

# **ODA under the Rubric of Civil Society Participation and PO Initiatives: The Case of the Agrarian Reform Support Project in Agusan**

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## **EXECUTIVE SUMMARY**

**R**ecognizing possibilities of solving the ills plaguing Filipino farmers, the European Union (EU) and the Government of the Philippines (GOP) launched the Agrarian Reform Support Project (ARSP) in October 1995.

The five-year ARSP implemented a five-components approach that built on the premise that land ownership must be supplemented with social and rural infrastructure, human resource development, institutional strengthening, and access to markets and credit facilities. The project aimed to provide agricultural support services to 40,500 farmers in 63 agrarian reform communities that span Camarines Sur, Sorsogon, Negros Occidental, Agusan del Sur, and Agusan del Norte provinces. ARSP spanned 22 agrarian reform communities (ARCs) in the Agusan project areas: 13 spread in 19 barangays of Agusan del Norte and nine in 52 barangays of Agusan del Sur.

While the Department of Agrarian Reform was lead agency in the implementation, the ARSP had autonomy over organization and management through its Cebu City-based Project Management Office (PMO) that supervised the whole project implementation. The PMO was headed by two co-directors: one a Philippine national and the other an EU counterpart. In fact, EU-designated specialists were part of the PMO structure. Fifty percent of the project staff was seconded from DAR, the other 50 percent was externally-hired staff. Provincial project offices in Butuan, Naga, and Bacolod were created to facilitate provision of support services to target ARBs.

Total ARSP fund was at 26.833 million euros, of which 20 million euros was a grant from the European Union. Percentage of project expenditure from 1995-2000 were as follows: administrative and operations, 27 percent; rural infrastructure, 21 percent; productivity systems development, 18 percent; institutional strengthening, 13 percent, land tenure improvement, 10 percent; and technical assistance 1 percent. A large chunk (38 percent) of

the total productivity systems development expenditure went to the Agusan del Sur project area.

Recognizing the comparative advantage of NGOs in grassroots development and organizing, the Philippine and European governments engaged the services of local NGOs to handle the institutional strengthening component of the project. This component wants people's organization (POs) prepared for the eventual management of projects funded by ARSP. Ten NGOs engaged the project for two years to implement the institutional strengthening component for the Agusan project areas. The contracts of services of these groups were for one year, renewed for another year relative to the organization's performance.

ODA projects such as this elicited reactions from different national and international institutions and agencies. The Philippine government, from the time of the late president Ferdinand Marcos until the present, considers ODA as a prerequisite in the implementation of its national development agenda given the limitations of the national budget and the deficits that plague it. NGOs, on the other hand, have always been at the forefront of social critique and lobbying for authentic participation of stakeholders at the grassroots level, and for their involvement not just as sub-contractors of one project component but as partners in the whole project cycle.

Ultimately, ODA in developing countries such as the Philippines should ask the question: How can development assistance become most effective at reducing poverty?

The answer to this should include the dynamics of people, institutions, local culture, and environments.

The effectiveness of any development undertaking rests on its ability to incorporate this interplay of factors so that participation of key players is given importance. Development, as the lens in which impact of ODA is ultimately measured, raises the questions: What and whose development framework is used in project implementation and decision-making? What is the overall impact of the project?

The question on impact leads to the question of definition and whose definition prevails. In the end, it is through a shared vision and a shared understanding of development goals and how development outcomes are gauged that ODA projects may have a better chance at being successful in bringing about development.

These interwoven elements form the context in which the ARSP is examined. The study sought to examine the experience of civil society organizations, particularly that of POs and NGOs, in promoting their development goals through participation in ODA projects. It aims to determine the effects of the project to its target beneficiaries and investigate the process of project planning and implementation. It also seeks to identify the factors that promote PO cohesiveness and micro-project sustainability. Likewise, it aims to examine NGO engagement vis-à-vis the promotion of its organizational and development goals and examine the interplay of environmental and organizational factors in project implementation.

In the interest of generating in-depth information on the joint Philippine-EU project, the study presents case studies on the experiences of POs and the project key players. It also shows how the project was implemented and how it performed on the ground. The study also presented cases of POs in narrative form to achieve a more rooted and concrete picture of how the project was implemented, the interaction of various actors and how they pursued their objectives, and how the ARSP affected the communities and the people it targeted.

The study is qualitative in nature and covers the areas of engagement of two NGOs in the communities of Agusan del Sur and Agusan del Norte in Region 10 or Caraga. The study combined literature review, key informant interviews, and focus group discussions to come up with the data. It relied heavily on primary data from interviews with ARSP officials, NGO leaders and community organizers, and POs involved in the project.

The conceptual framework essentially looks at the project within the lens of the dynamics of development objectives and goals and the organizational and environmental factors in implementation. The framework avoided looking at the project from a one-is-to-one equation of measuring project performance using the over-arching policies created by top management as sole basis. The process of implementation involves people and organizations, with their own perspectives of project implementation and of development, *per se*. The picture generated at the end of the study will reflect the dynamics of the aforementioned variables as it translates to project outcome.

Findings of the study show that people's initiatives, quality of inputs, effectiveness of strategies, level of awareness, commitment of the key players and NGO/PO development goals in a development project or program remain important elements in a development undertaking.

## I. INTRODUCTION

There is no dearth in reactions of different national and international institutions and agencies to Official Development Aid (ODA) in the Philippines.

For one, the Philippine government, from the time of the late president Ferdinand Marcos up to the present, considers ODA as a prerequisite in implementing a national development agenda given a limited and deficit-ridden national budget. For another, some nongovernment organizations (NGOs) have criticized the ODA. Others lobbied for participation of stakeholders at the grassroots level and for involvement not just as sub-contractors of one project component but also as partners in the ODA application.

Shifts in international perspectives on the nature and effectiveness of development cooperation and aid against poverty steadily occurred in the 1990s. The World Bank Development Research Group<sup>1</sup> cited that with growing awareness of the limitations of top-down approach to development and poverty reduction, interest has shifted to the potentially powerful role of the participation of communities in the planning and management of public sector service delivery at the local level. More and more, donor agencies are recognizing the strategic position NGOs have at the grassroots level.

With its long history of working with communities for development, NGOs have a comparative advantage in evaluating community needs and capabilities.<sup>2</sup> Also, NGOs render legitimacy to projects in the field given their established presence in the community. This “community presence” is an important factor donor agencies and the government consider in their engagement of NGOs.

Development, as the lens through which ODA impact is seen, raises the question of what and whose framework is used in project implementation and decision-making, and what the overall impact of the project may be. But measuring impact leads to the question of definition and whose definition prevails. These are essential in looking into ODA projects because impact, after all, is the tangible and felt representation of development.

Ultimately, ODA in countries such as the Philippines should determine how development assistance becomes most effective at reducing poverty. The answer transcends numbers, figures, statistics and macro-economic policies to include the living and breathing dynamics of people, institutions, local culture, and environments. The effectiveness of any development undertaking rests on its ability to incorporate this interplay of factors so that participation of key

players is given importance. It is through a shared vision and a shared understanding of development goals and how development outcomes are gauged that ODA projects may have a better chance at being successful in bringing genuine development.

As David Meadows<sup>3</sup> said “A sustainable world cannot come into being if it cannot be envisioned. The vision must be built up from the contributions of many people before it is complete and compelling.”

Empowering peoples and communities is an essential ingredient towards self-sufficiency and transformative change. Empowerment is defined as the capacity of people to participate independently in the community as well as to challenge current norms, change conditions and participate in processes that expand choices.<sup>4</sup> Community champions play an important role in this process as they take an active leadership role in educating and organizing people and mobilizing scarce community resources. Even without development programs and aid, people and their leaders chart the development path of their communities through involvement in the everyday social, economic, cultural, and political processes.

These elements form the context in which the Agrarian Reform Support Project (ARSP) is discussed in this study.

Recognizing possibilities of solving the ills plaguing Filipino farmers, the European Union (EU) and the Government of the Philippines (GOP) launched the ARSP in October 1995.

In the main, the study tells a story of what transpired on the ground and how this experience can be transformed into a viable framework for engagement and development—one that may be relevant in guiding civil society participation in engaging foreign-assisted development projects.

## II. OBJECTIVES

ODA key players –donor agencies, Philippine government, and nongovernment and people’s organizations– carry different development frameworks and goals. The interplay of framework and goals in project implementation, decision-making and performance becomes the backdrop of this study.

The study aims to examine the experience of POs and NGOs in promoting their development goals through participation in ODA projects. Specifically, it seeks to:

1. Determine the ARSP's impact to target beneficiaries and investigate the process of project planning and implementation and the factors that promoted cohesiveness and micro-project sustainability of POs.
2. Examine NGO engagement vis-à-vis the promotion of its organizational and development goals.
3. Examine the interplay of environmental (socio, economic, and political) and organizational (characteristics and disposition of key players) factors in project implementation.

### III. METHODOLOGY

In the interest of generating in-depth information on the implementation of the joint EU-GOP ARSP, the study presents the experiences of POs and the project key players. It shows how the project was implemented and performed on the ground.

The conceptual framework essentially looks at the project within the lens of the dynamics of development objectives and goals and organizational, environmental factors in implementation. The framework avoids viewing the project as a one-is-to-one equation of measuring project performance using the over-arching policies created by top management as sole basis. The process of implementation involves people and organizations, which carries their perspectives on project implementation and development. The picture generated at the end of the study will reflect the dynamics of the aforementioned variables as it translates to project outcome.

The study focused on one project area –the Agusan provinces– and on the engagement of the Educational Discipline in Culture and Area-based Development Services Inc. (EDCADS) and the Associates for Integral Development Foundation (AIDF).

The study included case studies on nine POs, seven of which EDCADS engaged. The POs were selected to show the overall effects of the project to the target beneficiaries and how the concept of tripartism played out in project implementation.

The study is qualitative in nature and covers the areas of engagement of EDCADS and AIDF in the agrarian reform communities of Agusan del Sur and Agusan del Norte in Region 10 or Caraga. The study made use of a combination of literature review, key informant interviews, and focus group

discussions. It relied heavily on primary data from interviews with officials of ARSP, EDCADS and AIDF, community organizers, and POs involved in the project.

Cases of POs were presented in narrative form to achieve a more rooted and concrete picture of how the ARSP was implemented, how various actors interact in the context of tripartism,<sup>5</sup> how these actors pursued objectives, and how the ARSP affected the communities and the people it targeted.

Essentially retrospective (ARSP implementation was from 1995 to 2000), the study surfaces views of the key players after three years of project phase-out.

Intensive fieldwork was conducted for six weeks in Agusan provinces and used purposive sampling. The study chose POs according to which agrarian reform community/ies that EDCADS and AIDF handled under the ARSP.

Key informant interviews (KIIs) were held with the following ARSP officials: Philippine co-director; two provincial project office (PPO) directors; productivity systems specialist; NGO adviser and institutional strengthening specialist; administrative officer; development facilitators (DFs) of Agusan del Norte (Pomarc and SMARC) and Agusan del Sur (Sibagat); ARC coordinator of Agusan del Sur; and, two Municipal Agrarian Reform Officers (MAROs) of Agusan del Sur.

The researcher also held interviews with the EDCADS managing director/administrative officer and community organizers (Sibagat ARC and SMARC). Likewise, the researcher held key informant interviews with the former ARRD Director, the Pomarc and Sanghan ARC organizers, and the manager of the Baug Comprehensive Beneficiaries Multipurpose Co-operative (Baug Co-op).

Focus Group Discussions (FGDs) were conducted among members of eight POs or 133 participants from Sto-Niño-Magdagooc ARC (SMARC) in Jabonga, Agusan del Norte and ARCS in Sibagat, Pomarc, Magallanes, and Sanghan in Agusan del Sur.

A literature survey on agrarian reform and development and ARSP reports and documents was also undertaken.

## **IV. THE PROJECT**

### **A. European Union Cooperative Development**

The thrust and areas of assistance in development cooperation of the EU covers integrated area development.

These include agricultural production and marketing, rural infrastructure, cooperatives and credit schemes, health, institutional strengthening for local government units (LGUs), environment protection (protected area and community-based forest management), and support to agrarian reform.<sup>6</sup>

The EU and the Philippines has had a long-standing political and economic relationship under the Generalized Scheme of Preferences (GSP).<sup>7</sup> Since 1986 the European Commission has funded several rural development programs in the poorest and marginalized areas of the country.

Most EU projects espouse the thrust of addressing a broad spectrum of development issues on the ground with a strong emphasis on community and area-based management and participation.

As a strategy, majority of EU projects implement micro livelihood and enterprise projects identified and handled by the POs to ensure impact and sustainability. The concerted effort of key players is considered a viable strategy to ensure the development and empowerment of target beneficiaries.

### **B. Agrarian Reform Support Project**

ARSP is a project under the EU's development cooperation program with the Philippines.

ARSP is a result of several EU missions to the Philippines to identify the development assistance needs of the country and where their assistance could come in. The Financial Memorandum was for five years ending in October 2000. A rider in the agreement in 2000 extended the project to December 2001 for the phase out and consolidation period.

The DAR represented the Philippine government as lead agency in the ARSP since it focused on agrarian reform. The 26.833-million euro total project cost for five years, 20 million euro came from the EU while the remaining amount was covered taken from the Philippine national budget. It was expected that the local government would provide counterpart funds or resources to the ARSP's activities in their municipality.

Specific counterpart funds supposedly came from Land Bank of the Philippines (3.23 million euros as credit facility for participating farmers),



the LGU (630,000 euro or any appropriate contribution within the limit of their revenues base for infrastructure costs), and farmer-participants (460,000 euro for micro-projects costs).

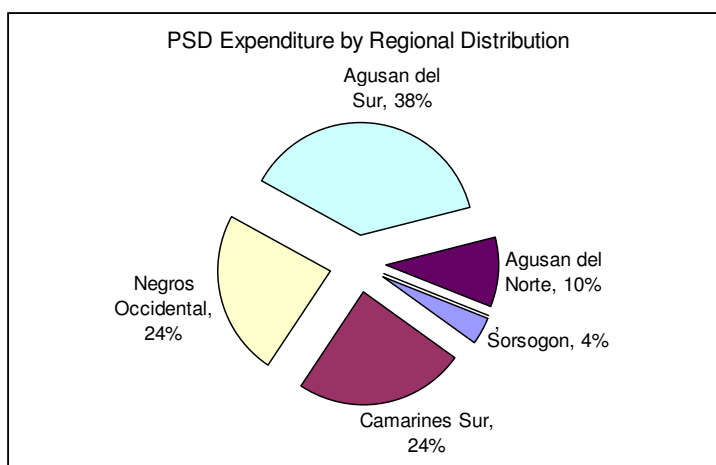
From October 1995 to December 1996, ARSP proponents held inception activities such as setting up the project management office (PMO) in Cebu City and the provincial project offices (PPO) in Bacolod, Naga, and Butuan. For nearly two years after 1995, ARSP proponents also focused on drafting a framework for operations and the ARSP's policies, systems and procedures.

It was only in 1997 that the participating NGOs began engagement in the communities. That year witnessed ARSP proponents giving orientation sessions and pre-conferences on the project as well as holding institutional strengthening trainings and seminars, skills training on writing project proposals and on management.

At the latter part of 1997, proponents began implementing productivity systems development (PSD) and a few rural infrastructure projects. Implementing the ARSP was brisk in the years 1998 to 2000. The almost two-year lag in project funding and implementation at the field level was caused by delays in getting the EU and Philippine counterpart funds.

ARSP covered the provinces of Agusan del Norte, Agusan del Sur, Camarines Sur, Sorsogon (Municipality of Irosin), and Negros Occidental and included 40,500 farmer beneficiaries in 63 ARCs.<sup>8</sup>

**Figure 1: PSD Expenditure by Regional Distribution**



In Agusan provinces, ARSP covered a total of 22 ARCs, with 13 spread in 19 barangays in Agusan del Norte and nine ARCs in 52 barangays in Agusan del Sur.

The DAR chose these provinces because of the high land tenure improvement (LTI) accomplishment: the areas were said to be LTI-free and certificates of land ownership awards (CLOA) were issued to farmer beneficiaries in an ARC. With the LTI, more or less, in place, ARSP's thrusts was to provide assistance and equipment for survey and individual titling and provide the necessary support services to ARBs in the target areas, in the aim of alleviating rural poverty and agricultural stagnation under the rubric of the effective implementation of CARP.

### 1. Project Objectives

The ARSP had a five-components approach.<sup>9</sup> The components assumed a complete and synergistic approach towards the development of agrarian reform beneficiaries, that is, land ownership should be supplemented with appropriate support services in the form of social and rural infrastructure, human resource development and institutional strengthening, and access to market and credit sources.

These components were:

- a. Land Tenure Improvement (LTI). To accelerate the transfer of individual land titles to farmer beneficiaries who has been issued collective CLOAs, ARSP committed to provide geodetic survey equipment and fund assistance for LTI-related activities.

#### ***ARSP is...***

- ***A rural development project designed to help alleviate poverty and agricultural stagnation in farming communities.***
- ***Geared towards establishing sustainable micro-projects managed and operated by empowered Agrarian Reform Beneficiaries.***

b. Institutional Strengthening (IS). A strengthened PO has a better capacity to undertake development initiatives and manage ARSP initiatives in the community. This is the rationale behind ARSP's promotion of the establishment and consolidation of farmers' organizations and cooperatives.

c. Productivity Systems Development (PSD), which aimed at increasing the income and farm household productivity of ARBs through the facilitation of access to extension and support services and the provision of funding for agricultural production and off-farm activities and micro-projects.

d. Rural Infrastructure (RI). Provision and improvement of rural and social infrastructure such as irrigation systems, pre- and post-harvest facilities, potable water systems, farm-to-market roads, and electrification to increase agricultural production, income and the overall well-being of ARBs.

e. Agricultural Credit (AC). This component was initially under the marketing micro-projects of the PSD component. In 1999, agricultural credit was upgraded to a separate component in the objective of making POs and the farmers credit-viable through capital build-up with the ARSP providing financial assistance through conduit-banks and PO-seed bank schemes.

## 2. Implementing Principles and Mechanisms

### a. Organization and Management

The ARSP-PMO operated autonomously from the DAR and had its own organizational structure, staffing and functions. The PMO was the highest policy-making body, supervised the whole project, and approved release of funds hitting above P500,000.00

EU-designated personnel were incorporated into the PMO's functions. A European co-director co-managed ARSP with a Philippine co-director. Monitoring and evaluation staff, a finance specialist, and a forestry expert were also involved in specific ARSP components bearing items as consultants. Their salaries and benefits were charged against the ARSP budget and they received higher salaries than their Filipino counterparts did. The ARSP cited check and balance as the rationale for assigning EU people.

The DAR was only involved at the municipal level in the implementation of projects in target ARCs. The EU, DAR national office, and the National Economic Development Authority (NEDA) monitored the project through a reporting system that the PMO generated. Regular meetings among these agencies' representatives were held as part of the monitoring system of the Philippine and EU governments.

DAR personnel composed 50 percent of the total ARSP staff, directly receiving salaries and benefits through ARSP funds. These excluded the development facilitator (DF) of DAR, who was maintained under the DAR municipal office's plantilla and payroll. The other 50 percent of ARSP staffing were externally hired, mostly coming from the NGOs involved in the project. After project phase-out, DAR personnel were recalled to the DAR. Some were assigned back to their functions before the project; others were promoted.

The ARSP established several provincial offices in key points in Visayas and Mindanao to facilitate provision of services to target agrarian reform beneficiaries. The provincial project director oversaw the finance and administration unit, the operations unit comprised of the five specialists for each of the project components and, the ARC coordinators. The director approved projects that cost up to P500,000. Under the operations unit were the local technical assistants and the extension workers.<sup>10</sup>

The NGO adviser or institutional strengthening component specialist supervised the supervisors of community organizers (COs) and the COs themselves. These staff and the DAR facilitator worked with the ARC coordinator.

The Butuan provincial project office (PPO) operated within this framework. The different specialists implemented the policies and procedures of the specific ARSP component they handled. They processed proposals from the POs, provided advice, and recommended interventions and rehabilitation mechanisms. The PPO designed specific policies, systems and procedures of the different project components.

PPO-Butuan was one of the first to set up the administrative system two years after the signing of the EU-GOP agreement. It also pioneered the "PO level of organizational maturity" tool,<sup>11</sup> which complemented the DAR's semi-annual "ARC level of development assessment" tool.

PPO-Butuan evaluated PO development on organizational management, project management, resource accessing, integration into ARC, critical community consciousness, gender advocacy and integration, and environmental guardianship.

NGOs handled the institutional strengthening component, specifically organizing and strengthening the POs and facilitating training on social preparation, organizational development, capability building, enterprise development and alliance building.

Although the DF's main responsibility under DAR's rubric is the LTI-component, he/she provides the important entry point of the COs in the community, especially for NGOs new to the respective area.

At the field level, the ARC coordinator functions as the provincial director's lead and regularly reports on concerns from the ground.

The ARSP officials created ARC implementing teams (AITs) and an ARC management team (AMT) to involve POs in making decisions at the ARC level. The officials considered these groups a breakthrough in empowering POs and ensuring that projects became a regular function of government agencies at the barangay and municipal levels after project phase out.

The DAR-DF headed the AIT as presiding officer, with representatives from the PO (usually, its chairperson), barangay government, technicians and field workers from the local line agencies, and the CO, as members. The MARO, meanwhile, led the AMT whose members included the ARC coordinator, CO supervisor, and representatives from Sangguniang Bayan and the LGU line agencies.

It is at the AIT where the PO representative brought the organization's concerns and acquired actions and measures to go about these concerns. It was also at the AIT that project proposals by the PO were certified and discussed. Issues and concerns that cannot be addressed at the AIT level were forwarded to the AMT. Concerns at this level were mostly on counterpart funds, especially for rural infrastructure projects.

In 1998, PPO-Butuan combined the functions of these teams in a one-week activity to hasten the writing and approval of project proposals,<sup>12</sup> which reached more than a hundred. But from 1999 until the ARSP phase out, the AIT and AMT sparingly met.

#### b. Principles of Implementation

##### *b.1. Needs approach in project identification*

A concept employed in project identification at the PO level, the needs approach used the five-year ARC development plan (ARCDP) as a take-off point.

The plan resulted from a caucus of different key players when the ARCs were established. It served as a blueprint for ARC development and used as reference for project identification under the ARSP.