

SUBPROJECT COMPLETION REPORT

of

TAGANA-AN - SURIGAO CITY

MANGROVE REHABILITATION SUBPROJECT

Forestry Sector Project
Loan Agreement No. PH-P 135

I. **Subproject Description**

The Subproject Site is the largest mangrove area existing within the mainland of Surigao del Norte. It covers part of the coastal Barangays of Himamaug, Sampaguita, Opong, Fabio, and Banban in the Municipality of Tagana-an, and portion of Barangays Nabago, Cabongbongan, and Manjagao in Surigao City. The subproject lies within 9°39'50" to 128°17'19" latitude and 7°3' 31" to



125°37'46" longitude. It is bounded in the North and East by Hinatuan Passage; in the South by the municipality of Placer and in the West by mainland of the municipality of Tagana-an and Surigao City.

The subproject encompasses ten (10) islets. It is an interior mangrove area, and is protected by various hills which serve as barriers from the onslaught of waves and tidal current from the Pacific Ocean. The project covers an area of 1,125 hectares. It is accessible by land and by sea.

The subproject settlers are Boholanos and migrants from Leyte. The community's primary occupation prior to subproject implementation was fishing. About 60 to 70% are dependent on fishing, farming and gathering of fuelwood from mangrove species as their main sources of livelihood. The area was once ideal breeding and feeding grounds for milkfish fries and various marine lives.

1. Purpose/Objectives

A) Original (at the time of appraisal)

A.1 General Objective:

To rehabilitate the 1,150.0 hectares through participatory and collective involvement of the populace within the affected Barangays in order to rehabilitate the area and restore its potentials as rich-nutrient and feeding ground for various fish species and other marine lives.

A.2 Specific Objectives:

A.2.1 To tap the capabilities of the communities in the development and management of mangrove resources.

A.2.2 To improve the living conditions of the participant community members through employment generation and implementation of sustainable livelihood systems.

A.2.3 To rehabilitate the mangrove ecosystem and restore its productive and protective functions.

B) Modification

B.1 Modified purpose/objectives

B.1.1 Mold the eight beneficiary barangays to implement the Tagana-an - Surigao City Mangrove Rehabilitation Subproject

B.1.2 Restore the 1,100 hectares of denuded Mangrove areas through Enrichment Planting.

B.1.3 Establish 25.0 hectares of Nipa Plantation.

B.1.4 Develop an alternative livelihood projects for the communities.

B.1.5 Protection of the whole mangrove stands, its marine resources and the adjacent areas.

B.1.6 Award the CBFMA to the empowered People's Organizations to manage their own resources.

B.2 Reasons for the modification

Considering the span of time from the period the subproject site was appraised up to its implementation, several changes have occurred as to its biophysical conditions.

In the course of project implementation, it was discovered that not all the proposed 50-hectare in the area of BHS MULCO during the appraisal was suitable for Nipa plantation. This was evidenced by the presence of unhealthy/yellowish-colored existing nipa stands and hard pond properties of the soil in the area. Based from the survey conducted by the SUSIMO, a total of 40 hectares was only available for nipa. However, after thorough evaluation conducted by the Regional Composite Team, the area was finally reduced to 25 hectares, subsequent revision of Work and Financial Plan was conducted to suit the available area for development.

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)
1. REFORESTATION/WATERSHED/CBFM		
A. SURVEY MAPPING AND APPRAISAL	1,150.0 has. March 1997	1,150.0 has. March 1997
B. COMMUNITY ORGANIZING ¹		
Year - 1. Sustainable Ecosystems Foundation, Inc. (SEFI)	December 2000	August 06, 2001
Year- 2 Forest and Community United	December 2002	July 31, 2003

<p>Services (FOCUS, Inc.)</p>	<ul style="list-style-type: none"> ▪ IEC activities ▪ Organizational Development and Capacity Building ▪ Assistance on CSD activities ▪ Assistance to livelihood development ▪ Establishment of strong and viable linkages with other institutions ▪ Monitoring and evaluation 	<ul style="list-style-type: none"> ▪ IEC activities ▪ Organizational Development and Capacity Building ▪ Assistance on CSD activities ▪ Assistance to livelihood development ▪ Establishment of strong and viable linkages with other institutions ▪ Monitoring and evaluation
<p>C. COMPREHENSIVE SITE DEVELOPMENT ²</p> <p>1. SOIL EROSION CONTROL</p> <p> a. Infrastructure</p> <p> b. Trail and footpath</p> <p> c. Plantation</p> <p>2. VEGETATIVE MEASURES</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</p> <p> d.2 Rattan</p> <p> d.3 Mangrove (Total)</p> <p> d.3.1 Enrichment Planting</p> <p> d.3.2 Nipa Plantation</p> <p> d.4 Plantation sp.</p> <p> e. Timber Stand Improvement</p> <p>3. INVENTORY RESIDUAL FOREST</p> <p>4. INCOME ENHANCEMENT PROJECT</p> <p>5. INFRASTRUCTURE</p> <p> □ Bunkhouse (staff house,</p>	<p>1,150.0 has.</p> <p>1,100.0 has.</p> <p>50.0 has.</p> <p>5</p>	<p>1,125.0 has</p> <p>1,100.0 has.</p> <p>25.0 has.</p> <p>5</p>

<p style="text-align: center;">satellite office, multipurpose hall)</p> <p style="text-align: center;">□ Lookout Tower</p> <p>D. INFRASTRUCTURE SUPPORT COMPONENT</p> <ol style="list-style-type: none"> 1. Seawall rehabilitation in Banban, Taganaan 2. Seawall construction in Sampaguita, Taganaan 3. Seawall construction in Manjagao, Surigao City 4. Seawall Extension in Sitio Goding, Manjagao 5. Seawall Construction in Nabago, Surigao City 6. Drying Yard Construction in Cabongbongan, Surigao City 7. Causeway Construction in Opong, Taganaan 8. Causeway Rehabilitation in Fabio, Taganaan 	6	6
<p>E. MONITORING & EVALUATION</p>	1,150.0 has.	<p style="text-align: center;">1,125.0 has.</p> <p style="text-align: center;">February 24, 2003 to May 30, 2003 (1 pass only)</p> <p>Physical</p> <ul style="list-style-type: none"> ▪ Verification of boundaries, monuments and corner posts ▪ Seedling Production Inventory Analysis ▪ Survival Counting with 20% Sampling Intensity (line sampling) including mapping of developed areas

		<ul style="list-style-type: none"> ▪ Height and Diameter Measurement, Assessment of Overall Health/ appearance ▪ Inspection of Physical Infrastructure ▪ Project Management Cost and Report Preparation <p>Institutional and Project Benefit Assessment</p> <ul style="list-style-type: none"> ▪ Review available documents/ records/studies and conduct rapid appraisal/key informant interviews to assess the organizational, financial and management capability of the POs. ▪ Assess the Capability of the PO to sustain rehabilitation and forest protection work through key informant interviews with PO members and SUSIMO Staff, spot checks of CSD areas, and review of site development data/physical
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		<p>validation /PO documents</p> <ul style="list-style-type: none"> ▪ Assess the financial viability of the PO and its capability to sustain its livelihood initiatives through review of records, key informant interviews and discussions with PO members and SUSIMO Staff. ▪ Identify immediate and potential socio-economic benefits of the project to PO members and the community. ▪ Identify verifiable evidences that would indicate the future environment impacts of the project. ▪ Prepare a report on the above findings, which should include specific recommendations to address performance gaps and issues. ▪ For follow-up studies of subsequent passes, review actions taken on
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<p>F. SUSIMO Equipment provided to the Office ³</p> <p>Researches conducted</p> <p>Trainings attended ⁴</p>		<p>recommendations made in the previous assessment.</p> <ul style="list-style-type: none"> ▪ Document lessons learned from FSP Implementation. <p>3 units Boat w/ motor engine 2 units Motorcycle 1 unit Power Generator 1 set Computer w/software & printer 1 unit UPS 500VA 1 unit GIS software (Maptitude) 2 units GPS 1 set Base Radio Transceiver</p> <ul style="list-style-type: none"> ▪ Establishment of Growth Monitoring Samples ▪ Pre-Membership Education Seminar (PMES) ▪ Orientation on Community-Based Forest Management Program (CBFMP) ▪ Orientation on Simple Bookkeeping and Financial Management ▪ Orientation on Subproject Site Management Staff
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Others		<ul style="list-style-type: none"> ▪ Enhance Forest Management through GIS and GPS ▪ Seminar on Paralegal Training for Bantay Dagat ▪ Re-orientation Course for FSP Implementers ▪ Annual Project Assessment (Mindanao Group) ▪ Forestry Sector Project Phase-out/Phase-in Planning Workshop ▪ 54 square meters concrete SUSIMO building manned by Seven (7) SUSIMO personnel

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

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

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

4 Please 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.)
- 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 reasons (with background)

- Performance of the CO contractor

On Community Organizing

The planned to carry out Community Organizing within the first two (2) years of project implementation was never realized. After a delay in awarding of contract to Sustainable Ecosystems Foundation, Inc (SEFI), the AO/NGO, said contractor only stayed for the probationary period of six months. SEFI failed to carry out important activities committed for two quarters. Result of the evaluation showed that SEFI's performance is only 38.85% - a rate far from the acceptable performance level. Prior to the Issuance of the Notice of Delinquency, the SEFI management immediately decided to voluntarily withdraw from the project. On this, the DENR issued a Notice of Termination to the said contractor.

The CO contract was re-awarded to the Forest and Community United Services (FOCUS), Inc. who performed the last six (6) months of project implementation. Delay in the re-awarding of contract triggered delays in effecting its provisions.

- Substantial revision of design due to the unforeseeable physical condition at the time of the original design

On Comprehensive Site Development

Reduction of area for Nipa Plantation (from 40 has. to 25 has.) was due to the declaration of area shortfall by virtue of a BOD Resolution of BHS MULCO. In the course of area development, it was found out that some of the areas recommended for Nipa were not suitable due to *hard pond* characteristics of the soil as evidenced by the existing

yellowish nipa stands. After a series of thorough site evaluations conducted, the PO and SUSIMO did not find any alternative area for Nipa Plantation but reduced the area.

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 type="checkbox"/> Social services |
| <input type="checkbox"/> (Multipurpose) Dams | <input type="checkbox"/> Telecommunications | <input 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"/> Education |
| <input type="checkbox"/> Distribution Systems | <input type="checkbox"/> Irrigation and Flood control | <input type="checkbox"/> Health |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Irrigation | <input checked="" type="checkbox"/> Tourism |
| <input type="checkbox"/> Others | <input type="checkbox"/> Flood control | <input type="checkbox"/> Others |
-
- | | |
|---|---|
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Agriculture, Forestry and Fisheries |
| <input type="checkbox"/> Roads | <input checked="" type="checkbox"/> Agriculture and Forestry |
| <input type="checkbox"/> Bridges | <input checked="" type="checkbox"/> Fisheries |
| <input type="checkbox"/> Railways | <input checked="" type="checkbox"/> Others (<u>drying yard</u>) |
| <input type="checkbox"/> Airport | |
| <input type="checkbox"/> Ports | <input type="checkbox"/> Mining and Manufacturing |
| <input type="checkbox"/> Marine Transportation | <input type="checkbox"/> Mining |
| <input checked="" type="checkbox"/> Others (<u>causeways/wharfs/seawalls</u>) | <input type="checkbox"/> Manufacturing |

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

Item	Description
1. Subproject Site Development	There will be an expected accumulation of wood biomass because of the project implementation. There will be an increase in quality and quantity of mangrove forest cover, enhance the sediment screening and boost the mangrove wood stock, which offers tremendous opportunities in the future both as reserve stock and for ecotourism purposes. It is also expected that there will be an increase in yield of Nipa at a maximum level.
2. Increase in Marine Products	The diversity of marine ecosystem will be improved by the effects of restoration of mangrove forest through

<p>3. Soil and Nutrient Recharge</p>	<p>the implementation of the project. Yield fishery harvest is expected to increase by the diversification, and the increased profit is calculated as the increment benefit.</p> <p>Soil nutrient will be recharged by the litterfalls of the mangrove forest rehabilitated by the Project.</p>
<p>4. Overall Enhancement of coastal and Marine Resources</p>	<p>The implementation of the subproject is expected to contribute to the protection of coastal area from erosion and the communities from strong winds, keeping marine ecosystem from community wastes through the massive root system and providing the habitat and resting place for wildlife and migratory bird. Likewise, the improvement of vegetative cover and scenery contributes to the overall balance of the environment.</p> <p>The implementation of the subproject is expected to create people's pride and ownership for the mangrove area and help deter illegal fishing and cutting of mangrove. In addition, the project is also expected to create ripple effect to the surrounding communities as a successful model case and environmental awareness</p>
<p>5. Socio-Institutional Development</p>	<ul style="list-style-type: none"> ▪ In Community Organizing, the communities will be empowered through enhancement training on proper subproject implementation, and equipped with technical forestry and environmental capabilities relative to the protection and positive development of mangroves and its environment. <p>They will be trained to establish linkages with government and non-</p>

6. Employment Generation	<p>government entities such as BFAR, DTI, CDA and the concerned Local Government Units (LGUs) in order to have other opportunities that will alleviate their economic conditions</p> <p>The subproject shall generate a total of 8,184 mandays during the first year which is equivalent to a total household income of Php 34,954 and will gradually increase until it reaches its 26th year period.</p>
7. Income Raising	<ul style="list-style-type: none"> ▪ The participation of the community in the implementation of the CSD activities of subproject including farm, off farm and their existing non-farm income sources will to yield an income that is greater than the poverty income level of coastal communities in the whole Region.

3. Present situation and outlook for the future

Item	Description
1. The Community	<ul style="list-style-type: none"> ▪ The subproject is being implemented by four (4) organized People's Organizations duly registered at the Cooperative Development Authority namely namely: a) Banban - Himamaug -Sampaguita Multipurpose Cooperative (BHSMULCO) b) Manjagao Mangrove Developers Multipurpose Cooperative (MAMDEMULCO) c) Nabago - Cabongbongan Multipurpose Cooperative (NACAMULCO) and d) Opong - Fabio Multipurpose Cooperative (OPFAMULCO), June 8, 2001. In the course of project implementation, majority of PO members were already empowered through trainings/seminars they have undergone. The technical knowledge acquired, made the subproject

<p>2. Livelihood project⁵</p> <p>3. Infrastructure</p> <p>4. Eco-Tourism</p>	<p>implementation successful despite of some problems they have encountered. With the continuous IEC activities conducted in the area and with the skills acquired to link with other entities, it is expected that the PO will be more productive and progressive in the future capable to manage future projects.</p> <ul style="list-style-type: none"> ▪ The awarding of Community Based Forest Management Agreement (CBFMA) to the PO has given them Security and assurance and the right of managing the subproject area. This will boost their morale and will give them the confidence of managing similar projects in the future. ▪ All the four POs have already established seven (7) ongoing livelihood projects out of their savings from CSD funds and CBU. It is expected that these projects will be expanded and the POs will be progressive in due time. ▪ The four (4) POs were provided with five units Seawall, two units causeway and one unit drying yard. These structures has been very useful in supporting the livelihood ventures of the POs. These could also serve as recreation area for the community and the adjacent barangays. <p>Lush mangrove forest is now one of the best scenery, which invites tourists who love nature's beauty. The area had been recognized by the local Department of Tourism (DOT) as one of the tourist spots in the province coupled by the unique and extraordinary hospitality of the people</p>
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<p>5. LGU Support</p>	<p>in the community.</p> <p>The LGUs concerned has been very supportive to the project in terms of forest and sea protection and technical assistance through training in the conduct of Bantay Dagat. The full support of the LGU was given emphasis with the signing of the Memorandum of Agreement between the POs, the DENR and the LGUs concerned during the turned-over of the infrastructure. With the continuous support of the LGUs concerned, it is expected that a stronger partnership will be established and the subproject will be more sustained in the future.</p>
<p>6. Socio-Economic Condition of the Community</p>	<p>The implementation of the subproject has created an impact in the lives of the participating communities. There was an increase in income of the members from Php 29,392.57 before the project to Php 36,740.00 after the project. Evidences can be observed by the appliances and facilities they have acquired and they were able to send their children into public and private schools. It is expected that the economic condition of the participating members will be improved through the increase in income.</p>
<p>7. Fisheries and Agriculture</p>	<p>Due to the effect of restoration of natural ecosystem, there was an increase in fish population in the area. Fishing is now one of the income generating options of the POs. It is envisioned that the number of fishery harvest will increase time as well as agricultural inputs in due.</p>
<p>8. Forestry</p>	<p>The subproject has improved the overall aesthetic beauty of the mangroves including its ecological and</p>

	production functions and sustained forest cover. It is expected that there will be tremendous opportunities in the future as reserved wood stock.
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⁵Please refer to the Table 5a-h for the livelihood project being implemented

II. Subproject Implementation

1. Organizations for Implementing Subproject

Function in the Subproject Implementation	Name of Organization		Reasons for Change
	(1) Original	(2) Changed	
1. SMA (By Admin)			
2. AO for CO <ul style="list-style-type: none"> ▪ BHSMULCO ▪ MAMDEMULCO ▪ NACAMULCO ▪ OPFAMULCO 	Sustainable Ecosystems Foundation, Inc. (SEFI)	Forest and Community United Services (FOCUS), Inc.	Contract termination
3. Assisting Professional	None		
4. PO for CSD	BHSMULCO MAMDEMULCO NACAMULCO OPFAMULCO		
5. M&E Contractor	Propegemus Foundation, Inc. (1 st & final pass)		
6. Infra Contractor	Four (4) POs: BHSMULCO MAMDEMULCO NACAMULCO OPFAMULCO		

Please refer to Table 6a-g for the subproject status report

Please state:

Reasons for the change

The CO component had a change of contractor. The Assisting Organization, Sustainable Ecosystems Foundation, Inc. (SEFI) worked for just first six (6) months probationary period with an accomplishment of mere 38.85% of their first and second quarter commitments. Before the DENR could even issue a Notice of Delinquency, the contractor opted to voluntarily withdraw its resources from the project. The DENR finally issued a Notice of Termination to the contractor. Contract was re-awarded to FOCUS, INC to continue the unfinished activities left by the SEFI, Inc.

1.1 Problems arising, counter measures adopted and results

On Community Organizing

In view of the absence of an Assisting Organization to conduct CO activities in the area, the SUSIMO took over and mobilized/equipped the communities in preparation for the project implementation. This made up for the gaps incurred due to the delay in the execution of Community Organizing.

On Comprehensive Site Development

Plantation protection was at risk due to the presence of illegal activities such as sud-sud, dynamite and cyanide fishing which destroyed/damages the propagules planted. To prevent further harm, the PO's conducted staking and fencing in the enriched areas to prevent the possible entry of intruders.

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

The Organizational Structure are attached as Annex 1a for Forest and Community United Services, Inc. (CO Contractor), Annex 1b.1-4 for BHSMULCO, MAMDEMULCO, NACAMULCOCO, and OPFAMULCO (PO), Annex 1c for PROPEGEMUS, Inc. (M&E Contractor) and Annex 1d for SUSIMO Taganaan, respectively.

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

2. Implementation Period

A. Comparison of Original Schedule and Actual Period

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

ITEM	ORIGINAL SCHEDULE	ACTUAL PERIOD
1. Contract of AO for CO SEFI FOCUS, Inc.	January 15, 2000 to January 15, 2002	August 6, 2001 to February 28, 2002 (terminated) February 20, 2003 to June 30, 2003 (extended up to July 31, 2003)
2. Contract of PO for CSD	June 2000 to June 2003	December 26, 2000 to June 30, 2003
3. Contract of NGO for M&E	February 24, 2003 to May 30, 2003	February 24, 2003 to May 30, 2003
4. Contract of Infrastructure Component	February 28, 2003 to May 30, 2003	February 28, 2003 to June 30, 2003
© Completion (completion of Subproject)	June 30, 2003	December 31, 2003

Please refer to Tables 7, 8a-b and 9 for the details on cost of SMA, CO, CSD and M&E. list of Infra project/s with its corresponding cost is also attached as Table 10..

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

The completion date was scheduled for final disbursement 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.)
- Problems in procurement
 - 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

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

- Performance of Contractor

On Community Organizing

The deployment of inexperienced CO workers of SEFI affected the efficiency in the conduct of CO activities which led to its low performance. The SEFI's voluntary withdrawal led to the selection of another NGO. On the other hand, it took for the region several months to perfect the contract and when it was finalized, it was already the latter part of project implementation.

- Unusual circumstances beyond the control of the Executing agency

On Comprehensive Site Development

Full blast operation of project implementation particularly in Comprehensive Site Development (CSD) happened later than what was planned because of the delayed downloading of funds and issuance of Notice to Proceed.

- Unrealistic Initial Plan/Technical problems

On Infrastructure Component

Construction of infrastructure projects was not carried out on schedule due to the delay in the selection of infrastructure suited to a specific area as well as preparation of the plan. Originally, the plan was to construct one infra project for each barangay. Based however, on the survey conducted by the FSP-TA Infrastructure

Team, some of the proposed infra projects were not feasible in the area.

C. Remedial Action Taken in Each Case of Delay

Community Organizing

The Regional Office coordinated closely with the NGO (SEFI) management to fast track the perfection of the CO contract to avoid delay in project implementation. Problem on absence of AO during the initial stage of project implementation was remedied with the operationalization of the SUSIMO.

On Comprehensive Site Development

Fast tracking of CSD activities was pursued to finish the planned activities as scheduled. Accomplishments for the target area were done in accordance with the provisions stipulated in their contract.

On Infrastructure Component

Infrastructure projects were finally constructed in the area contracted by the four (4) POs. Activities were fast tracked to make up for the delay in the implementation and to be able to finish the targeted activities as scheduled.

3. Subproject Cost

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

Item	Original Cost (in M pesos)	Actual Expenditures
Survey, Mapping and Appraisal (by admin)		
Community Organization	2.070000	1.297728
Comprehensive Site Development	7.153406	5.847028
Monitoring and Evaluation	1.068125	1.068125
Infrastructure	4.410970	4.410970

Development		
Subproject Coordinating Office (SUSIMO)	1.610080	0.689815
TOTAL	16.312581	13.313666

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

For Community Organizing

The original amount allotted to finance the Community Organizing activities was not fully disbursed because of the cancellation of the first contractor, that lasted only for six (6) months. Due to delay in the re-awarding of contract, the second NGO was able to conduct only some of the remaining CO activities for another six (6) months due to time constraints. The overall duration of the CO activities lasted only for one (1) year, which is supposed to be

conducted for two years. Hence, the disbursement was lesser considering that not all the required activities were conducted.

- *For Comprehensive Site Development*

The total budgetary requirement for CSD was not fully utilized because of the following reasons: reduction in the target area for Nipa plantation; unutilized contingency funds (10%); change in the completion period of Maintenance and Protection (M&P) from December 2003 to June 2003. The maintenance activities based on approved Work and Financial Plan were scheduled to take 10 quarters and supposed to end on December 2003. However, the schedule was reduced to eight(8) quarters and therefore ended in June 2003.

C. Action taken in Case of Cost Overrun and Results: N/A

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

Calendar Year	Original Cost (in M pesos)	Actual Expenditures (in M pesos)
2001	6.259727	3.056833
2002	3.053459	2.659229
2003	6.999395	7.597604
Total	16.312581	13.313666

Please refer to Table 11 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 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
 Increase or decrease arising from a change in the scope/work volume of the subproject

- Performance related to any other than the Subproject scope, if any.
- Others

a.2 Description (in detail)

- *Overall performance*

For Community Organizing

The Sustainable Ecosystem Foundation, Inc. (SEFI) was the first NGO deployed in the project site to conduct CO activities. It failed to deploy sufficient number of manpower stipulated in the contract. Most of the staff deployed were not well prepared to carry out the various CO activities stated in the Work and Financial Plans (WFP). Its performance was below the acceptable level of DENR which is only 38.85%. The contract was terminated after six(6) months operation.

FOCUS, Inc. was the second NGO tapped by DENR to continue the unfinished activities of SEFI, Inc. It performed better than the first NGO cited above, although submission of terminal report was not on time due to the delayed re-awarding of contract. FOCUS, Inc subsequently requested for one (1) month extension of CO contract citing the delayed re-awarding as justification, which the Regional Office also granted and approved their request.

For Comprehensive Site Development

The four (4) POs have satisfactorily accomplished their targets as stipulated in their respective Work and Financial Plans (WFP). They have even applied innovations from the original work plans especially on plantation maintenance and protection. They have also established linkages with other agencies particularly in carrying out their livelihood ventures. However, they still need close supervision by the SUSIMO in terms of financial management in order to have proper utilization of funds.

For Infrastructure Support Component

The four (4) POs were the ones who contracted their respective infrastructure projects. They were able to accomplish all planned activities despite the delay in implementation. Minor defects

were observed, however, these did not affect the quality and strength of the infrastructure projects.

For Monitoring and Evaluation

The contractor satisfactorily accomplished the requirements stipulated in the M & E contract primarily on the physical aspect. However, the NGO failed to produce the expected output specifically on the household income in the Institutional and Project Benefit Assessment.

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 (in detail)

Technical

Some of the recommended sites were discovered to be inappropriate for Nipa plantation due to poor condition of the soil. A similar situation was encountered in Lamangon Island wherein there were non-plantable portions due to the depth of water level. Consequently, the POs passed a resolution declaring an area shortfall. A resurvey was conducted to determine the suitable area, which resulted to a subsequent reduction of area for Nipa plantation.

Financial

Delays in payment for accomplishments that came as a result of overdue processing of CSD billings discouraged some members to conduct CSD activities. The problem was remedied when the SUSIMO along with the AO conducted intensive IEC to convinced and encouraged them to just continue working while waiting for the processing and release of payment on the accomplished CSD activities in the Regional Office. The gesture enabled them to win back the trust of other PO members to participate in the project implementation.

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. The recommendations are given below or not applicable. There has been no recommendation with regard to the Subproject).

Assisting Organization (AO)

Since the SUSIMO observed that the CO Staff deployed in the project were inexperienced and were not prepared to carry out their activities, the SUSIMO suggested for a constant coordination and leveling off in order to have a smooth flow and effective conduct of CO activities.

Peoples Organization

In order to put the POs funds into proper order, the SUSIMO recommended that financial co-management shall be adopted and subsequent financial reprogramming shall be conducted.

2. Action Taken and Results

Assisting Organization

Before the NGO staffs were deployed to their respective area of assignments, coordinative meetings were conducted to set clear their objectives for a particular activity. As observed, such initiative gained better results.

Peoples Organization

The Peoples Organization adopted the Financial co-management system wherein financial transactions were properly recorded and maintained. This has helped the POs managed their finances properly.

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 SUSIMO:

Item	Status	Initial Operation	Maintenance	Management	Others
▪ Boat w/ motor engine	serviceable		✓		
▪ Motorcycle	serviceable		✓		
▪ Power Generator	serviceable		✓	✓	
▪ Computer w/software & printer	serviceable		✓		
▪ UPS 500VA	serviceable				
▪ GIS software (Mapitude)	serviceable		✓		
▪ GPS	serviceable			✓	
▪ Base Radio Transceiver	serviceable			✓	
SUSIMO Building	serviceable				

For PO:

Item	Status	Initial Operation	Maintenance	Management	Others
▪ Bunkhouse	serviceable			✓	
▪ Lookout Tower	serviceable			✓	
▪ Wooden banca	serviceable				

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

- Technical
 Financial
 Institutional
 Economic
 Social/Distributional
 Others

Description (in detail)

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 of the motorcycle as well as the power generator are too expensive.

C. Aspect of utilizing the Subproject facilities

For SUSIMO

Item	Original Plan	Actual Operation
Boat w/ motor engine	The three (3) units shall be used in all SUSIMO operations and other project - related activities.	One (1) unit was lent to the forest protection unit in CENRO Butuan stationed at Agusan River per instruction of the RTD for Forestry.
Honda Motorcycles	The three (2) units shall be used in all SUSIMO operations and other project - related activities.	The two (2) units downloaded were used in all SUSIMO operations and other project - related activities.
Power Generator	One (1) unit shall be used in the SUSIMO in case of power failure.	Used and maintained by MAMDEMULCO, the only PO located in un-energized community.
Computer w/ software & printer	One (1) set shall be used in the SUSIMO paper works and process documentations.	One (1) set used in the SUSIMO paper works and process documentations.
Global Positioning System	The two (2) units shall be used in SUSIMO's navigational and surveying activities.	Only one (1) unit is operational.
Base Radio Transceiver	Used in all SUSIMO operations and other project - related activities.	Used in all SUSIMO operations and other project - related activities.

For PO

Item	Original Plan	Actual Operation
Bunkhouse	Used as PO's Office	Used as PO's Office
Lookout Tower	Used in the conduct of forest protection activities.	Used in the conduct of forest protection activities.
Wooden banca	Used in PO's field activities.	Used in PO's field activities.

2. Organization for Operation and Maintenance

D. Name of Agency and/or Section

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

Administrative Support Unit - SUSIMO Tagana-an
Administrative Support Unit - four (4) POs

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.

Organizational structure for the maintenance of both PO and SUSIMO facilities is not applicable as there is only one person in-charged to take care of the maintenance needs of the said facilities.

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

One (1) for SUSIMO
One (1) for PO

F. 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

Eight (8) Years for SUSIMO
Three (3) Years for PO

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

NONE

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

Original Expected Expenditure

For SUSIMO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Total
CY 2001	0.080000	0.160000	0.240000
CY 2002	0.040000	0.202000	0.242000
CY 2003	0.010000	0.399700	0.409700
TOTAL	0.130000	0.761700	0.891700

For PO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Total
CY 2001			
CY 2002		0.125	0.125
CY 2003		0.050	0.050
TOTAL		0.175	0.175

A. Actual and Currently Expected Expenditure

For SUSIMO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Maintenance & Operation (For expanded portion)	Total
CY 2001				
• SUSIMO Building	0.002500			0.002500
• Computer	0.004000			0.004000
• Motorcycle		0.002000		0.002000
• Power generator		0.002000		0.002000
• Motor Boat		0.030000		0.030000
CY 2002				
• SUSIMO building/	0.002000			0.002000
• Computer	0.004125			0.004125
• Motorcycle		0.003500		0.003500

<ul style="list-style-type: none"> • Power generator • Motor Boat 		0.005000 0.001000			0.005000 0.001000
CY 2003					
<ul style="list-style-type: none"> • SUSIMO building 	0.001232				0.001232
<ul style="list-style-type: none"> • Computer 	0.003400				0.003400
<ul style="list-style-type: none"> • Motorcycle 	0.009784				0.009784
<ul style="list-style-type: none"> • Power generator • Motor Boat 		0.033709			0.033709
2004					
<ul style="list-style-type: none"> • SUSIMO bldg 			0.001300		0.001300
<ul style="list-style-type: none"> • Computer 			0.004000	0.010000	0.014000
<ul style="list-style-type: none"> • Motorcyle 			0.007500	0.015000	0.022500
<ul style="list-style-type: none"> • Motorboat 			0.007200	0.015000	.022200
TOTAL	0.027041	0.077209	0.020000	0.040000	0.164250

For PO

(Unit: Mil Pesos)

Item Calendar year	Maintenance	Operation	Maintenance & Operation (For expanded portion)		Total
CY 2001					
<ul style="list-style-type: none"> • Bunkhouses • Lookout Tower • Wooden Banca 					
CY 2002					
<ul style="list-style-type: none"> • Bunkhouses 	0.002000				0.002000
<ul style="list-style-type: none"> • Lookout Tower 	0.005000				0.005000
<ul style="list-style-type: none"> • Wooden Banca 		0.020000			0.020000
CY 2003					
<ul style="list-style-type: none"> • Bunkhouses 	0.003000				0.003000
<ul style="list-style-type: none"> • Lookout Tower 	0.002500				0.002500

• Wooden Banca		0.025000			0.025000
TOTAL	0.012500	0.045000			0.057500

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.

No amount was given for the expanded portion of maintenance and operation of facilities for the PO. Cost provided was based on actual disbursement. In the case of SUSIMO, facilities were maintained depending on the fund allocation downloaded by the NFDO. However, it will be the responsibility of the concerned CENRO to oversee and maintain these facilities when it will be turned over under their custody. Maintenance could be sourced out from the DENR regular funds.

3. Maintenance Method

A. Content of Method

Maintenance of the afore-cited subproject facilities was made on a case-to-case basis depending on the conditions of such facilities. The Head of the Administrative Support Unit monitors the condition of these facilities to ensure that they are used for intended purpose. The drivers were responsible for the maintenance of motorcycles.

Maintenance of POs' facilities was made as the need arises through a Board Resolution.

B. Frequency

KIND OF FACILITY	MAINTENANCE METHOD	FREQUENCY
Computer	Repair/replacement of defective parts/upgrade	As the need arises
Motorcycle	Repair/replacement of defective parts/change oil	Twice a year
Power generator	Repair/replacement of defective parts /change oil	As the need arises
Motor Boat	Repair/replacement of defective parts/ change oil	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.

Employment Generation

The subproject has provided employment not only to the participating members but also the adjacent communities. A total of 642 constituents have benefited on the jobs created during the implementation of the subprojects CSD activities and construction of infrastructure projects. The subproject has generated employment equivalent to a total of 64,188.94 man days.

Increased Income

Through the jobs generated in the course of project implementation, the daily income of the common residents in the community has somehow elevated to a certain degree. Prior to subproject implementation, the Average Annual Household Income of the community is Php 29,392.57. In the course of implementation, their income raised to P Php 36,740.71, which is 25% higher compared to the previous income brought about by the employment opportunities created by the project. It is expected that the income will further increase through the implementation of various livelihood projects of the POs

VI. Conclusion and Recommendation

The grant for extension in the Forestry Sector Project which gave way to the implementation of Tagana-an - Surigao City Mangrove Rehabilitation Subproject was indeed much of a gain for both the funding institution (JBIC) and the project implementers (DENR & PO). The project has created a great impact in the project beneficiaries and the community as a whole in terms of environmental, social and economic aspect. The success of the implementation was carried out satisfactorily as evidenced by the enhanced mangrove ecosystem, unified community and environment - conscious people. Behind the fulfillment of the subproject's objectives are the key actors in the subproject implementation; the moral and logistic support of the DENR management, the untiring dedication, commitment and integrity of the SUSIMO staffs in mobilizing the community members, the LGUs who have always shown support to the project; and most of all, the open-minded and dynamic members of the Peoples' Organization who were the key players in the overall success of the project implementation.

With the POs experiences in Taganaan, Mangrove Subproject, following are recommendations, which could be employed in implementing similar projects in the future.

- Sufficient training and guidance on CSD activity should be conducted before the commencement of CSD activities;
- Literacy program should form part in the initial stage of project implementation to become successful CBFM holder;
- Policy guidelines should be strictly implemented specially in the proper selection of Assisting Organizations which will serve as DENR'S partners in the conduct of implementing activities of the subproject;
- Promote strong partnership between and among project implementers;
- Adoption of co-management approach between the DENR through the SUSIMO and the PO in order to have a smooth and proper management of POs finances.