

one of the poorest areas in Philippines. The selected cooperatives have been chosen using certain priority criteria, however, the meaning of "pilot" was not defined at the Project implementation stage. As a result, it was not clear what the pilot activities of the Project were.

(4) Consistency with the Japanese Aid Policy

"Agriculture and Rural Development" is one of the highest priorities of the Japanese government as its aid policy is indicated in the Country strategy paper and JICA Country study in the Philippines. The Project focuses on strengthening of farmers' organization, therefore, it can be determined that the Project is consistent with the Japanese aid policy.

(5) Relevance of Project Planning

With regard to the real situation of farmers' organization in Philippines, the Project objective should have been stated as "strengthening of farmers' organization capacity through the pilot cooperatives activities conducted by cooperative agencies". The current PDM, however, consisted of two purposes. One of which is that "the members of pilot cooperatives increase their income". This objective cannot be considered as a realistic target that can be achieved within the Project period. After the mid-term evaluation, the cooperative-focused approach was adopted. This approach enabled the strengthening of the capacity of the CDA as well as the three pilot cooperatives.

(6) Relevance of Assistance from Japan

In Japan, increase in farmers' income and improvement of social standing has been achieved through agricultural cooperatives, and the experiences and know-how have been accumulated. Even though the adoption in the Philippines' situation is essentially needed, it seems that pilot cooperative members have been able to understand the importance of concepts, and the advantages of cooperative movement through the execution of the four (4) Project components, such as Farm Guidance and Better Living that the Project counterparts have initiated.

#### 4.2 Effectiveness

(1) Achievement of Project Purpose

This is hard to evaluate since income is difficult to assess within a short-term period. Accordingly, the Project's Purpose No. 2 has been achieved with a high level of



effectiveness. The Project's Purpose No.1 has not yet been achieved at a certain level. However, the survey revealed that the members' income gradually increased, though its condition is different depending on members and cooperatives. Among the three pilot cooperatives, TACU MPC is most motivated to actively participate in the Project. They have established their vision, and are introducing Farm Guiding, actively pursuing the Better Living activities of the women's group.

## (2) Contribution of Project Outputs to the Project Purpose

Joint use of the equipment has reduced labor costs and has facilitated technical transfer. It has positively affected the farmers' income, which contributes to the achievement of the Project purpose. Better Living such as food processing and catering services has contributed to the achievement of the Project purpose as well. However, these activities are not sufficient to fully attain the Project Purpose No.1 ("The members of three Pilot Cooperatives increase their income."). The achievement of Project Purpose No.1 has been affected by various factors which hampered and constrained the increase of farmers' income. On the other hand, Project Output No.2 ("The Philippine Counterpart Organization improves their capability to strengthen agricultural cooperative business activities.") has contributed to the achievement of the Project Purpose to a great extent. Because the Project activity No.2 involved counterpart training, various seminar and workshop for cooperatives' officers and members, outputs gained by the activities have contributed to the improvement of the capability of the cooperative authority.

## (3) Analysis of the factors

### 1) Promoting factors

The questionnaire survey revealed that the cooperative-focused approach is a more conducive method, and the strategy is holistic and integrated. The cooperative-focused approach has broadened the scope of the operations and has helped in the financial and non-financial requirements of each cooperative.

Secondly, appropriate collaborations with the support organizations, local government units, related financial institutions, academic institutions and private sectors have been made to be more productive and effective in providing a wide range of business guidance to the pilot cooperatives. Such collaboration has been gradually institutionalized. Said collaborations have contributed to the efficient implementation of the Project as well.

The leadership of the cooperative officers, as well as their ability to the cooperative management, is fundamental for the success of various activities.

## 2) Hampering factors

The frequent turnover of human resources in cooperatives has been a constraining factor in the implementation of the Project and has also made the cooperative management difficult.

It is also an unfortunate factor that the illegal use of the truck on several occasions has hampered the Project activities.

Furthermore, loan delinquency greatly affected the cooperatives' operations.

## 3) Important assumption

Unfavorable farming conditions, such as high increase in cost of farm inputs and fluctuating vegetable price, have seriously affected the farmers' income.

### 4.3 Efficiency

#### (1) Efficiency of the Inputs

In General, the Project inputs have been appropriate in terms of quantity, quality, and timing at most levels.

#### 1) Provision of Equipment and Facilities:

As a whole, most of the introduced equipment have been utilized by the cooperatives' members efficiently. However, some of the equipment that have been provided on the second year of the Project were not suited to the needs of the cooperatives in terms of quality and quantity. The idling equipment had to be transferred to other cooperatives in order to be utilized in trial dissemination activities. Due to unauthorized use of the trucks, some of them were apprehended.

#### 2) Personnel:

At the initial stage of the Project, it was deemed necessary to have a number of experts dispatched due to the technical approach or activity-focused approach. At a later stage of the Project, the approach of the Project shifted to the cooperative-focused approach, in which activities were specific for each of the pilot cooperatives. The cooperative-focused approach has been implemented by a smaller number of experts and was found to be an efficient way of implementing the Project.

Some counterparts have been replaced, but the majority of the CDA counterparts have been assigned to the Project throughout the Project duration. The assigned counterparts had different backgrounds and experiences, in effect, it was difficult to efficiently conduct smooth management and implementation. Nonetheless, all of them have better capabilities which enabled them to supervise the relevant cooperatives. Some counterparts who were recalled to the CDA-CAR offices are actively involved in the initial trial dissemination being undertaken in Benguet and Ifugao areas and are able to utilize the experiences and lessons learned from the Project.

### 3) Financial Inputs:

The financial inputs are not sufficient because the budget from the Philippine side has been reduced. After the mid-term evaluation, the scale of the budget input was decreased. Despite the decrease in financial inputs, the Project activities continued to be implemented smoothly, and there were no serious problems reported.

## (2) Project Management

Results of the project consultation and mid-term evaluation which were aimed at modifying project activities and at making suggestions, contributed much to the effective project implementation and the efficient management of the Project. It made the Project direction clear as well. Since then, the Project has been able to strengthen pilot cooperatives and has also been able to respond to the needs of the cooperatives more. The relationships between experts and counterparts were initially not good as their attitudes caused misunderstandings with each other. However, toward the later stage of the Project, they attempted to discuss matters and work together, and were able to communicate well with each other.

## (3) Collaboration with Other Donors and JICA Projects

There were plans of collaborating and cooperating with other donors and the JICA projects. However, these plans were not put into action.

## 4.4 Impact

### (1) Degree of achievement of the Project Purpose and prospect of achieving the Overall

## Goal

The Overall goal of this Project, "Increase of cooperative members' income in Benguet Province" was not a realistic target and is impossible to attain. It is therefore difficult to evaluate the Project contribution at this stage. However, the Project attempted to extend the outputs of the activities and know-how. The trial dissemination was started, and it can be expected to attain the enhancement of cooperative capabilities.

## (2) Direct/Indirect Impact

It is required to take time to derive visible certain impacts in view of the current trend, economic situation, social preparation and absorbing capacity of cooperatives' members. Through the interviews, questionnaire survey, report analysis and field observation conducted during the final evaluation, the Team has confirmed that several positive changes have already been noted as follows:

### 1) Impact on policy/institutional level

The Project contributed to the establishment of the tangible network within various stakeholders in relation to rural development in the areas.

### 2) Impact on technical level

The participating members as well as the non-members have signified their interest to join the activities of organic farming. Through the organic farming activities, close collaboration with relevant organizations such as Agricultural Training Institute-CAR and non-governmental organizations have contributed to the strengthening of tie-up activities.

### 3) Impact on cultural/social level

The livelihood activities of the women would contribute to the enhancement and empowerment of rural women as well as their social standing since the activities generated employment and additional household income.

The "Participatory Mass Health Screening" activities initiated by the TACU Cooperative has been expanding to the municipal level and other areas. These activities were implemented with the support of various related organizations and voluntary workers. More than 1,700 local residents availed of the activities. The activities have been useful in promoting people's health and has become a model for replication.



## 4.5 Sustainability

### (1) Policy and Institutional Sustainability

#### 1) Institutional sustainability on the Project implementation agency:

The CDA's main function is to regulate and register cooperatives, although it is also mandated by law to develop and promote cooperatives. In its limited capacity, CDA can not fully cope with its developmental functions. However, the Project in this regard has achieved a lot of accomplishments to reduce the said limitation such as the development of training program and module, which was the result of the collaborative efforts of the support organizations, and the manual of operation which compiled various strategies in cooperative management and policies among others. Therefore, it is certain that CDA will be able to sustain and provide continuous support to cooperatives by which the various products of the Project can be utilized.

#### 2) Institutional Sustainability on the Pilot Cooperatives:

Toward the latter half of the Project term, the Project implementers gave emphasis on the review and revision of the "Operating Policies and Guidelines", and on building the capacity of internal auditing in order for each pilot cooperatives to be sustainable in the long run.

Based on the discussions with related stakeholders and on consultations with the Project implementers, the evaluation Team observed the possibility of cooperative sustainability with the following as basis:

(i) TACU MPC has been inspired and motivated to sustainably run their management and business competition. In the future, it can be a practical model in replicating this Project concept.

(ii) BABUDEMPCO MPC has also been gradually motivated to improve their management capability, and is expected to be sustained on a certain level. However, the cooperative needs to address and put into action the following: Formulation of tangible management plan, Product diversification, Improvement of poor soil through the introduction of organic compost technology or Introduction of legume as crop rotation in the long view.

(iii) Benguet MPC will be difficult to sustain without solving the debt financial matters.

### (2) Technical Sustainability

The CDA counterparts have acquired the methodology and technical knowledge on how to support cooperatives for the continuous implementation of the Project component. Therefore, it is highly certain that the managerial and technological aspect will be sustainable. It is expected that the counterparts will be capable of disseminating the technical knowledge based on the experiences gained from the Project.

It is judged that the small and medium size equipments provided can be maintained and replaced. However, a part of large size of equipment such as trucks will be difficult to replace without accumulating trust fund which is based on the suitable replacement plan.

### (3) Financial Sustainability

#### 1) Financial sustainability on the Project implementation agency:

The Project counterparts are willing to continue providing the advice and support for cooperatives in order to sustain the good outputs of the Project after the Project completion. Therefore, it is proposed that it needs the best efforts of securing financial resources for the continuation of outputs of the Project.

#### 2) Financial Sustainability on the Pilot Cooperatives:

There are external factors that may affect the stability of the cooperatives which include the fluctuation of agricultural prices. However, it is possible to maintain stability of financial situation through efforts in improving managerial capacity building on cooperative members, their commitments as well as risk hedge management.

The Benguet MPC has been suffering from financial constraints mainly due to the high rate of delinquency of credit. The financial situation has not been improved since the Project started. From this bitter experience, the Team observed that it should learn seriously approaches in collecting loans and screening of loan application which are important in managing and sustaining any cooperatives.

## 5. Conclusion

- (1) One of the project purposes, "The Philippine Counterpart Organization improves their capability to strengthen agricultural cooperative business activities", is expected to be achieved until the end of the Project. On the other hand, the other project purpose, "The members of three Pilot Cooperatives increase their income", is not fully realized due to drastic fluctuation of vegetable market prices and unstable financial condition of the

cooperatives which had already existed before the Project started.

- (2) Based on the recommendation of the mid-term evaluation team, the Project has shifted from the activity-focused to the cooperative-focused approach in order to concentrate on the strengthening of managerial capacity of the pilot cooperatives. As a result, the capacity and skills of the CDA counterparts have been strengthened. This will enable them to implement the Project activities by themselves even after the termination of the Project.
- (3) Based on the above mentioned achievement, it is concluded that the Project will be terminated on June 30, 2005 as planned.

## 6. Recommendations

### (1) Items to implement during the remaining Project period

- 1) To systematize the positive experiences and lesson learned from the Project

The Project implementers should prepare various measures that will enable the other CDA personnel to continuously assist cooperatives in their financial and administrative conditions.

- 2) To prepare consolidated manual of operation of agricultural cooperatives

The Project implementers should consolidate the manuals of operation which have been prepared by the Project in order to be maintained and utilized by CDA.

- 3) To strengthen the capacity of pilot cooperatives

The cooperatives should prepare not only financial reports but also activity plans.

The Project implementers should give advice to the cooperatives in the formulation of reports and plans.

### (2) Items to implement after the Project period

- 1) To mainstream the Project activities into CDA's work and financial plan

To ensure the adoption of the project outputs, CDA should incorporate the project activities in CDA's work and financial plan. Equally, CDA should ensure optimal use of the potentials of the human resources developed through the Project.

- 2) To conduct monitoring for the Project sustainability

CDA should conduct monitoring in order to sustain and further extend the Project



outputs to the CAR. The implementation of the monitoring should be based on three basic objectives as shown below. The concrete method for the conduct of monitoring, including the preparation of the monitoring format, should be formulated by the Project before its termination.

- (i) To support the CDA-CAR initiatives and activities for the strengthening of the agricultural cooperatives, taking full advantage of experiences and skills acquired through the Project.
- (ii) To maintain the outcome of the pilot cooperatives' activities obtained from the Project
- (iii) To make maximum use of equipment donated by the JICA for the strengthening of agricultural cooperatives.

## 7. Lessons Learned

### (1) Project Design

The PDM should be designed consistently and flexibly.

The Project purpose should be specific, attainable and consistent.

The relation between capacity building of counterpart agency and empowerment of cooperatives should be clear to make the project design logical and consistent.

In case project design is not appropriate, stakeholders should flexibly take measures to meet the consistency.

It is suggested to conduct the survey with holistic analysis on social, economical and institutional conditions for appropriate project design.

### (2) Technical support for supervising agricultural cooperatives:

Any government agency that administers agricultural cooperatives requires technical knowledge. In case the implementing agency does not have adequate technical knowledge on agricultural development, further coordination with relevant organizations both in the central and regional levels should be undertaken.

### (3) Clarification of the meaning of pilot activities:

It should be made clear that the pilot activities are intended to be trial activities from which positive experiences and lessons can be derived and utilized. As such, the pilot activities require appropriate implementing sites and inputs for their experimental



activities.

(4) Selection of equipment

Equipment for project activities should be selected with careful consultation with the user through participatory approach in order to grasp their real needs, including priority and specifications.

It is necessary that equipment should be procured on appropriate time.

(5) Importance of feasibility survey

In case the project has marketing and purchasing business components, existing market system and business practices should be carefully surveyed before the project implementation in order to avoid negative impact.



### Schedule of the Joint Evaluation Team

	Date	Time	Activity	Place
1	Feb.2(Wed)	09:00 13:00	1st Joint Evaluation Team Meeting (To confirm Evaluation Objective and methodology) Interview to Counterparts and 3 pilot Coops	Benguet
2	Feb.3(Thu)	09:00 13:00 15:00	Interview to support organizations Interview with Experts and Project Manager Courtesy with Governor in Benguet Province	Benguet
3	Feb.4(Fri)	09:00 10:00 16:00	Courtesy with Mayor of Kapangan Municipality Visit and interview to TACU MPC Visit and interview to BFMPC	Benguet
4	Feb.5(Sat)	10:30 15:00	Visit and interview to BABUDEMPCO Summary and discuss the result on survey	Benguet
5	Feb.6(Sun)	10:00	2rd Joint Evaluation Team Meeting	Benguet
6	Feb.7(Mon)		Move to Manila	Benguet
7	Feb.8(Tue)	09:00	3rd Joint Evaluation Team Meeting Preparation of Joint Evaluation Report	Manila
8	Feb.9(Wed)	10:30 11:00	Sign of the Joint Evaluation Report Report and Minutes Preparation	Manila
9	Feb.10(Thu)	10:00	Joint Coordinating Meeting	Manila

Project Design Matrix "Improvement Of Farmer's Income Through the Strengthening of Agricultural Cooperatives"

Target Groups: Members of 3 pilot cooperatives and project implementers  
 Target Area: Province of Benguet, the Philippines  
 Duration: 5 years(July 2000 – June 2005)

Project Implementers: CDA,JICA, Pilot Cooperatives , LGUs (OPAG,MAO)  
 Pilot cooperatives at Bad-ayan, La Trinidad and Kapangan, Benguet

Narrative Summary	Objective Verifiable Indicators	Means of Verification	Important Assumption
<p><b>Overall Goal</b></p> <p>Members of active agricultural cooperatives in Benguet Province increase their income</p>	<p>The average rate of increase in financial viability of active agricultural cooperatives in Benguet Province is higher from the year 2005 to 2015 compared to that of the active agricultural cooperative in Cordillera Region.</p>	<p>Annual report of cooperatives in CAR Region</p>	
<p><b>Project Purpose</b></p> <ol style="list-style-type: none"> <li>The members of three Pilot Cooperatives increase their income.</li> <li>The Philippine Counterpart Organization improves their capability to strengthen agricultural cooperative business activities.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>1-2 Savings deposit of the members of the pilot cooperatives increases by 40% or more in the year 2004 compared to year 1999.</li> <li>1-3 Each pilot cooperative increase its membership by 70% or more in the year 2004 compared to the year 1999.</li> <li>2-1 The training program on the strengthening of the agricultural cooperatives is developed and implemented by the year 2004.</li> <li>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)</li> </ol>	<ol style="list-style-type: none"> <li>1-1 Reports on farmers survey (Baseline, mid-term &amp; final) Benguet Statistical Year Book Cooperative profile</li> <li>1-2 Reports on farmers survey (Baseline, mid-term &amp; final) Cooperative profile</li> <li>1-3 Reports on farmers survey (Baseline, mid-term &amp; final) Cooperative profile</li> <li>2-1. Report on trainings Project report</li> <li>2-2. Evaluation reports of the trainers training</li> </ol>	<ol style="list-style-type: none"> <li>Other cooperatives will accept the project activities</li> <li>Budget for the replication project will be secured.</li> </ol>
<p><b>Output</b></p> <ol style="list-style-type: none"> <li>Existing business activities of the three pilot cooperatives are improved and new business activities are developed</li> <li>More profitable farm production is materialized by the members of 3 pilot cooperatives.</li> <li>Training programs for the strengthening of agricultural cooperative activities are developed and implemented by CDA in coordination with other support organizations.</li> <li>Coordination between CDA and support organizations is enhanced in order to strengthen agricultural cooperative</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>1-1-2 One or more profitable new business is established by each pilot cooperatives in the year 2004 compared to the year 1999.</li> <li>1-2-1. Agricultural income of the members of the pilot cooperatives increases in the year 2004 compared to year 1999.</li> <li>2-1-1. The manuals and basic training materials for each project components are developed by the year 2004</li> <li>2-2-1. Coordination of activities between CDA and support organizations are strengthened by the year 2004.</li> </ol>	<ol style="list-style-type: none"> <li>1-1-1 Annual reports of pilot cooperatives Benguet Statistical Year book</li> <li>1-1-2 Annual reports of pilot cooperatives Project reports Cooperative profile</li> <li>1-2-1 Reports on farmers survey (Baseline, mid-term and final) Benguet Statistical Year Book Cooperative profile</li> <li>2-1-1 Project reports</li> <li>2-2-1 Project reports</li> </ol>	<ol style="list-style-type: none"> <li>Trained personnel should stay with the implementing organizations</li> <li>Functions and mandates of CDA should not be changed drastically</li> </ol>

Activities:

- A. Assist the cooperatives to strengthen their cooperative management system with support organizations
  - A-1. Assist pilot cooperatives to strengthen and expand their management
    - A-1-1. Continuing implementation of cooperative plans of the four components
    - A-1-2. Improvement of the management capability of officers, staff and develop/improve internal control system
    - A-1-3. Continuing implementation on the joint use of all equipment.
  - A-2. Improvement of systems and methods on marketing and purchasing business
    - A-2-1. Review and improve marketing and purchasing systems and policies
  - A-3. Assist pilot cooperatives to strengthen and expand their Farm Guidance activities
    - A-3-1. Facilitate the transfer of farm technology, including the efficient and effective use of farm equipment/facilities thru a strengthened farmer's group to attain improved production and increased income.
  - A-4. Establish/ strengthen livelihood activities for the Better Living Groups
- B. Conduct initial replication activities to extend the results of the project to the Province of Benguet and the Cordillera Administrative Region through CDA-CAR.
  - B-1. Prepare cooperative management manual
  - B-2. Trial info-dissemination on the result of the project in the Province of Benguet and the Cordillera Administrative Region.
- C. Monitoring and Evaluation
  - C-1. Conduct Farmers Household Survey (Final Result-Household)
  - C-2. Conduct Awareness Survey on cooperatives members, coop staff, LGU and Support Organizations
  - C-3. Regular Monitoring and Evaluation
    - Progress of Activities A1 to A4
    - Cooperative Profile
    - Members Profile

Philippines Side	Inputs	Japanese Side
CDA 1. CDA Counterparts 2. Office Space and furniture 3. Operating cost 4. Training funds 5. Custom duties and Taxes 6. Freight-in expenses 7. Maintenance cost for equipment	- Machinery and equipment for training Agricultural machinery Copier and printing machine Transportation equipment Communication facilities Post-harvest facilities Multi-purpose collection center facilities Food processing facilities Vehicles	1. JICA experts (long & short term) 2. Counterpart Training in Japan 3. Necessary machineries & Equipment
Pilot Cooperatives 1. Counterparts 2. Land for facilities 3. Training funds 4. Maintenance cost for machinery and equipment 5. Labor force for construction		
1. Serious negative impacts should not be made by natural disaster 2. National and local economic situation is stabilized during the project duration 3. National and local political situation is stabilized during the project duration 4. Policies of implementation should not be changed drastically 5. Budget for the project implementation will be disbursed smoothly by the Philippine Government 6. Price of agricultural products will be stable		
Preconditions 1. Budget for the project implementation will be allocated by the Philippine Government 2. Pilot cooperatives agree with the implementation of the project		