



# Draft Design and Monitoring Framework

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Project Number: 37749  
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## Proposed Loan and Administration of Loan Republic of the Philippines: Agrarian Reform Communities Project II

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank



## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> ARBs and non-ARBs in approximately 152 ARCs and 11 ARC clusters have reduced poverty and have sustained improvements in incomes and quality of life</p>	<p>ARBs and non-ARBs in selected ARCs and ARC clusters increase their annual incomes by at least 10% by 2018 compared to the baseline survey results from 2009</p>	<ul style="list-style-type: none"> <li>• Department of Agrarian Reform (DAR) ARC level of development assessment data (ALDA)</li> <li>• National Statistics Office family income and expenditure surveys</li> <li>• Baseline survey data</li> <li>• Post evaluation report</li> <li>• Monitoring reports</li> <li>• Loan review reports</li> <li>• Midterm review report</li> <li>• Impact assessment studies</li> <li>• Project completion reports</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Government has provided assurances for timely budget releases</li> <li>• Government continues its commitment to and support for the welfare of ARBs</li> <li>• Improvements occur in the levels of peace in conflict-prone areas in ARMM as a result of Project-led developments</li> <li>• LGUs operate with improved levels of governance</li> <li>• LGUs enroll in an institutional reform program whereby on fulfilling the requirements of the program, they will be refunded 20% of their equity contribution</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Availability and timely release of project funds has been a problem in the Agrarian Reform Communities Project</li> <li>• Security concerns and peace and order problems because of local conflicts and civil disturbances in ARMM ARCs covered by the Project</li> <li>• Corruption and weak governance can jeopardize project implementation</li> <li>• The 50% minimum</li> </ul>

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			equity requirement for rural infrastructure subprojects can pose problems to the participation of poorer LGUs
<p><b>Outcome</b> Well-being of poor and marginalized groups in the target communities improved</p>	<ul style="list-style-type: none"> <li>• At least 70% of ARCs and ARC clusters are empowered to improve their lives through improved access to land, credit, employment, markets and health and education</li> <li>• At least 30% of target ARBs rise above the poverty line by year 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Final survey data in 2014</li> <li>• Final survey in 2014</li> <li>• Municipal data</li> <li>• Training and technical demonstration evaluation and follow-up reports</li> <li>• Department of Agrarian Reform monitoring and evaluation reports</li> <li>• Project performance review</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• ARCs can develop greater capacity and establish effective links with private sector, for better technology, processing, and marketing of their produce</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Private sector responses to ARC requirements may not be forthcoming</li> </ul>
<p><b>Outputs</b> 1. CDD approach used by ARCs</p>	<ul style="list-style-type: none"> <li>• 152 ARCs and 11 ARC clusters assisted by community organizers to set up community-based groups for planning, training, microfinance, and technology transfer by year 6</li> <li>• 152 ARCs and 11 ARC clusters with detailed plans prepared by year 2</li> <li>• Training and development plans prepared and implemented for cooperatives, <i>barangay</i> water and sanitation associations, irrigation associations, and other people's organizations in 152 ARCs by year 6</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline survey data collected in 2009 repeat surveys in 2012 2014</li> <li>• Inception report</li> <li>• Midterm review report based on survey data and reports of Department of Agrarian Reform</li> <li>• Project monitoring reports based on</li> <li>• Project progress reports</li> <li>• Reports of GFIs and MFIs</li> <li>• Project completion report</li> <li>• Project evaluation reports</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• LGUs remain supportive to Project objectives and approaches</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Political interference into ARC functioning and development</li> </ul>

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<p>2. Agricultural productivity and incomes improved</p> <p>3. Access to irrigation and markets improved</p>	<ul style="list-style-type: none"> <li>• About 144 LGUs assisted with training in participatory planning, financial management, fiduciary requirements of ADB and government by year 2</li> <li>• Crop yields increased by 15% by year 6</li> <li>• Value-adding activities adopted by 20% of local producers and entrepreneurs by year 6</li> <li>• Improved land titles to about 22,000 ARBs by year 6</li> <li>• At least 15 MFIs assisted to pilot-test their agriculture-based microfinance products in the ARCs by year 2</li> <li>• At least 15,000 ARB and non-ARB borrowers enabled to have access to credit and savings facilities of MFIs and/or cooperatives by year 6</li> <li>• About 1,925 km of farm-to-market roads and bridges successfully constructed, covering about 116,000 hectares of farmland, by year 6</li> <li>• Small-scale irrigation systems serving about 12,375 hectares of farmlands successfully rehabilitated and/or</li> </ul>		

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4. Project implementation and management	<p>constructed by year 6</p> <ul style="list-style-type: none"> <li>• Post-harvest processing facilities provided in communities with assured irrigation and/or surplus generation capacity</li> <li>• Transport and handling costs reduced by 30% by year 6</li> <li>• Other benefits may include improved peace and security, greater social inclusion, improved participation by vulnerable groups</li> </ul>		
<b>Activities with Milestones</b>			<b>Inputs</b>
<p><b>1. CDD, Participatory ARC Planning and Implementation</b></p> <p>1.1 Orientation, communication, social capital formation for community-driven development in approximately 152 ARCs and 11 ARC clusters by year 3</p> <p>1.2 Detailed ARC plans in approximately 152 ARCs and 11 ARC clusters by year 3</p> <p>1.3 Organizational development training plans drawn up by year 3</p> <p>1.4 Support to good governance at local level to ARCs and LGUs by year 3</p> <p><b>2. Agriculture and Enterprise Development</b></p> <p>2.1 Agricultural productivity improvement by transfer of technology by year 5</p> <p>2.2 Enterprise and market development in all target areas by year 5</p> <p>2.3 Land tenure improvement in all target areas by year 5</p> <p>2.4 Rural finance, community-based savings and credit systems implemented by year 5</p> <p><b>3. Rural Infrastructure</b></p> <p>3.1 Technical expert services procured in year 1.</p> <p>3.2 Small-scale irrigation works: Conduct feasibility study and detailed design in year 1 and year 2.</p> <p>3.3 Civil work contractors engaged and being supervised by LGUs by year 4</p> <p><b>4. Project Implementation and Management</b></p> <p>4.1 Project executive committee set up in year 1</p> <p>4.2 Appointment of national project coordinator before project effectiveness in year 1</p>			<p><b>ADB loan: \$70.0 million</b></p> <ul style="list-style-type: none"> <li>• Civil works: \$45.5 million</li> <li>• Goods and equipment: \$1.6 million</li> <li>• Consulting services: \$11.5 million</li> <li>• NGO Contracting: \$2.0 million</li> <li>• Recurrent Costs: \$1.0 million</li> <li>• Interest: \$8.1 million</li> <li>• Commitment charges: \$0.3 million</li> </ul> <p><b>Government: \$108.4 million</b></p> <ul style="list-style-type: none"> <li>• Civil works: \$76.2 million</li> <li>• Environment and Social Safeguards: \$0.2 million</li> </ul>

Activities with Milestones	Inputs
4.3 Provision of technical units under national project coordinator in year 1 4.4 Designation of Department of Agrarian Reform regional director and provincial agrarian reform officer as project managers in year 1 4.5 Use and activation of Comprehensive Agrarian Reform Program implementing teams for project implementation in year 1 4.6 Activation of subproject approval committees in year 1 4.7 LGU participation in project activities through the local project office in years 1–3 4.8 ARC plans completed by year 3 4.9 Detailed subproject proposals preparation completed by year 3 4.10 Annual work plan and budget preparation 4.11 Conduct monitoring and evaluation on quarterly basis 4.12 Conduct baseline survey (2008), midterm review (2010) and project completion report (2014)	<ul style="list-style-type: none"> <li>• Capacity Development: \$13.1 million</li> <li>• Consulting Services: \$7.1 million</li> <li>• Recurrent Cost: \$8.7 million</li> <li>• Interest: \$2.4 million</li> <li>• Commitment charges: \$0.7 million</li> </ul> <p><b>OPEC Fund for International Development cofinancing: \$30.00 million</b></p> <ul style="list-style-type: none"> <li>• Civil works: \$30.00 million</li> </ul>

ADB = Asian Development Bank, ARB = agrarian reform beneficiary, ARC = agrarian reform community, ARMM = Autonomous Region in Muslim Mindanao, CDD = community-driven development, GFI = government financial institution, LGU = local government unit, MFI = microfinance institution

<sup>a</sup> A baseline survey was done in 2005 as part of the project preparatory technical assistance. A new baseline survey will be done in 2008 as part of project implementation to update the survey data and provide a current database for comparative analysis.

<sup>b</sup> To be done in 2011 as part of midterm review, and in 2014 as part of project completion.