

**MINUTES OF MEETING ON  
THE JOINT COORDINATING COMMITTEE FOR  
THE PROJECT ON IMPROVEMENT OF FARMERS' INCOME  
THROUGH THE STRENGTHENING OF AGRICULTURAL COOPERATIVES**

The Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched the Final Evaluation Team, headed by Mr. Minoru MIYASAKA, to the Republic of the Philippines from January 26, 2005 to February 11, 2005 for the purpose of the final evaluation for the Project on Improvement of Farmers' Income Through the Strengthening of Agricultural Cooperatives (hereinafter referred to as "the Project").

The Joint Evaluation Team (hereinafter referred to as "the Team"), which consists of four members from JICA and five members from the Republic of the Philippines, was jointly organized for the purpose of conducting the final evaluation and preparation of necessary recommendations to the respective governments.

After intensive study and analysis of the activities and achievements of the Project, the Team prepared the Joint Evaluation Report (hereinafter referred to as "the Report"), which was presented to the Joint Coordinating Committee.

The Joint Coordinating Committee discussed the major issues pointed out in the Report, and agreed to recommend to the respective governments the matters attached hereto.

Manila, February 10, 2005

宮坂 実

Minoru MIYASAKA

Leader

Final Evaluation Team, JICA

Japan

R.M. Conti

Ruben M. CONTI

Chairman

Cooperative Development Authority

Republic of the Philippines

Borromeo P. MELCHOR

Provincial Governor

Benguet Provincial Government

Republic of the Philippines

ATTACHMENT

The Team has presented the Report to the Joint Coordinating Committee, in which both the Japanese side and the Philippine side have accepted the Report and agreed on the following matters discussed.

1. The Project is to be terminated on June 30, 2005 as planned.
2. CDA with the participation of JICA will conduct the monitoring recommended by the Team. The monitoring meeting among CDA, JICA and concerned organizations will be held at least once a year for three years after the end of the Project. The Benguet Provincial Government shall participate in the monitoring. The concrete method for the conduct of monitoring, including the preparation of the monitoring format, shall be formulated by the Project before its termination. The Japanese and the Philippine side shall thereafter decide on the extension of the monitoring, if necessary.

120

Handwritten signatures and initials in black ink. On the left, the number '120' is written. In the center, there is a large, stylized signature that appears to be 'A'. To the right of this signature, there is another signature that appears to be 'JICA'.

JOINT EVALUATION REPORT  
ON  
THE PROJECT ON IMPROVEMENT OF FARMERS' INCOME  
THROUGH THE STRENGTHENING OF AGRICULTURAL COOPERATIVES

Manila, FEBRUARY 9, 2005

宮坂 実

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Mr. Minoru MIYASAKA  
Leader  
Japanese Evaluation Team  
Japan International Cooperation Agency  
Japan



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Ms. Marilyn ESTRELLA  
Leader  
Philippine Evaluation Team  
Republic of the Philippines

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## SUMMARY OF ABBREVIATIONS

|             |   |
|-------------|---|
| BABUDEMPCO  | Bad-ayan Buguias Development Multi-Purpose Cooperative                                |
| BFMPC       | Benguet Farmers Multi-Purpose Cooperative   |
| BSU         | Benguet State University  |
| CAR         | Cordillera Administrative Region  |
| CDA         | Cooperative Development Authority   |
| LGU         | Local Government Unit   |
| NEDA        | National Economic Development Authority   |
| PDM         | Project Design Matrix   |
| PO          | Plan of Operations  |
| The Project | Improvement of Farmers' Income Through the Strengthening of Agricultural Cooperatives |
| R/D         | Record of Discussions   |
| TACU MPC    | Taba-ao Cuba Multi-Purpose Cooperative  |


### 1. Evaluation of the Project

#### 1.1 Objectives


- (1) To evaluate the overall achievement of the Project based on the Record of Discussions (R/D), Project Design Matrix (PDM) and Plan of Operations (PO).
- (2) To identify remaining problems and recommend to respective government agency the necessary measures to be taken after the termination of the Project to the respective governments, and
- (3) To consider the lessons drawn from the Project activities in order to reflect them on future projects in the interest of making them more effective and efficient.

#### 1.2 Methodology

##### (1) Joint Evaluation



The Project was evaluated by the Philippine and Japanese team (hereinafter referred to as "the Joint Evaluation Team") in accordance with the R/D, the PDM and the PO. The activities included report analysis, field survey, and interview with CDA staff, Japanese experts and other concerned personnel in the Project based on the five Evaluation Criteria. The Joint Evaluation Team was composed of five members from



the Philippine side and four members from the Japanese side who were not involved in the Project activities.

(2) Five evaluation criteria

1) Relevance

Relevance refers to the validity of the Project purpose and the overall goal in connection with the development policy of the Philippine government as well as the needs of beneficiaries.

2) Effectiveness

Effectiveness refers to the extent to which the expected benefits of the Project have been achieved as planned. It also examines whether these benefits have been brought about as a result of the Project.

3) Efficiency

Efficiency refers to the productivity of the implementation process. It examines whether the inputs of the Project have been efficiently converted into outputs.

4) Impact

Impact refers to direct and indirect, positive and negative impacts caused by the implementation of the Project, including the extent to which the overall goal has been attained

5) Sustainability

Sustainability refers to the extent to which the Project can be further developed by the Philippines, and the extent to which the benefits generated by the Project can be sustained under national policies, technology, systems and financial state.

1.3 Members of the Joint Evaluation Team

(1) Japanese Evaluation Team

1) Mr. Minoru MIYASAKA (Team Leader)

Team Director, Paddy Field Based Farming Area Team II, Group I,  
Rural Development Department, JICA

2) Ms. Naoko MORIYA (Agricultural Cooperation)

Section Chief, International Cooperation Division, International Affairs Department,  
Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries

3) Mr. Akira MATSUMOTO (Evaluation and Analysis)

Manager, Consulting Department, TAC International Inc.

4) Mr. Keisuke ITO (Project Planning)



Staff, Paddy Field Based Farming Area Team II, Group I,  
Rural Development Department, JICA

(2) Philippine Evaluation Team

1) Ms. Marilyn ESTRELLA (Team Leader)

Chief - CRITD

CDA Central Office

2) Mr. Inocencio MALAPIT

Legal Officer III, Legal Division,

CDA Central Office

3) Dr. Erlinda BONGSIW-ALUPIAS

Assistant Professor III, Planning and Development Office,

Benguet State University

4) Engr. Tuho C. CHAPDIAN

Project Development Officer III, Provincial Planning and Development Office,

Province of Benguet

5) Ms. Ma. Veronica C. MEDINA

Chief Economic Development Specialist, Economic Development Division

National Economic Development Authority, Cordillera Administrative Region

1.4 Schedule of the Joint Evaluation Team

Schedule is attached as ANNEX I.

**2. Outline of the Project**

2.1 Background of the Project

In the Philippines, the income of those who are engaged in the agricultural sector, mainly living in the rural areas, was at a low level because of low productivity and low selling prices of agricultural products of the farmers. In 1997, the Government of the Philippines requested the Government of Japan to implement the Project-type Technical Cooperation for the Improvement of Farmers' Income through the Strengthening of Agricultural Cooperatives. In response, study teams have been dispatched by JICA to formulate the appropriate project framework. The Implementation Study Team finally signed the R/D on the Project on May 23, 2000. The five-year Project started on July 1, 2000 and will

terminate in June 2005.

In the beginning stage of the Project, the Management Consultation Team was dispatched for the purpose of formulating the PDM and the PO. The Project activities have been conducted based on the PDM and the PO during the first half of the Project.

In October 2002, the Project Consultation Team was dispatched to review the Project activities and to clarify the responsibilities of the concerned organization of the Philippine side. In March 2003, the Japanese Mid-term Evaluation Team was dispatched for the purpose of evaluating the performance and achievement of the Project. As a result of observations and discussions, the Japanese Mid-term Evaluation Team has come up with the following recommendations.

- (1) The CDA Project officers are advised to strengthen their support in regard to cooperative management rather than introduce more new business activities.
- (2) Better coordination should be institutionalized with other agencies to assist the implementation of the Project. The Project office should promote clustering of cooperatives as a joint endeavor with other related organizations to achieve economies-of-scale for empowerment.
- (3) In order to attain the goal of strengthening agricultural cooperatives, the Project should shift from the activity-focused to cooperative-focused approach. Integrated interventions and monitoring by the different sections of the Project office should be emphasized more.
- (4) It is advised that the indicators to verify the attainment of the Project purpose and Outputs should be modified so that attainable indicators will be formulated to better capture the achievement of the Project in managerial capacity enhancement and non-economic benefits to the cooperatives and members. The PO should be revised in light of feasibilities and priorities set under the new approach.

In response to the above recommendations by the Japanese Mid-term Evaluation Team, the revised PDM and PO was agreed on April 15, 2004.

## 2.2 Objective of the Project

The Project Purposes are as follows. The framework of the Project is shown in the PDM that was modified in April 2004 (See Annex II).

- (1) The members of three Pilot Cooperatives increase their income.
- (2) The Philippine Counterpart Organization improves their capability to strengthen



agricultural cooperatives business activities.

## 2.3 Inputs

### (1) Philippine side

#### 1) Assignment of personnel

Philippine counterparts were assigned to the Project as shown in Annex III. At present seven (7) officers are assigned to the Project office in Benguet Province to implement the Project activities.

#### 2) Local Cost

CDA allocated the budget for Project operation as shown in the ANNEX IV.

### (2) Japanese side

#### 1) Expert assignment

A total of nine (9) long-term experts have been dispatched in five areas, and was reduced to three areas to take into account the recommendation proposed by the Japanese Mid-Term Evaluation Team for the Project, as shown in the ANNEX V. Thirteen (13) short term experts in total completed their assignment.

#### 2) Training in Japan

Eleven (11) CDA officers participated in the training in Japan as counterpart personnel of Japanese experts as shown in the ANNEX VI.

#### 3) Local cost

Expenses for various activities (trainings, printing, technical exchange tour), construction of tramlines and a rice mill, and purchase of necessary materials, as well as general operation expenses of Japanese experts have been provided by JICA. The total amount of expenditure amounted to 26,529,890.98 pesos between 2000 and June 2004 as shown in ANNEX IV.

#### 4) Provision of equipment

JICA provided equipment worth 19,704,823.18 pesos, including equipment for farming, food processing, transportation, and office management (See ANNEX VII).

## 3. Achievement of the Project

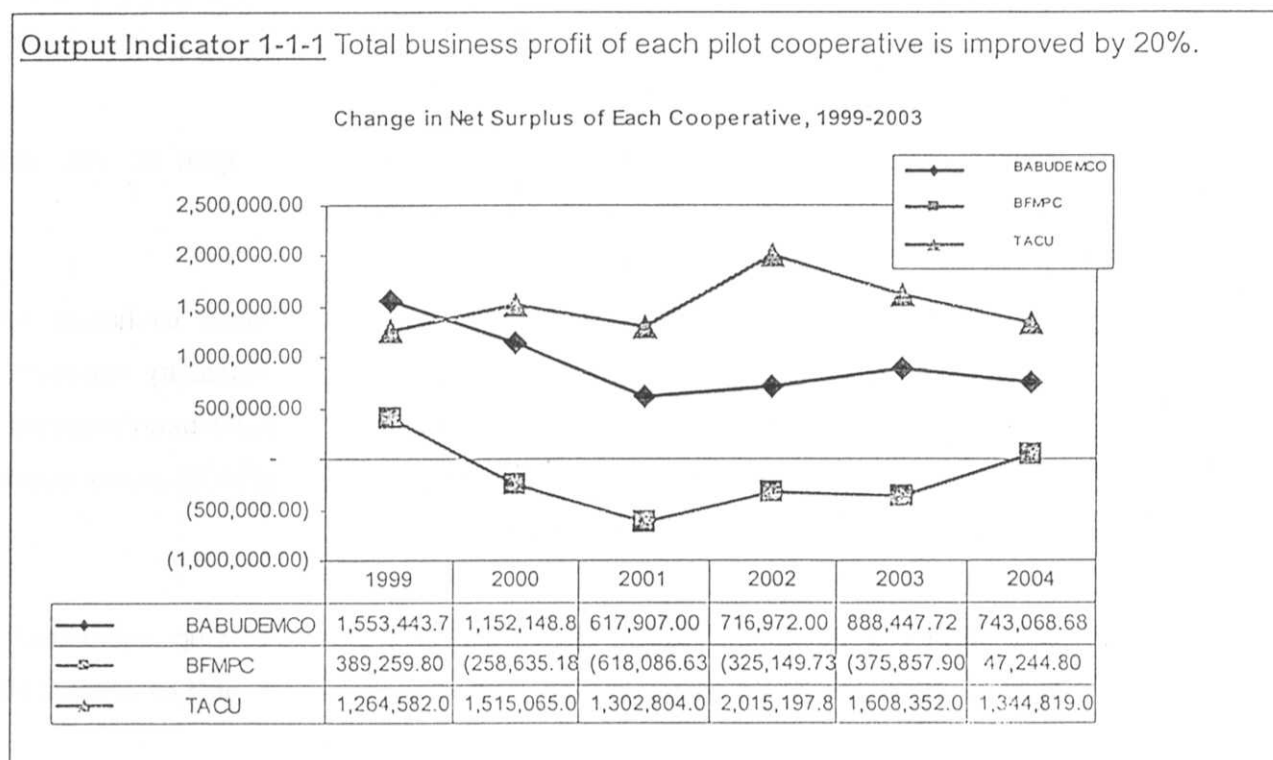
### 3.1 Outputs

Achievement level of each output is described below.

(1) Output 1-1: Existing business activities of the three pilot cooperatives are improved and new business activities are developed

| Verifiable Indicators   | Results (as of January 2005)  |
|---|---|
| 1-1-1. Total business profit of each pilot cooperative is improved by 20% or more in the year 2004 compared to the year 1999.   | <ul style="list-style-type: none"> <li>None of the pilot cooperatives achieved the target improvement in business profits within the target duration. Among the three cooperatives, TACU MPC gained the highest growth of 6.3% in 2004 compared to 1999.</li> </ul>   |
| 1-1-2. One or more profitable new business is established by each pilot cooperative in the year 2004 compared to the year 1999. | <ul style="list-style-type: none"> <li>Under the Better Living component of the Project, the three cooperatives were able to establish new businesses such as baking, food processing and catering; Under the Farm Guidance, the cooperatives were able to earn additional income from the rental fees in the joint use of equipment.</li> <li>Existing businesses have been maintained and supported by the new businesses that were developed under the Project.</li> </ul> |

Output Indicator 1-1-1 Total business profit of each pilot cooperative is improved by 20%.



(2) Output 1-2: More profitable farm production is materialized by the members of 3 pilot cooperatives.

| Verifiable Indicators | Results (as of January 2005) |
|-----------------------|------------------------------|
|-----------------------|------------------------------|

|  |   |
|--|---|
| 1-2-1. Agricultural incomes of the members of the pilot cooperatives increases in the year 2004 compared to year 1999. | <ul style="list-style-type: none"> <li>▪ An initial survey was conducted in 1999 to serve as baseline data in comparing the improvement of the members' agricultural income in 2004.</li> <li>▪ Only TACU MPC showed an increase in the members' agricultural income, i.e., 43.1% between 1999 and 2003.</li> </ul> |
|--|---|

|  |           |           |                |   |
|--|-----------|-----------|----------------|---|
| <p><b>Output Indicator 1-2-1</b></p> <p>Agricultural income of the members of the pilot cooperatives increases in the year 2004 compared to year 1999.</p> <p style="text-align: center;">Change in Agricultural Income of Members (1999-2003)</p> |           |           |                |   |
|  | 1999      | 2003      | Tendency       |   |
| BABUDEMPCO   | 57,988.00 | 53,014.00 | 8.6 % Decrease | ↘ |
| BFMPC  | 45,399.00 | 40,546.00 | 10.7% Decrease | ↘ |
| TACU MPC   | 12,685.00 | 18,156.00 | 43.1% Increase | ↗ |

(3) Output 2-1: *Training programs for the strengthening of agricultural cooperative activities are developed and implemented by CDA in coordination with other support organizations.*

| Verifiable Indicators  | Results (as of January 2005)   |
|--|--|
| 2-1-1. The manuals and basic training materials for each project components are developed by the year 2004 | <ul style="list-style-type: none"> <li>▪ Manuals and training materials were developed based on the actual experiences of the stakeholders and cooperatives members during the implementation of the various components in the Project.</li> <li>▪ Drafts of the manuals have been prepared and are now for final review. Printing is expected by March 2005.</li> </ul> |

(4) Output 2-2: *Coordination between CDA and support organizations is enhanced in order to strengthen agricultural cooperative.*

| Verifiable Indicators   | Results (as of January 2005)   |
|---|--|
| 2-2-1. Coordination of activities between CDA and support organizations is strengthened by the year 2004. | <ul style="list-style-type: none"> <li>▪ The coordination activities have been strengthened as recommended in the mid-term evaluation.</li> <li>▪ Support organizations have participated in the planning of activities, implementation, quarterly assessment, monitoring and evaluation.</li> </ul> |



(1) Project Purpose 1: *The members of three Pilot Cooperatives increase their income.*

| Verifiable Indicators   | Results (as of January 2005)   |
|---|--|
| 1-1 The average ratio in the increase in household income of the members of the pilot cooperatives exceeds the province's inflation ratio by the year 2004 compared to the year 1999. | Inflation ratio was 28.97% from 1999 to 2003. Results of the Farmers' Survey indicate that the household income in TACU MPC increased by 32.9%. Household income declined by 5.9% in BABUDEMPCO and 6.9% in BFMPC. |
| 1-2 Savings deposit of the members of the pilot cooperatives increases by 40% or more in the year 2004 compared to year 1999.   | The target increase in savings deposit was met by 2 pilot cooperatives, i.e., BABUDEMPCO at 208% and TACU at 138%. BFMPC's deposits declined by 49%.   |
| 1-3 Each pilot cooperative increase its membership by 70% or more in the year 2004 compared to the year 1999.   | Membership in the three cooperatives grew by 85%. The biggest increase in membership was gained by BFMPC at 94% followed by TACU MPC at 91% and BABUDEMPCO at 77%.   |




Project Purpose Indicator 1-1:

Average ratio in the increase in household income of members of the pilot cooperatives exceeds the province's inflation ratio in 2004 vs. 1999

|                           | 1999 | 2000 | 2001 | 2002 | 2003 | Accumulated Inflation Rate<br>(1999-2003) |
|---------------------------|------|------|------|------|------|---|
| Province's inflation rate | 12   | 7.4  | 4.6  | 0    | 2.5  | 28.97 *                                   |

\*Note: Calculation method;  $1.00 \times 1.12 \times 1.074 \times 1.046 \times 1.0 \times 1.025 = 1.289667792$

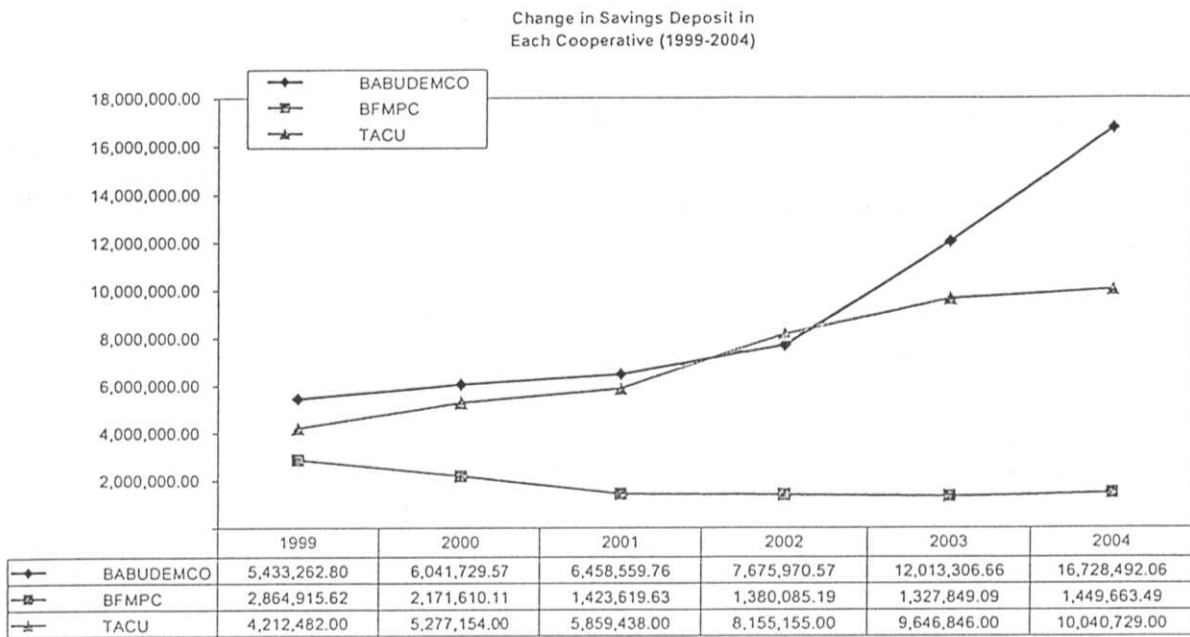
Change in Household Income of Members Between 1999 and 2003

|            | 1999      | 2003      | Tendency   |
|------------|-----------|-----------|--|
| BABUDEMPCO | 91,698.00 | 86,328.00 | 5.9 % Decrease  |
| BFMPC      | 85,018.00 | 79,166.00 | 6.9 % Decrease  |
| TACU MPC   | 60,117.00 | 79,913.00 | 32.9% Increase  |

3

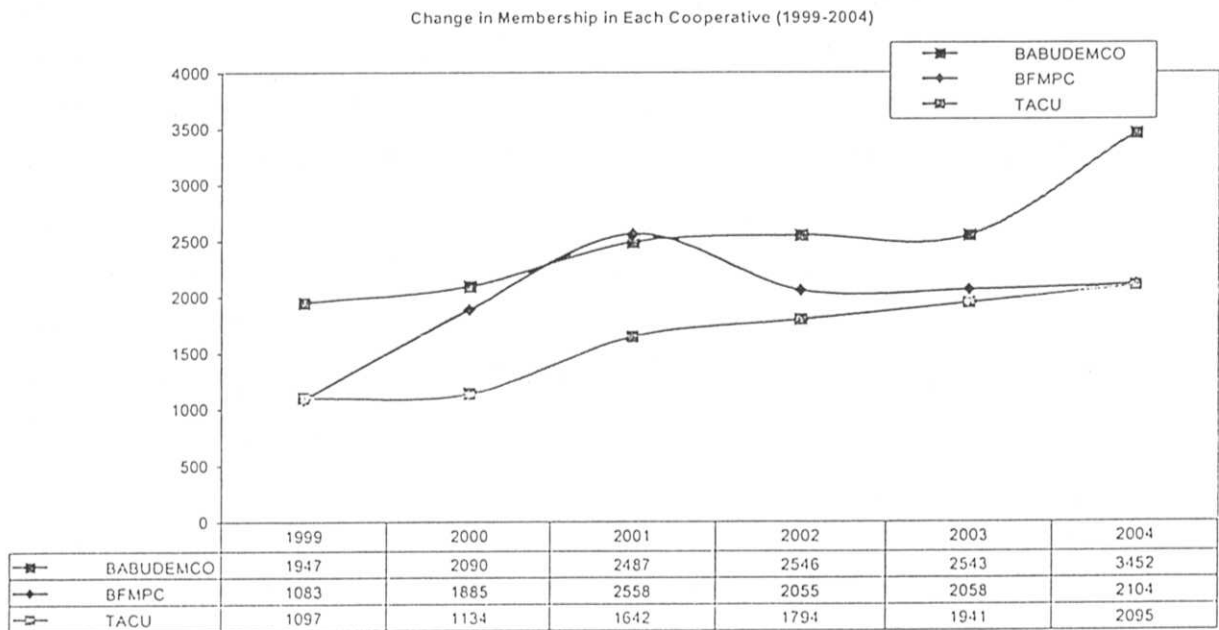
**Project Purpose Indicator 1-2:**

Savings deposit of the members of the pilot cooperatives increases by 40%.



**Project Purpose Indicator 1-3:**

Each pilot cooperative increased its membership by 70% or more.



(2) Project Purpose 2: *The Philippine Counterpart Organization improves their capability to strengthen agricultural cooperative business activities.*

| Verifiable Indicators   | Results (as of January 2005)   |
|---|--|
| 2-1 The training program on the strengthening of the agricultural cooperatives is developed and implemented by the year 2004.   | The manuals and training materials were developed, and the training program was implemented as planned.  |
| 2-2 80% of the participants rate "Satisfactory" or higher on the training conducted in the year 2004. (Rating: Excellent, very satisfactory, satisfactory, fair and poor) | Based on the training evaluation sheets, 100% of participants rated the training conducted as very satisfactory in terms of the importance of skills and knowledge gained as well as its suitability to their own needs. |

The related data has been attached as ANNEX VIII.

#### 4. Results of the evaluation based on Five Criteria

##### 4.1 Relevance

###### (1) Relevance of the Project for Philippine government's policy

The Philippine government stated poverty alleviation, inequity remedy and employment generation as principal national priorities. The direction of this Project is in line with these national priorities. The Project purpose is consistent with the Medium Term Development Plan in terms of strengthening farmers' organization and increasing farmers' income.

###### (2) Relevance of the Project for the needs of target group

In the initial stage of the Project, the cooperatives' staff and officers have initially been hesitant to participate because their understanding of the strategies and concepts of the Project were inadequate. However, they have gradually recognized the benefit of Farm Guidance and Better Living activities through the Project demonstrations. They have eventually accepted the Project positively as they have also become interested to join the Project activities. In the end, the Project was able to meet the needs of the beneficiaries.

###### (3) Relevance of the identification and selection of target group (members of three pilot cooperatives and project implementers)

Benguet province has been selected as the Project's target area since the province is

