained and accomplished. The quality of the plantations has greatly improved with the additional funds allotted for protection and maintenance including fertilizer application.



➤ *Monitoring and Evaluation (M&E)*

Both contractors (RDI Philippines and LEAF Foundation) were able to device proper instruments to suit each unique situation encountered in the field survey and actual verification. These does not necessarily were detrimental to the objectives and end results of M&E activity and to the contract itself that was entered into by the DENR and the NGOs.

M&E was conducted with a satisfactory performance of the NGOs, in general.

➤ *Infrastructure*

On July 31, 2003 the rehabilitation of the farm-to-market road was 100% accomplished and on August 1, 2003 the infrastructure was formally turned-over to the local government units. There was an approved extension period of one month as requested by the contractor due to unfavorable weather that caused the delay of some rehabilitation works. However, based on the prescribed project design, it was

satisfactorily accomplished thus the contractor's performance rate was not affected by its delay.

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

Description	Comment	Measure	Result
A. Technical	<ul style="list-style-type: none"> • Lack of technical personnel to conduct inspection and validation of Subproject accomplishments • Subproject performance is generally inefficient in attaining its core objectives and goals. • Delayed issuance of CBFM Agreement to the PO due to conflicts between the CBFMP policy and NCIP (IPRA Law). 	<ul style="list-style-type: none"> • Creation of interim SUSIMO through DENR Special Order • The DENR-SUSIMO & PO in collaboration with APs conducted review on the general performance of the project and assess/evaluate the accomplishments of the subproject physically, financially and socially. • Legal advice was sought from the Legal Division of the DENR. 	<ul style="list-style-type: none"> • Able to address the delayed payments of billings both CO & CSD accomplishments • The DENR came up with a performance assessment tool in attaining goals and objective of the subproject in an organized manner & rationality. • Able to interpret the laws and policy favoring the issuance of CBFMA to the PO.

B. Financial	<ul style="list-style-type: none"> • Inappropriate cost of seedlings particularly agro-forestry. 	<ul style="list-style-type: none"> • Revision of WFP to increase cost of seedlings 	<ul style="list-style-type: none"> • 100% accomplishments of the planned targets
	<ul style="list-style-type: none"> • PO lack knowledge on financial management system to sustain the continuity of the project in terms of finances. 	<ul style="list-style-type: none"> • Allowing the SUSIMO staff to train the PO through coaching & intervene in managing PO funds properly. 	<ul style="list-style-type: none"> • The PO realized the importance of proper management of their finances in order to fully sustain the project.

III. ACTION TAKEN BY THE AOs, APs AND POs RELATING TO RECOMMENDATION(S)

1. Recommendation(s) made by SUSIMO

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

RECOMMENDATION FROM THE SUSIMO	ACTION TAKEN		RESULTS/REMARKS
	By the AP	By the PO	
PO Organization and Structure must be strengthened in order to prepare them for self-sufficiency and sustainability.	Assisted the PO in formulating plans/programs in the form of meetings, trainings, seminars & workshops. Properly documented said activities.	The PO participated actively in pre-membership training & CBFM orientation & team building workshop & other trainings.	The working relationship improved and strengthened, PO committees and set of officers were created with written and updated organizational and functional chart.

The PO should develop a systematic forest resource management strategy in carrying out subproject physical activities.	Supervised the PO in laying out plan of activities in forest resource management system strategies.	Participated in the preparation and finalization of documents/reports required in forest resource management system. Attended the trainings conducted jointly by the APs and SUSIMO staff.	The PO was able to formulate CSD Plan, Forest Protection Plan; Prepared pre-project land use map & progress/operational map; Re-activated the Internal Monitoring Unit assigned to validate physical and financial accomplishments. The PO also came up with a ratified capital build up policy and updated membership records. Financial management system was also installed.
------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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.
- B. 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 SUSIMO:

Item	Status	Initial Operation	Maintenance	Management	Others
1. SUSIMO Building	Operational		✓		
1. Binocular	Operational				
2. Calculator	Operational				
3. Computer Desktop	Operational		✓		
4. Cassette Tape Recorder	Operational				
5. Meter Tape 25mt	Operational				
6. Steel Cabinet	Operational				
7. Manual Typewriter	Operational				
9 .VHF handheld Radios	Operational				

10. Brunton Compass	Operational				
11. Abney Hand Level	Operational				
12. Camera	Operational				
13. Motorcycles (SUZUKI 125)	Operational		✓		
14. Forester's Transit	Operational				
15. Base Radio	Operational				
16. Rain Gauge	Operational				
17. Grass Cutter	Operational				
18. Computer Table	Operational				
19. Office table w/ chair	Operational				
20. Generator	Operational		✓		
21. Printer	Operational				
22. GPS	Operational		✓		
23. Fire extinguisher	Operational				
24. Steel tape	Operational				
25. Planimeter	Operational				
26. Lettering set	Operational				
27. Drafting table	Operational				
28. Flashlight	Operational				
29. Petromax	Operational				
30. UPS 500VA	Operational				
31. GIS software	Operational				
32. Electric fan	Operational				
33. Airpot	Operational				
34. Stapler	Operational				
35. Puncher	Operational				
36. CD writer	Operational				
37. Truck/vehicle (KIA)	Operational		✓		
38. Computer rack	Operational				
39. Television	Operational				
40. Stereo component	Operational				
41. Refrigerator	Operational				
42. Gas stove	Operational				
43. Jungle bolo	Operational				
44. Steel rake	Operational				
45. Rubber boots	Operational				
46. Helmet	Operational				
47. Shovel	Operational				
48. Axe	Operational				
49. Horse (work animal)	Operational				

For Peoples Organization.:

Item	Status	Initial Operation	Maintenance	Management	Others
1. Bunkhouse	Operational		✓		
2. Computer w/ Printer	Operational		✓		
3. Colored TV with CD Player	Operational		✓		
4. Steel Cabinet	Operational		✓		
5. Motorcycle	Operational		✓		
6. Satellite Phone	Operational	✓			
7. Video Karaoke Machine	Operational			✓	
8. Refrigerator	Operational		✓		

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

- Technical Financial Institutional Economic
 Social/Distributional Others, Quality and Serviceability

C. Description

Others, Quality and Serviceability

➤ For the SUSIMO:

- KIA Truck - repair of air con, horn and front drive aside from tune-ups and change of oil.
- Motorcycles - change in battery, sprockets, signal lights, spark plugs and other minor parts when damaged and/or exhausted.
- Desktop computer - one unit not functional when its CPU bogged down. Said unit was already brought to technician for repair.
- GPS units - all units are operational except their cords and antenna cables but parts for replacement are hard to find.

➤ For the PO:

- Desktop computer - CPU bogged down; for repair
- Television set - IC malfunctioned due to overuse
- Motorcycle (2nd hand) - problem on battery and other minor parts.
- Computer printer - problem on availability of spare parts in repair shops.

- Videoke machine - TV monitor malfunctioned due to unregulated use.

D. Aspect of utilizing the Subproject facilities
For SUSIMO:

Item	Original Plan	Actual Operation
1. SUSIMO Building	For SUSIMO use	Being used by the SUSIMO & sometimes borrowed by the PO
2. Binocular	-do-	
3. Calculator	-do-	-do-
4. Computer Desktop	-do-	-do-
5. Cassette Tape Recorder	-do-	-do-
6. Meter Tape 25mt	-do-	-do-
7. Steel Cabinet	-do-	-do-
8. Manual Typewriter	-do-	-do-
9 .VHF handheld Radios	-do-	-do-
10. Brunton Compass	-do-	-do-
11.Abney Hand Level	-do-	-do-
12.Camera	-do-	-do-
13.Motorcycles (SUZUKI 125)	-do-	-do-
14.Forester's Transit	-do-	-do-
15.Base Radio	-do-	-do-
16. Rain Gauge	-do-	-do-
17. Grass Cutter	-do-	-do-
18. Computer Table	-do-	-do-
19. Office table w/ chair	-do-	-do-
20.Generator	-do-	-do-
21. Printer	-do-	-do-
22.GPS	-do-	-do-
23.Fire extinguisher	-do-	-do-
24.Steel tape	-do-	-do-
25.Planimeter	-do-	-do-
26.Lettering set	-do-	-do-
27.Drafting table	-do-	-do-
28.Flashlight	-do-	-do-
29.Petromax	-do-	-do-
30.UPS 500VA	-do-	-do-
31.GIS software	-do-	-do-
32. Electric fan	-do-	-do-
33. Airpot	-do-	-do-

34. Stapler	-do-	-do-
35. Puncher	-do-	-do-
36. CD writer	-do-	-do-
37. Truck/vehicle (KIA)	-do-	-do-
38. Computer rack	-do-	-do-
39. Television	-do-	-do-
40. Stereo component	-do-	-do-
41. Refrigerator	-do-	-do-
42. Gas stove	-do-	-do-
43. Jungle bolo	-do-	-do-
44. Steel rake	-do-	-do-
45. Rubber boots	-do-	-do-
46. Helmet	-do-	-do-
47. Shovel	-do-	-do-
48. Axe	-do-	-do-
49. Horse (work animal)	For SUSIMO use	Being used by the SUSIMO & sometimes borrowed by the PO

For Peoples Organization:

Item	Original Plan	Actual Operation
1. Bunkhouse (11 units)		Office/PO Quarter
2. Computer w/ Printer (3)		PO office use
3. Colored TV with CD Player (3)		PO use (IEC & IGP)
4. Steel Cabinet (3 units)		PO office use
5. Motorcycle (3units)		PO use/service mobility
6. Satellite Phone (1 unit)		PO use/communication
7. Video Karaoke Machine (2)		PO use/IGP
8. Refrigerator (3 units)		PO use/IGP

2. Organization for Operation and Maintenance

A. Name of POs/SUSIMO

- A.1. PO:
- i. ELCADEFE CBFM Planters Association Incorporated (ELCADEFE)
 - ii. San Isidro-Mambing-Bayabas Multi-Purpose Cooperative (SAMABACO)
 - iii. DALESAN Montevista Watershed Managers Cooperative (DALESAN)

SUSIMO: SUSIMO-SAUG WATERSHED SUBPROJECT
Site Management Officer : David L. Fabila, Jr.

A.2. Please check:

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

PO: Members and Officers have all the responsibility of the facilities they acquired.

SUSIMO: The staff assigned to the area is maintaining the SUSIMO facilities.

- POs and SUSIMO Organizational Charts are attached as Annex 1c, 1d, 1e and 1f, respectively.

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

A.4. Number of staff/workers of the PO or Body for Operation and Maintenance of Subproject Facilities.

- 6 persons (PO)
- All SUSIMO personnel assigned in the area.

B. Please check and explain the following.

B.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.

B.2. Average employment period of the present staff

PO: 5 Years
SUSIMO: 12 years

B.3. Availability of training program to promote the vocational ability of the staff, its contents and expected effects.

For the PO: None
For the SUSIMO: None

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

B) Original Expected Expenditure

For the PO

Item/ Calendar Year	Maintenance (PhP) in Million	Operation (PhP) in Million	TOTAL
1998			
1. PO Office (supplies, electricity)		0.000400	0.000400
<i>SUBTOTAL</i>		0.000400	.000400
1999			
1. PO Office (supplies, electricity)		0.000400	0.000400
<i>SUBTOTAL</i>		<i>0.000400</i>	<i>0.000400</i>
2000			
1. PO Office (supplies, electricity, communication)		0.004200	0.004200
2. Motorcycle			
<i>SUBTOTAL</i>		<i>0.004200</i>	<i>0.004200</i>
2001			
1. PO Office (supplies, electricity, communication)		0.004700	0.004700
2. Motorcycle	0.007000	0.025000	0.032000
<i>SUBTOTAL</i>	<i>0.007000</i>	<i>0.029700</i>	<i>0.036700</i>
2002			
1. PO Office (supplies, electricity, communication)		0.007800	0.007800
2. Motorcycle	0.007000	0.025000	0.032000
<i>SUBTOTAL</i>	<i>0.007000</i>	<i>0.032800</i>	<i>0.039800</i>
2003			

1. PO Office (supplies, electricity, communication)		0.007800	0.007800
2. Motorcycle	0.020000	0.050000	0.070000
3. Colored TV		0.000500	0.000500
4. Refrigerator		0.003500	0.003500
5. Videoke machine		0.000700	0.000700
SUBTOTAL	0.020000	0.062500	0.082500
GRAND TOTAL	0.034000	0.130000	0.157000

For the SUSIMO

Item Calendar year	Maintenance (PhP) in Million	Operation (PhP) in Million	TOTAL
2001			
1. SUSIMO Office		0.808000	0.808000
2. Vehicles/generator (motorcycle, KIA)	0.080000	0.180000	0.260000
3. Computer & other office equipment/ fixtures		0.262000	0.262000
SUBTOTAL	0.080000	1.150000	1.330000
2002			
1. SUSIMO Office		0.120000	0.120000
2. Vehicles/generator (motorcycle, KIA)	0.040000	0.138000	0.178000
3. Computer & other office equipment/ fixtures		0.070000	0.070000
SUBTOTAL	0.040000	0.328000	0.368000
2003			
1. SUSIMO Office		0.248900	0.248900
2. Vehicles/generator (motorcycle, KIA)	0.100000	0.210000	0.310000
3. Computer & other office equipment/ fixtures		0.070000	0.070000
SUBTOTAL	0.100000	0.529000	0.529000
GRAND TOTAL	0.220000	2.107000	2.327000

C) Actual and Currently Expected Expenditure

For the PO

Item/ Calendar year	Maintenance (PhP) in Million	Operation (PhP) in Million	TOTAL
1997			
1. PO Office (supplies, electricity, communication)		0.003051	0.003051
2. Camera (2)		0.000540	0.000540
<i>SUBTOTAL</i>		<i>0.003591</i>	<i>0.003591</i>
1998			
1. PO Office (supplies, electricity, communication)		0.004216	0.004216
2. Camera		0.001760	0.001760
<i>SUBTOTAL</i>		<i>0.005976</i>	<i>0.005976</i>
1999			
1. PO Office (supplies, electricity, communication)		0.004001	0.004001
2. Camera		0.001810	0.001810
<i>SUBTOTAL</i>		<i>0.005811</i>	<i>0.005811</i>
2000			
1. PO Office (supplies, electricity, communication)		0.005136	0.005136
2. Camera		0.001810	0.001810
3. Motorcycle	0.000591	0.002000	0.002591
<i>SUBTOTAL</i>	<i>0.000591</i>	<i>0.008946</i>	<i>0.009536</i>
2001			
1. PO Office (supplies, electricity, communication)		0.013660	0.013660
2. Camera		0.001810	0.001810
3. Motorcycle	0.020000	0.028823	0.048823

4. Typewriter		0.000150	0.000150
<i>SUBTOTAL</i>	<i>0.020000</i>	<i>0.044443</i>	<i>0.064443</i>
2002			
1. PO Office (supplies, electricity, communication)		0.054363	0.054363
2. Camera		0.002900	0.002900
3. Motorcycle	0.020000	0.028341	0.048341
4. Colored TV		0.001000	0.001000
5. Refrigerator		0.000750	0.000750
6. Cellular phone		0.006720	0.006720
7. Weighing scale		0.000040	0.000040
8. Planer		0.000030	0.000030
<i>SUBTOTAL</i>	<i>0.020000</i>	<i>0.094144</i>	<i>0.114144</i>
2003			
1. PO Office (supplies, electricity, communication)		0.043936	0.043936
3. Camera		0.002900	0.002900
4. Motorcycle	0.030000	0.038874	0.068874
5. Colored TV		0.000700	0.000700
6. Refrigerator		0.002720	0.002720
7. Cellular phone		0.006720	0.006720
8. Weighing scale		0.000050	0.000050
9. Planer		0.000100	0.000100
10. Videoke machine		0.001679	0.001679
11. Corn sheller		0.000750	0.000750
12. Computer/printer		0.010700	0.010700
<i>SUBTOTAL</i>	<i>0.070591</i>	<i>0.109130</i>	<i>0.139130</i>
GRAND TOTAL	0.070591	0.272040	0.342631

For the SUSIMO

Item/ Calendar year	Maintenance (PhP) in Million	Operation (PhP) in Million	Maintenance (PhP) in Million	Operation (PhP) in Million	TOTAL
2001					
1. SUSIMO Office (office supplies, communication)		0.441319			0.441319
2. Vehicles/gen erator (motorcycle, KIA)	0.055737	0.050429			0.106167
3. Computer & other office equipment/ fixtures		0.200000			0.200000
<i>SUBTOTAL</i>	<i>0.055737</i>	<i>0.691748</i>			<i>0.747485</i>
2002					
1. SUSIMO Office (office supplies, communication)		0.062751			0.062751
2. Vehicles/gener ator (motorcycle, KIA)	0.023375	0.073664			0.097039
3. Computer & other office equipment/ fixtures		0.074285			0.074285
4. Others (electric, water bills)		0.025000			0.025000
<i>SUBTOTAL</i>	<i>0.023375</i>	<i>0.210701</i>			<i>0.234406</i>
2003					
1. SUSIMO Office (office supplies, communication)		0.128543			0.128543

2. Vehicles/ generator (motorcycle, KIA)	0.058319	0.022724			0.081043
3. Computer & other office equipment		0.098725			0.098725
<i>SUBTOTAL</i>	<i>0.058319</i>	<i>0.249992</i>			<i>0.308311</i>
GRAND TOTAL	0.137432	1.152441			1.289872
EXPANDED PORTION					
July -Dec, 2003					
1. SUSIMO Office (office supplies, communication)				0.130800	0.130800
2. Vehicles/ generator (motorcycle, KIA)			0.060000	0.126000	0.186000
3. Computer & other office equipment				0.020000	0.020000
TOTAL			0.060000	0.276800	0.336800
Jan - Mar, 2004					
1. SUSIMO Office (office supplies, communication)				0.043750	0.043750
2. Vehicles/ generator (motorcycle, KIA)			0.035000	0.026250	0.061250
3. Computer & other office equipment				-	
TOTAL			0.035000	0.070000	0.105000

Note:

For the PO - The Peoples Organization had purposely allotted funds for their actual and current expenditure for the office equipment and vehicles they acquired during the course of the Subproject.

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

1. Maintenance Method

For the PO:

Facility/Item	Maintenance method	Frequency
1. Motorcycle	Change of oil	2 times a year
2. Computer and other mechanical and electronic appliances	As the need arises	

For the SUSIMO:

Facility/Item	Maintenance method	Frequency
1. KIA	Change of oil	3 times a year
2. Motorcycle	Change of oil	2 times a year
3. Computer and other mechanical and electric facilities	As the need arises	

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.

Employment Creating

The participants have been provided direct employment from actual plantation development during the CSD operation of the Subproject creating a total of 211,790 man-days. This is expected to continue all throughout the 25 years particularly on protection and maintenance activities involving the resident participants as labor force. Thus, aside from the livelihood projects the POs had developed, the Subproject gives income opportunity in the form of direct employment for the community.

Income Raising

It is expected that in due time household participants and members of the PO will definitely increase their income.

The following are the household income level before the project and during the project implementation of the three POs both based on the result of the M & E (socio institutional) conducted on December 2002:

ELCADEFE - before the project, the average annual income per household was PhP13,757.39. As of December 2002, the average annual income per household has increased significantly to PhP20,178.27.

The ELCADFE members in general have benefited from the different livelihood programs and projects implemented by the organization. Members of the organization were able to avail soft loan from the micro-lending fund. Some members were also given the opportunity to raise some domesticated and hybrid animals like the cabir chicken, anglonovian goats and swine through the chicken, goat and swine dispersal projects.

SAMABACO - the participating households average annual income was PhP27,164.30 before project implementation but with the project it has reached to PHP47,658.31 as of December 2002.

SAMABACO through their consumer store was able to give dividends and patronage refund to their members. With the help and assistance of the Institute of Primary Health Care (IPHC) and Phil-Ger fund

they were able to intensify its capital formation activities in early 1999 and 2000.

DALESAN - the household annual income before the project was only PhP24,264.00 and as of December 2002 it has reached Ph P34,550.51 per participating household.

Members of DALESAN cooperative were given the opportunity to loan pesticides and fertilizer from their agri-based cooperative store to enhance their income in corn production and other agricultural products.

VI. CONCLUSIONS AND RECOMMENDATIONS

- The satisfactory performance of the Subproject can be credited to the members of the community who actively participate and relentlessly give their wholehearted support in realizing the goals and objectives of the subproject.
- The completion of the subproject unfolds new challenges for the Peoples Organizations that are directly involved in day to day activities of the Subproject. Despite cultural differences that sometimes get in the way of developmental activities, the strong desire of the POs to achieve an ideal environment where to live pervaded.
- Inasmuch as the PO still needs continuous technical and organizational assistance, it is recommended that an AP be assigned in the Subproject in close coordination with the SUSIMO.
- Since Community Organizing Component is difficult to conduct simultaneously with the Comprehensive Site Development Component, it is recommended that the DENR formulate a guideline ensuring that a community stakeholder is technically and socially prepared before getting it involve in CSD activities and ensuring as well that the CO process is not pre-empted by CSD activities and vice versa.
- The DENR should institute a clear-cut policy/guideline on benefit sharing between PO and the government on agro forestry component of the Subproject to avoid conflict.
- SUSIMO personnel being the ones directly involved in Subproject development should be subjected to a continuous training for the improvement of their technical and social skills
- The DENR and the National Commission for Indigenous Peoples (NCIP) should collaborate on the matter of issuances, agreements, certificates and other related legal documents to establish clear bases of legal existence and boundaries. This is particularly true with the issuances of CBFMA (DENR) and CADT (NCIP) for the POs that also involve Indigenous Communities.
- The DENR should review the existing policy on harvesting of timber within the watershed areas to ensure that the provisions are strictly enforced particularly in areas covered by CBFM Program like in the case of Saug Watershed Subproject.