

**STUDY ON THE MOVEMENTS IN THE
DEVELOPMENT LEVELS OF SELECTED
AGRARIAN REFORM COMMUNITIES
(ARCs)**

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I. INTRODUCTION

The agrarian reform communities (ARCs) approach is an integrated development strategy that focuses on four (4) key intervention components: 1) Land Tenure Improvement (LTI); 2) Social Infrastructure and Local Capacity Building (SILCAB); 3) Sustainable Area-based Rural Enterprise Development (SARED); and 4) Basic Social Services System Development (BSSD). Through the ARC strategy, DAR envisages ARB empowerment through viable ARB organizations, increased agricultural productivity, and improved household income. The ARCs are programmed to be the growth points from which development gains are expected to diffuse to other adjoining communities. As a strategy, the ARC likewise contemplates the convergence of interventions by DAR, other line agencies, partner non-government organizations (NGOs) and people's organizations (POs). Thus, as a convergence point, it synchronizes and provides for a syndicated delivery of support services to the ARBs.

Since 1993, the DAR has focused on the development of viable agrarian reform communities. As of September 2007, 1,717 Agrarian Reform Communities (ARCs) have been launched covering 1.970 million hectares and projected to benefit 1,100,212 ARBs. Of the 1,717 ARCs launched as of that time, 1,713 ARCs and 4,476 out of 5,175 ARB organizations were assessed for their level of development as of October 2007.

To determine if the interventions provided in the ARCs have achieved the intended goals, the ARC Level of Development Assessment or ALDA was developed in 1995. It is a tool utilized by the Department in determining the levels of development of the ARCs and ARB organizations therein, with the end view of profiling and defining appropriate interventions. Based on the results of the ALDA, the current state of the ARC is measured and established and the weak and strong areas of the community and the ARB organizations are determined. The ALDA is envisaged to be the springboard for the identification of development interventions needed by the ARCs and a means for improving the plans of the ARC players and the ARC organizations.

Specifically, the ALDA aims to: (1) assess the status of the ARCs in the areas of land tenure improvement (LTI), organizational maturity (OM), farm productivity and income (FPI), economic and physical infrastructure support services (ECOPISS), basic social services (BSS), and gender and development (GAD); (2) classify and define ARCs based on assessed level of development; and (3) define the appropriate interventions to be implemented by the community, people's organizations and implementers of DAR, NGOs, LGUs, and line agencies towards improving the ARC level of development.

As part of its regular monitoring and evaluation system, the DAR annually conducts the ALDA. As of CY 2007, the overall ALDA status of the ARCs is as follows: 708 ARCs or 41.33 percent were assessed to be of high level of development (Level 5); 479 or 27.96 percent were of higher medium level of development (Level 4); 338 or 19.73 percent were of medium level of development (Level 3); 123 or 7.18 percent were of lower medium level of development (Level 2); and 65 or 3.79 percent were of low level of development (Level 1).

Of the 1,713 ARCs that were subjected to the ALDA in 2007, 94 were new ARCs covered in 2007. Hence, for purposes of determining the movements of ARCs by level of development between 2006 and 2007, the ALDA results of 1,619 ARCs (i.e., 1,713 ARCs less 94 ARCs) were analyzed by level of development movement between these two years and findings show the following movements to wit: 17.67 percent had regressed; 55.90 percent had maintained their status; and 26.44 percent had advanced. Of note is that the ALDA results from 2006 to 2007 show that more than two thirds (1,163) or 72 percent of the ARCs had reached the superior development levels of 4 and 5 (Table 1). Of these 1,163 ARCs, 712 or 64.4 percent had maintained their 2006 levels of development while 344 or 31 percent had regressed. Out of 475 ARCs under Level 4 in 2006, 107 or 22.5 percent had advanced to Level 5.

Comparing results of the 2006 and 2007 ALDAs indicate a slight increase in the number of ARCs that have regressed, i.e., from 16 percent in 2006 to 18 percent in 2007. Between 2006 and 2007, there were 135 ARCs (21.4%) in Level 5 and 96 ARCs (20.2%) in Level 4 that regressed in their ALDA ratings. For ARCs in Level 3 and Level 2, there were 44 (13.4%) and 11 ARCs (8.5%) that regressed, respectively.

The findings of the macro and poverty study of the CARP-Impact Assessment Phase II in 2007 shows that 254 ARCs or 16 percent have slid down or retrogressed in their development levels between 2005 and 2006. On the other hand, 823 (52%) have maintained their level of development while 518 (32%) have progressed to higher levels. The same study pointed out that although the overall trend is positive, there is a cause for concern due to the deviation from the envisaged progression to higher levels by the ARCs, as more than two-thirds (68%) either merely maintained their 2005 status, or even retrogressed.

The increasing trend of ARCs that have regressed in their level of development, and the decreasing trend of ARCs that have maintained their higher levels of development have opened an area for study aimed at determining what factors in program implementation and the interplay of interventions in the ARCs have caused the positive and negative movements or status quo in their levels of development. Case studies of ARCs that have regressed, maintained and advanced in their levels of development were undertaken as a method towards this end.

The results of the case studies are expected to generate inputs to the review of the ALDA as a tool for measuring the development levels of ARCs and the program interventions that may need to be revised or streamlined to sustain the high levels of development and gains that have been achieved, and to provide more impetus for growth and development of the ARCs.

Table 1. National Data on the ARC Level of Development Assessment (ALDA) Result Movement from 2006 to 2007

Level	2006 ALDA Result	2007 ALDA Result				
		L1	L2	L3	L4	L5
	1,619	48	98	310	462	701
L1	57	25	17	12	3	0
L2	129	11	35	55	22	6
L3	328	8	36	133	113	38
L4	475	3	8	85	217	162
L5	630	1	2	25	107	495

Source: DAR, BARBD

Note: Shaded figures indicate the total number of ARCs that have maintained their Development Levels from 2006 to 2007. The unshaded figures indicate the total number of ARCs that either regressed or advanced in their levels of development between 2006 and 2007.

II. OBJECTIVES

The objectives of this study are as follow:

1. Analyze the historical trend of ALDA ratings and obtain field data in the six sample ARCs by key result area: land tenure improvement (LTI), organizational maturity (OM), economic and physical infrastructure support services (ECOPISS), farm productivity improvement and income (FPI), basic social services (BSS), and gender and development (GAD) to determine which KRAs and specific indicators contributed to either the maintained, advanced or regressed levels of development;
2. Determine what other factors may have had positive or negative effects on the advanced, maintained, or regressed levels of development in ARCs, by way of:
 - looking at the historical and current status of existing ARB organizations in the sample ARCs and their contribution to the current level of development of the ARCs
 - assessment of the support interventions provided by CARP Implementing Agencies (CIAs) and LGU involvement in the development of the ARCs in terms of the required economic and physical infrastructure, provision of extension services and institutional development interventions, ARB households' access to basic social services, and provision and access to credit and marketing services
 - determination of the extent of financial support provided for the interventions for maintenance and/or expansion of both economic and physical infrastructure

3. Identify problems, issues and constraints which affect the development of the ARCs;
4. Determine the strengths and weaknesses of the ALDA as a tool for measuring the development levels of the ARCs; and
5. Recommend remedial measures towards improving the ALDA as a tool for measuring the development levels of the ARCs and to address the problems and issues identified through the study.

III. METHODOLOGY

This study made use of the case study approach. It covered six (6) sample ARCs purposively drawn from the ARC Level of Development Assessment (ALDA) results from CY 2001 to 2007 using movements in the levels of development in ARCs to wit: ARCs that have regressed from 2006 to 2007; ARCs that have maintained their development level from 2001 to 2007; and ARCs that have advanced in development from 2001 to 2007.

For ARCs that have regressed in their level of development, the ALDA results in 2006 to 2007 were considered since these indicate the latest data on the number of ARCs that have regressed in their ALDA ratings. From the list of ARCs with ALDA results of levels 5 that have slid down to lower levels (i.e., 1 and 3) three sample ARCs were purposively selected representing the following stratifications: Level 4 to 1; Level 5 to 3; and Level 4 to 1 as shown in Table 2 and for which one (1) sample ARC was purposively selected for each stratum. These ARCs include: Binahaan Expansion ARC in Quezon I for Level 4 to 1; ALBAPA ARC in Negros Occidental for Level 5 to 3; and Evergreen ARC in Cagayan for Level 5 to 1. As to the methodology for choosing these three (3) sample ARCs that have regressed, these were chosen from the list of ARCs that have regressed nationwide to get a representative cross-section of varying degrees of retrogression from the ALDA results in 2006 to 2007 to wit: Level 5 to 1; Level 5 to 3; and Level 4 to 1. Based on this list, only Negros Occidental and Cagayan had one ARC each that had ALDA ratings that regressed from Level 5 to 3 and Level 5 to 1, respectively. For the sample ARC that had regressed from Level 4 to 1, Quezon I was identified as having one ARC that has regressed from Level 4 to 1.

For the ARCs which have maintained their level of development, two sample ARCs were purposively selected to represent consistent high and low levels of development over the period covering 2001 to 2007 for high level and 2002 to 2007 for low level.

For the ARC which has maintained its high level of development (i.e., Level 5), Sinamar ARC in Ilocos Norte was purposively selected from the list of ARCs nationwide that have consistently maintained their level of development based on the 2001 to 2007 ALDA ratings. As to the specific sampling methodology for choosing Sinamar ARC in Ilocos Norte, from the total list of ARCs, a shortlist of ARCs that have maintained

Level 5 ratings was drawn and their sustainable rural development indices (SRDI)* from 2001 to 2007 ratings compared. This was for purposes of identifying the Level 5 ARCs that had no SRDI fluctuations over the subject period thereby ensuring consistency in their KRA ratings (i.e., land tenure improvement (LTI), organizational maturity (OM), economic and physical infrastructure support services (ECOPISS), farm productivity improvement (FPI), basic social services (BSS), and gender and development (GAD). Level 5 ARCs with declining SRDIs were deleted from the shortlist thus resulting in only two ARCs with maintained Level 5 ALDA ratings and increasing SRDIs from the 2001 to 2007 ratings remaining in the list. One of these two ARCs was selected as sample ARC based on the higher number of barangays covered, the higher number of ARBs awarded lands under the agrarian reform program, the bigger hectareage of land covered by LAD, the higher number of program partners and other non-CARP institutions involved, the higher number of program interventions provided/implemented, the existence of higher number of farmers' organizations/ ARB cooperatives, and the existence of more economic and physical infrastructure support provided through the implementation of foreign-assisted projects.

For the ARC that maintained its low level of development (i.e., Level 1), Kablon ARC in Tupi, South Cotabato was purposively selected based on the findings of the meso study of CARP Impact Assessment Phase II which showed an improvement in the overall economic status of the community but the ALDA rating has been maintained at low level (i.e., Level 1) from 2002 to 2007.

For the ARC that advanced in its level of development, San Roque ARC in Northern Samar was purposively selected from the list of ARCs in the Visayas which have progressed in their levels of development from Level 1 to 5 based on the 2001 to 2007 ALDA ratings. Only the list of ARCs in the Visayas was considered to ensure that a sample ARC from this geographical island group would be included in the study. As for the methodology in choosing San Roque ARC in Northern Samar, from the total list of ARCs in the Visayas, a short list of ARCs that had advanced levels of development were selected and their SRDIs from 2001 to 2007 compared. Level 1 to 5 ARCs with fluctuating SRDIs i.e., from 2001 to 2007 were deleted from the shortlist. This process resulted in only two (2) ARCs that had consistently advancing levels of development and increasing SRDIs from the 2001 to 2007. One of these two ARCs was selected as sample ARC based on the higher number of barangays covered, the higher number of ARBs awarded lands under the agrarian reform program, the bigger hectareage of land covered by LAD, the higher number of program partners and other non-CARP institutions involved, the higher number of the program interventions provided/implemented, the higher number of existing farmers' organizations/ARB cooperatives, and the existence of more economic and physical infrastructure support provided.

The case studies utilized both primary and secondary data. Primary data was obtained through focused group discussions (FGDs) with selected ARBs, representatives from

* SRDI is the ALDA over-all rating based on the ratings in each KRA using a percentage value of 0 to 100 percent. A low percentage point (close to zero) indicates low level of development while a high percentage point would indicate the advanced levels of development. The interpretation of the SRDI depends on the thresholds or standard range of ratings set per ARC classification such as: prime, semi-prime and satellite.

the existing ARB organizations/cooperatives and barangay officials in the sample ARCs. Key informant interviews were conducted with key officials/officers of the CARP implementing agencies such as DAR, DA, LBP, DTI and other concerned government offices such as the LGUs and where applicable, civil society representatives whose organizations have been involved in development initiatives in the sample ARCs. The DAR personnel involved in the development process of the ARC, particularly the MAROs and Development Facilitators (DFs) and other members of the ALDA team were interviewed as primary key informants. Pertinent secondary data was gathered from the Bureau of Agrarian Reform Beneficiaries Development (BARBD), Support Services Office (SSO), and concerned DAR Provincial and Municipal Offices.

Table 2. Sample ARCs by ALDA Status, Year Launched, Number of Barangays Covered, ARC Category and Classification, and by Level of Development by Year

Province	Sample ARC	Year Launched	No. of Barangays	ARC Category	ARC Classification	Level of Development						
						2001	2002	2003	2004	2005	2006	2007
Quezon I	A. Regressed											
	1. Binahaan Expansion	1995	4	ARC as is	Low Prime	3	4	3	3	3	4	1
	Negros Occ.	2. ALBAPA	2000	3	ARC as is	Low Semi-Prime	3	3	5	5	4	5
Cagayan	3. Evergreen	2003	2	ARC as is	Medium Prime	-	-	5	4	5	5	1
Ilocos Norte	B. Maintained											
	1. Sinamar	1996	6	ARC as is	Low Semi-Prime	5	5	5	5	5	5	5
South Cotabato	2. Kablon	1994	1	ARC as is	Medium Prime	2	1	1	1	1	1	1
Northern Samar	C. Advanced											
	- San Roque	1994	5	ARC as is	Medium Prime	1	2	2	3	3	5	5

IV. ANALYSIS OF THE MOVEMENTS IN THE DEVELOPMENT LEVELS OF THE SAMPLE ARCs BASED ON ALDA RATINGS AND FIELD DATA

As stipulated in DAR Memorandum Circular No. 03, Series of 2001, the general objective of the ARC Level of Development Assessment (ALDA) is to determine the growth of the ARCs and the extent by which interventions of key ARC players have been concretely translated towards ARBs' socio-economic and political empowerment. The ALDA is moored to the Department's thrust of a sustainable rural development

framework for the ARCs. Recognizing that rural development has different dimensions, the ALDA looks at six key result areas (KRAs) as major areas of intervention towards the development of viable ARCs. These KRAs are: land tenure improvement (LTI); organizational maturity (OM); economic and physical infrastructure support services (ECOPISS); farm productivity and income (FPI); basic social services (BSS); and gender and development (GAD). The ratings in each KRA are used as input in computing the Sustainable Rural Development Index (SRDI) or the overall ALDA rating which has a percentage value of 0 to 100 percent. The interpretation of the SRDI rating depends on varying standards developed for assessing development of the three ARC models such as prime, semi-prime and satellite. These models were based on standards developed for ARC classification considering the economic, socio-political and ecological characteristics of the ARC. Different sets of thresholds were developed (based on factor analysis) considering that satellite ARCs are expected to encounter more constraints than prime ARCs. Satellite and semi-prime ARCs generally have similar mean values so they share a common threshold while the prime ARCs have significantly higher mean values. Hence, two sets of thresholds were derived to obtain appropriate categorical ratings for the ARCs. Because of environmental limitations/constraints for each ARC type, lower thresholds are used for "Satellite" ARCs and higher thresholds are used for "Prime" ARCs.

1. Evergreen ARC, Binahaan Expansion ARC and ALBAPA ARC: The Sample ARCs That Have Regressed in Their Levels of Development (Level 5 to 1, Level 4 to 1 and Level 5 to 3, respectively)

Generally speaking, there is a fluctuating trend in the ALDA ratings of these three sample ARCs. However, from 2006 to 2007, these sample ARCs had significantly regressed in their levels of development. Specifically, the ALDA ratings of Evergreen ARC in Baggao, Cagayan and Binahaan Expansion ARC in Pagbilao, Quezon I abruptly regressed from Level 5 to 1 and Level 4 to 1, respectively. ALBAPA ARC in Valladolid, Negros Occidental regressed from Level 5 to 3. Based on the analysis of ALDA ratings in 2007, FPI, ECOPISS and OM greatly contributed to the regressed levels of development in the three sample ARCs.

1.1 Evergreen ARC (Level 5 to 1)

Evergreen ARC in Baggao, Cagayan was launched in 2002 covering two barangays and is classified as medium-prime. Its ARB population constitute 13 percent of the total population in Evergreen ARC.

Evergreen ARC was subjected to ALDA from 2003 to 2007 and had maintained its highest ALDA ratings of Levels 4 and 5 from 2003 to 2006. However, its ALDA rating abruptly regressed to its lowest level of 1 in 2007.

Based on the analysis of ALDA ratings in 2007, the KRA that primarily pulled down its rating was OM. It obtained a zero rating in 2007 because no FGD was conducted for OM during that year. According to the DAR key informants, no FGD was held due to unavailability of the cooperative leaders and officers who were candidates in the last barangay election. Because of the zero rating in OM, the

ALDA rating of Evergreen ARC abruptly regressed from Level 5 in 2006 to Level 1 in 2007. Had it not been for the zero rating in OM, its ALDA rating would not have abruptly regressed to Level 1 because based on the ratings obtained on OM in the past years, it exhibited high performance as shown by the fluctuating ratings at high levels ranging from 81.22 percent to 91.40 percent.

The FGD participants, on the other hand, perceive and attribute the ARC's regressed level of development to the decreased farm productivity of the ARBs brought about by the drought that occurred in 2006, the absence of irrigation systems, the lack of production inputs and in general, the lack of support interventions in the ARC. They added that there has been no project implemented by DAR or any CARP implementing agency since it was launched as an ARC. Conversely, the FPI posted high ratings in 2006 and 2007 in the ALDA which is inconsistent with the ARBs' perception on the reason for the regressed level of development of Evergreen ARC.

Aside from OM, further analysis of the ALDA results from 2006 to 2007 shows that GAD negatively affected the ALDA rating of Evergreen ARC because of the significant drop in this KRA rating from 71.85 percent in 2006 to 50.77 percent in 2007. According to the DAR key informants, and as indicated by secondary data on ALDA results, the low ratings on GAD in 2006 and 2007 are attributed to the relatively few women ARBs in the ARC, the non-existence of women organizations, and the lack of interventions aimed at benefiting women in the ARC.

Further to the aforementioned findings, DAR key informants disclosed that there was no FGD conducted for Evergreen ARC because the concerned participants such as: barangay officials, barangay nutrition scholar, school principal, Municipal Agriculture Officer and a representative from DPWH were unable to come during the scheduled date of the FGD for the ARC. Thus, the ratings for the five KRAs (LTI, ECOPISS, FPI, BSS and GAD) were computed by solely using the secondary data gathered by the DF during the pre-ALDA activities but which were not validated through FGDs.

Moreover, one of the DAR key informants cited that from 2003 to 2005, the ALDA Team was composed of the MARO, the DF, a staff from the DARMO and occasionally a staff from the BDCD of DARPO. This Team was the one in-charge of all the activities in the conduct of the ALDA. One of the DAR key informants admitted that after the ALDA results were computed and certain KRAs (except for LTI) obtained low ratings as reported by the DF, some adjustments were made to increase the ratings of these KRAs. The key informant also revealed that during those years that they conducted the ALDA, the DARPO only validated the ALDA results with the ALDA Team and not on the ground. Whatever data were contained in the questionnaire were maintained during the validation of the DARPO.

1.2 Binahaan Expansion ARC (Level 4 to 1)

The original Binahaan ARC in Pagbilao, Quezon I was launched in 1995 covering only one barangay and is classified as low-prime. With its expansion to three

barangays in July 2007, it now covers four barangays. Its ARB population constitute only 2.3 percent of the total population of Binahaan Expansion ARC.

The ALDA ratings of Binahaan Expansion ARC show a fluctuating trend from 2001 to 2007. In the first ALDA conducted in 2001, Binahaan ARC obtained an ALDA rating of Level 3. From 2003 to 2005, it obtained three consecutive ALDA ratings of Level 3 and then Level 4 in 2002 and 2006. From Level 4 in 2006, it abruptly regressed to Level 1 in 2007. Notably, ALDA was conducted in October 2007 (using data as of September 30) which was barely two months after the official approval of its expansion in July 2007 from one to four barangays.

Based on the analysis of ALDA ratings in 2006 and 2007, the KRAs that greatly contributed to the ARC's regressed level of development in 2007 are FPI, ECOPISS and LTI. As regards FPI, there was an abrupt slump in its ratings from 66.16 percent in 2006 to 19.06 percent in 2007 which was brought about by the low ratings obtained on specific indicators such as "average yield of major crops", "adoption of appropriate farming technologies", and "increase in annual farm income" (based on secondary on ALDA Results). According to the FGD participants and based on interviews with the two DFs (one is the DF from Pagbilao and the other is the DF from Sariaya who conducted the ALDA in 2007), FPI obtained low ratings on the specific indicators such as "average yield of major crops" and "increase in annual farm income" because of the typhoon that hit the area in 2006 which resulted in the ARBs' low farm yield and income. Notably, prior to the expansion of Binahaan ARC, OM and GAD posted low ratings every year which negatively affected its ALDA ratings.

Notwithstanding the typhoon that caused the ARBs' low farm productivity, there is actually a disparity between the farm and household incomes of the ARBs in the original ARC barangay and the expansion barangays. Based on the 2006 data provided by the BDCD of DARPO in Quezon I, the average annual farm income in the original Binahaan ARC is 38 percent higher than that of the expansion barangays. Concomitantly, the average annual household income in the original Binahaan ARC is 19 percent higher than that of the expansion barangays.

While the results of the ALDA ratings show that FPI mainly contributed to the regressed level of development of Binahaan Expansion ARC, DAR key informants also attributed its regressed level to the inclusion of the three expansion barangays in the conduct of ALDA in October 2007, which was barely two months after the official approval of its expansion in July 2007. Comparing the level of development of the original Binahaan ARC, which was originally composed of only one barangay, and the Binahaan Expansion ARC which is now composed of four barangays, the ratings of all the KRAs have been negatively affected due to increase in scope of work and there is no intervention provided yet in the expansion barangays because of the short period of its coverage. Hence, the immediate inclusion of the expansion barangays in the ALDA has resulted to distorted KRA assessments.

Corollary to this, there was also a significant drop in ECOPISS rating from 86.50 percent in 2006 to 68.09 percent in 2007 because of the additional three barangays that still require economic and physical infrastructure support services. Likewise, its LTI rating decreased because of the increase in LAD scope as a result of the inclusion of the three expansion barangays. While there was already a 100 percent accomplishment in LTI in the original Binahaan ARC, there were still LAD balances in the three expansion barangays which concomitantly pulled down the ARC's LTI rating. As of November 15, 2007, the overall accomplishment on LTI in the four barangays was at 84.5 percent.

Based on the interviews with the DAR key informants, the consistently low ratings in OM every year can be attributed to the existence of a weak cooperative and three organizations and the continuous inclusion of a non-functional cooperative in the ALDA. According to the Chair of this cooperative, they sought the delisting of the cooperative but they could not comply with the stringent requirements by the National Agrarian Reform Community Task Force (NARCTF). Notably, all organizations that were subjected to ALDA in 2007 got a Level 1 rating. On the other hand, the low ALDA ratings on GAD were due to the absence of DAR-assisted projects or services for women according to the DAR key informants. However, based on secondary data on ALDA results, almost all the specific indicators on GAD obtained low rating except for the indicator on "number of projects for women" which obtained a 100 percent rating in 2001 and 2005. Although there are existing women's organizations organized by private institutions, these were not subjected to ALDA because DAR had no participation in the establishment of these organizations or any involvement in their activities.

1.3 ALBAPA ARC (Level 5 to 3)

ALBAPA ARC in Valladolid, Negros Occidental was launched in 2000 covering three barangays and is classified as low semi-prime. Its ARB population constitute 5.6 percent of the total population in ALBAPA ARC.

The ALDA ratings of ALBAPA ARC fluctuated between the years 2001 to 2007. Its ALDA ratings gradually improved from 2001 to 2003 i.e., getting Level 2 in 2001, Level 3 in 2002 and Level 4 in 2003 which was maintained until 2004. Its high level of development slid down to Level 2 in 2005 but reached the highest Level of 5 in 2006. However, it was not able to maintain this highest level and again slid down to Level 3 in 2007.

The KRAs that contributed to the regressed ALDA ratings in 2007 are FPI, ECOPISS and OM. Ever since ALBAPA ARC was subjected to ALDA in 2001, FPI and OM posted low ratings. According to the DAR key informants and based on secondary data on ALDA results, the FPI low rating from 2001 to 2005 were due to the ARBs' low farm production brought about by insufficient source of water supply and the occurrence of pest infestation. In 2006, FPI registered a high rating of 81.23 percent due to improvement in irrigation because of the provision of shallow tube wells to the farmers. However, in 2007, the ALDA rating of FPI again plunged to 42.58 percent because the ARBs' production was affected by the ongoing

rehabilitation at that time of the Bago River Irrigation System covering four districts of Negros Occidental including the municipality of Valladolid, and the shallow tube wells provided to the farmers were already non-functional. This finding was confirmed by the ARB-participants in the FGD who stressed that the major factor that contributed to the regressed status of ALBAPA ARC is the insufficient supply of irrigation water to their farms which resulted to decreased farm productivity. Moreover, the sudden decline in FPI rating in 2007 was attributed by the DAR key informants to the typhoon that hit the area, and the non-adoption of organic fertilizer by the ARBs.

Likewise, ECOPISS contributed to the regressed level of development of ALBAPA ARC from 2006 to 2007. In 2006, it obtained a high rating because of the construction of an additional farm-to-market road and a bridge with the help of the barangay council, local government units and other line agencies. However, its ratings declined from 92.32 percent in 2006 to 80.32 in 2007 because of ARBs' insufficient access to irrigation water due to the aforementioned two contributory factors of ongoing rehabilitation of the Bago River Irrigation System and the shallow tube wells that were already non-functional. Likewise, ARBs lacked access to credit services and some pre- and post-harvest facilities such as thresher and solar dryer.

Notably, OM has continuously affected the level of development of ALBAPA ARC from 2001 to 2007. According to the DAR key informants, OM registered low ratings due to the four non-functional cooperatives for about six to 10 years. Since these cooperatives did not meet the conditions and requirements for delisting of organizations, they were continuously covered by the ALDA thus affecting the ALDA ratings of ALBAPA ARC. This finding was confirmed in an FGD with the leaders of these cooperatives. On the other hand, the DAR key informants relate that although there is another cooperative organized by the DAR to replace these non-functional cooperatives, its level of maturity is still low because of lack of organizational development activities and projects for its members due to the cooperative's lack of resources.

Moreover, GAD has also negatively affected the level of development of ALBAPA ARC from 2001 to 2007 because of the low rating obtained in the specific indicators on the percentage of women ARBs, percentage of women membership in the organization, percentage of women holding key positions in the organization as indicated by secondary data on ALDA results and which were likewise cited by the DAR key informants.

2. Kablon ARC: The Sample ARC That Has Maintained its Low Level of Development (Level 1)

Kablon ARC in Tupi, South Cotabato was launched in 1994 covering only one barangay and is classified as medium-prime. Its ARB population constitute 18 percent of the total population in Kablon ARC.

Kablon ARC has maintained its low level of development (Level 1) for six years i.e., from 2002 to 2007. When it was initially subjected to ALDA in 2001, its rating was at Level 2. However, this rating further slid down to Level 1 in 2002 and remained at that level until 2007.

Comparing the results of the ratings of all the KRAs in the six sample ARCs, the ratings in all the KRAs in Kablon ARC are relatively lower. Notably, only LTI posted high ratings among all the KRAs because the ARC's LAD accomplishment is 75 percent while leasehold is already 100 percent complete. However, when compared to other sample ARCs, its LTI ratings are still relatively lower. OM posted low ratings because of the non-functional lone cooperative in the ARC since 2002. According to the DAR key informants, the continuous inclusion of this cooperative in the conduct of ALDA pulled down the OM ratings. On ECOPISS, the rating has also fluctuated from 2001 to 2007 because the CARP funds provided for the ARC in 2000 and 2002 were only for the rehabilitation of a farm-to-market road in a particular sitio of the ARC. The rehabilitation mainly consisted of an overlay of plain road fillings which become muddy and difficult to traverse during rainy season. Since this is the only infrastructure support in the ARC which is being rated in the ALDA, this has contributed to the low ratings on ECOPISS, particularly in 2006 and 2007 wherein 50.05 percent and 59.42 percent ratings were obtained, respectively. There is also a fluctuating trend in the FPI ratings which is attributed to unpredictable weather conditions in the area which affect the ARBs' farm productivity. This is coupled with the fluctuating prices of the ARBs' farm produce brought about by the prices dictated by the traders who buy their produce at the "*Bagsakan Center*" established in the barangay. Although there is a women's organization in the central part of the ARC, GAD obtained the lowest rating in 2007 because there are few economic activities being undertaken by women in the ARC and all the specific indicators of GAD obtained low ratings. Compared to other sample ARCs, the BSS ratings are also lower and they fluctuate because only two out of seven sitios are provided with potable water supply and only a small proportion of the ARC households have access to electricity. Moreover, based on secondary data on ALDA results, the specific indicators that contributed to the low rating on BSS are "elementary enrollment ratio" and "high school enrollment ratio" as there were children in other sitios who find it difficult to go to school due to the long distance they had travel i.e., from four to seven kilometers to the center of the barangay where the nearest elementary school is located.

3. San Roque ARC: The Sample ARC That Has Advanced in its Level of Development (Level 1 to 5)

San Roque ARC in San Roque, Northern Samar was launched in 1994 covering five barangays and is classified as medium-prime. Its ARB population constitute 7.6 percent of the total population of San Roque ARC.

San Roque ARC has advanced in its level of development from 2001 to 2007. When ALDA was first conducted in 2001, it obtained an ALDA rating of Level 1. In 2002, its rating advanced to Level 2, then to Level 3 in 2004 and 2005, and

reached the highest Level of 5 in 2006. This highest level of development has been maintained until 2007. Notably, it was in 2006 when San Roque ARC reached the highest level of 5, the period when its OM and FPI ratings significantly increased.

LTI, BSS, ECOPISS and OM have greatly contributed to the advancing level of development of San Roque ARC. LTI obtained almost perfect ratings from 2005 to 2007 which is due to 100 percent accomplishments on LAD and leasehold. BSS posted a fluctuating trend but contained at high levels. On the other hand, GAD obtained the lowest rating because there is only one existing project for women in the ARC. Based on secondary data on ALDA results, most of the ratings obtained on three out five specific indicators on GAD are low. These indicators are on percentage of women ARBs, percentage of women members in organizations, and percentage of women holding key positions in organizations.

ECOPISS gradually improved its ratings from 2001 to 2004 but significantly increased from 2005 to 2007. The increase in ECOPISS ratings is due to the marked improvement in the farm-to-market road and the access to credit by the ARBs. According to the MARO, DF and barangay officials, the three remote barangays were inaccessible by land transportation and barangay residents previously had to cross the river to transport their produce to the market and for their mobility. At present, the farm-to-market road is passable by land transportation although at times is inaccessible during rainy days and when typhoons hit the area. There is also an improvement in the irrigation system in one barangay and a steel bridge was constructed in another barangay. These significant improvements under ECOPISS were translated to increased ARBs' farm production as shown by the significant increase in FPI ratings in 2006 and 2007. Except for 2004 and 2005 i.e., when the ARC was affected by drought, FPI ratings exhibited an increasing trend. However, barangay officials and ARB participants in the FGD noted that improvement in these facilities did not contribute to the increased production of the totality of ARBs in San Roque ARC but only among those in the barangays where these facilities were provided.

The increase in OM ratings in ALDA 2006 and 2007 is attributed to the exclusion of two non-functional cooperatives in the conduct of ALDA. Based on the Agrarian Reform Community Profile prepared by the DAR Support Services Office (SSO) as of December 2006 which was validated with the DAR key informants, three cooperatives were subjected to ALDA from 2001 to 2007. These cooperatives are the San Roque CARP MPC, the Bantayan Agrarian Reform Beneficiaries Cooperative, and the Bantayan Farmers Anak Bukid Rural Improvement Club Multipurpose Cooperative (Bantayan FABRIC-MPC). However, there are only two cooperatives that were included in the BARBD's Masterlist of Organizations i.e., the Bantayan FABRIC-MPC and the San Roque CARP Multipurpose Cooperative (MPC). Historically, the San Roque CARP MPC was subjected to ALDA in 2001 to 2002; the Bantayan Agrarian Reform Beneficiaries Cooperative, from 2001 to 2005; and the Bantayan FABRIC MPC from 2005 to 2007. According to the DAR key informants, the Bantayan Agrarian Reform Beneficiaries Cooperative was not subjected to ALDA since 2006 while San Roque CARP MPC since 2003 because they were already non-functional for several years and their dissolution was already approved

by the CDA. However, the DAR key informants admitted that these two non-functional cooperatives are not yet officially delisted by the National Agrarian Reform Community Task Force of the DAR but were excluded in the conduct of the ALDA because they were merged with the Bantayan FABRIC MPC. Worthy of note is that the officers of Bantayan FABRIC MPC are unaware of any such merger or members of these non-functional cooperatives who have joined the Bantayan FABRIC MPC. Notably, of the two cooperatives that were excluded from the ALDA, only San Roque CARP MPC is still in the BARBD's Masterlist of Organizations.

OM ratings were low in 2001 and 2002 because of the non-functional status of the two cooperatives (i.e., San Roque CARP MPC and Bantayan Agrarian Reform Beneficiaries Cooperative) that were subjected to ALDA. In 2003, OM rating further decreased despite the exclusion of the San Roque CARP Multipurpose Cooperative in the conduct of ALDA. With the inclusion in the conduct of ALDA in 2005 of an active cooperative i.e., the Bantayan Fabric MPC, OM still maintained its low rating because it was pulled down by the other non-functional cooperative (Bantayan Agrarian Reform Beneficiaries Cooperative). Eventually in 2006, when the Bantayan ARB Multipurpose Cooperative was excluded from the ALDA, the OM rating significantly increased because only the active and progressive cooperative (i.e. the Bantayan FABRIC MPC) was subjected to ALDA. The high rating under OM was maintained until 2007.

4. Sinamar ARC: The Sample ARC That Has Maintained its High Level of Development (Level 5)

Sinamar ARC in Piddig, Ilocos Norte was launched in 1996 covering six barangays and is classified as low semi-prime. Its ARB population constitute 13 percent of the total population of Sinamar ARC.

From the time the ALDA was conducted in 2001, Sinamar ARC already attained the highest level of development of 5 and has maintained this development status until the ALDA of 2007. Based on the analysis of ALDA ratings from 2001 to 2007, Sinamar ARC attained its highest level of development even prior to the implementation of the ARISP II in 2003. According to the MARO and the DF, the high level of development obtained by the ARC in the initial conduct of the ALDA in 2001 was due to the services provided not only by the DAR but also to the support interventions implemented by other government agencies such as the LGU, DA and NIA even prior to the launching of the ARC in 1996. These support interventions are as follow: farm technology trainings, introduction and provision of certified hybrid seeds, subsidized cost of fertilizer, construction of several communal irrigation projects (CIPs) and water impounding or brass dams. These explain why the rating on ECOPISS was already high even at the start of the ALDA in 2001.

Since Sinamar ARC was subjected to ALDA in 2001 to 2007, it has maintained the highest level of development and is greatly attributed to ECOPISS. With the introduction of Foreign-Assisted Projects on ARISP II in 2003, additional support interventions were provided in Sinamar ARC which significantly contributed to the

sustainability of the development level of the ARC. These support interventions include a post-harvest facility, a communal irrigation project (CIP), construction of a bridge and a farm-to-market road and a rural water system. Concomitantly, FPI also shows good performance due to the increase in ARBs' farm productivity and household income which are the outcome of the combined support services provided in the ARC by the FAPs, the LGU and other CARP implementing agencies. The FGD participants similarly attributed the high level of development of Sinamar ARC to the different programs and interventions which greatly contributed to their increased farm production and household income and consequently improved their living conditions. Moreover, almost 100 percent ratings were obtained in BSS and LTI. The high ratings on LTI were contributed by LAD and leasehold accomplishments of 97 and 100 percent, respectively. However, the ARB participants in two of the six barangays covered by the sample ARC which were not recipients of FAPs could not relate the high level of development of the ARC to the actual status of their barangays. An ARB participant in one barangay cited problems on poor road conditions and absence of a bridge which make the barangay residents take a longer route during the rainy season.

OM also obtained high ratings as a result of the existence of a progressive ARB cooperative i.e., Namnama ARBs MPC which is a recipient of ARISP II projects in Sinamar ARC. Aside from this cooperative, there is another cooperative i.e., San Antonio ARBs MPC that obtained a Level 5 ALDA rating.

On the other hand, a very low performance on GAD is indicated in Sinamar ARC with its lowest rating of 33.37 percent obtained in 2001 and the highest at 63.23 percent in 2007. Based on secondary data on ALDA, the specific indicators on GAD that greatly contributed to its lowest rating in 2001 are: percent of women ARBs (30.28%); percent of women members in the organization (25.06%); percent of women holding key position in the organization (29.63%); and percent of women ARBs able to access credit services (12.50%). According to the MARO, the absence of basic data on women's organizations and the projects intended for women contributed to the poor ratings under GAD. Although, there were improvements in GAD rating in 2006 and 2007 in three out of five specific indicators, the rating on specific indicator on "percentage of women ARBs" remained low and has further decreased to 29 percent in both 2006 and 2007.

Overall, the factors that contributed to the development of Sinamar ARC are as follow: existence of a very strong cooperative; unity and cooperation among members; receptiveness of the ARBs in the implementation of projects; supportive local government units; financial capability building by the LBP; commitment of the MARO and the DF; and the existence of numerous "zanjeras" and irrigation systems. "Zanjeras" are organizations of farmers which constructed temporary brass dams and earth canals as a steady source of water supply for their farms.

V. SITUATIONER ON THE ORGANIZATIONS/COOPERATIVES IN THE SAMPLE ARCS

The ALDA is a results monitoring tool utilized by the DAR to determine the levels of development of the ARCs and ARB organizations therein. Considering the significant role of ARB organizations as channels of development in the entire agrarian reform community, the state of all organizations in the ARC which were directly assisted by DAR and those whose majority members are ARBs are subjected under the Organizational Maturity (OM) key result area of the ALDA, using 27 indicators. This section discusses the existing organizations in the sample ARCs, their activities and status, and the problems and issues that need to be addressed to strengthen or revitalize the weak or non-functional organizations/cooperatives.

1. The Existing Organizations/Cooperatives

Of the three sample ARCs that have regressed in their levels of development, Binahaan Expansion ARC has the most number of organizations. It has 12 organizations, five in the original Binahaan ARC and seven in the three expansion barangays. Of these organizations, two are cooperatives i.e., the Binahaan Irrigators Multipurpose Cooperative (BIMPUCO) in the original Binahaan ARC and the Kanlurang Malicboy Multipurpose Cooperative (KMMP) in one of the expansion barangays. Aside from these cooperatives, there are also three irrigators associations, two farmers associations, four women's organizations, and one outreach community organized by a private organization. Only six of the 12 organizations in Binahaan Expansion ARC were subjected to ALDA, which include the BIMPUCO and the KMMP. The members of BIMPUCO constitute 74.5 percent of the total ARBs in the original Binahaan ARC while only three ARBs are members of KMMP. BIMPUCO was primarily organized by the LGU through the DA for the purpose of obtaining one million pesos (Php1M) for the LGU's watershed project. The other organizations in Binahaan Expansion ARC are the irrigators' and farmers' association which were organized by the NIA and the DA, respectively. The Irrigators' Association comprises 69 percent of the total ARBs in the original Binahaan ARC while the Farmers Association in the expansion barangay has no ARB members. The private organizations like the Rotary Communities Corporation of Binahaan (RCCB) and the Mothers' Club were organized by private institutions like the Rotary Club of Lucena and the Team Energy Power Plant to provide livelihood activities in the community and in the neighboring barangays of the municipality. These organizations were not subjected to the ALDA because DAR had no participation in them.

Evergreen ARC, which covers only one barangay, has only one organization i.e., the Baggak Multipurpose Cooperative which has been subjected to ALDA. ARB membership in Baggak MPC comprises only 19 percent of the total ARB population in the ARC. This cooperative was organized through the initiative of its current chair who was a former employee of the DAR. Because of his experience as a training staff of the Beneficiaries Development Coordination Division (BDCCD) of the DARPO, he thought of organizing a cooperative in his own barangay with the

assistance of the DAR, since there was no existing organization in the area at that time.

ALBAPA ARC, which covers three barangays, has five cooperatives in the DAR's official list of organizations. However, four out of five cooperatives are already non-functional thus, there is only one existing and active cooperative in ALBAPA ARC, i.e., the Valladolid Multipurpose Cooperative (VARB MPC). Only 14.4 percent of the total ARBs in ALBAPA ARC are members of the VARB MPC. The DAR, in coordination with the LGU, BARC, previous cooperative leaders and the ARBs organized the VARB MPC to replace and consolidate the membership of the non-functional cooperatives. Notably, the cooperative caters not only to the ARBs in the ALBAPA ARC but also to the other farmers in the municipality of Valladolid. The organization was also in response to the program of the LGU on "one town-one cooperative" strategy. Notably, even the four non-functional organizations in ALBAPA ARC were subjected to ALDA despite their non-functional status because they were not yet officially delisted.

Except in ALBAPA ARC where DAR organized the VARB MPC in lieu of the four non-functional cooperatives, there are no organizations in the three retrogressed sample ARCs which were organized by DAR. The cooperatives and the farmers' associations were organized by the DA, LBP and a private individual. The NIA organized the irrigators' associations while the rest were organized by private institutions. However, DAR assists and provides support to these organizations in terms of organizational strengthening, facilitation of the implementation of programs and projects and other technical assistance. Specifically in Binahaan Expansion ARC, the DAR assists BIMPUCO in the conduct of training programs on institutional development and accessing funding support from the time the DA technician who organized it left the area.

The four non-functional cooperatives in ALBAPA ARC, the Baggak MPC in Evergreen ARC and the Irrigators' Association in Binahaan Expansion ARC were organized before the ARCs were launched. The rest of the organizations were organized after the launching of the ARCs. However, these organizations were primarily organized for the implementation of the agencies' respective programs and projects and not because of the ARC.

Except for the VARB MPC in ALBAPA ARC, which got Level 2 in its ALDA rating, all the organizations/cooperatives in the three sample ARCs got Level 1 in their ALDA ratings in 2007.

In the case of Kablon ARC which is a sample ARC that has maintained its low levels of development, there are three organizations namely: the Glandang Waterworks Sanitation Association (GLAWASA), Mt. Matutum Samahang Nayon Multipurpose Cooperative, and the Matutum GLED Tribal Christian Multipurpose Cooperative (M-GLED MPC). The GLAWASA was subjected to ALDA only in 2007 while the Mt. Matutum Samahang Nayon Multipurpose Cooperative, from 2003 to 2007. The M-GLED MPC was never subjected to the ALDA because it is not included in the DAR masterlist of organizations due to non-intervention of DAR in

the organization. The GLAWASA was organized in 2004 by BP Solar to manage the operation and maintenance of the solar packages turned-over under Phase I of Solar Power Technology Support (SPOTS) Project that would generate power to run the deep well pump envisaged to provide potable water among the residents in Sitio Glandang, Kablon. Out of the total 644 ARBs in Kablon ARC, 15 ARBs or 2.3 percent are members of GLAWASA. On the other hand, the Mt. Matutum Samahang Nayon Multipurpose Cooperative was originally the Samahang Nayon organized by DAR in the eighties. ARB membership comprises only 6.4 percent of the total ARB population. Although the cooperative has no economic activity, it has been included in the ALDA since 2003. This situation has primarily contributed to the low ALDA rating under OM of Kablon ARC. The M-GLED MPC was organized in 2004 under the Southern Mindanao Integrated Coastal Zone Management Project (SMICZMP). A Comprehensive Development Contract was signed by DENR and the officers of the said cooperative in October 2004 at Polomolok, South Cotabato for undertaking some of the activities under the Green Component of the SMICZMP in Region XII. The area covered by the Comprehensive Site Development Contract is located in Sitio Glandang, Barangay Kablon with a total area of 333.95 hectares, disaggregated as follows: 41.21 hectares for agroforestry; 110 hectares for enrichment planting; 91.10 hectares for assisted natural regeneration; and 91.64 hectares for reforestation. A DENR M & E team took care of the monitoring and evaluation of the project.

As regards the sample ARC that has advanced in its level of development (i.e., San Roque ARC, from Level 1 to 5), there was only one cooperative subjected to ALDA in 2007 i.e., the Bantayan Farmers Anak Bukid Rural Improvement Club Multi-Purpose Cooperative (Bantayan FABRIC-MPC). The Bantayan FABRIC MPC is based in Barangay Bantayan, one of the five barangays covered by San Roque ARC. Its membership is open to all the residents of Barangay Bantayan. It was organized even before the launching of San Roque ARC i.e., in 1990 and registered with the Cooperative Development Authority in 1991. Based on the records of the cooperative, out of the 129 active members, more than one-third (50) are ARBs. However, out of the total ARBs in San Roque ARC, ARB membership in Bantayan FABRIC MPC constitutes only 7.7 percent. More than half of the total members of the cooperative are females but only about 16 percent or 21 members are active. The Bantayan FABRIC MPC is affiliated with the Northern Samar Provincial Credit Cooperative Incorporated (NSPCCI), an umbrella organization of cooperatives in the province of Northern Samar.

Aside from the Bantayan FABRIC-MPC, there are other organizations in San Roque ARC which provide benefits not only to the ARBs but also to other sectors of the ARC through their various programs and projects but were not subjected to the ALDA. These are the Community-Based Resource Management Project (CBRMP) Organization and the Coroconog Irrigators' Association in Barangay Coroconog; and the Barangay Balud Small Farm Holders Organization (BBSFO) in Barangay Balud.

The CBRMP Organization was organized by the LGU through the DA for farmers covered by the declared timberland in Barangay Coroconog. Currently, it has 23

members from the original members of 65 farmers. Its project was funded by the World Bank and implemented by the LGU through the DA. The objective of the program is to plant additional trees in the timberland areas. It also provided loans for cattle fattening for members. The project ended in 2006 but the DA continues the monitoring of the area. On the other hand, BBSFO in Barangay Balud was organized by the DA to provide rice production loans to members through the organization's loan avancement from LBP and an NGO. The Coroconog Irrigators' Association in Barangay Coroconog maintains the irrigation facilities in their area. According to the DAR key informants, the existing organizations in two barangays of San Roque ARC are not included in the ALDA because of their apprehension on the stability of these organizations. In case these organizations do not succeed, it would be difficult to apply for the delisting of these organizations which in turn will affect the ALDA rating of San Roque ARC particularly the OM key result area, which is currently in its highest level.

In the sample ARC that has maintained its high level of development (i.e., Sinamar ARC, Level 5), there are four existing cooperatives, namely, the Namnama ARB Multipurpose Cooperative, the San Antonio ARB Multipurpose Cooperative, the Maruaya ARB Multipurpose Cooperative and the Dupitac ARB Multipurpose Cooperative. The other two barangays covered by the ARC have no existing cooperative. The DA organized the first two cooperatives, namely: the Namnama Multipurpose Cooperative in 1981 and San Antonio Multipurpose Cooperative in 1994, prior to the launching of the ARC in 1996, while the other two cooperatives were organized in 2003 and 2004 i.e., after the launching of the ARC and through the initiative of the barangay officials and with the assistance of the DAR. The first two cooperatives have been subjected to ALDA since 2001 while the other two cooperatives were subjected to ALDA since their organization in 2003 and 2004. Aside from the four cooperatives, 18 "*zanjeras*" were organized by the NIA. These "*zanjeras*" were not subjected to ALDA.

All the cooperatives in Sinamar ARC are registered with the Cooperative Development Authority and include non-ARB members. In terms of membership, Namnama ARB MPC has the largest membership i.e., 408 members, 84 percent of whom are ARBs. However, of the total ARB population in Sinamar ARC, membership in Namnama ARB MPC constitutes only 38 percent; San Antonio ARB MPC has only 8.4 percent ARB membership; Dupitac ARB MPC has four percent; while Maruaya ARB MPC has the least with two percent.

2. Status and Activities of the Organizations/Cooperatives

Except for the VARB MPC in ALBAPA ARC, all the organizations/cooperatives in the three sample areas that have regressed in their levels of development are either inactive or non-functional.

The lone cooperative in Evergreen ARC i.e., the Baggak Multipurpose Cooperative, has been inactive since 2006. The only activity currently being undertaken by the cooperative is loan collection. Its problem started in 2006 when its members failed to pay their production loans due to force majeure. Before it became inactive, the

cooperative provided the following services to its members: relending of production loans obtained from LBP and rice and fertilizer trading. The production loan provided to the members was made possible through the DAR and LBP's CAP-PBD. To revive the cooperative, the Chairman said that he has already prepared project proposals that he intends to use for fund sourcing and as a come-on for members to become interested again in being active members and to entice them to pay their outstanding production loans. According to the Chairman of the cooperative, Baggak MPC continues to submit required reports on the cooperative to the CDA. Based on the data obtained from ARC Form 3 as of September 30, 2007, Baggak MPC had a capital build-up of PhP111,360, savings mobilization of PhP24,350, assets of PhP861,700, and liabilities of PhP627,120.

BIMPUCO in Binahaan Expansion ARC has been non-functional for about five years and it has no ongoing activity except for some occasional meetings of its officers as its members have lost interest in participating in the cooperative's activities. It engaged in a consumer store business and cattle dispersal from the PhP100,000 grant from the Congressional Development Fund (CDF) of their congressman. According to the FGD participants, the consumer store was a short-lived venture because of inefficient management, while the cattle dispersal, which started with four cattle fatteners/breeders, is still viable with ten cooperators. The KMMP has inactive membership due to lack of interest of members to participate in any activity and the failure of their members to pay their loans. It engaged in a micro lending activity but there is a problem on members' low repayment rate. They previously purchased a passenger jeepney as an income generating endeavor but did not succeed due to lack of capability of the cooperative leaders and members to engage in this kind of activity. Eventually, the passenger jeepney was sold to the Chair of the cooperative. On the other hand, the only activity of the irrigators' associations is the maintenance of the farmers' irrigation systems in their area while the farmers' associations have no activity except when farmers need assistance from DA or when the latter distributes subsidized fertilizers and other farm inputs. Other organizations like the Rotary Communities Corporation of Binahaan (RCCB) and the Mothers' Club are engaged in income generating activities, which benefit not only the ARBs but also the other sectors of the Binahaan Expansion ARC.

The VARB MPC, which is the only active cooperative in ALBAPA ARC, only offers micro lending to its members due to insufficient funds to implement other economic activities. Currently, its Chairman has already submitted project proposals to various government and private agencies for possible funding of their proposed projects. The four cooperatives in ALBAPA ARC have been non-functional for about six to 10 years. Two of these cooperatives were already non-functional even before its launching as an ARC because of failure of their members to pay their production loans. These organizations were included in the official list of organizations by the DAR when ALBAPA ARC was launched because their officers signified their intention to strengthen their cooperatives. However, despite DAR's efforts to revive these cooperatives, they remain non-functional. Notably, the cooperatives have continuously been subjected to ALDA despite their non-functional status.

As regards Kablon ARC, the GLAWASA, and the Matutum GLED Tribal Christian Multipurpose Cooperative, are the active organizations. The Mt. Matutum Samahang Nayon Multipurpose Cooperative had been inactive for several years. The barangay officials claimed that the Mt. Matutum Samahang Nayon Multipurpose Cooperative became inactive in 1997 because of the mismanagement of the officers and inability of members to pay their loans.

The potable water system project being managed by the GLAWASA was implemented in February 2005 under the initiative of the DAR with a MLGU counterpart fund amounting to PhP50,000 which is in the form of labor. The GLAWASA officers were able to raise funds by selling water at PhP1.00 per container of 22 liters and were able to generate PhP11,000 in 2006. The said amount was used when the water pump broke down in the later part of 2006 and a counterpart amount was provided by the LGU for the continuation of the operation of the potable water system. All residents in Sitio Glandang availed of the water service, but only 22 of them paid their membership fee of PhP50.00 to the association.

The Mt. Matutum Samahang Nayon Multipurpose Cooperative received various assistance from the government in the form of fertilizers, potato seeds, other farm input subsidies and training. It also obtained production loans from two banks in 1995 and 1996 (i.e., Land Bank of the Philippines and South Cotabato Rural Bank). A total of PhP1.582M was the amount of loan granted by the Land Bank of the Philippines (LBP) to 33 members of the cooperative for potato production. The cooperative was unable to pay its loan with the LBP because the potato project failed. According to the former barangay captain of Kablon, the potato seeds rotted because there was no technician that supervised the purchase of potato seeds from Baguio City or transit conditions may not have been conducive to keeping the seeds dry.

As regards the Matutum GLED Tribal Christian Multipurpose Cooperative (M-GLED MPC), it undertook some activities under the Green Component of the SMICZMP such as: agroforestry development; enrichment planting; natural regeneration; and reforestation. The conduct of these activities ended in January 2008.

In the case of San Roque ARC, the Bantayan FABRIC MPC is very active and successful according to the DAR key informants. Proof of its success is the officers' capability to access technical and financial support, 100 percent loan repayment rate with the financial institutions, asset acquisition (i.e., acquired foreclosed building from a bank which they converted as office), profitability of returns on both equity and capital, and organizational affiliation to the provincial umbrella organization of cooperatives of Northern Samar.

The Bantayan FABRIC MPC is concentrating its efforts and activities only in Barangay Bantayan and not on the whole ARC. Their primary services of relending (micro-finance) caters only to members residing in Bantayan. The amount of loan provided to its members ranges from PhP500 to PhP2,000 with an interest rate of

four percent per month. The loan repayment rate of members is 85 percent. Aside from this micro lending activity, the cooperative serves as the market outlet of the farm produce and the handicraft products of the members.

The current assets and liabilities of the cooperative as of December 31, 2007 are PhP1,083,046.89 and PhP585,160.98, respectively. The total member's equity and funds amounted to PhP497,882.91. As part of their assets, the cooperative has a long-term investment in Northern Samar Provincial Credit Cooperative Incorporated (NSPCCI) amounting to PhP11,083.54. Based on their consolidated statement of financial operation for the period of January 1 to December 31, 2007, the revenue/income generated amounted to PhP177,502.18 while their expenses reached PhP122,542.41 thereby obtaining a net income of PhP54,959.77. Moreover, their financial resources through capital build-up (CBU) reached PhP116,339.11 which is higher than that of 2005 which amounted to only PhP90,000.00, and the corresponding savings mobilization fund has gone up much higher to PhP78,567.30 compared to 2005 which was only at PhP15,000.00.

In Sinamar ARC, all the four cooperatives are considered active in their operation. They are engaged in consumer store operation and credit relending. However, the most successful in these ventures is the Namnama ARBs MPC. Namnama ARBs MPC is the most viable cooperative in Sinamar ARC as shown by its successful business ventures and financial status. In fact, it has a capital build-up (CBU) amounting to PhP892,550 and savings of PhP271,521. The other three cooperatives are not as successful as Namnama ARBs MPC.

According to the officers of Namnama ARBs MPC, membership mobilization is continuing i.e., with present membership of 408 members from the initial 26 in 1991. They claimed that only about five of the farmers in their barangay have still not joined the cooperative. In fact, farmers of the other ARC barangays became members of the cooperative. Even the DARMO staff are associate members. The cooperative prepares a development plan every five years and an action plan every year and their policy systems and procedures are installed and amended, if needed.

In terms of the commitment of officers and Board of Directors (BOD), all BODs are functional while officers hold their monthly meetings with perfect attendance. However, attendance of members during General Assembly is only 70-80 percent. CBU generation from each member is continuous, ranging from PhP24,000 to PhP250,000 but not higher than 20 percent of the total CBU of the cooperative.

From a meager capital of PhP10,500 that was generated by Namnama ARBs MPC from its members and a grant from a congressional representative, its capital has grown to PhP589,000 with three branches and employing three storekeepers/clerks. Even in credit relending, the previous capital of PhP100,000 now totals PhP632,000, with a 95 percent collection rate. Aside from the credit provided by the cooperative to its members, the cooperative also availed of an Agricultural Production Loan (APL) from LBP which was loaned out to its members. Collection rate from members and repayment rate to LBP is both at 100 percent.

Other business activities of the Namnama ARBs MPC are a hauling truck service, collection of water fees for the rural water system in their barangay, farm equipment rentals, hog fattening, peanut production processing, and maintaining the irrigation system provided under ARISP II as a source of water for their farms.

The hauling truck is used by the cooperative in its palay trading. It is also being rented out to members and other barangay residents. At present, this trucking business is not yet earning as it has a loan balance of PhP73,000 for the purchase of the truck. As regards farm equipment, the cooperative rents out its water pump, mixer, and solar dryer. As a beneficiary cooperative of the ARISP II, the cooperative is in-charge of the collection of fees on water consumption for the rural water supply (RWS) which was provided under the project. Of the total collections, 80 percent is reserved for maintenance while 20 percent is for the remuneration of collectors. The cooperative was also engaged in palay trading from 2003 to 2006 but was stopped in 2006 because the price of palay offered by NFA was not competitive with that of the price of middlemen. They also offered catering services but this ceased operation after accepting just three catering services in 2007.

The cooperative has 14 employees i.e., seven collectors for the collection of fees for RWS, three storekeepers/clerks of the consumer store, a driver for the hauling truck, a treasurer, a bookkeeper and a manager. Compensation is on commission-basis where the storekeepers/clerks receive 25 percent of the gross sales of the consumer stores; driver, 30 percent of the net income of the trucking business; collectors, eight percent of the gross monthly collection for water consumption; treasurer, seven percent of the net income of all projects; and bookkeeper, eight percent of the net income of all projects. This arrangement lends initiative to the cooperative's staff.

For their agricultural enterprise projects, they provide loans to members for hog fattening with 90 recipients who have availed of loan assistance. The cooperative is also presently developing a 242-hectare forestland awarded by the DENR in 2002. At present, about 30 hectares are planted to different kinds of trees such as mango, coconut, gemelina, among others. Hitherto, the cooperative has been able to obtain an income of PhP7,000 from the sale of harvested fruits. The cooperative also undertook peanut production and processing by providing seed capital to interested women members. This venture provided additional livelihood projects for women members of the cooperative. The market outlets of the products are the cooperative members, DAR employees and trade fairs. The cooperative also ventured into hybrid rice production as part of the Agriculture Enterprise Component of ARISP II. In support of this project, the cooperative provided financial assistance to the farmer beneficiaries through production loans.

The San Antonio ARB MPC is regarded as a thriving cooperative because of its long years of existence. In 2007, it also got a Level 5 ALDA rating. However, based on the FGD with its officers, the cooperative has weakened due to some internal problems like the inefficiency of the present management and the low collection

rate of loans. It previously provided various services to its members such as rice and corn trading, operation of a consumer store and credit. The cooperative's palay trading and consumer store were not sustained because of uncompetitive prices offered by the NFA and the absence of a committed storekeeper/clerk to handle its consumer store. At present, the only activity being undertaken by the cooperative is loan renewal for its lending activity as it focuses on collection of loan arrearages because of low repayment rate by the members (only 30 percent). Currently, San Antonio ARBs MPC has a CBU of PhP109,346 and PhP64,287 savings generation.

Dupitac ARB MPC shows some potential even at its early stage of development. It smoothly runs its businesses as shown by its financial status. The Dupitac ARBs MPC is engaged in the running of a consumer store and provides loans to farmers as capital for production. The cooperative ventured into a consumer store with a capital of PhP30,000 and for providing production loans with a capital of PhP40,000. It also provides emergency loans to its members.

Maruaya ARB MPC is the weakest among the four cooperatives as indicated by its low level of development (Level 1) in 2007. It has a CBU of only PhP65,073 and has not generated savings. It was previously engaged in consumer store operation and provided minimum loans for the emergency needs only of the members. However, despite the small amount granted to members, the cooperative was still unable to collect payments thus, business operations of the consumer store and lending was disrupted as the cooperative focused on loan collection.

3. Problems and Issues

The common problems and issues of the inactive cooperatives particularly the Baggak MPC in Evergreen ARC and the KMMP in Binahaan Expansion ARC are: low repayment rate of loans by their members; loss of interest of members to participate in meetings; lack of capital to engage in other income-generating activities; lack of training of the cooperative officers; and lack of transparency in the current cooperative management. Specifically in Baggak MPC, the production loans given to the members were made possible through the cooperative's availment of the DAR-LBP's CAP-PBD while KMMP provided loans to its members from their own funds. The unavailability of loans to the members brought about by their non-payment of previous loans resulted in the loss of interest by the members to participate in any activity of the cooperatives. It is also worthy to mention that the current chair of the Baggak MPC has served as its chair since it was organized in 1994 and that there is no reorganization that has taken place in the cooperative.

For the non-functional cooperative like the BIMPUCO, the common problems cited which led to its current status are: lack of unity and interest of members; poor record keeping thus, there is no document which would show the financial status of the cooperative; lack of capability of officers to prepare documentary requirements of the cooperative; lack of transparency of the cooperative's officers; and lack of interest of members to assume leadership.

In ALBAPA ARC, the main problem of the VARB is the inadequacy of funds to implement their projects, thus it limits its service to its members to micro lending. Other problems cited are the lack of capability trainings for the leaders, delayed payment of loans by the members, no permanent office, and lack of financial support and assistance from other agencies. As regards the four non-functional cooperatives in ALBAPA ARC, the common problem cited which led to the cessation of the cooperatives' activities was the non-repayment of the production and other loans by their members. Upon organization by the LBP and DA of these cooperatives, they were provided credit assistance by the LBP and other government and private financial institutions such as: the Quedancor, DBP, Cooperative Bank of Negros, Care Philippines, Office of the Provincial Agriculturist and the Philippine-Australian Community Assistance Program (PACAP). They availed of production and working capital loans and for the purchase of some pre- and post-harvest facilities from these agencies. According to the LBP staff that were interviewed, members of these cooperatives had good repayment records for about two years before they started defaulting in their payments. The LBP even restructured their loans but to no avail. The LBP 'wrote off' their production loans but in the case of a cooperative which also availed of the working capital loan, the bank foreclosed the eight EPs of the ARBs which this cooperative used as collateral for the said loan. However, the LBP admitted that LBP's foreclosure and takeover of the awarded lands would be difficult to implement. Based on records, the four cooperatives have total liabilities in the amount of PhP14,180,000. The Quedancor which also provided loans for their post-harvest facilities, foreclosed the warehouse and the solar dryers of the two cooperatives. Other factors that led to the downfall of these cooperatives are mismanagement of the cooperatives by their officers/leaders, lack of regular monitoring of the cooperatives' projects, lack of management and capability trainings of the leaders and officers, and lack of interest of the leaders and members to attend meetings.

Notably, the four non-functional cooperatives in ALBAPA ARC and the BIMPUCO in the original Binahaan ARC have been continuously subjected to ALDA despite their non-functional status. The cooperatives' officers and even DAR field offices had sought the delisting of the cooperatives, but these did not meet the conditions and requirements set for delisting of organizations in the ARCs. In ALBAPA ARC, the CDA registration of one of the non-functional cooperatives was already cancelled in 2005 but this cooperative was not delisted by the National Agrarian Reform Community Task Force (NARCTF) because of the several requirements for delisting which were not met.

According to the PARO I of Quezon I, they have recommended the delisting of some non-functional organizations in some ARCs in Quezon I including BIMPUCO in Binahaan ARC based on the recommendations of the MARO, DF and concerned barangay captain. However, the conditions and requirements for delisting of organizations in the ARCs are so stringent and hard fast that only a few organizations qualified for delisting. She cited that an organization could not be delisted under the existing guidelines if it has an outstanding account or commitment with the DAR and/or other CARP implementing agencies. This specific

requirement is quite difficult to meet because of the floundering status of the organizations which applied for delisting hence their inability to fulfill their commitments. The existing guidelines also require the officers of these organizations to come up with a resolution for the delisting of their organizations, which is also difficult to pass and submit considering that these organizations have long been non-operational. Because of the difficulty of meeting the requirements for delisting of organizations and their resultant continuing inclusion in the rating process, the ALDA rating of an ARC is adversely affected. The PARO I of Quezon I pointed out that the concerned DAR office is very strict in delisting organizations and has issued a policy directive that no ARC should have an ALDA rating of Level 1. She argues that this policy directive would be difficult to comply with because of the non-functional organizations recommended for delisting but which are still rated under the ALDA.

In the case of Kablon ARC, the problem of Mt. Matutum Samahang Nayon Multipurpose Cooperative is the non-payment of loans by its members to the LBP. According to the MARO and other ARBs in the area, there were attempts to re-activate the cooperative but the members are apprehensive that the LBP will force them to pay the loans taken out by the previous cooperative officers. Other problems foreseen in the reactivation of the cooperative are financial expenditures for social preparation and orientation of members, collection of membership fees and membership shares. The mixed ethnic composition in the area (i.e., 70% of the residents are B'laans who are not actually interested in attending meetings but only on the free snacks or food served) was also raised as another problem.

The problems encountered by the Bantayan FABRIC MPC in San Roque ARC are the following: lack of capital for copra trading to compete with local traders, lack of livelihood projects, lack of training in simple bookkeeping, food processing and marketing tie-up, and absence of support interventions for women.

In Sinamar ARC, the San Antonio ARB MPC got a Level 5 rating in the 2007 ALDA. However, based on the FGD with its officers, the cooperative has weakened due to some internal problems like the inefficiency of the present management in managing the cooperative, low collection rate of loans, organizational and financial systems and procedures are in place but not implemented such that the officers of the cooperative themselves have big amounts of unpaid loans, lack of capability training by the officers, and the lack of unity among officers and members. With the current status of San Antonio ARB MPC, some officers claim that they will exert their efforts to revive the cooperative especially in intensifying its loan collection. Thus, they are seeking the help of the barangay council to assist them in their collection. Considering that they still feel their lack of capability to manage the cooperative, they urged the DARMO personnel to train them in organizational management.

According to the leaders/officers of the Dupitac ARB MPC, the smooth operation of their cooperative is due to the commitment and capability of its leaders/officers to access financial assistance and the unity and cooperation among members and officers. However, it got a Level 5 ALDA rating in 2006 then regressed to Level 3 in

2007 due to some internal problems such as weak implementation of some policies on credit, lack of internal control, and unawareness of some officers on their roles.

In the case of Maruaya ARB MPC, the problems cited are the inefficiency and lack of knowledge of the cooperative officers in managing the cooperative operations, the officers of the cooperative themselves incurred a huge amount of loans, lack of unity among the officers and members, and incapability of the officers to access financial and technical support.

VI. ASSESSMENT OF THE SUPPORT INTERVENTIONS IN THE DEVELOPMENT OF THE SAMPLE ARCS

As stipulated under DAR Memorandum Circular No. 3, Series of 2001, the general objective of the ARC Level of Development Assessment (ALDA) is to determine the growth of the ARCs and the extent by which interventions of key ARC players are concretely translated towards the ARBs' socio-economic and political empowerment. Specifically, infrastructure development is an important component in the development of an ARC as it involves the rehabilitation or construction of rural infrastructure critical to the enhancement of farm productivity and livelihood sources and improvement in access to basic services.

This section discusses the various support programs and projects implemented in the six sample ARCs and the process or manner by which these support interventions were implemented by DAR and other CARP stakeholders in the ARCs.

1. Evergreen ARC, Binahaan Expansion ARC and ALBAPA ARC: The Sample ARCs That Have Regressed in Their Levels of Development (Level 5 to 1, Level 4 to 1 and Level 5 to 3, respectively)

1.1 Evergreen ARC

There were no infrastructure projects implemented by the DAR in Evergreen ARC. However, the DAR facilitated the release of production loans to the ARB cooperative in the amount of PhP1,878,800 from the LBP through the Credit Assistance Program for Program Beneficiaries Development (CAP-PBD).

On the other hand, the LGU funded and implemented the following infrastructure projects and basic social services: road regraveling (for 2 barangays); construction of connecting bridges in several barangays; construction of a school classroom in one barangay; distribution of water-sealed toilet bowls; and provision of artesian wells to households of Evergreen ARC and the other barangays of Baggao. This was part of the LGU's independent program which undertaken regardless of whether or not the barangay was covered by the ARC.

1.2 Binahaan Expansion ARC

The DAR through the agrarian reform fund (ARF), funded the rehabilitation of the three-phase Communal Irrigation System (CIS) in the original Binahaan ARC in the amount of PHP8.5M and the improvement and construction of 150 and 500-meter line canals. These projects were implemented by NIA. The NIA also conducted seminar/training programs on irrigation and water management to the officers and members of the Irrigators' Association in different barangays in order to increase the rice production of the farmers. In 1995, the DPWH constructed a 121-meter spillway funded under the CARP. However, this was destroyed by a typhoon and caused flooding in the nearby farmlands of the ARBs. There is no infrastructure project funded by DAR in the three expansion barangays because of the just recently approved expansion of the ARC in July 2007.

The support interventions provided by the LGU are the installation/construction of the following: public faucet (Php50,000); irrigation line canal (Php100,000); road re-gravelling (Php50,000); concreting of 50-meter farm-to-market road in each of the two barangays; and construction of roads in another two barangays. The LGU also provided toilet bowls and two bags of cement per household for the sanitary toilets in Binahaan Expansion ARC and other barangays in the Municipality of Pagbilao.

The Team Energy Power Plant (formerly Mirant Corporation), which operates a power plant in a nearby barangay (not covered by Binahaan Expansion ARC), constructed the eight-kilometer access road and a bridge connecting the original ARC barangay to one of the expansion barangays prior to the launching of the original Binahaan ARC. Likewise, the Team Energy Power Plant organized the Mothers' Club, an organization for mothers in the original ARC barangay. It provided financial assistance for the Club's rice trading project called the 'Bigasang Bayan' and a lending assistance project in Barangay Binahaan. This project is still in the planning stage in the expansion barangays because of some requirements by the company that should be completed. The members of the Mothers' Club are provided with skills training by the company (in coordination with TESDA) on food processing, soap making, sewing and candle making. According to the MARO and DF, the Team Energy Power Plant significantly contributed to the economic development of the Binahaan ARC and the neighboring barangays. The aforementioned projects of the Team Energy Power Plant are part of its commitment of building a strong relationship with the community.

1.3 ALBAPA ARC

The support interventions provided by DAR through the CARP fund is the construction of a farm-to-market road connecting two barangays in the amount of PHP2.8 million. The LGU and the CDF of a Congressional Representative provided funding for the extension of the aforesaid farm-to-market road in 2007 in the amount of PHP1.2 million. Moreover, the LGU, through the DPWH, constructed a 12-linear meter bridge amounting to PHP4 million. Through the Municipal

Agriculture Office (MAO), the LGU also provided multipurpose drying pavements to the different barangays of Valladolid, the funding of which came from the CDF of a former Senator. Through the Office of the Provincial Agriculturist (OPA), shallow tube wells (STW) and a small water impounding dam to supplement the irrigation needs of the farmers likewise were provided by the LGU. According to the Municipal Planning Development Officer (MPDO) of Valladolid, continuous concreting and maintenance of the barangay, municipal and provincial roads is being implemented by the LGU as part of its regular activities.

Currently, the NIA is implementing the rehabilitation of the Bago River Irrigation System which also covers the municipality of Valladolid. This project, amounting to PhP1.8 billion is funded by JBIC. According to the key informant (NIA), the farmers are experiencing insufficient supply of irrigation water because of the ongoing rehabilitation of the irrigation system.

In the three regressed sample ARCs, road re-graveling is a yearly project of the LGUs. The Barangay Officials usually request the Municipal LGU for this project.

2. Kablon ARC: The Sample ARC That Has Maintained its Low Level of Development (Level 1)

In the case of Kablon ARC, which has maintained its low level of development from 2002 to 2007 (i.e., Level 1), the only infrastructure project that was provided through the CARP fund was the amount of PhP2.5 million for road rehabilitation i.e., PhP2 million in 2000 and PhP0.5 million in 2002. The Solar Power Technology Support (SPOTS) Project under the FAPs made possible the installation of a potable water system in 2005 through the initiative of the DAR and a counterpart fund of PhP50,000 from the LGU. Under Phase I of the SPOTS, a potable water supply (PWS) system package was provided in Sitio Glandang, Kablon ARC to generate solar power to pump water from the deep well which is envisaged to provide potable water among the residents. However, the water tank became operational for only about six months because the original specifications were not followed and the electric cables which run the machine were stolen in 2007. On the other hand, the DTI through the CARP fund, provided technology training in 2003 for cutflower production at a cost of PhP23,000 which benefited 23 farmers.

The LGU, through the Upland Development Program (UDP) constructed the "*bagsakar*" centers or marketing outlets for the farmers in the barangay to facilitate marketing of vegetables produced in the uplands.

On the other hand, an NGO (i.e., Mahintana Foundation Inc.) has implemented reforestation and agro-forestry activities in Kablon ARC in coordination with the DENR. The foundation signed a Comprehensive Development Contract with the officers of the Matutum GLED Tribal Christian Multipurpose Cooperative (M-GLED MPC) in October 2004 for the implementation of reforestation and agro-forestry activities for three years in Sitio Glandang, Barangay Kablon, covering a total area of 333.95 hectares with a contract amount of PhP4.2 M.

3. San Roque ARC: The Sample ARC That Has Advanced in its Level of Development (Level 1 to 5)

In San Roque ARC, the support interventions directly provided to the ARC is the PhP1 million from the Congressman's CDF for the rehabilitation of the farm-to-market road leading to the area and the fund from PATSARRD for hog dispersal in the ARC households. The PATSARRD, through the DAR, gave 25 piglets to selected ARBs and barangay officials in the five barangays covered by the ARC, amounting to PhP60,000. This amount includes the amount spent for the trainings of the cooperators, starter feeds and vitamins.

The LGU, through the Municipal Engineering Office, provided the following support projects in the ARC: 1) minor repair of farm-to-market roads in four ARC barangays; 2) ongoing rehabilitation of irrigation canals (2 km) with funding from DA-BSWM (PhP8M grant); repairs of school buildings; and livelihood assistance. The LGU also purchased residential lots for low-income residents to be paid by the beneficiaries at a low cost.

4. Sinamar ARC: The Sample ARC That Has Maintained its High Level of Development (Level 5)

Based on the results of the FGDs and the secondary data gathered, there is only one sample ARC that has been provided with a full range of support interventions i.e., through the Agrarian Reform Infrastructure Support Project Phase II (ARISP II) of the FAPs. The Sinamar ARC received substantial support in terms of infrastructure development, institutional development, capacity building, and agriculture enterprise development. Through ARISP II, the NIA implemented a communal irrigation project in one barangay in 2002 with a total project cost of PhP14,880,323 with a service area of 125 hectares benefiting 173 farmers. In the same barangay, NIA also constructed a post-harvest facility which consists of a warehouse, solar dryer, and a cooperative office with a project cost of PhP1,555,758. In two of the six barangays, the LGU also provided for the installation of a rural water supply with a project cost of PhP2,482,624. The DPWH undertook the rehabilitation of a connecting road between two barangays in the ARC with a total project cost of PhP13,988,718.

For the physical infrastructure projects under the ARISP II, the LGU and the beneficiary cooperative provided an equity of 20 and 10 percent, respectively of the total project cost, in order to qualify the project as a grant under the ARISP II. Aside from the counterpart fund, the members of the cooperative provided labor equity in the implementation of the projects.

Under the Institutional Development Component of the ARISP II, an NGO was commissioned to strengthen the beneficiary cooperative through the conduct of training on leadership and tutorial guidance on financial and audit management for cooperative leaders and members. Moreover, the ARISP II has provided for the introduction of hybrid rice production and the improvement of the ARBs' production methods through the Integrated Pest Management (IPM), Synchronized

Farming and Farmers Field School (FFS). This was introduced by PhilRice and the DA under its agriculture enterprise development (AED) component.

The other CARP implementing agencies that provided support interventions in Sinamar ARC are the LBP and the DENR. The LBP provided PhP400,000 in agricultural production loans (APL) and PhP355,000 for the purchase of a hauling truck at an interest rate of one percent per year. At present, the cooperative has only about PhP73,000 in loan balance. The LBP also assists the cooperative in strengthening its operations through the yearly conduct of an operations review. The DENR awarded 242 hectares of forest lands to the cooperative in 2002.

As regards road maintenance/improvement implemented by the LGU, the following were completed from 2001 to 2007: 1) concreting/repair/ maintenance of barangay roads/FMRs in six ARC barangays; 2) concreting of irrigation canals in two barangays; and 3) financial assistance to irrigators' associations and "zanjeras" for the maintenance of the irrigation systems. The LGU has also provided financial assistance to the existing cooperatives.

As gleaned from the support interventions provided in all the six sample ARCs, the full range of support services provided under the FAPs, specifically the ARISP II, greatly contributed to the development of Sinamar ARC. The disparity between the support interventions provided in Sinamar ARC and the other sample ARCs appears to account for the various levels of development that have been achieved by these ARCs.

In all the six sample ARCs, the LGUs, through the DA, DSWD and DOH have also implemented programs/projects in the ARCs based on their respective agency mandates. The LGU through the Municipal Agriculture Office (MAO) provides subsidized hybrid rice and corn seeds, vegetable seeds and fertilizers to the farmers. It undertakes animal immunization and dispersal projects, conducts training programs on farming technology, insect and pest management and livelihood projects, and establishes rice demonstration farms as a showcase for the adoption of modern farm technology for the farmers. Likewise, it constructed multipurpose drying pavements, shallow tube wells and small water impounding dams, and promoted ecotourism in the locality. At times, some of these projects are provided as grants to the farmers by the LGU while at other times, they are loaned out without interest to be paid after harvest.

The LGU, through the Municipal Social Welfare and Development Office, provides day care services, feeding sessions for the underweight children, youth and family counseling, distribution of Senior Citizen's cards and Philhealth IDs, financial assistance for livelihood projects, sickness and burial assistance, and skills training for livelihood. The DSWD also implemented the Comprehensive Integrated Delivery of Social Services (CIDSS) in selected sites based on poverty incidence. Under CIDSS in Barangay Sta. Maria in Sinamar ARC, the DSWD implemented the following: construction of potable water reservoir cover, installation and construction of water reservoir, purchase of farm equipment such as hand tractors, thresher and a rice mill, purchase of a four-wheeled tractor and installation of

water pipes and maintenance of reservoir, and capital for agribusiness or trading business. In San Roque ARC on the other hand, the following projects under the CIDSS were provided: construction of day care center (one barangay); construction of school buildings and drainage canal (one barangay); 10 units of jetmatic pumps and additional classrooms (all ARC barangays). The CIDSS projects are grants from the World Bank (WB) with counterpart funding from the LGU and the DSWD Regional Office.

The Municipal Health Office of the Department of Health (DOH) provides the following services: medical check-ups, pre- and post-natal care, child and maternal care, yearly immunization, occasional distribution of free medicines, conduct of medical and dental mission, health and family planning education, provision of vitamins, feeding and deworming to children, Botica sa Barangay, school feeding, provision of artesian well, and sanitation and fumigation for dengue preventions.

Notably, though the two other sample ARCs have also been provided with support interventions under the FAPs (i.e., Kablon ARC and San Roque ARC), these were limited only to the installation of potable water systems under the Solar Power Technology Support (SPOTS) Project in Kablon ARC and hog dispersal under the Philippine–Australia Technical Support for Agrarian Reform and Rural Development (PATSARRD) in San Roque ARC. The other sample ARCs are regular ARCs that have been provided with support interventions by the DAR but only to a certain extent due to budget constraints. Generally, DAR's intervention in these sample areas has been limited to sparse infrastructure development and focused more on land tenure improvement.

Apart from the limited infrastructure development projects provided by DAR, the DAR support interventions in the sample ARCs lean heavily towards the area of coordination with other government and private agencies in planning, inclusion of proposed projects for the ARCs in the local development plan and budget allocation, conduct of training programs, organization/strengthening of cooperatives, and facilitation of loan availment by the cooperatives. Specifically, DAR had coordinated the planning, funding, and actual implementation of various projects under the ARISP II of the FAPs in Sinamar ARC. Likewise, the DAR facilitated the release of loans to the ARB cooperatives from the LBP. As in the case of the original Binahaan ARC, DAR facilitated the release of PhP100,000 from the Congressional Development Fund (CDF) of a Congressman both for the cooperative's consumer store and cattle dispersal project. Likewise, the DAR has assisted in reviving inactive and non-functional cooperatives in the ARCs. In ALBAPA ARC, the DAR organized a cooperative to cater to the needs of the ARBs in lieu of the non-functional cooperatives. The DAR has also coordinated the conduct of various training programs in the following: livelihood/income generating projects; farming technology; leadership training; cooperative management; bookkeeping and accounting seminars; organizational development and skills; and other enterprise development training programs that benefit the ARBs in the ARC.

Generally, the LGUs and other government agencies have implemented projects in the sample ARCs based solely on their respective development plans and programs

and the availability of funds. Interviews with key informants from LGUs and other CARP implementing agencies indicate that they implement the same projects in all the barangays covered by their plans and targets regardless of whether or not they are located in ARCs.

Given the varying magnitude of support services provided in the six sample ARCs, the FGD participants in each sample ARC cited the following needs based on what they perceived to be still wanting in the ARCs: construction/extension and/or maintenance of farm-to-market roads and bridges; construction/maintenance of irrigation system; capital for farm production and livelihood projects; training on adoption of appropriate/modern farm technology; social preparation and capability training programs for cooperative officers and members; skills training for livelihood projects; credit assistance at low interest rate; condonation of interest on production loans obtained from the LBP; subsidized cost of fertilizer; and pre and post-harvest facilities such as farm/hand tractor, mechanical/solar dryer, hauling trucks for transporting farm products to the market, warehouse, thresher, corn mil and corn dryer.

VII. LTI ISSUES AND CONCERNS IN THE SAMPLE ARCS

In all the six sample ARCs, LTI is the common KRA that greatly contributed to their development. However, based on the FGDs there are several issues which have emerged in LTI implementation. These are as follow:

- a. In Binahaan Expansion ARC, leasehold accomplishment is 100 percent completed as reported but the FGD participants disclosed that there are farmers who are still practicing share tenancy arrangements especially in coconut lands. According to the MARO key informant, share tenancy still exists in coconut lands because in time of natural calamity, they are not obliged to pay any rental and whatever is the amount of harvest obtained is the amount subjected to their sharing arrangement. Allegedly, there are a few cases of non-practicing leaseholders. An ARB in an expansion barangay had already sold his awarded land and a CLOA holder for 16 years asked the MARO on the mechanics of selling his CLOA.
- b. In Evergreen ARC, there are reports that there are ARBs who have already sold or mortgaged their lands. The MARO also reported that about six percent of the ARBs are still practicing share tenancy arrangement.
- c. In ALBAPA ARC, there are eight EP holders whose lands were foreclosed by the LBP due to non-payment of loans obtained by their cooperative in which their EPs were used as collateral.
- d. In Sinamar ARC, most of the lands were covered by LAD under VLT/DPS which involved the transfer of ownership of landholdings from the parent/grandparent-landowners to their children and relatives. In one ARC barangay, OLT recipients who opted for direct payment to the landowners were not issued EPs because of the non-issuance of the certificate of full payment by the landowner who is already

abroad. Although leasehold operation is reported as 100 percent complete, majority of the farmers are still practicing share tenancy arrangement. Moreover, there are also some reports on non-practicing leaseholders i.e., ARBs with leasehold contracts but actually engaged in share tenancy.

- e. In Kablon ARC, ARB-participants in the FGD reported that about 50 percent of the ARBs have either sold or mortgaged their awarded lands. On the other hand, the MARO's information is that only 20 percent engaged in these kinds of land transactions. There are also CLOA holders who are still practicing share tenancy arrangements.

The overlapping of titles and the authenticity of untitled properties are the problems cited which make LAD difficult to implement. It is also reported that 85 percent of the CLOAs issued to ARBs in Kablon ARC were covered under the Mt. Matutum protected forest area as declared by the Protected Area Management Board.

- f. In San Roque ARC, barangay officials and ARB participants in the FGD reported the following: 1) selling of awarded lands; 2) 12 leaseholders who reverted to share tenancy practice; and 3) many farmers, who are not yet covered by agrarian reform, are still practicing share tenancy arrangements particularly in coconut lands.

VIII. AWARENESS ON AGRARIAN REFORM COMMUNITY (ARC) AND ARC LEVEL OF DEVELOPMENT ASSESSMENT (ALDA) AND PERCEPTIONS ON THE CURRENT CONDITIONS OF THE SAMPLE ARCS

Most of the ARB participants in the FGDs held in the sample ARCs that have either regressed, advanced, or maintained low levels of development are not aware of what an ARC is all about. For a few ARBs who are aware, they know that they are within the ARC but their knowledge about it is limited to the benefits that they could derive through programs and project interventions implemented in the ARC. On the other hand, majority of the leaders/officers of the ARBs' cooperatives/organizations and the barangay officials are fully aware about the ARC because they participate in the annual conduct of FGDs for the ALDA.

In the case of the sample ARC which has maintained its high level of development for seven years, most of the ARB participants from three out of six barangays within the sample ARC with FAPs as well as the leaders/officers of ARBs' organizations and barangay officials are fully aware about the ARC. On the other hand, most of the ARB participants from the other three barangays without FAPs are unaware about the ARC. It is the same for the leaders/officers of ARB cooperatives/organization and barangay officials from these barangays. Notably, ARB participants in the FGD from barangays with cooperatives are more aware about the ARC than those without cooperatives.

Concomitantly, those who are not aware of the ARC are also unaware of the ALDA as a tool in determining the level of development of the ARC. According to the DAR key informants, the meanings of ARC and ALDA were explained to farmers during meetings and it is only those they have talked with who are aware of the ARC and the ALDA.

As regards the perceptions of the FGD participants on the current conditions of their ARCs, most of them (composed of ARBs, leaders/officers of ARB cooperative/organizations and barangay officials) and DAR key informants in the six sample ARCs agree with the current level of development of the ARCs, except for the FGD participants in the sample ARC with an advancing level of development (i.e., San Roque ARC in Northern Samar) and the cooperative officers in the sample ARC with a regressed level of development (i.e., Binahaan Expansion ARC). In San Roque ARC, FGD participants disagree with the ARC's Level 5 rating because they say there are still substantial support interventions needed particularly the maintenance of farm-to-market roads (not passable to vehicles during rainy season), irrigation system for some barangays, training on farm technology, farm implements, rehabilitation of potable water system, upgrading of existing educational facilities, and livelihood projects. Perception wise, the current manager of Bantayan FABRIC MPC says that there is still a long way to go in actuality before San Roque ARC can achieve the highest ALDA rating. In the case of Binahaan Expansion ARC, the officers of a cooperative in the original Binahaan ARC (BIMPUCO) do not concur with the current ALDA rating of Binahaan Expansion ARC, that it has regressed from Level 4 to 1. Notably, they are still unaware of the expansion of the original Binahaan ARC to three barangays.

A general observation is that the perceptions of the FGD participants and DAR key informants on the current level of development of the sample ARCs depends on the nature and substantial provision of support interventions needed in the ARCs and the degree by which ARB households are perceived to have been benefited. The FGD participants who agree with the current level of development of their ARCs claim that the production and household income of the ARBs have improved due to the construction of irrigation systems, farm-to-market roads, and production loans provided by the LBP. Those who disagree with the current level of development of their ARCs cite the inadequacy of support interventions provided in their ARCs.

1. Evergreen ARC, Binahaan Expansion ARC and ALBAPA ARC: The Sample ARCs That Have Regressed in Their Levels of Development (Level 5 to 1, Level 4 to 1 and Level 5 to 3, respectively)

According to the FGD participants in the regressed sample ARCs, the ARBs' farm productivity and household income has improved due to production loans provided by the LBP and the credit obtained from private moneylenders, seminars/training programs attended on farm technology, repair of farm-to-market roads and construction of bridges, adoption of modern farm technology, and additional income derived from swine and livestock production. The secondary data also show that the average household income of the ARBs in 2007 exceeded the PhP60,000 target household income for the ARB households in the ARC by 25 to 37 percent and also

exceeded the national poverty threshold (NPT) of PhP70,165 by seven to 17 percent. Although there is an improvement in the household income of the ARBs, the results of the FGDs with the ARBs and some other participants (cooperative leaders and barangay officials) indicate that majority of the ARBs in the sample ARCs are still heavily dependent on the private moneylenders or local traders for their sources of credit. In the case of the ARBs in ALBAPA ARC, they do not have the capacity to finance their own farm operations, hence most of them (80%) are dependent on local "financiers" or private rice millers for production loans at an interest rate of 10 percent per month. Loans obtained from the "financiers" are by land large paid in kind equivalent to a price dictated by the lenders. Likewise, majority of the ARBs in Binahaan ARC obtain loans from private money lenders at higher interest rates (i.e., from 3 to 20 percent per month) to finance their farming operations, children's education and other financial needs. However, in the case of Evergreen ARC, the ARBs were able to avail of production loans from the LBP through the loans granted to their cooperative from 2003 to 2005 at 24 percent per year or two percent per month. Because of the inability of the ARBs in Evergreen ARC to pay their most recent loans due to force majeure, the credit relending activity of the cooperative was suspended. At present, the ARBs obtain credit from traders and private moneylenders at an interest rate of five to eight percent per month.

Overall, there are improvements in the health services, transportation facilities, number of sari-sari stores, and the education of the children in the three sample regressed ARCs. In ALBAPA ARC, the FGD participants cited the improvement in the farm-to-market roads and the sources of power supply and potable water in the ARC.

2. Kablon ARC: The Sample ARC That Has Maintained Its Low Level of Development (Level 1)

In this sample ARC that has maintained its low level of development from 2002 to 2007, the FGD participants claim that the household incomes of the ARBs are lower than before the launching of the ARC due to high cost of farm inputs and lower price of farm products, particularly vegetables. Many of the ARBs and other farmers in the ARC borrow money from the traders and pay it in the form of farm produce but they are not clear about the interest rate. Because the sample ARC is located at the foot of Mt. Matutum, the ARBs have difficulty in hauling their farm produce to the markets, hence they are forced to sell their farm produce at a very low farm gate price through the "*pakyaw*" system of the traders who operate in the area.

According to the DAR key informants, the ARBs have undergone training programs conducted by DAR, DA, DTI, DENR and the Mahintana Foundation Inc. (MFI) on crop production and agro-reforestation which they apply in the area. Given the necessary capital and assured good price for their products, there are opportunities for the ARBs to increase their farm income through the planting of potato and carrots. Based on the production data gathered by the ALDA Team in 2006, a farmer could gain as much as PhP164,990 per hectare for carrots and PhP202,270 per hectare for potato in a year, provided that the right amount of farm inputs are utilized. On the other hand, the DAR key informants perceive that considering the present situation of Kablon ARC, it does not deserve a Level 1 ALDA rating but a higher rating equivalent to Level 3 or 4

because of the many economic activities undertaken by the non-ARBs in the ARC which are not included in the ALDA. The non-ARBs constitute a very significant portion of the total population in the ARC (i.e., 72 percent) and are engaged in many economic activities that significantly contribute to the development of Kablon ARC. These are: the planting of high value crops and fruit trees such as durian, avocado and coconut; the production of asparagus; the existence of a cutflower farm which employs ARB household members; and the presence of 19 small sari-sari stores.

Straddling the municipalities of Polomolok, Tampakan and Tupi, where Kablon ARC is located, is the Dole Philippines pineapple plantation. These plantation lands are constituted by the lands owned by the ARBs who have entered into a land use management contract with Dole Philippines, Inc. through their cooperative, the Dole Agrarian Reform Beneficiaries Cooperative, Inc. (DARBCI). Twenty-two (22) ARB-members of DARBCI are residents of Kablon and work as hired farmworkers in the pineapple plantation. As such, they benefit from the income they derive from their employment and the payment of lease rental by DARBCI. Individual small farmers in Kablon ARC who are non-ARBs have also entered into individual land use management contracts with Dole Philippines, Inc. and are likewise paid the same amount of lease rental for a period of 25 years.

An improvement in the availability of health services was observed by the FGD participants. However, they claim that they still need concrete farm-to-market roads, considering that the infrastructure support provided in the ARC are just plain road fillings which are easily washed out during rainy season, rehabilitation of the potable water system, training on food processing, hauling trucks to transport farm produce to the market, livestock dispersal, support on farm inputs, free vegetable seeds, and training towards social preparation. Due to the undulating terrain of the ARC and the long distance they travel which ranges from four to seven kilometers to the nearest elementary school, the children in other *sitios* in Kablon ARC no longer go to school. Only the central part of the barangay is serviced by electricity. The households in the remote *sitios* obtain their electric lighting from the generators owned by their neighbors wherein they pay for power services from 6:00 to 10:00 pm. The residents in the elevated portions of the ARC access their water supply from the mountain spring.

3. San Roque ARC: The Sample ARC That Has Advanced in its Level of Development (Level 1 to 5)

In the sample ARC that has advanced in its level of development, palay production has slightly increased since 2001 due to training programs on farm technology conducted by the LGU through the DA and non-government organizations (NGOs). However, for some ARBs in non-irrigated barangays, there was no improvement in their yields. In terms of financial needs for farm operations, most of the ARBs obtain loans from private credit providers in the barangays at a very high interest rate of 20 percent per month. For the daily financial needs of the ARBs in the whole ARC, their sources of credit are also private moneylenders whom they referred as 'microfinance providers' who charge a minimal interest rate of one to two percent per month. The ARB participants in the FGD claim that they can afford to buy household appliances, cell

phones, motorcycles and other assets not because of the increases in their farm incomes but through the commercial loans extended by the commercial establishments. Although the ARBs' household income has increased due to increased farm income, this is negatively offset by the increasing prices of consumer goods.

In terms of services and facilities, there is an improvement in the means of transportation available in the ARC, i.e., from riverboats along the river routes before the establishment of the ARC to motorcycles, vans, jeepneys and "*habal-habal*" (a plain motorcycle without sidecar that can accommodate four to five passengers) because of partly dirt and gravel roads constructed from the ARC to the Poblacion. Most of the households in three out of five ARC barangays have access to Level 1 potable water system (i.e., handpumps). However, these handpumps are not enough to service all the residents in the ARC barangays and some of them need to be rehabilitated for continuous water supply. Two of the five ARC barangays depend on a spring and an open well for their water supply. Health services are readily available in the Poblacion, not in the ARC. Only one out of five ARC barangays is irrigated and the ARBs from this barangay are better-off in terms of farm and household income as compared to ARBs in other barangays within the ARC that have no access to irrigation.

4. Sinamar ARC: The Sample ARC That Has Maintained its High Level of Development (Level 5)

In the sample ARC that has maintained its high level of development from 2001 to 2007, most FGD participants (i.e., cooperatives' officers, barangay officials and ARBs) claim that the socio-economic condition of the ARB households has improved compared to their condition prior to the launching of the ARC, except in the case of one barangay. The FGD participants say that production and household incomes of the ARBs have improved due to the construction of an irrigation system, a farm-to-market road and a bridge under the Agrarian Reform Infrastructure Support Project (ARISP II), the production loan extended by the LBP to the cooperative members, and the training programs conducted and certified hybrid seeds provided by the DA. The ARB participants from one barangay claim that their current farm production and household income are the same as before the launching of the ARC. According to them, their production depends on the quantity of fertilizer applied in their farms wherein oftentimes the required amount is not met due to high cost and inadequate production capital. The insufficiency of water also affects their yields. Their source of capital is the private moneylender or middleman who charges a high interest rate of 20 percent per month. However, the extent of dependency of the ARBs on the private moneylenders or middlemen varies by barangay. In Barangay Estancia, which is a direct recipient of ARISP II, only about 20 to 40 percent of the farmers obtain loans from private moneylenders as compared to the ARBs in other ARC barangays wherein as much as 50 to 80 percent are dependent on informal credit. In three out of six ARC barangays covered by Sinamar ARC, the ARBs clarify that they only obtain loans while waiting for their livestock and farm produce to be sold.

As a result of an improvement in household income of ARBs, most FGD participants observe that many of the ARBs were able to send their children to college, the number of out-of-school youth has lessened, some of the ARBs are now able to send their

children to private school. Moreover, as a result of improved roads, the FGD participants also observe the increase in the number of sari-sari stores, traders, middlemen and ambulant vendors. At present, the source of potable water and power supply is still the same as before the launching of the ARC, except in two barangays covered by the ARC (i.e. Barangays Estancia and Dupitac) where the source of potable water has improved from deep well manual pump to piped water due to the construction of a water reservoir under the ARISP II. The services for potable water and power supply are continuously being maintained and provided by the LGU.

In terms of employment generation, majority of the FGD participants also observe an increase in farm labor due to increase in cropping intensity as a result of three croppings a year. Even the farm laborers coming from outside the ARC are accommodated during the peak season of farm activities.

IX. STRENGTHS AND WEAKNESSES OF THE ALDA AND SUGGESTED REMEDIAL MEASURES BY THE DAR KEY INFORMANTS

As stipulated in the ALDA Manual and the Operational Directives issued by the DAR Support Services Office (SSO)* towards the end of third quarter of every year, the conduct of ALDA involves three major phases: the pre-ALDA activities; the actual conduct of ALDA; and the post-ALDA activities. The pre-ALDA activities include among others, the gathering and review of pertinent secondary data. The actual conduct of the ALDA includes field data gathering through focused group discussions (FGDs) with members and leaders of the ARB organization/s in the ARC using the OM part of the ALDA, and the conduct of interviews with the key informants which include the MARO, DF, representatives of line agencies such as DA, DENR, DPWH, representative from LBP, community leaders, among others, to gather data on the progress of the ARC under the other KRAs. The post-ALDA activities include feedbacking of ALDA results and action planning at the national, regional, provincial, municipal levels and to the ARCs and concerned ARB organizations.

Based on the results of key informant interviews and FGDs held in the six sample ARCs, the prescribed guidelines and procedures in the conduct of the ALDA were completely observed in four out of six sample ARCs. Although the prescribed guidelines and procedures were also followed in the other two sample ARCs, there were some deviations from the procedures in the conduct of ALDA which contributed to either the advancing level of development of the ARC or the maintained low level of development. Specifically, these deviations are as follow:

- a. In the case of Evergreen ARC in Cagayan that has regressed from Level 5 to 1 from 2006 to 2007, one of the DAR key informants admitted that when the MARO, DF and a staff from the DARMO were the ones conducting the ALDA from 2003 to

* Operational Directives in the conduct of ARC Level of Development Assessment (ALDA) is issued annually to all Regional Directors (RDs) and Provincial Agrarian Reform Officers (PAROs) to ensure the full utilization of the ALDA results and the integrity of the data generated. The operational directives include major key points on administering the ALDA to all ARCs, and their corresponding ARC organizations are confirmed and included in the DARCO's masterlist of ARCs and organizations as of the end of September each year, which is the cut off month for the ALDA data to be generated to ensure uniformity of assessment results.

2005, there were some adjustments made to increase the ratings of the KRAs (except for LTI) that obtained low ratings. The DARPO only validated the ALDA results with them and not on the ground. The adjustments that were made to increase the ALDA ratings of some KRAs contributed to the high level of ALDA ratings of Evergreen ARC, that is from Level 5 in 2003 when it was first subjected to ALDA, to Level 4 in 2004, and back to Level 5 again in 2005.

- b. In the ALDA of 2007 for Evergreen ARC, no FGDs or group interviews with the members and leader of the ARB organization and no key informant interviews were undertaken for the validation of secondary data gathered and for obtaining additional information on the progress of the ARC. Concomitantly, no feedbacking was conducted by the MARO and DF to the ARB organization since there was no FGD conducted for the ARB organization. Feedbacking of the ALDA results was only conducted by the MARO and the DF to the ARC during the Review and Planning Session (RPS) wherein the strengths and weaknesses of the ARC were discussed and an action plan for 2008 was prepared. OM obtained zero rating because no FGD was conducted for OM due to the unavailability of the leaders and officers of the cooperative who were preoccupied in the last barangay elections. Considering the various OM indicators being assessed and the high OM rating obtained in 2006 (i.e. 91.40 percent), the zero rating may be inaccurate.
- c. For San Roque ARC in Northern Samar that has advanced in its level of development from Level 1 in 2001 to Level 5 in 2007, two non-functional cooperatives were excluded in the conduct of the ALDA although they are not yet officially delisted by the National Agrarian Reform Community Task Force (NARCTF) of the DAR.

As regards the perceptions on ALDA by the DAR key informants [i.e., the Provincial ALDA Coordinators, the Municipal Agrarian Reform Officers (MAROs) and the Development Facilitators (DFs)] in all the six sample ARCs, they generally find ALDA as an effective, accurate and reliable tool for assessing the level of development of an ARC and as a means of defining the appropriate interventions that are required to improve the level of development of the ARC. They also cited the significance and utility of the ALDA to funding agencies in identifying program interventions that are still needed to improve the level of development of the ARC. The Provincial ALDA Coordinator in Negros Occidental specifically cited the usefulness of ALDA results in the formulation of action plans and development plans of the ARCs. Likewise, in the case of Sinamar ARC in Ilocos Norte, the MARO cited the utility of the ALDA results in the preparation of the Five-Year ARC Development Plan and yearly action plan of the ARC which helped in maintaining the high level of development of the ARC. On the other hand, the DF of Pagbilao cited the effectiveness of the ALDA in terms of assisting ARB organizations in improving their levels of development. The Provincial ALDA Coordinator in Quezon I disclosed that the National Economic Development Authority (NEDA) and the Japan International Cooperation Agency (JICA) likewise recognize the importance of ALDA in defining the needs and appropriate interventions that should be implemented towards improving the level of development of the ARCs.

Despite the positive observations of the DAR key informants on the ALDA, they also note the following shortfalls and offer suggestions for the improvement of the conduct of the ALDA:

- a. The allotted time for the conduct of ALDA is insufficient to allow for the complete gathering of all the required data and information. The concerned DAR key informants suggested that the period allotted for the conduct of ALDA per ARC should be increased to provide ample time for them to effectively capture or obtain all the required data and information.
- b. The non-functional cooperatives/organizations are still included in the conduct of the ALDA despite their non-operational status for several years and the difficulty of complying with the delisting requirement of settling their outstanding accounts or commitments with the DAR and other CARP implementing agencies. They suggested that the criteria for the delisting of cooperatives/organizations should be reviewed in light of many non-functional cooperatives/organizations which cannot comply with the delisting requirement of settling their financial obligations with their creditors.
- c. The ALDA results are prone to manipulation by the DAR personnel who compose the ALDA Team. The DAR key informants hinted the need for the MARO and the DF to inhibit themselves in the conduct of all ALDA activities to ensure impartiality and accuracy of data. It was also suggested that the conduct of ALDA should be commissioned to an independent entity to ensure the accuracy and reliability of ALDA results.
- d. The economic activities in the ARC of the non-ARBs who constitute a very significant proportion of the total population of the ARC are not considered in the ALDA. It is suggested that the economic activities of the non-ARBs should also be included in the ALDA to capture the contributions of the same to the current state of the ARCs.
- e. The ALDA does not include indicators that reflect the initiatives or interventions of other sectors or organizations that contribute to the development of the ARC.
- f. The data on some indicators under pre-and post-harvest facilities for assessment are difficult to obtain due to specificities that are difficult to determine, if not altogether impossible given the number of respondents and time constraint. Particularly, these data pertain to the level of performance under each indicator such as: traction in area per hour; sprayer in liter per hour; weeder and harvester in area per hour; thresher in cavans/sacks/kilos per hour or per square meter in the case of drying pavement; and transport facility in cavans per day. Because of this difficulty, the DAR key informants stressed that the questions on traction (which refers to both animal drawn implements and mechanized equipment such as power tiller and tractor required to plow the field) and other specific indicators which are difficult to measure in terms of capacity per hour should be dropped from the list of specific indicators under ECOPISS or substituted with more practical and measurable indicators.

- g. The ALDA Manual provides for the step-by-step instructions on the manual computation of ALDA results to countercheck the results generated through the STATISTICA program. However, there have been many cases in the past years wherein the results generated through the STATISTICA program did not match the results of manual computation because of the assignment of categorical ratings of 25, 50, 75 and 100 in specific indicators such as average actual yield of major crops (PYIELDS), average increase in yield of major crops (PINCYAVE), availability of health services (HFACNO), and other various indicators of Organizational Maturity (OM). The STATISTICA program would assign values below 25, anywhere between 0 to and 100, or even greater than 100 which result to errors that affect the levels of development of the ARCs. With these errors, the proposed interventions may not address the actual needs of the ARCs. To address this concern, the DAR key informants suggested that the application of the STATISTICA program be reviewed to correct the errors noted in the assignment of values.
- h. The number of women ARBs is significantly less than the male ARBs and there is nothing that can be done in order to increase its contribution to ALDA rating on GAD. Thus, there is a need to exclude the indicator on "number of women ARBs" because in reality, the number of male ARBs is greater than women ARBs and this indicator is not a result of support interventions.
- i. The percentage of ARB membership in an organization is computed based on the total number of ARBs in all the barangays covered by the ARC instead of the total number of ARBs only in a certain barangay where the ARB organization is based. Based on the experience of DAR key informants in the conduct of the ALDA, they recommend that the denominator for ARB membership in an organization should be the total ARBs in the barangay and not the total ARBs in the whole ARC which includes ARBs in other barangays covered by the ARC. The observation/comment may be attributed to the general tendency of most ARBs in a barangay to seek membership in organizations within their barangay and not outside of their barangay of residence. The standing procedural policy tends to considerably drive down rating in this specific indicator.
- j. One of the indicators under ECOPISS is the number of ARBs who have availed of credit assistance. Since the availment of loans by the ARBs is based on their needs, there should also be an indicator on the number of ARBs who do not have to avail of loans because they are already capable to finance their farm operations.
- k. The definition of "actual ARB" as indicated in the ALDA Manual is limited only to actual holder of EP or CLOA, hence if the "actual ARB" dies, his/her spouse could not be considered as "actual ARB." In this regard, it is suggested that the definition of "actual ARB" should be expanded to consider any qualified heir of the deceased ARB as provided under Section 27 of R.A. No. 6657 on transferability of awarded lands and DAR Administrative Order No. 08, Series of 1995 which provides the rules and regulations governing the transferability of lands awarded to agrarian reform beneficiaries through hereditary succession or to other qualified

beneficiaries. If no transfer action has been taken, the provision of Section 27 of R.A. 6657 should be used at least for purposes of the ALDA.

- I. The budget allotment for the conduct of the ALDA per ARC is only PHP2,000 which is insufficient to meet all the expenses incurred during the conduct of orientations and FGDs particularly in ARCs covering more than one barangay and multiple cooperatives/organizations.

- m. In one ARC, the ALDA Team conducted the FGD on OM not with the target participants but with other participants who were able to attend the rescheduled date of FGD. The target participants were preoccupied with the harvesting or planting activities in their farms which they understandably prioritized at that time. The participants during the rescheduled date of the FGD are leaders and members of non-functional or inactive cooperatives who were not able to factually answer some of the questions in the ALDA questionnaire. This proxy situation happened just so that the ALDA Team could comply with the timely submission of ALDA reports.

X. IMPLICATIONS AND RECOMMENDATIONS

1. The number of ARBs in all the sample ARCs constitutes only a small percentage of the ARC's total population, ranging from 2.3 percent (in Binahaan Expansion ARC) to 18 percent (in Kablon ARC). The small proportion of the ARBs in the ARC vis-à-vis the total ARC population is indicative of the need to review the ALDA operational framework in the context of including the non-ARB population in the assessment of the level of development of an ARC as they constitute a highly significant proportion of the total population of the ARC.

The study also shows that there are active organizations in some sample ARCs organized by government and private institutions which were not subjected to ALDA. DAR has either no participation or any involvement in any activities of these organizations but these organizations benefit the ARBs and have contributed to the development of the sample ARCs. They were not included in the conduct of ALDA because of the standing policy that cooperatives/organizations in the ARCs will be included in the ALDA only if DAR has provided interventions.

Based on the aforementioned findings, the ALDA has to be contextualized within the sphere of holistic development parameters. Considering that the development of an ARC as conceptualized in 1993 is an area-focused strategy which is a people-centered, concerted and holistic approach to community development, it is important to include in the ALDA the assessment of the economic activities of the non-ARBs and the initiatives or contributions of other sectors or organizations that contribute to the current state of the ARCs. Thus, the ALDA needs to be reviewed in the context of eclectic contributions to the ARCs' development. How will interventions external to DAR or agrarian reform initiatives figure in the assessment of the level of development of the ARCs? Should agrarian reform

initiatives be divorced from non-agrarian reform interventions or shall this distort findings and redound to a flawed assessment of the ARC “level of development”?

2. In Binahaan Expansion ARC, its regressed level of development was the result of the abrupt slump in its FPI ratings and the inclusion of three expansion barangays in the conduct of the ALDA in October 2007, which was barely two months after the official approval of its expansion in July 2007. Since there was no intervention yet provided in the expansion barangays because of the short period of its coverage, the ratings in all the KRAs were negatively affected due to the increase in scope of work from the original one barangay to four barangays. Specifically, there was a significant drop in rating of ECOPISS because of the additional three barangays that still require economic and physical infrastructure support services as compared to only one barangay in the original Binahaan ARC in which interventions have already been introduced. Indications are that there was a premature inclusion of the three expansion barangays in the conduct of ALDA in Binahaan Expansion ARC which brought down its ALDA rating in 2007.

While some FGD participants and DAR key informants claim that the abrupt slump in FPI rating is due to the ARBs' low farm productivity and decreased income caused by the typhoon that hit the area in 2006, the secondary data gathered shows that there is actually a disparity between the farm and household income of the ARBs in the original ARC barangay and the household income of the ARBs in the expansion barangays. The average annual farm income and household income of the ARBs in the original Binahaan ARC are 38 and 19 percent higher than that of the expansion barangays.

The immediate inclusion of the expansion barangays in the conduct of the ALDA without lead time seems to be the major contributory factor to the regressed level of development of Binahaan Expansion ARC. For the ALDA to be undertaken in expansion barangay/s, it is necessary that the elapse of a reasonable period must be observed to: first, identify required interventions; second, mobilize programs and funding of such interventions; and third, allow gestational and maturation factors of the interventions to take effect. The assessment of expansion barangay/s as in the case of Binahaan Expansion ARC, should be initially separated and delimited only to the new barangay/s covered by the ARC so as not to offset those gains already achieved in the original barangay/s thereby resulting to distorted regressed ALDA ratings. If the delimitation to new barangay/s is observed, the ALDA shall be allowed to provide the baseline development level ratings of the expansion barangay/s without unduly affecting the actual development level ratings of the original barangay/s covered by the ARC thereby resulting in sound development indicators in the same. A qualified ALDA rating for both the original and expansion barangays may be in order.

3. The result of the ALDA in Evergreen ARC, which regressed from Level 5 to 1, is a gray area. First, there were no FGDs conducted for the ALDA of 2007 because of the failure of the concerned participants to attend. Since there were no FGDs conducted, OM obtained zero rating and the ratings for the five KRAs with the exception of LTI, were computed based on the secondary data gathered by the DF

during the pre-ALDA activities. Second, in the ALDA conducted in the previous years, one of the DAR key informants admitted that some adjustments were made to increase the ratings of certain KRAs if the ALDA results were low. This happened when the previous composition of the ALDA Team was from the DARMO. According to the DAR key informant, the DARPO only validated the ALDA results with the ALDA Team and not in the field. Third, in a review of the accomplished ALDA questionnaire for 2007, particularly the OM section, there are questions wherein both the "Yes" and "No" columns were both checked. Lastly, the review of ratings obtained on some specific indicators under the various KRAs showed questionable ratings of 100 percent on some indicators under BSS and GAD (see Tables 5 & 6 of the case study report on Evergreen ARC). As an example, in 2004 and 2007, a rating of "zero" was obtained on a specific indicator under BSS, i.e., "availability of health services" but a rating of 100 percent was obtained on "ARC households that availed of health services." Comparing the ratings of specific indicators on BSS and GAD obtained in 2007 with the results of the field data gathered through FGDs and key informant interviews, the ratings of 100 percent obtained on "ARC households with access to potable water supply", "percent of women holding key position in the organization", "number of project for women within the ARC", and "percent of women able to access credit" are inconsistent with the actual situation obtaining in the ARC insofar as these indicators are concerned.

Considering the manner by which the ALDA has been conducted, a cloud of uncertainty hovers over the high ALDA ratings of Evergreen ARC in the previous years and the actual status of development of the ARC as it shows that the ALDA results are prone to unilateral adjustments by the DAR personnel who compose the ALDA Team. High ALDA ratings in the previous years may have had variances with the actual status of development of the ARC as the data "obtained" by the ALDA Team were admittedly suited to meet the desired results. Likewise, the failure of the ALDA Team from the DARPO to conduct an FGD for the ALDA in 2007 also reflects the capability and effectiveness of the DARPO ALDA Team in conducting the ALDA. These findings support the need to conduct on-the-spot and close monitoring of the conduct of the ALDA to avoid deviations in the assessment procedures of the actual status of the ARCs and to ensure the integrity of ALDA results.

4. In San Roque ARC, OM contributed to the ARC's high ALDA ratings in 2006 and 2007 because of the exclusion of two non-functional cooperatives in the ALDA. These two cooperatives were excluded in the ALDA although they are not yet officially delisted by the National Agrarian Reform Community (NARCTF) of the DAR. DAR has a standing policy that delisting of organizations should have prior clearance or confirmation from the NARCTF. The exclusion of these non-functional ARB cooperatives in the ALDA does not conform with the operational directives in the conduct of ALDA and was unilaterally decided upon by the ALDA team, a digression from standards adhered to by others. To avoid such deviations, the DAR Central Office should devise some measures to ensure the ALDA Teams strictly adhere to the operational guidelines in the conduct of the ALDA.

5. Overall, the common key result area (KRA) that has continuously affected the levels of development of the sample ARCs with regressed and maintained low level of development is OM because of the existence of inactive cooperatives and the continuous inclusion in the ALDA of non-functional cooperatives/organizations. Except for one cooperative in ALBAPA ARC which got Level 2, all the cooperatives in the aforementioned ARCs obtained Level 1 rating in the ALDA of 2007. These non-functional cooperatives have not yet been delisted because they did not meet the requirements for delisting of organizations prescribed by the National Agrarian Reform Community Task Force (NARCTF). DAR's operational directives in the conduct of ALDA provides that unless the delisting of these cooperatives/organizations are officially approved by the NARCTF, they will continue to be covered by the ALDA.

One of the stringent requirements for delisting of organizations which these non-functional cooperatives cannot comply with is the payment of their outstanding loans with LBP. Under Memorandum Circular No. 10, Series of 2003, organizations with outstanding accounts or commitments with DAR and other CARP implementing agencies should not be delisted. Considering the non-functional status of these cooperatives, the settling of their financial obligations is remote, hence, the delisting of non-functional cooperatives will tend to be a perennial problem in the conduct of ALDA. Relative to this, a DAR key informant disclosed that the DAR Central Office directive to Field Offices that no ARC should have an ALDA rating of Level 1 would be difficult to comply with because of this requirement.

The continuing inclusion of non-functional cooperatives/organizations in the conduct of the ALDA due to their inability to comply with the delisting requirements by the NARCTF ultimately redounds to lower overall ALDA ratings, particularly in the area of OM. The existing policy on the delisting of organizations/cooperatives in the ARCs, specifically the settling of their outstanding accounts or commitments with the DAR and other CARP implementing agencies, should be revisited to consider the actual status of the cooperative, the length of time it has been non-operational and to assess if there is really no possibility for the organization/cooperative to settle its financial obligation. DAR should work for the total "writing-off" of loans or if this is not possible, this particular requirement for delisting should be reviewed for the necessary amendment that is feasible and will not contribute to the low ALDA ratings.

6. Drawing from the responses of FGD participants, there is an improvement in the ARBs' farm productivity and household income in the regressed sample ARCs due to production loans provided by the LBP and the credit obtained from private moneylenders, seminars/training programs attended on farm technology, adoption of modern farm technology, and additional income derived from swine and livestock production. On the other hand, in the sample ARC that has maintained its low level of development, the present household incomes of the ARBs are lower than before the launching of the ARC which is attributed to the high cost of farm inputs and lower prices of farm products. In the sample ARC that has advanced in its level of development, only the ARBs in a barangay that has access to irrigation

are well off in terms of farm and household income. However, the increase in household income of the same ARBs has been adversely affected by the increasing prices of consumer goods. In the case of Sinamar ARC, FGD participants claim that the socio-economic condition of the ARB households has improved compared to their condition prior to the launching of the ARC. However, in a barangay not covered by foreign-assisted projects (i.e., ARISP II), some ARB-participants disclosed that there is no improvement in their socio-economic conditions while other FGD participants claimed otherwise. Notably, majority of the ARBs in Sinamar ARC are engaged in livestock raising which generates an income of as much as 50 percent of their total household income and which has concomitantly contributed to their improved socio-economic condition. Secondary data also shows that the average household income of the ARB households in 2007 has exceeded the Php60,000 target average household income for the ARB households in the ARC and the national poverty threshold (NPT) of Php70,165.

Notwithstanding the positive perceptions of the FGD participants on improved farm productivity and the good income data from secondary sources, majority of the ARBs perceive that they still have no capacity to finance their own farm operations and are heavily dependent on private moneylenders or local traders for credit assistance even at higher interest rates. Moreover, the ARBs continue to market their agricultural produce through traders/middlemen as their cooperative failed to provide for their marketing requirements. They also cited the high cost of farm inputs which affects their farm income. These findings indicate that most of the existing cooperatives in the sample ARCs failed to act as channels of support services to their ARB-members, particularly in providing credit access and serving as marketing conduits. Previous studies also show the limited roles of the ARB cooperatives in providing credit and marketing services to its members. Considering the crucial role of the ARBs' cooperative in the development of the ARC, this study supports the recommendation of the micro study on CARP Impact Assessment Phase II on the need to conduct an assessment of the current state of all the cooperatives in the ARC to determine the extent and means by which ARB cooperatives could be strengthened or revitalized.

7. In the sample ARC which has maintained its highest level of development, there is in reality only one cooperative (i.e., the Namnama ARBs MPC) in Sinamar ARC which serves as a conduit for efficient delivery of support services. The Namnama ARBs MPC provides for the ARBs needs in terms of improving their farm productivity and income through the provision of farm capital for their farm operations. Its success may be attributed to its being a recipient of ARISP II, particularly ARISP's institutional development component which harnessed the capability of the cooperative's leaders and members in terms of managerial and financial aspects. Here we see the imperative for meticulous and effective planning of programs for skills development and re-education of both cooperative leaders and members to jumpstart the progressive developmental success of an ARB organization.
8. The absence of a strong ARB organization/cooperative in every ARC barangay constrains the delivery of support interventions in the ARC. Generally, development

programs and projects are implemented because of the existence of a strong cooperative.

In the sample ARC that has advanced in its level of development (i.e., San Roque ARC composed of five barangays), there is an existing progressive cooperative whose membership is open only to all the residents of one of the five ARC barangays, i.e., Barangay Bantayan. Hence, the primary service of the cooperative on relending only caters to the members residing in Barangay Bantayan.

On the other hand, in one sample ARC that has regressed in its level of development (i.e., ALBAPA ARC composed of three barangays), DAR organized a cooperative for the purpose of replacing and consolidating the membership of the four non-functional cooperatives in the three barangays covered by the ARC. However, only 14.4 percent of the total ARBs in ALBAPA ARC are members of the cooperative. Although the membership in this cooperative is open to other farmers and non-farmers in all barangays within the municipality, only 26 percent of its total membership is from these other barangays. Likewise, in a cooperative in the sample ARC that has maintained its high level of development (i.e., Sinamar ARC composed of six barangays), its membership is also open to ARBs and farmers of other barangays covered by the ARC. However, most of the members of the cooperative are farmers in the barangay where the cooperative is based with only about five percent of the total membership being residents of other ARC barangays.

The aforementioned findings lend skepticism over the effectiveness of organizational management interventions of DAR in terms of ensuring that the cooperatives transcend geographical boundaries and holistically service the entire ARC. There is evidently a need to review the scope of the framework for organizational reach of cooperatives within an ARC which necessitates infusing holistic ARC coverage. With this, there may be a need for an intensive campaign to entice and inform other ARBs in the barangays covered by the ARC as well as those ARBs in other ARCs comprising only of one or two barangays and in areas where there are no existing cooperatives, to become members of any functional/progressive cooperatives or organizations no matter where these are located or where prospective ARBs reside.

9. In most cases, the seeming failure of the cooperatives in the sample ARCs to act as channels of efficient delivery of support services are due to the following: lack of social preparation as they were primarily and specifically organized for obtaining production loans and in availing of funding assistance for the LGU's project; insufficient provision of support interventions; and the lack of capability of officers and leaders in managing their cooperatives. OM interventions seem myopic as these lack a more expansive framework to include other facets which the cooperatives could venture into to make them more viable and utilitarian for the long term development of the ARC. This aspect of the ALDA is something that deserves serious assessment, OM being a highly critical factor and medium for beneficiary and ARC development. OM bestows a major arterial support service medium in the ARCs.

10. In cases where there are several barangays comprising an ARC, not all the barangays covered have benefitted from the support interventions provided in the ARC. The implementation of interventions has been selective based on certain criteria set by the project, particularly in the case of foreign-assisted projects (FAPs). Hence, the holistic or integrated area development approach to community development has not yet been achieved in this context. As shown in one sample ARC which has maintained its high level of development of Level 5 from 2001 to 2007, only three out of six barangays covered by the ARC have benefitted from the full range of support interventions provided through the Agrarian Reform Infrastructure Support Project Phase II (ARISP II) of the FAPs. These support interventions ran the cross-section of infrastructure development, institutional development, capacity building, and agriculture enterprise development. These findings imply the need to review the framework for the implementation of foreign-assisted projects in the ARCs to ensure the spread out provision of support interventions in all the barangays covered by the ARC vis-à-vis policy conditionalities imposed under foreign loans and grants.
11. There is an apparent disparity between the support interventions provided in the sample ARC with FAPs (Sinamar ARC) and the sample ARCs without FAPs, which could additionally account for the various levels of development that have been achieved by these ARCs. Given the varying magnitude of support services provided in the six sample ARCs, the FGD participants in each sample ARC cited the following needs based on what they perceived to be still wanting in the ARCs: construction/extension and/or maintenance of farm-to-market roads and bridges; construction/maintenance of irrigation system; capital for farm production and livelihood projects; training on adoption of appropriate/modern farm technology; social preparation and capability training programs for cooperative officers and members; skills training for livelihood projects; credit assistance at low interest rate; condonation of interest on production loans obtained from the LBP; subsidized cost of fertilizer; and pre and post-harvest facilities such as farm/hand tractor, mechanical/solar dryer, hauling trucks for transporting farm products to the market, warehouse, thresher, corn mil and corn dryer. This development situation could be attributed to the severely limited funding support by DAR as compared to the full range of support interventions provided in Sinamar ARC under ARISP II of the FAPs. This brings to light the imperative for sufficient funding if support services delivery is to impact on the quality of life of the ARBs.
12. This study shows that for the most part, the LGUs and other government agencies have implemented their programs and projects in the ARCs not based on their being ARCs but based on their own respective development plans and programs and the availability of funds. They perform their regular functions, not focusing on any particular sector or area regardless of whether they are part of the ARC. However, if there are DAR or foreign-assisted projects (FAPs) that require local counterpart funds, the LGUs provide the necessary financial support in the ARCs. Other government agencies such as DA and NIA organized cooperatives/associations primarily for the implementation of their agency specific programs and projects.

These findings are consistent with the findings of the DAR-GTZ study on the lack of integration of government services due to differing policy priorities, internal approval requirements, and processing procedures. Specifically, the same study cited that LGUs continue with their own development plans and projects as funded by their Internal Revenue Allotment (IRA) and that their “development fund portion may only be allocated towards ARB/ARC development for as long as these efforts are in conjunction with bigger support from DAR and wider geographical coverage for development interventions (not limited to few ARCs/barangays).”*

The aforementioned findings imply that the ARC concept of convergent interventions by DAR, other line agencies, partner non-government organizations (NGOs) and people’s organizations has not been fully achieved in the ARCs as envisaged. The ARC was conceptualized as a growth center in the countryside, as a convergence point for all the resources and partnerships in the implementation of development programs and projects for the ARBs. Conceptually, the provision in the Local Government Code on the devolution of all agricultural extension services and DA workers to the local government units should have strengthened the LGUs’ partnership with DAR field offices in agricultural extension. Thus, this study reiterates the recommendations of previous studies on the need for strengthening the convergence framework among CARP implementing agencies (CIAs) and other concerned agencies, the need to review the syndicated role of DAR and other CIAs in support services delivery, and by working for and towards stronger roles for the LGUs in the development of the ARC, i.e., from initiation of all development efforts to the provision of all required services. Additional assessment parameters should be included in the ALDA to capture the support interventions provided/implemented in the ARC which are not based on the ARC Development Plan but have benefitted the ARBs in the ARCs.

As an alternative option, it may be more practical for the LGUs to orchestrate the support delivery functions in the ARC considering the following:

- a. The primacy of the LGUs as the sustainable integrating and converging force in local and rural development through the DA-DAR-DENR Convergence Initiative (CI) which aims to optimize complementation of resources and expertise of the concerned government agencies in collaboration with the LGUs. The LGUs are envisaged to serve as the focal institutions that will boost and scale up agricultural development in the countryside;
- b. LGUs and DAR are important partners in promoting sustainable ARC development. The participative role of LGUs has been operationalized through the DAR and LGUs partnership in cost-sharing and complementation in the implementation of various CARP projects in the ARCs with foreign funding assistance;

* Department of Agrarian Reform (DAR) and German Technical Cooperation (GTZ), April 2006, “The Comprehensive Agrarian Reform Program: Scenarios and Options for Future Development”, p.30.

- c. Many of the program interventions for ARC development are within the purview of LGUs' service delivery functions i.e., agricultural extension, conservation and protection of the environment, public health, public works and infrastructure projects, school building program, and welfare and development (DAR-GTZ Study);
- d. CARP implementation is geared towards the ARC connectivity approach which requires supportive local government units (LGUs) in the integration of ARC development plans into local (barangay, municipal and provincial) plans and programs of line agencies which are committed to promote convergence for sustainable rural development;
- e. DAR's major intervention and sphere of competence in the ARCs is the implementation of land acquisition and distribution (LAD) and based on DAR key informants, the prioritization given to LTI affects the activities of the DF on program beneficiaries development (PBD), specifically in the ARC;
- f. The support interventions provided by the DAR field offices in the sample ARCs lean heavily towards the area of coordination with other government and private agencies in planning, inclusion of proposed projects for the ARCs in the local development plan and budget allocation, conduct of training programs, organization/strengthening of cooperatives, and facilitation of loan availment by the cooperatives, among others and not on actual project implementation; and
- g. The delivery of support interventions in agrarian reform areas requires an enormous amount of financial resources.

Under the aforementioned option, DAR can concentrate on its land tenure improvement activities which is its inherent function, to ensure the completion of land acquisition and distribution. This recommendation may be contentious considering the findings of the DAR-GTZ (2006) regarding the limited capacity of the LGUs in pursuing development programs. Specifically, the study shows that many LGUs, particularly where most of the ARCs are located, are resource poor and have limited capacity to pursue development programs on their own, much less to extend financial support to POs and ARBs. In this context and in view of the enormous amount of financial resources needed for support services delivery to the ARBs in the ARC and non-ARCs, the DAR can explore the possibility of entering into a Memorandum of Agreement with the DILG/LGUs on the mainstreaming of CARP activities in the local development plans and programs to ensure the inclusion of support services for the ARBs and ensure the direct use of specifically appropriated national government funds in the support services for the ARBs. Relative to this, it is imperative to work closely with the LGUs to strengthen their technical, financial and project management capabilities as support service providers.

13. The ARBs' sole dependence on farming as their main source of income indicates the need for interventions that will develop their skills in other economic/livelihood

activities to augment their farm incomes, particularly during the lean months, to generate additional income for the ARB households.

14. Most ARB participants in the FGD in the sample ARCs that have either regressed, advanced or maintained low levels of development are unaware about the ARC and the ALDA. In Sinamar ARC, most of the FGD participants who are fully aware about the ARC are from only three of the six barangays in the ARC and wherein support interventions were provided through the ARISP II, a foreign-assisted project. Awareness of the ARC by a few ARBs is only limited to the benefits that they could derive through program and project interventions implemented in the ARC. On the other hand, majority of the barangay officials and the leaders/officers of the ARBs' cooperatives are fully aware about the ARC because they participated in the annual conduct of FGDs for the ALDA. The lack of awareness on ARC and ALDA of the ARB participants in the FGD in the sample ARCs implies the need for an aggressive and massive information campaign for them to get involved in the development of their community.
15. Based on secondary data, the average household income of the ARBs in 2007 in the six sample ARCs has exceeded the Php60,000 target household income for the ARB households in the ARC which was based on the 1992 poverty threshold index. Notwithstanding that the ARBs in the sample ARCs had already attained the said target income, their overall quality of life has not significantly improved and they are still financially burdened as shown by their dependence on private moneylenders for their financial needs. Considering that this parameter was established in 1993 when the ARC was initially launched, the target income as used in the ALDA should already be adjusted to the current national poverty threshold of Php70,165 to be in sync with assessment of the quality of life of the ARBs that is up to par with prevailing thresholds.
16. In all the sample ARCs, ratings in GAD have been consistently low which is attributed to the sparse women ARBs in the ARC and the absence of projects or interventions aimed at benefiting women. This implies that GAD program is not yet mainstreamed in the development of the sample ARCs.
17. The analysis of the data in one sample ARC shows that its levels of development has been advancing (i.e., San Roque ARC which reached its highest level of development of Level 5 in 2006 and 2007) but the ARBs overall economic status shows only a slight improvement as indicated by the increase in the ARBs' productivity and income only in barangays with access to the irrigation system. Even the FGD participants disagree with the highest level of development rating obtained by San Roque ARC because they perceive that there are still substantial support interventions needed in the ARC. One officer of the Bantayan FABRIC MPC, the lone cooperative in the ARC, perceives that that there is still a long way to go in actuality before San Roque ARC can achieve the highest ALDA rating. These findings indicate that a review of the ALDA methodology is imperative to reconcile the inconsistency in the ALDA ratings and the actual situation in the ARCs.

18. Generally, the DAR key informants find the ALDA as an effective, accurate and reliable tool for assessing the level of development of an ARC and as a means to define the appropriate program interventions that are required to improve the level of development of the ARC and in terms of assisting ARB organizations in improving their levels of development. However, there are emerging issues/problems encountered in the conduct of the ALDA which indicate the need for a thorough review of some problematic indicators and these are as follow:
- a. The difficulty of obtaining data on some indicators under the pre- and post-harvest facilities due to some specificities that are hard to determine, if not altogether impossible, given the number of respondents and the time constraint (i.e., traction in area per hour; sprayer in liter per hour; weeder and harvester in area per hour; thresher in cavans/sacks/kilos per hour or per square meter in the case of drying pavement; and transport facility in cavans per day) have implications on the accuracy of data gathered on specific indicators under FPI. Therefore, the questions on traction and other specific indicators under FPI which are difficult to measure should be reviewed to make them more measurable.
 - b. In the case of an ARC that comprises several barangays, the percentage of ARB membership in an organization is computed based on the total number of ARBs in all the barangays covered by the ARC instead of only the total number of ARBs in a certain barangay where the ARB organization is based. This procedure raises an issue on methodology in that we may be getting inaccurate OM ratings in the ALDA since the FGDs conducted indicate a universal trend of ARBs membership in cooperatives located in their barangays. Based on this finding, there may be a need to review this indicator and the efforts toward promoting membership of ARBs in an organization/cooperative across barangays.
 - c. The indicator pertaining to the number of female ARBs has negatively affected the rating on GAD and the overall ALDA rating in some cases because in reality the number of female ARBs is significantly less than the male ARBs. There is nothing that can be done to increase the contribution of this indicator to ALDA rating on GAD unless the actual number of female ARBs concomitantly increases. Therefore, using this as an indicator may unduly affect the overall ALDA rating of an ARC.
 - d. The definition of "actual ARB" as indicated in the ALDA Manual is limited only to actual holder of EP or CLOA, hence if the "actual ARB" dies, his/her spouse could not be considered as "actual ARB" which may negatively affect the ALDA rating on LTI. Thus, there is a need to expand the definition of "actual ARB" to consider any qualified heir of the deceased ARB as provided under Section 27 of R.A. No. 6657 on transferability of awarded lands.
19. Notwithstanding the high ratings obtained in LTI ratings (i.e., 100 percent reported accomplishment in leasehold) in all the six sample ARCs, there are still reports of farmers who continue to practice share tenancy arrangement. This finding

indicates the need for a review of the indicators under LTI to capture the actual tenurial status of the ARBs in the ARCs. As in the case of indicators that reflect the percentage of hectares covered by leasehold contracts and the percentage of ARBs with registered leasehold contracts, the percentage of ARBs with registered leasehold contracts who are actually practicing leasehold should also be included among the indicators of LTI.

20. A non-functional cooperative in one sample ARC used the EPs of eight ARB members as collateral to avail of loans from LBP that resulted to the foreclosure of these EPs. However, despite the foreclosure by the LBP of the awarded lands of the eight ARBs, no physical takeover of the awarded lands was made by the LBP thus, the ARBs still cultivate these foreclosed lands notwithstanding that these ARBs have already lost their tenurial rights over their lands. This finding indicates the need to provide safety net mechanisms to prevent the EPs or CLOAs from being foreclosed by the LBP and the need to determine the extent of agrarian reform awarded lands that have been foreclosed by the LBP.

In light of the findings on some issues and concerns on the existing cooperatives/organizations and delivery of support interventions in the ARCs and some shortfalls and weaknesses identified by the DAR key informants in the conduct of the ALDA, it is imperative that the framework, processes and indicators for the conduct of the ALDA be reviewed to make ALDA more effective as a tool for assessing the level of development and needs of the ARCs.