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AN EVALUATION

OF THE

BICOL RIVER BASIN DEVELOPMENT PROJECT

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FOREWORD

The evaluation of the Bicol River Basin Development Project (BRBDP) which follows was made during the period May4-June 10 by a team from the Government of the Philippines (GOP) and the United States Agency for International Development (USAID). Members of the Philippine team were Ramon V. Dumaual and Concepcion B. Jimenez from the University of the Philippines Institute of Planning, Jaime M. General of the Management Staff of the Secretary of Agriculture, Isidro A. Sobrecarey of the Program Execution Monitoring Office of the Development Management Staff, Office of the President, and Tomas Quintos, Jr. of the Project Economic Staff of the National Economic and Development Authority. The USAID team was made up of E. Albert Green, Consultant to the Office of Agriculture, Technical Assistance Bureau, AID/Washington, John W. Lehman, Private Consultant from the American Technical Assistance Corporation and LeRoy Rogers, Program Analyst, Office of the General Manager, Tennessee Valley Authority. The team members are further identified in Appendix A.

The evaluation is made in compliance with a provision in the December 1974 Project Agreement 75-09 between the GOP and USAID. The agreement calls for a jointly conducted "... overall review and evaluation of the Program within ten (10) months of the signing of this agreement to review, evaluate and document the conceptual base of the program and assess the effectiveness of planning organization, programming and budgeting, interagency participation and management strategies and systems developed and utilized by BRBC (Bicol River Basin Council) over the initial two years of operation and to evaluate the nature, effectiveness, appropriateness and current and future levels of USAID assistance to the program."

The purposes for the evaluation are set out in the Program Implementing Order/Technical Services (PIO/T) providing for the appointment of the GOP and USAID members of the evaluation team The PIO/T calls for examining other Integrated Area Development (IAD) Programs in the Philippines and the relationship of IAD programs to organizations such as the Regional Development Councils (RDC) and to existing line agencies and local governments. A copy of the PIO/T is included in Appendix B

The timing of the evaluation and the nature of the project impose special requirements on the review. The evaluation was made only 20 months after the BRBDP actually got underway. As a result much of the program is still in the initial planning and data building stage with some but not all feasibility studies completed and only a few pilot projects implemented. Because BRBDP has been established by Executive Order No. 412 as a demonstration of integrated area development the evaluation did not concentrate as much on progress of individual projects but on the organization's use of these development tools in coordinating the local, regional and national level activities into an integrated area development program.

Our procedure was to review the available documentation on the history and development of the BRBDP and then to examine operations in the Bicol River Basin itself. There we held a week of interviews with the Executive Director and his Basin staff, the mayors of municipalities, the provincial governors and their staffs, the regional directors and provincial officers of the line agencies involved in the various integrated programs, the farm clients and their leaders, and other local or regional leaders. Several members of the team stayed for all or part of the following week for more intensive interviews in some areas. A total of over 40 interviews were held in the Bicol Region with either single individuals or small groups not counting a series of informal evening discussions. (Appendix C)

Another week was devoted to interviews in Manila with Philippine government authorities in the cooperating line agencies, including cabinet secretaries or their assistants and USAID officials. (Appendix D)

The goals we have sought in this evaluation are to provide the most comprehensive review possible given our time and resource constraints of the conceptual bases of the Bicol River Basin Program, its implementation to date, and its effectiveness in the areas of overall policies, planning, programming and budgeting, interagency participation and management strategies. We have then sought to use this information as a basis for recommendations of actions that might be considered to further strengthen the program, including the role of USAID, in the ongoing implementation of the Bicol River Basin Development Project. It is our objective to be as helpful as we can to those involved in the development of ways and means to move toward the ultimate goals. President Marcos has set for the BRBDP goal of bringing about a self-sustaining rise in the income levels of the rural poor in the Bicol River Basin.

We would like to thank the many individuals who gave so willingly and generously of their time, both in Manila and in the Bicol region. Without their cooperation and willingness to adjust personal schedules to meet our time constraints, we could not possibly have completed our task in the required time.

Secretary of Public Works, Transportation and Communications, the Honorable David M. Consunji not only gave graciously of his own time but through the Department's Planning and Project Development Office provided the evaluation team with office space and supporting personnel.

Secretary of Local Governments and Community Development, the Honorable Jose P. Rono; Assistant Secretary of Agriculture, the Honorable Jose P. Leviste, who at the time was Acting Secretary in the absence of the Honorable Arturo R. Tanco, Jr., and USAID Director Thomas C. Niblock all took time out from busy schedules to meet with

us for which we are most grateful. We express our special appreciation to Attorney Oscar M. Ravanera, Executive Director of the BRBDP for his valuable counsel and assistance and to the USAID Staff for their help throughout.

Finally it should be noted that it was not possible because of the pressure of other duties for all members of the evaluation team to participate in all phases of the field work and conferences. Virtually everyone, however, has shared in the writing of the report. In the process of this evaluation we have come to know and respect each other and are most grateful for this opportunity we have had to work together.

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Time constraints have allowed only limited editing and no opportunity for review by the BRBDP staff and others directly concerned. Until such review the findings and conclusions must be considered tentative.

AN EVALUATION

OF THE

BICOL RIVER BASIN DEVELOPMENT PROJECT

INTRODUCTION AND SUMMARY

The evaluation conducted in the Bicol River Basin and Manila and the presentation of the results in this report have been structured to meet our assignment in the most comprehensive way possible in the time allowed. The sections of the report following this Introduction and Summary begin with a review of the history and development of the Bicol River Basin Development Project (BRBDP) and its relationship to the introduction of the integrated area development concept in the Philippines as a whole. The historical section is in part an attempt to respond to an interest in having the documentation for the development sequence in the Bicol River Basin recorded in one place. It also serves as an introduction to the next section which discusses the general concepts of integrated area development and the directions it is taking, as a basis for reviewing not only the present role of the BRBDP but looking at where BRBDP might wish to go in the future.

There then follows a detailed look at how the evaluation sees the BRBDP working from the national, to the regional, to the local level and as between programs and agencies. Some individual projects within the program are looked at in the section as they relate to the general integration and development process or illustrate other relationships. Additional consideration is given the projects in a section which follows.

The report concludes with a look at possible future directions for the BRBDP and a section on proposals for possible consideration which have grown out of the evaluation process.

Summary

We start our summary of the report with the basic premise that integrated area development such as proposed for the Bicol River Basin is a highly worthwhile, very adaptable goal for not only the BRB but for many other developmental situations. We recognise the newness and complexities of the methodology and commend the Government of the Philippines and USAID for being willing to undertake pioneering efforts in such an important field of government policy planning and implementation. Over the last twenty (20) months BRBDP has made remarkable advances and it is apparent from our many discussions is already playing a key role in the region and in the life of people.

The selection of the Bicol River Basin meets a number of useful criteria for determining a priority development area. Success of its program will benefit the people of the region and help meet important national goals.

In the relatively short time it has been in existence, the BRBDP has recruited an outstanding staff which has made substantial progress in building data bases and moving on a number of project fronts in cooperation with or through line agencies.

It has experimented with various modern management techniques and is making use in varying degrees of several technical resources. BRBDP's beginning efforts have been focused primarily on some very successful physical planning of roads and water resources, flood control, irrigation and drainage. It also has work underway in farm management planning and has begun to look at the necessity for relating social planning to some aspects of the water resource development and rural development projects as they move into the implementation stage. The contributions of USAID have been important financially but the sensitive participation and assistance of the Project Officer and others have helped in developing the project concepts and ways of implementation.

The relationships to local and provincial government vary in effectiveness at this stage in the program. The newly submitted sub-basin project in Libmanan/Cabusao is an example of excellent cooperation at the municipal government level which augers well for enlisting the concerns of the individual citizens involved as the project goes forward. The interest of the provincial authorities in having Albay included in the BRBDP is another such instance.

Our evaluation notes the difficulties in getting appropriate social inputs in the planning stage and points to the need for developing ways of accelerating such inputs, as BRBDP moves into the implementation stage and as it evolves its comprehensive plan.

It is interesting to observe that the inauguration of the BRRDP has had a secondary effect of bringing increased interest and investment in the region from outside, from both public and private organizations. Rural banking facilities have been greatly increased and a large rural electrification project is underway.

Future Directions

The GOP has articulated its policies and defined the approach for rural development it wishes to follow over the next years. While the strategy for this particular program is for a river basin area, a more complete project design and implementation would have to consider its effects in the rest of the Bicol Region. The direction of development eventually cannot be limited to the program area. This further direction could well consider the BRRDP as an input to the Bicol regional organizational structure and planning process now being formulated by NEDA. The evaluation anticipates that the BRRDP planning capability will continue to expand and improve in quality over time and that management will be vested with appropriate authorities to fully execute the project. As this institutional process moves forward, USAID technical assistance is expected to be phased out. There will need to be a continuous dialogue between GOP and USAID regarding the nature and level of USAID inputs desired by GOP.

Proposals

The recommendations of the evaluation team are general and indicative of the forward-looking view as the operational framework of the team.

While we have initially set out towards a comprehensive reivew of the BRRDP, the intricacies of the organizational setup and their context in Bicol have forced us to limit our recommendations to broader recommendations dealing with fundamentals of the program.

In the chapter on Proposals we have covered the following aspects of the BRMDP: management and administration, project monitoring and information systems, technical staff and foreign assistance.

The Evaluation Process

Finally, we hope and believe that the evaluation process itself, the interviews, the discussions with each other, the development of the report, have contributed in a useful way to broadening the information base of the staff, USAID officials, the cooperating agencies and governments in the field, and the concerned individuals and organizations in government in the field and at the Manila level in a way which will contribute to the advance of this important program.

HISTORICAL SETTING AND EVOLUTION

Rural Development has been an articulated goal of the Philippine Government throughout the 1960s and into the 1970s. Until recently however, there has been little debate within Government circles on how best to promote rural development. It has been assumed, largely due to the highly centralized nature of government and the well established line agencies responsible for program development in the different sectors of the economy, that rural development could be adequately promoted through the independent planning and implementation of sectoral programs on a nationwide basis. The available cumulative evidence, however, tends to refute this basic assumption. Dualism in the Philippine economy among social classes and geographic regions of the country is becoming more rather than less pronounced despite large investments in various sectors of the economy. This is demonstrated by the considerable variation among regions with respect to income and poverty. In 1971, the median family income in the City of Manila was ₱5,202 (Manila is the highest income region with 1.4 million people). This was approximately three times that of Eastern Visayas (with 5.5 million people), Cagayan Valley (with 1.5 million people) and Bicol (with 3.0 million people), as the tabulation below shows.

	1971 Pop. (Million)	1971 Median Family Income	Distribution of Bottom 40% of Families	
			No. of People	C/A (%)
City of Manila	1.4	5,202	.10	7.1
E. Visayas	5.5	1,651	3.18	57.6
Cagayan Valley	1.5	1,652	.89	58.6
Bicol	3.0	1,874	1.56	51.3

In terms of numbers of people, the problem of poverty is overwhelmingly a rural one. In the three rural regions cited above 5.63 million people representing 56% of the population in these areas were in the "bottom 40%" of the income distribution.

Since 1972 the Government has recognized the need to evaluate and modify traditional economic development strategies in order to reduce the widespread economic dualism and improve standards of living with particular reference to the rural regions of the country. The substantive development strategy of the government that has evolved is based on implementation of a strong agricultural and rural development program including family planning. As a consequence, public infrastructure investments are now largely directed to rural areas in the form of irrigation, transport, flood control and rural electrification.

To efficiently plan and carry out its agriculture and rural development program, the government is consciously moving away from the highly centralized sectoral approach to development. Two new and mutually supportive development strategies have emerged. First, the government is pursuing a deliberate policy of decentralization of authority and responsibility for the design and implementation of development programs.

The expressed purpose is to increase implementation efficiency through a program of broadening the participation of local governments and regional offices of the national government in the development process. This is conclusively demonstrated by the high priority attached to the USAID-supported PDAP, whose central objective is to strengthen the administration, planning and management capabilities of Provincial Governments, and the decision of the national government to have Provincial Governors assume overall provincial responsibility for implementation of the Masagana 99 rice production program.

Second, the government has articulated a policy of promoting integrated area development. This strategy recognizes that rural mobilization and development is dependent on a host of activities and programs that are multi-sectoral in scope. Stated another way, while programs of irrigation, transport and rural electrification development are crucial elements in mobilizing the countryside, none are in themselves sufficient to initiate self-sustained growth of the rural sector. The Government is approaching the integrated area development of its rural regions on both an extensive and intensive basis. Regional Development Councils have been organized in all 11 regions of the country with the mandate to integrate and coordinate national and local development programs to bring out a balanced sectoral growth in the region.

The Bicol River Basin Program

The Area

The 312,000-hectare Bicol River Basin area comprises on the one hand accessible, fertile and potentially irrigable agricultural lands

and progressive farm communities, and tenancy, periodic flooding and low income on the other. Relative to the rest of the country, the area has shown a downward trend in its growth coupled with a high out migration rate of .9% per year. This shows a marked disparity between the supplies of resources and the demand of the population. The area also has an unemployment rate of 12% as compared to the national average of 7.2%. Value added grew at a rate of 5.3% compared to the national growth rate of 5.5%. It is not surprising, therefore, that the annual regional per capita income is one of the lowest of the nation's eleven regions.

The basin area has been chosen as the geographic management unit in order to integrate the problems caused by the absence of a water management program -- i.e., periodic flooding, poor irrigation, etc.-- with the vast, unexploited agricultural potential of the region.

The Bicol Planning Experience

The integration of the problem-solving and development-oriented approaches is envisioned to be performed by an interagency council -- the Bicol River Basin Development Council (BRBDC). The Council was established by Executive Order 412 (May 17, 1973) which also provides for Program Office to perform planning and programming functions and a Technical Assistance Group drawn from the University of the Philippines and other government agencies to act on a purely advisory level. (Appendix E)

The Council was preceded in the 1960s by two semi-autonomous bodies -- the Bicol Planning and Development Board (BPDB) (July 27, 1965 under E.O. 159) and the Bicol Development Company (BIDECO) (1966, under R.A. 4690). Both of these units were supervised directly by the National Economic Council (NEC) and the Presidential Economic Staff (PES). Coordination was supposed to be done on the national level (NEC-PES and the BPDB-BIDECO) as well as the regional level, i.e., between the BPDB and the BIDECO.

The integration process was a result of the efforts of several sectoral units, particularly the Agricultural Credit Administration (ACA) represented Mr. Jose C. Morano and the Archdiocesan Secretariate for Social Action (ASSA) represented by Msgr. Teopisto Alberto and Father Jose. T. Sanchez and the private sector represented by Attorney Oscar Ravanera and other rural bankers. These bodies evolved their own concepts of compact farming, partly based on the Pangasinan compact farm prototype (the "Saranay").

The first conference relating the programs of both groups was held in 1970 (at Ateneo de Naga). It was attended by representatives of various government sectors -- Gerardo Sicat (now secretary of the National Economic and Development Authority), General Fidel Ventura of the Engineering Corps of the Armed Forces of the Philippines and Messrs. T. Niblock and F. Sheppard, Jr. of the USAID. At the time of the discussion, a prototype compact farm unit for Bicol had been established - i.e., the Inginan, Minalabac experiment (1970).

As formulated the program was directed toward the eventual synthesis of the approaches of the ACA -- unity in production and marketing -- and the ASSA-Rural Bank -- solidarity of mutually compatible loan applicants. Thus the plan for Bicol proceeded on a two-pronged strategy -- linking of production (supply and delivery systems and the linking of inputs (particularly capital loans) to production (outputs).

In February 1973 an interagency committee drafted the initial blueprint for development for the Bicol Region composed of representatives from various government agencies and USAID under the guidance of the NEC and PES. This report -- the Bicol River Basin Development Program (popularly referred to as the "Blue Book") -- was preceded in September, 1972 by the Province of Camarines Sur and the lower Bicol River Basin report of the Camarines Sur Interagency Survey Team and in October 1972 by the Draft Report of the Bicol Development Planning Board. Board Program for the Development of the Bicol Region. A revision of the "Blue Book" is presently under study at the University of the Philippines Los Banos.

In 1972 the NEC and the PES were replaced by the NEDA and DMS, respectively. Planning and implementation was vested in NEDA which programs and monitors all the various departmental/ agency plans.

Planning then proceeded on a project-to-project basis where each government agency, both on the national and local levels, submitted their respective projects for approval to the NEDA.

While micro-level planning for detailed feasibility studies occurred on the municipal/city level, general macro-level programs were formulated by the NEDA and packaged into a single framework plan (the Four-Year Development Plan). Regional authorities were introduced in 1974 but none of them have been fully operational as both planning and implementing agencies.

Adoption of the Integrated Area Development Concept

A pilot Integrated Area Development project was created in the Bicol River Basin by E.O. 412 in May 1973. In December of the same year, a Program Agreement (Pro-Ag) was signed with USAID, which defined the financing aspects of the project.

Later on, the President, through Letter of Instruction 99 issued on July 10, 1973, authorized the formation of the Cabinet Coordinating Committee on Integrated Rural Development Projects which also involves projects elsewhere in the Philippines. The Committee's Board of Directors consisted of the secretaries of seven departments directly concerned with the integrated area development approach -- Agriculture (also acting as chairman), Public Works, Transportation and Communications, Finance, Local Government and Community Development, Agrarian Reform, Natural Resources and Public Highways -- and the Director-General of the NEDA. A technical staff was set up with staff members drawn from the various departments included in the Board of Directors. This staff then took over the management of the Cotabato-Agusan River Basin Program of the Mindanao Development Authority (MDA).

This new integrated strategy for rural development, geared towards the replacement of the traditional project-by-project approach, expedited in effect the planning process. Concretely the new approach looks to eliminating unnecessary bureaucracy associated with regional planning.

The BRBDP represents the initial program for the Integrated Area Development approach which would be adopted in other river basin areas. (The government identified seven major river basin areas -- 5 in Luzon and 2 in Mindanao).

Planning for the river basin is premised, at the national level, on the goal for increased food production and at the same time confronting the problems which plague these major food-producing regions -- e.g., periodic flooding, poor irrigation and drainage systems, etc.

The Role of BRBDP

The Bicol River Basin Development Program is to be viewed as the Government's initial effort towards intensive sub-regional integrated area development. The Program is innovative in several respects. First, a comprehensive systems approach to planning and management is being attempted which integrates physical infrastructure requirements (e.g. irrigation, flood control and transport) with social and economic requirements for rural development (e.g. land reform and development of farmer support systems). As a consequence the Program has assumed a multi-disciplinary and multi-sectoral dimensions encompassing such diverse sectors as water resources, transportation, agri-business, crops, livestock,

fisheries, agricultural credit, agrarian reform, health and nutrition. This contrasts with past development strategies which have narrowly focused on project or sectoral programs with relatively little consideration given to inter-project or inter-sectoral relationships.

Second, the Program is specially targeted on the development of a major sub-region of the country with high growth potential -- the 312,000-hectare Bicol River Basin. In the past, development plans in the Philippines have not accorded priority to regional or sub-regional development schemes. Finally, the development of the Basin has not been defined in macro-economic terms but rather in terms of the incidence of benefit accruing to the residents of the River Basin. The Program objective is to increase per capita income among the Basin population with particular reference to lower income groups. Traditionally, Philippine development plans have emphasized growth in GNP and have not treated the problem of equitable distribution of income derived from economic growth.

In summary, the Bicol program is the product of an interagency, multi-disciplinary effort prepared under the leadership of the Secretary of the Department of Agriculture and the Secretary of Public Works, Transportation and Communications. The selection of the Bicol River Basin watershed area for development is explained by the coincidence of the assets of a potentially rich agricultural base and a progressive farm community, on the one hand, and problems of high tenancy, periodic flooding and deficient infrastructure on the other. The basin lies in one of the nation's key agriculture areas as identified by the Department of Agriculture and is one of the six priority areas covered by the

Government's land reform program. The Bicol River Basin Program has been incorporated into the four-year (FY 74-77) development program of the NEDA as the Government's initial pilot effort in integrated area development.

The program, and the integrated area planning concepts which form its base, represents the beginning of a second and more complex stage of Philippine institutional and economic development. The adoption by the government of the area development concept as national policy, as embodied in the Bicol River Basin Development Program, could represent a distinct improvement over the previous procedure of planning along sectoral and/or agency lines and on a project-by-project basis.

Beyond the general concept of integrated area development, the Bicol River Basin Program represents a specific form of area development -- the river basin model -- to attempt to achieve the national, economic and social development objectives within the physical realities of the Philippine rural sector.

In the Philippines, sub-regional programs focused on the major river basin watershed areas can yield substantial economic as well as social benefits, consistent with the dual objectives of growth and welfare enunciated in the Four-Year Development Program. In an agricultural context the nation's seven major river basins constitute the majority of rich, accessible, and potential irrigable lands; the river basins account for production of more than half of the nation's

principal food staples -- rice and corn. In social terms, the majority of small rice and corn farmers to be benefited from tenure improvement as a result of the Government's Land Reform Program live within the nation's complex of river basins.

The river basin model can serve as the logical geographic focus for an area development program because of the opportunity to integrate economic production oriented objectives with social-welfare objectives. As a specific case, the Bicol River Basin can provide a focus for development because of its attractive economic possibilities within a regional setting. The development of the Bicol River Basin sub-region may well serve as a growth pole to stimulate development throughout the six provinces comprising the Bicol region -- Camarines Norte, Camarines Sur, Albay, Catanduanes, Marinduque and Sorsogon.

INTEGRATED AREA DEVELOPMENT CONCEPTS AND CONSIDERATIONS

The evaluation initially set out to examine, analyze and report on the documentation and experience to date in program and project planning and implementation of the ERDDP given its goals and objectives. The intricacies of the IAD approach to rural development and the context in which ERDDP activities are operational have made desirable a review of rural development concepts in the integrated area development context.

Development of the Integrated Approach

The integrated approach to development planning and implementation surfaced for domestic use in Israel, the United States, and several European countries in the late 1950's and early 1960's. The Netherlands, for example, was concerned about differential urbanization and inter- and intra-regional income inequities. Discussion of the need for integrated agricultural development implying an area or district-based approach appeared in the international literature of the mid-1960's based on Indian experiences with the sectoral approach. Integration in this case was concerned primarily with forward and backward linkages (input supplies and product markets) of the agricultural production process. Since the late 1960's, there has been a steady flow of reports on the characteristics of and the need for integrated (rural) area development.

In recent documents Lele (1974) and Mellor (1973) have defined integrated (rural) area development (IAD) as the process of bringing about a self-sustaining improvement in the levels of living of the mass of the population residing in rural areas. This definition is consistent with the objectives of the U.S. Congress as delineated in the Foreign Assistance Act of 1974 to be implemented by USAID: ". . . United States bilateral development assistance should give highest priority to undertakings

submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries..... Increasingly the emphasis on rural development and extended food production is a matter of social justice....." It is also consistent with the goals of the Republic of the Philippines as expressed in the IAD position paper of the Cabinet Coordinating Committee on Integrated Rural Development Projects (see Appendix F).

Concepts and Considerations

Careful Specification of Objectives

IAD in its broadest sense is a method, a process, and an objective. It seeks to involve all people and encompasses all rural life in a transformation from traditional orientations toward reliance and acceptance of science and technology with the ultimate objective of improving the quality of life for all the people. IAD programs and projects are activities which are intended to intervene, to accelerate this IAD process. Goals as well as immediate objectives explicitly direct IAD program planning and project formulation.

The direct and indirect social (economic and non-economic) benefit (or cost) of programs and projects depends on which interests are being considered. The national vs. the local, the elite vs. the peasant, the commercial farmer vs. the landless laborer. Given the diverse character of the population and the problems in analysis introduced by information aggregation, actions intended to benefit may have negative or detrimental effects in a more comprehensive cost-benefit context particularly in the long run.

The time dimension of the benefit-cost calculus is also important. Net benefits when discounted to present value often place priority on projects with relatively short gestation periods. Immediate action projects showing visible progress in the short run will also obtain support for comprehensive programs that more adequately take account of the complicated nature of the development process about which society must be concerned in the long term. Successful IAD programs will consist of major infrastructure projects and institutional development yielding substantial pay-offs in the long run together with minor infrastructure projects and externally-supported technical and financial assistance providing more immediate returns.

Even when the goals are explicit, a clear and comprehensive knowledge of the way to achieve them may not be apparent. IAD includes aspects of an experimental or trial-and-error nature in <u>each</u> specific project situation. A project or program rarely will be successfully implemented without substantial modification to tailor it to the specific interests, needs and resources of the target group. IAD project and program efforts are therefore structured to reflect a plan-implement-evaluate-modify cycle. A properly incorporated evaluation mechanism requires not only continual feedback but also responsive decision making. Feedback and modification thus require either substantial delegation of authority to the field or a well-structured and effective communication mechanism.

<u>Nature of Integration</u>

Topdown planned programs rarely include local institutional development. Institutionalization of the development process is only indirectly related to most project goals and is slower in providing visible signs of

progress. Local institutionalization of the development process involves restructuring of indigenous administrative and other organizations often not capable in terms of goals, coordinating authority, primary mandate and skills. As long as development planning and implementation activities are not locally institutionalized, the development process does not become self-sustaining and outside intervention continues to be required.

IAD is a multifaceted process. Unless many interrelated social and economic factors have strong potential for rapid and spontaneous adjustment, no single factor such as water resource development can be viewed as the constraint to development. Experience in the planning and implementation of a particular type of program or project and lack of experience in other aspects of IAD is not sufficient criterion for developmental resource allocation in either the planning or implementation context. IAD is a broader task than that encompassed by sectoral programs such as increasing the level of agricultural productivity and output or developing efficient water resource utilization, particularly in terms of the long run.

A program which is built around a particular factor, if not properly designed and implemented, will have a greater chance of failure. The integration process encompasses comprehensive as well as sectoral, technical as well as political, and local as well as national concerns.

Comprehensive vs. Sectoral Concerns

Programs to achieve national goals tend to be associated with specific sectoral or line agencies. Each agency tends to specialize and concentrate on the planning and implementation of its own programs as a legitimate execution of its mandate and functions.

A successful IAD effort assumes that specialized interests see the development process in the same perspective and fit their work into a

common endeavor. In order to make the most efficient use of developmental resources, the IAD coordinator is alert to prevent distortion of the program by rivalries among the specialist groups--irrigation versus navigation, power versus flood control, physical infrastructure versus institutions. There need to be a common vision and a common purpose.

A single agency often is designated to carry out area development planning and implementation activities in an integrated manner. The organizational character of such an agency can take various forms. When an already existing agency is assigned to this task, it may be more difficult to secure unified direction of the various program parts. Sectoral agencies burdened with rigid procedures find it difficult to meet the needs of a new and complex activity or key executives to give the required time to one specific IAD program. An existing line agency can have existing staff and resources that may be utilized in the new effort. Such resources make it possible to rapidly build up an IAD planning and/or implementation capability. This approach may lead to incomplete integration because the agency judges program plans, policies and projects within the framework of its previous sectoral point of view.

An agency created especially for IAD planning and implementation has the advantage that it can focus all its attention and resources on the discharge of its single responsibility. As a new organization, such an agency is more likely to be free from restrictive administrative procedures and the narrower sectoral perspective that handicap the start of new programs in sectoral agencies. However, it still must create new arrangements for collaborating with existing national and local organizations and citizen groups concurrently with recruitment of new staff.

The IAD agency may be given the character of an independent authority or an interagency coordinating body. Whereas an authority is judged on

the basis of the relative achievement in coordinating and integrating sectoral agency projects and related activities within the area. An authority will tend to develop its own technical expertise duplicating that of sectoral agencies and integrate them within the authority. An IAD agency that develops expertise parallel to that of sectoral agencies instead of expertise engaged in coordinating IAD activities will tend to assume the role of an authority and in time will rely less on coordination.

Technical vs. Political Concerns

Support for a particular developmental resource allocation decision may be obtained in two ways. Support may be obtained through negotiation and political trading. Alternatively, support may be obtained through systematic analysis and evaluation of the alternatives. Safeguards need to be incorporated in the decision-making process so that "bad politics" do not override good analysis; conversely, safeguards are also needed to ensure that bad analysis does not override "good politics." One solution is to submit such conflicts to higher level political and/or analytical authority for resolution to ensure decisions which will meet the long-term needs of the country and its people.

Local vs. National Concerns

Time, resource, administrative and similar constraints placed on the IAD effort may limit cost-effective projects and programs. A practice of considering only projects which can be completed in a year or two, or to address only physical infrastructural needs may not result in the optimal allocation of developmental resources. Generally desirable national policies also may be counter-productive in given IAD contexts. The desire for low food prices intended to benefit low-income urban families may result in major additions to the numbers of such families when rural families faced with inadequate income prospects migrate. Import restrictions

intended to alleviate balance-of-payments problems may exacerbate such problems when needed equipment and parts are difficult to obtain and domestic development is impeded.

The development experiences of the last decade have strongly suggested the need for a sub-national development organization without the usual sectoral program or project biases. Program and project activities are not considered as entities unto themselves. The objective becomes IAD, not forming a cooperative or constructing an irrigation system. It is viewed as the transformation of traditional rural cultures. It is extremely complicated and it takes time. Effective program and project actions are more difficult and costly when they are in conflict with existing social and economic institutions. Small gains with involvement and modest funding over time are more apt to produce lasting results than big money hastily spent without involvement. Expenditures need to be relative to involvement of the people, their leadership and initiative, and their capacity to absorb funds for IAD. Optimal selection of means to the IAD end requires careful specification of program and project actions to complement and build on the existing initiative and resource potential of the area.

Sometimes agencies oriented to planning and implementation of massive large-scale projects become involved in IAD efforts. When maxi-infrastructure and similar projects are pursued to the exclusion of mini-infrastructure and other people-level projects a void is created. When small-scale activities at the village and hamlet (barangay) level are overlooked and IAD efforts lose the people, the institutionalization of the development process fails. Technical resources can be developed and made available to elicit as well as respond to requests from the local level for assistance. The people expected to benefit from development need to be involved in the

development process and have an early sense of identification with the program. Water resource development in a river basin, for example, will be most effective when both the ultimate sources and the ultimate users--watershed protection, small-scale irrigation and soil conservation--are included in a comprehensive and integrated people-oriented plan and implementation process. As suggested in what is commonly known as the Ranis report, "Here it is only at the barrio and at the sub-municipal level that an accurate determination of the real needs....can be made. ....Along with this willingness to let the barrio determine its own priorities, there must be a better coordinated system enabling the agencies of the Government to respond more effectively to the requests from below regarding the manner of accomplishing certain infrastructural tasks. . . Vertical communication from below to the network at the provincial and regional level representing the upper levels of the Government, as well as the horizontal coordination among the various agencies of the central Government, must be part and parcel of this effort and its relevant infrastructural programming. Maxi-infrastructure of the more traditional variety would continue to be carried on by better coordinated networks of the national Government; mini-infrastructure and intermediate level infrastructure would be planned and executed by the barrio ..... with technical help from above."*

The Integrated Area Concept of the ERRDP

In the context of its general policy to initiate development in the rural areas, the Government of the Philippines considers IAD to be a viable and likely successful approach. (See Appendix F.) The stated overall goal of Philippine IAD programs and projects is to bring about a

* This citation is from pp. 36, 37 of Sharing in Development: A Programme of Employment, Equity and Growth for the Philippines, Geneva: International Labour Office, 1974. For additional discussion of the integrated rural area development process and a bibliography of recent literature on the subject, see H.A. Green, Planning and Information: The Need and the Potential for Rural Development, Occasional Paper in Economic and Sector Planning No. 1, Washington: USAID, forthcoming.

self-sustaining rise in the income levels of the rural poor beyond the poverty line. Specific objectives corollary to the attainment of this goal include (1) increased productivity of the rural area; (2) higher national output; (3) more even income distribution; (4) wider employment opportunities; (5) greater participation of the rural people in productive endeavors; (6) improved physical environment and general quality of life; and (7) better functional and spatial relationships within and among rural and urban activity systems, these leading to political integration.

The overall strategy to achieve these goals and objectives for national and regional development includes:

1. overall development policies, particularly with reference to the objectives of economic efficiency, social equity, ecological balance, and improved general quality of life;
2. land use and development strategies for both rural and urban activity systems;
3. distribution of the population over a hierarchy of interlinked human settlements; and
4. institutional policies, including tenure and local participation.

Within this overall strategy or framework, IAD is viewed as a sub-strategy initiated to give rise to the programs and projects for investments and services needed for productive activities, supporting infrastructure, social services and delivery systems. The IAD approach is intended to reach the rural poor target population in order to raise their productive potentials, open up new opportunities for improvement, and to provide the basis for a sustained rise in earning levels.

A problem orientation is viewed as essential to the IAD strategy in the Philippine context. Crucial bottlenecks and problems of development felt by the people are identified together with the relevant factors

behind them, their degree of significance and their interactions. On the other hand, the resource potentials-human and material - are identified, and then directed in a coordinated manner toward overcoming the bottlenecks. With comparison of the problems on one hand and the potentials on the other hand, key projects can be identified which will become the focal point for other inter-sectoral linkages and other environmental implications of the projects.

The IAD approach is ".... pursued within a system of inter-dependencies such that the package of interrelated investments and services are made to reinforce each other, critical gaps and conflicts are identified and planned for, and the collective benefits from the program are greater than in the individual project approach". (Appendix F) A comprehensive IAD plan is expected to emerge from the problem source identification and analysis process.

Due to the scarcity of resources compared to the needs of development, a system by which priority areas can be selected for IAD efforts was specified. The selection criteria on the basis of need emphasized the following:

1. Areas with high tenancy rates.
2. Relatively underdeveloped areas with development potentials in more than one sector of the economy measured by certain indicators.
3. Areas whose inhabitants have incomes within the lowest income bracket - i.e., average annual family income below P2,500 per year.
4. Areas with potentials for swift development as measured by certain indicators.

5. Areas requiring relatively small incremental investments to generate high benefits.

Within these general areas of need, selection on the basis of potential were considered:

1. Leading Agricultural Areas
   a) Soil type - suitable for agriculture
   b) Slope - 0-300 meters elevation
   c) Climate - not frequently visited by typhoons
   d) Availability of irrigation water source
   e) Proximity to population center
   f) Proximity to market
   g) Transportation
   h) Adequacy or ease in providing extension facilities
2. Leading Tourist Areas
   a) Uniqueness of tourist attractions
   b) Concentration of tourist attractions
   c) Availability of accomodation facilities and ancillary services
   d) Accessibility to transportation with special emphasis on air transport
3. Land Reform Priority Areas
   a) Priority should be given to rice and corn areas cultivated largely by tenants
   b) Priority should be given to rice and corn areas having the highest tenancy ratio
   c) Priority also should be given to rice areas having the highest ratio of irrigated lands.

4. Leading Mining Areas

   a) Quality of resources in the Philippines in comparison to world production

   b) Value of production on the Philippines in comparison

5. Leading Industrial Areas

   a) Employment in the manufacturing industry, by industry group

   b) Fixed asset in the manufacturing industry, by industry group

   c) Production in the manufacturing industry, by industry group

6. Leading Fishing Areas

   a) Existing water resources

      Fishponds, lakes, rivers, dams, deep-sea

   b) Potential areas

      Swamplands

   c) Existing Production

   d) Other inputs and services

      Fishing vessels, capital, number of fisherman (manpower), ports

The MRDP is the government's initial effort towards intensive sub-regional IAD planning. The program, as stated in the 1973 Blue Book, consists of three important points of consideration: (a) that the basin delineation corresponds to a "delimited geographic area" which comprises both the problem (flooding) and the potential (high agricultural production) in the area; (b) that the program utilizes a systems approach, integrating in effect various components of the planning process -- goal specification, problem analysis and implementation; and (c) that the program proceeds from the Camarines Sur Program (the Green Book 1972) encompassing in effect virtually all aspects of development -- geography, settlement patterns, natural resources and feasible investment projects. Overriding this is the

objective of providing immediate irrigation and drainage systems which serve the needs of the people -- i.e., to respond to their aspiration for water resource management.

The program also is considered to be innovative in several respects: (1) it is the first pilot project with a strong mandate for planning and implementation; (2) it is targeted toward an area - a river basin - which is different from the traditional province or municipality/city grouping; (3) it will make use of comprehensive systems approach to developmental planning and implementation; and (4) it will integrate and coordinate the programs and projects of various government agencies into one unified comprehensive approach to developmental of the region.

Closely related to IAD is the national concept of rural development with forms the background and the content in which IAD is to function. Generally the government has viewed rural development as being (1) strongly linked to its agrarian reform program and (2) together with development of small-scale, cottage or backyard industry the means to rural mobilization. On another level, the NPWRC has emphasized the need for (3) labor intensive methods of implementing rural development programs. NEDA has also stressed the need to package regional programs, integrating planning with implementation.

The general strategy for rural development emanates from the original need to redistribute income not merely among classes (rich to poor) but also among areas (Manila metropolitan area to the hinterlands). The movement towards the rural areas therefore is designed to both maximize the "idle" resources in the hinterlands and to initiate rural development through agrarian reform and related support programs.

Thus, the need to relate sub-national levels of planning to the overall goals and policy framework of the government has forced the

BRIDP to operate with a multiplicity of objectives: to increase agricultural production; to increase employment of the farm population; to redistribute wealth; and to promote agro-industrial and industrial development.

THE BRBDP EXPERIENCE

Our inquiry into the BRBDP experience in IAD planning and implementation was approached on four distinct levels of integration--(1) institutional and political; (2) problem analysis; (3) project/program definition and (4) local participation. We have examined them in terms of the following aspects -- (1) the presence or absence of a functional institutional integration, particularly with respect to the interface of technical activities with management and political concerns; (2) the relationship especially in decision making, of the national to the local agencies and the role a sub-regional coordinating agency or authority should take in integrating national with local programs; (3) the viability of developing and using comprehensive systems approach to planning vis-a-vis the traditional sectoral, project-by-project approach; and (4) the process of linking goals and objectives with programs, particularly the process of goal specification in relation to project definition and implementation.

Technical and Political Integration

The national government views the BRBDP as an experiment in integrated area development. As practiced to date, the operating philosophy of the BRBDP places maximum emphasis on integration of the program by coordination of existing line agencies. This relationship of the BRBDP with line agencies is not founded on a formal arrangement but on a person to person basis at the regional level, with little assurance of continued participation.

Crucial to the BRBDP mode of operation is the responsiveness and sensitivity of personnel, especially management, to essential changes and modifications in planning and implementing field operations. The Program Office has limited authority to deal with unplanned changes. The BRBC has not been granted the legal status of a presidential decree and the sometimes part-time management often causes delay in decision making. As an example, the Executive Director has been assigned full-time by the National government on the local government audit team during the month of June.

Within the cooperative framework of integrated planning with implementation, the BRBDP operates with an organizational staff composed basically of three types: 1) BRBC contracted technical and administrative staff; 2) joint line agency-BRBC employees with NIA, DAR, DLGCD, etc. acting in official capacity; and 3) external technical assistance personnel from domestic and foreign consultants for specific projects. The consultants conduct training seminars and special project studies with the basin staff.

The organization has advanced rapidly in developing capability for conducting high quality feasibility studies as evidenced in the projects for: (a) Libmanan/Cabusao, (b) Feeder Roads, (c) Pilot Land Consolidation, and (d) the Quirino Highway. However, given the limited professional staff available to the project and the perceived bureaucratic and political need to "get on with things", comprehensive planning has been in large measure subordinated to project planning in the short run. Over time the Basin should seek appropriate authority to build sufficient staff strength to

plan comprehensively while not forsaking its project planning responsibilities.

National vs. Local Integration

The national government has embarked on a two-pronged approach to development intended to compliment and reinforce each other. Insufficient food production and disproportionate income distribution among regions caused the government to initiate a strategy of integrated basin development. The bulk of the nation's rich, accessible and potentially irrigable agricultural land and the vast majority of farmers are in these basins. At the same time, the country has initiated a program (Provincial Development Assistance Project) of strengthening provincial government capabilities to enable them to support development efforts at the provincial and regional levels.

In the efforts to improve provincial development capability, the PDAP and the Department of Local Government and Community Development (DLGCD) were created. The PDAP objective to strengthen provincial infrastructure capability, planning and management capability, and tax administration are in harmony with BRBDP interests and they promote BRBDP objectives.

Crucial to national and local integration is the pinpointing of responsibility in the over-all thrust towards integrated basin development. There are certain activities that can best be done on the national level, as well as activities done locally. For example, maxi-infrastructure such as flood control, electrification, land reform, credit policies, and some road systems are best done by the national government. On the other hand,

certain projects such as crop diversification, extension services, and irrigation can best be done on the local level. Interphasing of these projects so that they become integrated, and local participation whether elicited through information or spontaneity, can be so programmed, if the various agencies are aware of their responsibilities and contributions to the over-all development effort. At present, most development efforts within the Basin are not yet that fully integrated with the local government structures (e.g. Provincial and municipal) to maximize local participation.

The national government must provide a mechanism and policy framework, heretofore lacking, by which BRBC, line agencies and provincial government in the Basin can make their efforts complementary within their respective roles.

An example of what is sought in integrating with local people is in Tigaon although this project was not initiated by the BRBDP. In Tigaon, the people themselves initiated development and asked sectoral agencies to support their activities. The project was implemented with the active participation of the rural community in the betterment of their own lives. The approach in Tigaon is integrated internally. Though not a pilot project, a lesson as to the value of local involvement can be learned from Tigaon and applied to the other existing pilot projects.

Planning is a process which includes the identification of the problems, needs and preferences of the people who are going to be affected by the program and project activities. Top-down planning conducted in the basin does not permit sufficient involvement and sensitivity to the needs perceived by the people. Active project planning and implementation in

the Bicol River Basin needs more support by an appropriate clientele information and feed back system so as to involve local preception of need into the planning process and to develop informed client concensus support.

The priority given to soliciting the cooperation of the people is not clear from examination of BRBDP projects. Expressed attitudes of the BRBDP staff and sectoral agencies are mixed in terms of a two-way decision-making negotiation process involving the local people. Most staff members strongly espouse one or the other of the two views.

Comprehensive vs. Sectoral Integration

In the integrated approach adopted by the GOP, sectoral delimeations are removed in favor of a comprehensive direction with objectives which serve as the common reference points for the various sectoral line agencies. Moving to a more comprehensive approach would help assure that the benefits and impacts from activities of the various agencies are maximized and mutually reinforcing. However, crucial interphasing depends upon the formulation of a specific over-all direction requiring comprehensive planning instead of sectoral or project approach. At this time in its evaluation, as we know, the BRBP is primarily a multi-sectoral project as opposed to a planned comprehensive program. This project to project approach is problem oriented to the basin needs and can be commended in terms of its relevance in meeting real needs of the area.

In the absence of a Comprehensive Framework Plan and goal specification, the BRBDP has been handicapped in its full integration of

objectives at the program and project level. To a considerable extent BRBDP has been able to operationally integrate line agency actions to meet limited and specific objectives. BRBDP plans and policies, and projects at the beginning showed a sectoral emphasis as projects were set up to meet single objectives. However, later projects have come to recognize common multiple objectives within a project and among the various projects. The lag in recognizing multiple objectives has been due in part to the sectoral focus of the agencies in the project planning process and in part by sectorally oriented employees of BRBDP. Consequently, complementary objectives derived from the overall goals of IAD may not be operationalized in given project contexts. Direction towardsan more comprehensive approach to objectives is attempted in Libmanan/Cabusao project and the Comprehensive Water Study. Pilot projects such as the Bula Pilot Land Consolidation Project, test concepts, models, and form. At the same time they have direct and immediate benefit to the farmer.

The Basin management is aware that the current plan is not fully comprehensive at this time and hopes to complete a fully documented plan in the coming months. The development of a comprehensive plan was intentionally delayed until sufficient action programs were underway to demonstrate the viability of comprehensive, integrated planning in the development of the Bicol River Basin. Now that the immediate and long-run worth of the project has been demonstrated, additional resources can be allocated to comprehensive program planning to provide proper integration of the individual project plans.

Goal Specification and Project Implementation

The overall objective of the BRRDP is to obtain a self-sustaining increase in income levels in the Bicol River Basin area. Other strategies include using the IAD approach, involving the people in the development process, developing the institutions of the region, using the pilot project approach to develop methods and techniques, and removing critical constraints, particularly those of a maxi-infrastructural capital-intensive nature. A politically-based objective has also been to show tangible and visible progress in the short run.

Statements of goals and objectives and even strategies do not provide the basis for program operation and project implementation needed by the BRRDP staff. For example, the criterion required to establish a balance between maxi- and mini-infrastructure and between long-term and short-term efforts is not explicit. How critical to program success is involvement of the people? When the actions are to help them, does it matter if they don't understand? The need for program direction is particularly evident when objectives are conflicting and involve trade-offs. Without identified decision criteria the BRRDP decision-makers -- particularly those involved in the social and economic aspects of the program -- are clearly handicapped. In the absence of a comprehensive operational plan, it is difficult to trace the linkage of specific project to the overall goals.

The BRRDP staff is aware of the need for an operational comprehensive framework plan as well as the dilemmas caused by its absence. Such a plan should be based on a comprehensive analysis of the physical, social and economic system which characterizes the region. The needed analysis has not

been carried out except on in an ad hoc project-need manner since the BRBDP staff has had neither the time nor the information to conduct such an analysis.

It is evident that the BRBDP has been under extreme pressure to develop quick-action projects -- those which will get underway quickly and show signs of progress and benefit in a short time. In the case of its flood control activities the BRBDP was successful in getting the construction of Cut-off Channel No. 3 postponed until a more comprehensive analysis of the river basin water system could be made. In the case of the livestock project the staff was not so fortunate. The BRBDP became involved in actions which a more comprehensive analysis of project needs might have prevented.

The dearth of basic data relevant to the basin area necessary to rationally operationalise program and project planning is obvious to the BRBDP management. This pragmatic recognition has resulted in priority being given to information-generating pilot projects as well as explicit data collection activities such as the SSRU program, the Inter-modal Transport Study, and the Hydrometero Data Collection work. The pilot project approach has to large extent localised the impact of BRBDP activities. This approach in the absence of a Comprehensive Framework Plan has caused some of those involved to view the projects as ends in themselves and not as means to basin development. Basin-wide functional and spatial planning is essentially non-existent except within a sectoral context.

As noted in the previous section of the report, a main function of external intervention in the development process is to stimulate the development planning and implementation potential within the area. The self-sustaining character of development is obtained when the

development process continues after outside intervention is terminated. Successful cost-effective institutionalization of development is not simply a function of the amount of financial support available but requires actions which will develop and build on the human as well as physical and economic resources existing in the local area.

The experience of the ERRDP in planning projects with respect to the institutionalization of the development process have not been universally positive. Effort is being made to ensure that projects are directed toward the self-sustaining capability. A good example is the compact farm effort which now is being structured such that the farmers themselves will become involved in the planning and implementation of their own projects.

OTHER MRRDP EXPERIENCE

Progress in Achieving Programmed Objectives

This evaluation focuses on the critical organizational and conceptual elements of the MRRDP necessary to achieve integrated area development. After a summary review, several individual projects were examined in depth to determine planning procedure, total system planning, coordination between agencies and integration at the local level. Progress to date of individual projects in the USAID/GOP project agreement was found to be accurately reflected in the MRRD's annual and monthly progress report. Basically, progress in implementation was compared with expenditure of resources through the third quarter of FY 1975 and projects logging in performance showed a comparable leg in expenditure. At that time four of the twelve projects were behind schedule but in some cases deliberately so to re-examine their premise or because of later data on impact.

Projects and activities examined in detail were: The Libmanan-Cabusao Integrated Area Development Project, the Pilot Land Consolidation Project, the Social Science Research Unit Evaluation Project, Livestock Production, the Compact Farm, and the Proposed Area Development Team.

Libmanan-Cabusao Integrated Area Development Project

The Libmanan-Cabusao Project was looked at in depth because it is the latest completed planning effort. From this most recent effort, current judgments were made as to the organizational planning capability of the MRRDP. The overall judgment of the team was that this was a well conceived and planned irrigation project. Care was taken in identifying

the initial pilot site that it would not result in conflicting development objectives with the Comprehensive Water Resources Development Plan now being undertaken. Excellent coordination existed between the sectoral agencies and the local government. Local involvement in the project planning below the local government level (municipality) was not evident. Further investigation of the team into how the project would be integrated to the barrio and individual farm level showed that part of the integration concept still being formulated.

Integration at the farm level is currently conceived around a) an Irrigation Association to manage, operate and maintain the completed system, b) compact farm water management groups and c) an Area Development Team composed of local political, farm and business leaders. Judgment as to the future success in integration of this project at the local level must wait until implementation planning has been completed.

Pilot Land Consolidation Project

The Pilot Land Consolidation Project has been planned and is currently in the implementation stage. Effort was made to determine the effectiveness of integration at the local level. An informal sample of local leaders and farmers involved with, or directly affected by the project were interviewed by team members. The project is considered only marginally successful at this point in enlisting the full interest of the local leaders and farmers in support of this project. It was still identified to do some whatever as those affected just remained passive. Ideally the integration process will bring the active support and enthusiasm of the local client

group to the point that they consider this their project.

Planning coordination between sectoral agencies on this project appears to be effective and the project was well conceived technically. Longer lead time in soliciting and developing local support might have provided opportunity for improved integration of local farms in the planning and implementation process. At present, the farmer-tillers living at a bare subsistence level fear their precarious economic situation may be endangered during Land Consolidation. An SSRU study shows that 79% of those farmers interviewed preferred staying where they were than to risk upheaval in their precarious situation. Their reaction is partly explained by the fact that the concept is not understood by farmers in the area.

The SSRU has recommended these to consider clientele needs:

1. ".....knowledge of the people. <u>If they resist a plan, they have good reason to do so</u>.
2. ".....there is obviously need for a renewed effort at transmitting to the people information <u>regarding agrarian reform</u> (including the procedures involved) and the <u>land consolidation scheme</u>."
3. "farmers must be <u>reinforced</u> as they participate in the activities and procedures related to agrarian reform and land consolidation." It is here where pilot projects in livestock and on-farm water management (the other two are on-going pilot impact projects) can do pioneering in integration.
4. let ".....land consolidation begin, where possible, with <u>those who</u> have expressed a willingness to be involved in it.

We might add that is is not unusual for people to avoid anything they do not understand that radically alter their lives. These suggestions were given in May 1974 as amended in February 25, 1975.

The Role of the Social Science Research Unit

The role of the Social Science Research Unit was examined in regard to its usefulness to monitoring and planning programs, projects and the development of operating techniques, style and the regional office self image. It is an exciting concept with some limitations but well worth encouraging. To adequately perform its function as Bicol moves forward, it must seek to widen its range of research to include various levels of society and various sectoral identities. Its activities must reach the landless laborers, small farmers, the large farmers, the merchants, the local leaders, the government bureaucrats, and the technicians. The SSRU as conceived also is as concerned with the human imperatives in the subsequent preparation of a Comprehensive Plan. To adequately achieve this it must have a unique relationship and independence from BRRDP management and control. Its investigations by mutual consent and understanding must seek data and analysis useful to planning and managing the regional program. But SSRU must also maintain absolute professional independence in the manner it plans, conducts, and presents its data. However, the purpose of investigations and questions concerning methodologies are appropriate concerns for BRRDP but not the detailed preparation of questionaires.

The role SSRU has performed is unique and can be extremely useful to top level officials in interpreting the effectiveness of programs generally and not just in the Bicol River Basin.

The Livestock Production Project

The Livestock Production Project was successfully implemented as planned. However, its success and the success of others to increase livestock production combined to create unplanned for complications. This is the

questions it created: now that you have hogs, where when and how do you sell them? The apparent difficulty with this project is that it was planned and implemented as a sectoral program without an opportunity to incorporate a total systems approach. The NRRDP Staff is aware of the difficulty and are proposing a livestock marketing project to alleviate the livestock marketing problem. We recommend this project be reviewed and continued as a total livestock production and marketing system.

The Compact Farm Training Project

The Compact Farm Training Project is progressing ahead of schedule. The evaluation team studied the compact farm training manual, visited a compact farm training session and compact farm. The compact farm is the basic integrating tool within the NRRDP in direct involvement of the farm clientele. The concept of an integrated area development is probably more advanced in the compact farm than elsewhere in the NRRDP program. The training manual covers much more than just farm techniques; family planning, community management, etc. and will be an excellent aid.

The concern is on follow-up. The initial success of the compact farm may not continue with each unit addition because the implementation on a broader scale may result in lowering the quality of inter-personal farmer-technician relationship. The compact farm training for technicians is being conducted to avoid such difficulties.

The Area Development Team

The Area Development Team concept is the second basic tool of the BRBDP in integrated area development. This concept is in a formative stage and has not been institutionalized. One premature ADT was established and has not been effective to date. The project agreement calls for their establishment but doesn't delineate specific project purposes for the six (6) ADT's. To do so which would be helpful although of course the assumption is made that they will be useful and viable organizations once formalized. Experience with citizen group participation show that they must have an active and immediate purpose if they are to remain viable.

BRBDP Financial Experience

The Bicol River Basin Development Program (BRBDP) is funded in different ways in order to meet the several requirements of the integrated operation. Presently, USAID funding is allocated to participant training, consultancy and commodities while the GOP funds from NEDA and other line agencies go directly to the various BRBC Projects. The arrangements and the basic funding plan are stipulated in the Project Agreement (PROAG) for fiscal year 1974 and 1975 (PROAG 74-09 and 75-09)..

The funding arrangements have been discussed by members of the evaluating team with the BRBC (Manila Office and Program Office), the line agencies budget Officers, and the Budget Commission.

Early Financing

Executive Order No. 412, creating the BRBC, dated May 17, 1973 provided P1.5 million for the first year of operation. After the two Council meetings on June 20, 1973 and November 8, 1973 concern was expressed that the

Executive Order did not provide an adequate legal basis for release of the funds. The Department of Public Works and Agriculture each released funds from their budgets to get the MRRP underway for the rest of 1973.

Later in order to release the P1.5 million, it was charged against P.D. #3 funds in order to continue to expedite the work of MRRC.

74-09 PROAG

During the spring of 1974, the 1974 PROAG with 13 sub-agreements was developed which provided P1.7 million for the operating budget (again from PD 175), P1.754 million in project funds from participating agencies, and P10.85 million from PL 480 Title I. USAID's own budget was $319,000 for personnel, participants and commodities. Earlier $30,000 had been committed for contract personnel.

An important feature of the funding arrangements in the PROAG 74-09 is the Special Fund Account (SFA) under the National Economic Development Authority (NEDA). This is also was carried over into the 75-09 PROAG. The SFA was set up to simplify fund administration once funds are committed by the line agencies. All GOP funds are coursed through this account to MRRC upon their release by the agency. Schedules for the release of the funds are set up in the PROAGs as shown in the tables in Appendix G. In the case of PL 480 funds, USAID must also approved. All USAID technical and material inputs after approval by the MRRC are coursed through the MRRC Program Office.

75-09 PROAG

The 75-09 PROAG provides for P1.05 million of NEDA counterpart funds, P1.963 million from participating agencies and regular funds and P4.81 million from PL 480 funds. The USAID is budget totalled $324,000.

SFA Funding Experiences under the 74 and 75 PROAGs

Members of the evaluation team were particularly interested in how the release of funds from the line agencies through the SFA was accomplished in both fiscal years. A study by the USAID Controller has shown that as of early in March 1975 not all of the funds had been released, although there is provision for using these funds for 12-18 months after the PROAG was signed in June, 1974. The study also pointed out that some agencies released their funds through the SFA but that others are released directly to the MRR Program Office for convenience.

In our discussions with the budget officers of the line agencies it was determined that all funds coursing through the SFA from the 74-09 PROAG now have been released. Some of the line agency funds set out in the 74-09 PROAG have been released but most have not. This is because at present there are unspent fund balances in many of those accounts. All of the counterpart and PL 480 funds flowing through MEDA have been released for both years.

At the moment, there appear to be no difficulties with funding. A problem could arise in the future if the MRRC project funds are not included in the line agency's budget. At least two of the present cooperating line agencies did not make special provision for FY 75 but fortunately had funds in a general account they could use. The Comptroller's report and the discussions with the budget officers suggest that improved communications could help avoid any difficulty.

For example, the MRR Program Office prepares a series of 5 financial reports each month which are very useful in keeping upwith the progress of expenditures. Some of the budget officers in the individual agencies

felt it would be helpful if they could have the appropriate reports for their projects on a regular basis. Perhaps a similar line of communication could be established in regard to the inclusion of project funds in forward budgets. The usefulness of the schedule for release of funds set out in the PROAG needs to be reviewed since it apparently is not adhered to, particularly where there are still unspent balance.

Commodity Procurement

There is one additional budget area about which a great deal of concern was expressed, the procurement of commodities. There is a presidential decree which limits equipment purchases out of any Philippine funds and some projects have not been able to get underway because of lack of equipment. USAID has made provision for helping to provide commodities but has run into delivery problems of its own. The following table from the comptroller's report shows the status of these items as of March, 1975.

PIO/C Number	Type of Commodities	Items Ordered	Items Received Qty.	Items Received %	Items Not Received Qty.	Items Not Received %
30178	Vehicles & Office Equipment (excess property)	63	41	65%	22	35%
30179	Copying & Office Machines	22	22	100%	-	-
30180	Surveying Equip.	53	53	100%	-	-
40113	Hydrometeorological Equipment	200	-	-	200	100%
40114	Communication Equip.	17	-	-	17	100%
40115	Vehicles & Others (Excess Property)	190	12	6%	178	94%
40116	Printing machine with papers developer	4	2	50%	2	50%

Anything that can be done locally or at the Washington level, particularly with the services of the U.S. General Services Administration, to relieve this kind of lag would make an important contribution to the project. In FY 1974, $51,000 worth of commodities were provided by USAID. In FY 1975, commodity allocations will reach $79,000. On the other hand, consultants and training totalled P298,000 in FY 1974 and will reach $483,000 by the end of FY 1975. Commodities constituted 14% of USAID support in 1974 and 14% in FY 1975. The evaluation team feels this percentage allocation for commodities should be increased substantially over the next two-year period to insure that the MRBC-PO is properly equipped.

Monitoring

Pilot projects exploring unusual development approaches are considered the eventual springboards for accelerated development within the Basin pending the gathering, analysis, and unification of an adequate basin data base.

Thus it goes without saying that pilot projects should be closely monitored to determine success, failure, and impacts. Too often pilot projects fail because: 1) Pilot projects test preconceived development models and model components; and, 2) pilot projects have no contingency plans for either success or failure.

It appears that the MRBDP has a very limited monitoring capability. While it is true that pilot projects may be monitored from within, there is unnecessity for an independent monitoring activity to generate unbiased reports and to analyse generated data.

The activities of the MRBDPPMIS are a useful start directed along PERT/CPM networks developed by the various projects plus some statements of problems encountered. Essentially, however, they are limited to reporting status.

FUTURE DIRECTIONS

Policy Framework

As defined, the objective of the Bicol River Basin Development Project is to increase the per capita income in the program area. To work toward this goal and for an effective broad-based impact on the problems of rural poverty, a strong commitment to rural development policies at the national level is deemed imperative. The present policies and institutions are essentially intended to accelerate rural development now and in the future. They apparently were attained as part of a major political change.

By pronouncement and action, the GOP has adopted as a matter of present and future policy the integrated area development approach to accelerate rural development. The Four-Year Development Plan, FY 1974-1977 states that "this approach calls for the integration of physical development with the economic, social, administrative and financial aspects of development into a compa plan for a given area." As an annex to the medium-term Four-Year Development Plan, NEDA released the Regional Development Projects. This publication lays out the Government's rationale for promoting integrated area development programs, including the BRBDP.

Letter of Instruction No. 99 directs the NEDA Director-General to form a Cabinet Coordinating Committee (CCC) for the purpose of coordinating all integrated rural development projects. The composition of the CCC is indicative of the Government's commitment to its rural development policies, considering further that the CCC is also "empowered to select rural areas for integrated development, prepare project studies, arrange

and/or negotiate for funding from local and foreign financial institutions and supervise the projects'." Thus, any revisions of the existing mandate (Executive Order No. 412) would have to be formulated within and in conformity to this policy framework.

Regional Plan and Policy

The Bicol Region is composed of the provinces of Albay, Camarines Norte, Camarines Sur, Sorsogon, Catanduanes and Masbate with an aggregate area of 17,633 sq. kms. The region constitutes approximately 6 percent of the country's land mass and ranks ninth in territorial size among the 11 regions in the country. The dominant feature of the region is of course the Bicol River Basin with an area of 312,000 hectares about two-thirds of which lies in Camarines Sur, with the remaining portion divided between Camarines Norte and Albay.

The benefits to be derived from the local Bicol River Basin Development Project, being a sub-regional exercise, are primarily addressed to the people in the program (basin) area. However, the Project's impact on the other parts of Bicol Region have to be considered in the formulation of a Bicol Regional Plan.

Per Letter of Implementation No. 22, the formulation of a regional plan for Bicol (as well as the other ten regions) is entrusted to the National Economic and Development Authority. It is a declared policy that "the socio-economic development regions within the country shall be promoted by undertaking regional planning and development within the context of aggregations planning at the national level and specific planning and programming at the local level."

The Regional Development Council, which is an extension of NEDA, is charged with, among others, the formulation of long-range plans for the region; translation of the national economic goals into more specific regional objectives; extension of planning and other related forms of technical assistance to local governments and line agencies in the region; and, coordination of all planning activities of line agencies in the region in relation to those of the local governments.

In determining the relationship between the Bicol River Basin Development Project and the Bicol Regional Plan being formulated by the NEDA Regional Office in Legaspi City, it may be important to consider the sequence of events leading to the establishment of both offices. Although Letter of Implementation No. 22, activating all the Regional Development Councils was approved earlier (December 31, 1972) than Executive Order No. 412 (May 17, 1973), the Program Office of BRBC in Camarines Sur became operational ahead of the NEDA Regional Office in Legaspi City. This was mainly due to the fact that the Bicol River Basin had been the object of a multi-disciplinary planning exercise of an inter-agency committee composed of the Department of Agriculture and Natural Resources, the Department of Public Works, Transportation and Communications, the Provincial Government of Camarines Sur, the National Irrigation Administration, the University of the Philippines, and several other agencies.

Basically, there is a continuity of functions between the BRBC and RDC, the former being charged with development planning and project implementation on a sub-regional level and the latter being limited by its mandate to development planning on a regional level. Considering geographic delineation and time framework, there would seem to be more reason for the

Bicol River Basin Development Project and the Bicol Regional Plan being formulated by NEDA to be complementary rather than duplicative or contradictory. More specifically, the BRBDP should serve as an input to the proposed regional plan for Bicol region.

Role of GOP and USAID

The program and project proposals contained in the non-capital Project Paper, FY 1976-1979 (prepared jointly by the BRBDP staff and USAID) were reviewed with the purpose of determining their viability within the Bicol River Basin integrated area development framework. Furthermore, the approach to plan formulation and implementation of these component projects were reviewed to determine their conformity to the basic guidelines which have been articulated for the effective execution of the Bicol River Basin Development Project. While the component projects and programs appear to have been logically derived and are basically within the integrated area development framework, GOP activities in the implementation of the BRBDP need to be strengthened. USAID should give additional attention to the BRBDP program needs for greater commodities, less foreign consultancy, which may require changes in the funding roles since USAID Manila is already at ceiling on commodities. The financial support of AID to the BRBDP will have to be substantially increased in the near future to meet the rapidly expanding BRBDP needs.

The BRBC and its management will have to be more aggressive and assertive in both plan formulation and project implementation in order to further establish its identity of the Bicol River Basin exercise. This identity factor is a critical input in the strategy of optimizing local participation.

The strong commitment to this particular project at the national level would have to be matched by an active participation at the local level. This could be carried more effectively, if there were stronger initiative on the part of BRBC management.

For a more effective implementation of the Bicol River Basin Development Project, the GOP/AID may deem it practical and realistic to solicit participation of other donor agencies. On account of the multiplicity of the component projects and programs, not to mention their costs and foreign exchange requirements, the USAID can not be expected to provide all of the BRBDP's foreign exchange requirements. The other donors could be domestic and/or foreign and their exposure to the BRBDP would strengthen its image as "a Philippine project" since it would no longer be associated with any one donor.

With regards to the USAID's involvement in BRBDP, some refinements are called for in the pursuit of its objective of "assisting the GOP to create the institutional capability and organizational framework for carrying on an integrated, multi-project area development program." In this connection, USAID's support has largely been in the form of consultancy and training. (Appendix G)

For USAID assistance or for this matter, any foreign assistance, to be more meaningful, there is a need to recognize the fact that any local situation is unique. The choice of consultants and, more importantly, the choice of techniques of consultancy will have to adjust to local conditions and peculiarities, and not the other way around. For this purpose, greater utilization of local technocrats from the private as well as public sector should be seriously considered.

PROPOSALS

Inevitably, an evaluation comes up with recommendations as a logical extension of its findings in hope of making the evaluation useful. The proposals herein are in most cases general or indicative, without going far into the mechanics and details in every case. The proposals are intended to be so since much of the mechanics and details of these recommendations, if and when their validity is accepted, would best be worked out by the appropriate agencies.

Our proposals deal with management and administration, project monitoring and information systems; technical staff; and foreign assistance.

Proposal No. 1
Institutional Integration

There are basically three sources of instruments which define the BRBC integration process at the various levels of government: a) the legislative mandate (E.O. 412 and LOI 99), b) the organizational set-up, its functions and powers and specified duties and c) the concept of the IAD in the Philippines.

E.O. 412 and LOI 99 authorized the BRBC to operate within a system of control that emanates directly from a group of national agencies and in effect transcends intermediate-level structures such as the regional or provincial offices. The BRBC is given the mandate to integrate and coordinate with the different line agencies all plans and programs affecting the Bicol River Basin. While important progress has been made, complete coordination has not yet been realized for a number of reasons. In part, this has been due to the handicaps of the present organizational set-up. A workshop was held at the Development Academy of the Philippines in March 1974 to work out the problems of non-coordination and the lack of full integration. The workshop participants proposed a revised organizational structure which is appended to this report. (See Appendix I)

The IAD approach calls for the coordination of all government agencies directly concerned with the projects of the BRBC. The system calls for an integrated manner of implementing projects whereby each agency takes charge of the technical aspects relevant to its own function - i.e., the NIA for irrigation; DAR and BAE for compact farms; DANR for agriculture; DPWTC for public works; etc.

Functionally, this approach requires the BRBC Program Office to synthesize the various projects of the different agencies into a unified BRBC program.

Given the correct mix of department/agency representatives and a strong mandate for coordinating projects, the BRBC can readily implement their desired program. We have the following proposals to make:

(1) An analysis of the present BRBC set-up, its composition, functions, duties and powers be made and translated into legislative form and given due powers for it to be fully effective. A management study now underway will be helpful.

(2) To be most effective, the current Executive Order should then be upgraded to a Presidential Decree incorporating most if not all of the recommendations set forward at the March 1974, IMAP evaluation conference on the Bicol.

(3) Reorient the BRBC towards the Cabinet Coordinating Committee and the Regional Development Committee-NEDA in order to provide the general political framework for the program.

(4) Establish a Management Directorate at the field level that includes all key agencies needed at this time, along the lines of the organization proposed at the IMAP workshop.

(5) Provide in the revised legislative powers to enable the Executive Director to command the participation of all agencies concerned. This can be implemented through a reevaluation of the commitments and functional roles of the various line agencies as set out in the original mandate and the organizational set up.

Again, the DAP workshop proposals could well serve as a good starting place to implement BRBDP as an IAD, starting with planning for all sectoral programs in the basin. The Management Directorate would have to approve, in addition to those at BRBDP, all plans and programs in the basin for the line agencies and local government before they are sent to Manila. The Management Directorate, acting through the Executive Director, should have authority to hire and fire staff. The Executive Director, with approval of the Management Committee, would be delegated contracting authority (perhaps P1 million) and through the project management and information staff would monitor performance of line agencies in the basin.

(6) Other proposals in the DAP report such as those for personnel and an auditor also should be examined for relevance in program implementation in the Bicol.

(7) The conceptual framework of the project would be rounded out and integration strengthened if the Province of Albay also was in the BRBDP project area.

Proposal No. 2
Project Planning, Integration and Plan Implementation

Efforts of BRBDP to date have been concentrated on gathering the background data and initiation of feasibility planning for the river basin maxi-infrastructure and the planning and implementation of immediate impact projects. The second level of priority has been in the conceptualisation of integrated area development in terms of agricultural development, agribusiness, and local community involvement. We are in agreement that an appropriate short term strategy was adopted during the initial development period.

The two-level specialisation effectively establishes dual priorities--one in development of the maxi-infrastructure and one in the mini-infrastructure general resources development. To achieve the objective of IAD, both areas should advance simultaneously and themselves be integrated with each other. This is clearly the current strategy of the BRBC at the basin level; this strategy is, however, not fully articulated since a revised overall plan for the project has not been published.

Maxi-infrastructure development of intra-regional highways and water resources projects is the more clear-cut program objective and although it will require a high proportion of the BRBDP resource input, its integration into the total program requires the mini-infrastructure to weld into and complement it. Thus, the maxi-infrastructure is dominated by physical, engineering and economic feasibility considerations combined together under the framework of an overall resource development plan.

Mini-infrastructure development of regional and sub-regional projects and programs is a complex program objective requiring active local community involvement and interaction with the planning and implementing agency throughout the planning stage as well as active participation in implementation. The decision criteria are a complex set of technical, economic, social and political considerations requiring for the decision maker continuing information about these elements and authority to adjust the project plans, policies and procedures as required by specific cases. In the immediate future, in the area of mini-infrastructure, it will be necessary to lay more emphasis on program planning and conceptualization of techniques, strategies and operating procedures. This will mean:

(1) A reexamination of the priority scheduling of the program taking into account project definitions by type of infrastructure role -- i.e., maxi or mini-infrastructure. Corollary to this, a hierarchy of projects should be established, specifying the major (maxi) projects such as flood control and water management and delimiting mini or small projects like livestock development as supportive only of the general priority program.

(2) Continuing clarification of the program's objectives in relation to the nature and function of the Program. For example, maxi-infrastructure priority should continue to be given to Flood Control and Water Manage-

ment as they provide the direct inputs to increased agricultural productivity through the irrigation and drainage systems. Mini-infrastructure priority should be given increased emphasis to develop management systems, techniques and operational strategies to involve the local communities in the overall Basin development process to insure that when this maxi-infrastructure is in place, it will be properly and fully utilized to insure that the benefits eminating from these large investments fully accrue to project beneficiaries. In essence, this means added emphasis to the land reform program and other efforts by the Basin and line agencies to develop viable compact farms, cooperatives and water user organizations. The establishment of these institutions is infinitely more complex and time consuming and should move forward at least parallel with development of the maxi-infra-structure. In no case, however, should the Basin defer developing this institutional base until physical facilities are in place. The distinguishing feature of the Bicol River Basin Program from most other physically-based area development programs throughout the world, including the early years of the TVA, has been the Basin's due consideration of both the physical and institutional prerequisite necessary for development.

The Basin staff should, within the next few months, revise and publish the Basin plan giving balanced treatment to the maxi and mini-infrastructure priorities required for Basin's development.

(3) Upon completion of the revised plan, a process of preparing annual operating plans should be put in motion which sets annual priorities and provides resource allocations accordingly.

Proposal No. 3
Project Monitoring and Information Systems

The BRBDP has established a Project Monitoring Information System (PMIS). Its activities have been largely limited to the preparation of PERT-CPMs covering for each of the component projects and programs, and monthly project activity reports reflecting project status.

An efficient project monitoring and information system is a critical tool for the effective implementation of projects. Project monitoring is essentially a continuing process of collecting current and necessary information on project implementation and the timely analysis, evaluation and translation of these data into meaningful and useful reports for control and decision-making. In other words, it is a management information system designed to provide selected decision-oriented information needed by management to plan, control and evaluate activities and performance. In order to insure effective utilization of a project monitoring system, the top management of BRBDP should have an intimate knowledge of the operating system and implementation problems. It must be able to identify the relevant information needs, based on its overall objectives, for its decision-making and controlling functions.

On account of the relative infancy of the BRBDP, there may not be enough basis to judge the effectiveness of the present monitoring system. This situation, however, provides appropriate timing for a detailed functional examination potentially leading to redesign and strengthening of the system. An effective project monitoring system will provide for the following basic functional requirements:

1. Delineate objectives in all aspects of program operations and develop long-range plans to achieve these objectives.
2. Development of a master plan, setting the long-term objectives and integrating the component projects with detailed operating plans.
3. Develop an effective communication link between the various levels of management and among the various functional and organisational groups.
4. Establish standards of work measurement and performance evaluation.
5. Compare actual performance with planned performance and identify major problem areas and conditions of imbalance.
6. Recommend remedial measures for resolving the problems and conditions of imbalances.
7. Follow up the corrective action.

Proposal No. 4
USAID Assistance

The Bicol River Basin Development Project has grown into a budding giant, with increasing program capability and funding needs. The BRBDP foreign assistance needs have grown at a similar pace. However, the composition of foreign assistance needs is rapidly changing from education and consultancy essential in the institutional building stage to commodity support for the expanded program operations. The GOP actions to preserve essential foreign exchange and the AID foreign assistance guidelines combined has restricted the development of the essential equipment pool necessary to support the newly created organization's operations.

Feasibility study planning for essential infrastructure in uplifting the lives of the people in the Bicol River Basin has reached an advance stage both in capability and in capital requirements to fund economically viable projects. These capital needs will grow to substantial proportions in the near future. Their foreign exchange requirements are anticipated to be much larger than that normally financed by USAID.

Current AID/GOP agreement is to increase the AID funded employees for technical assistance to the BRBDP from one to three. Growth in the project in scope and complexity requires an increase in AID personnel or the Mission will be unable to provide continuing administrative, technical support, and monitoring normally associated with AID Projects. Currently, AID is relying heavily on GOP personnel in accomplishing these activities. The recent TAMS Contract for the comprehensive water resources feasibility study with a U. S. firm

significantly reduces the need for the proposed water resources engineer. Technical assistance need for the resources development economist is essential because of the limited number of experienced resources development economists in the Philippines.

Therefore, we recommend:

1. Technical consultancy and training should be provided as needed and requested by the GOP in support of their effort to expand the BRB Program Office administrative and planning capability.
2. AID grant funding should be increased as requested by the BRBC in accordance with rapidly growing needs.
3. Additional AID grant funds should be allocated for critically needed commodities. Present levels of commodity support by both the GOP and A.I.D. fall far short of meeting minimum requirements necessary to equip a new organization with as broad a mandate as the BRBC. Whenever and to the greatest extent possible, local consultants and training programs should be used in lieu of expatriate consultants and of U.S. or third country training institutions. The GOP and USAID should explore ways to generate the pesos necessary to make available local resources and institutions.
4. The USAID, as has been its policy, should continue to urge the GOP to invite other lending and donor agencies to participate in the funding of muni-infrastructure development in the Bicol River Basin.

5. The AID direct-hired technical assistance to the BRRDP should be increased by addition of an experienced resources development economist to work at the BRB Project Office.

6. If the BRBC-PO management structure gains the internal and interagency unity and degree of administrative capability envisioned by the evaluation team (as embodied in Proposal No. 1), the GOP and A.I.D. should seriously consider shifting the method of providing grant technical assistance to the project involving direct Mission management and direct BRBC management through the mechanism of block grant financing. In the opinion of the evaluation team, this could be accomplished without disrupting the orderly flow of A.I.D. input by FY 1978 or possibly during FY 1977 if a serious effort is made by the GOP to develop the added administrative capability to handle the functions currently administered by various offices of the A.I.D. Mission.

Proposal No. 5
Budgeting and Funding

As we have explained in the section of this report on Funding, under the present arrangement line agency funds for Bicol projects are coursed through a Special Fund Account. Some agencies have not provided line items in their budgets for the BRB projects and were using general purpose accounts, and we pointed to the dangers of this process. The Special Fund Account is administered by NEDA.

We suggest, as does the DAP seminar, the need for each agency to prepare a separate line item or section in its regular operational budget for the BRBP. This could be accomplished by having the Bicol Management Committee and Program Office staff initiate the process by providing detailed budget preparation guidelines for the member agencies (part of the two-way communications process mentioned in the body of the report).

These line items would be packaged into a Bicol River Basin Program consolidated operational budget and forwarded to the Council for approval. The Management Committee would not directly control these funds but monitor through its MIS and recommend corrective action. The Operational Funds for the Management Committee/Program Office also would be a line item in the consolidated budget for the River Basin Program.

The Special Fund Account under this system would be jointly administered by the NEDA/Management Committee. The Special Fund Account could, in addition, be a useful vehicle for attracting financing for special component projects in the Bicol from public, private and international sources.

Appendix A

AN INTRODUCTION TO THE JOINT GOP/USAID BICOL RIVER BASIN DEVELOPMENT PROGRAM REVIEW TEAM

The Bicol River Basin Development Program was formally established two years ago as a pilot Philippine effort at integrated area development planning and implementation. An agreement between the Government of the Philippines (GOP) and the U.S. Agency for International Development (USAID) provides for a jointly conducted bi-annual review of the program. Our present effort is the first such review.

It is in the interest of both GOP and USAID that this review be constructive and forward-looking. The review will concentrate on the conceptual bases of the program, on its implementation to date, and on its effectiveness in the areas of overall policies, planning, organization, programming and budgeting, interagency participation, and management strategies. The review team will also examine the role of USAID assistance in terms of its appropriateness, effectiveness and level.

As part of its evaluation efforts the review team is interviewing officials, technical experts, and others directly and indirectly concerned with the Bicol Program. We wish to learn of your experience and obtain your judgements as to how the integrated development process can be improved to better meet the needs of the people of the Bicol Region. Our plans are to complete our interviews before the end of May in order to have our report in final draft by Mid June. We will be most grateful for your assistance as a participant in these interviews and look forward to meeting with you.

Members of the review team, their affiliations and their backgrounds are detailed on the following pages.

USAID REVIEW TEAM

GREEN, H. ALBERT — Consultant to Office of Agriculture, Technical Assistance Bureau, AID/Washington

Education: B.S. in Agriculture, Rutgers University, 1956
M.S. in Agricultural Economics, Rutgers University, 1958
Ph. D. in Economics, Purdue University, 1965

Experience: Economist, Office of Business Economics, U.S. Department of Commerce, 1962-1964; Leader, Economic Structure Group, Economic Development Division, U.S. Department of Agriculture, 1964-1966; Economist, Center for Naval Analyses, University of Rochester, 1966-1969; Chief, Socio-Economic Analysis Staff, International Statistical Program Center, U.S. Bureau of Census, 1969-1975; Economic Development Programs Specialist, International Statistical Program Center, U.S. Bureau of the Census since January 1975.

LEHMAN, JOHN W. — Consultant, American Technical Assistance Corporation

Education: B.A. in Economics, University of Wisconsin, 1932
M.A. in Economics, University of Wisconsin, 1933

Experience: Prior to 1947, various positions with Tennessee Valley Authority, Agricultural Adjustment Administration, National Resources Planning Board and U.S. Bureau of Labor Statistics; Deputy Director of the Joint Economic Committee of the United States Congress, 1947-1962; Regional Director of the U.S. Bureau of Labor Statistics in Cleveland and Kansas City, 1962-1967; Executive Director of the American Statistical Association, 1968-1972; private consultant to various national and international organizations on research management, economic planning, and survey research since 1972. Listed in Who's Who and American Men of Science; Fellow of the American Statistical Association and the Association for the Advancement of Science.

ROGERS, LEROY — Program Analyst, Office of the General Manager, Tennessee Valley Authority (TVA)

Education: B.S. in Agricultural Economics, University of Tennessee, 1959
M.S. in Agricultural Economics, University of Tennessee, 1962

Experience: Agricultural Economist with TVA working on analysis of water resources development and agricultural development program planning, TVA 1961-1969; with office of General Manager (TVA) working on analysis of program budgets for water resources and general resources development programs, 1969-1971; working on program planning and evaluation, 1971 to present.

Appendix A

GOP REVIEW TEAM

DUMAUAL, RAMON J.

Education: AB-BSE (1971) De la Salle College, Manila, Graduate Study at the University of the Philippines Institute of Planning (1975).

Experience: Taught Philippine and Asian History and government in the college level (De la Salle Bacolod). Did assistance jobs at the Loyola House of Studies, also editing jobs at the U.P. Social Research Center.

At present representing UPIP through the NEDA as counterpart to USAID evaluation of BRDC

GENERAL, JAIME M.

Education: B.S. in Management, Ateneo de Manila, 1974.

Experience: Member, Management Staff of Secretary of Agriculture; Consultant, Bicol River Basin Council; Member, Inter-Agency Technical Committee on Trade, Tariff and Related Matters (NEDA); Member, Management Committee of the Cooperative Development Loan Fund (DLCCD); April 1974 to present; Department of Agriculture representative at National Seminar Workshop on Out-of-School Youth Development, April 1975.

JIMENEZ, MA. CONCEPCION BRAGANZA

Education: Masters in Environmental Planning - University of the Philippines System Institute of Planning; Undergraduate, Bachelor of Arts, major in History - Maryknoll College, Quezon City

Special Seminars:

1. Cooperatives Training, Organization and Education - Rizal Provincial Federation of Cooperatives and San Dionisio Cooperative Credit Union.
2. Seminar on Land Reform and Farm Cooperatives Development
3. Leadership and Management Training Seminars
4. Special Courses on Research Methods and Systems Analysis

Articles Written: "Development Indicators for Economic Analysis" Ceteris Paribus, June, 1975 Ateneo de Manila University Press.

SOBREVEY, ISIDRO, A.

Education: AB in Economics, Xavier University, 1970
MA in Economics (candidate), Ateneo de Manila, 1975

Experience: Senior Economist with the Regional Development Monitoring and Planning System of the Presidential Economic Staff; Chief of Operations of the Presidential Regional Office for Development (PROD) in Region X; Presently, Senior Development Management Officer with the Program Execution Monitoring Office of the Development Management Staff, Office of the President.

Special Seminar:

Comprehensive Regional Planning
United Nations Centre for Regional Development
Nagoya, Japan
February 15 to June 30, 1974

Other Function:

Member
Inter-Agency Coordinating Committee
Cabinet Coordinating Committee

QUINTOS, TOMAS, JR.

Education: BSCE ('64), Mapua Institute of Technology (MIT)

Programs Attended:

1. Regional Industrial Development
2. Planning and Development of Water Resource Project
3. Program in Development Economics

Experience: Civil Engineer at the Central Luzon-Cagayan Valley Authority, 1965-74; Member of a reconnaissance team that investigated at least 30 potential dam sites of the Pampanga and Cagayan Rivers. Detailed with the Planning Project Development Office (PPDO) as Irrigation Engineer, 1973-74; Member of a team which conducted an economic and management survey of the fishpond industry of Pampanga; Made an Economic Analysis of the industry based on the survey made; Employed with the National Economic and Development Authority (NEDA) as an Economist, 1974 to present; Have been a resource person in three (3) Fishpond Extension Course.

Articles Written:

"An Economic Survey of the 5th District of Cebu"

"Management and Economic Analysis of the Fishpond Industry of Pampanga"

"Magat River Multi-purpose Project: A Case Study in Regional Development."

AID 1330-1 (7-80)

CONTINUATION SHEET

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM PIO/T

☐ Worksheet ☒ Issuance

PAGE 6 OF 7 PAGES

1. Cooperating Country Philippines

2.a. Code No. 492-260-2/3- 50058

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3. Project/Activity No. and Title 492-55-199-260
Bicol River Basin Development Project
(Program Evaluation)

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

19. Scope of Technical Services

Organization

The bi-annual evaluation of the Bicol River Basin Project and Program will be organized and conducted as a joint GOP/USAID effort. The GOP will appoint individuals from the NEDA, other appropriate government offices and the private sector to serve as the Philippine team members. AID will provide the services of a senior evaluation officer to represent USAID and will contract with the Tennessee Valley Authority or other appropriate institution or firm for the services of an experienced manager/planner of a river basin or integrated regional development program.

A. Objective for which the Technical Services are to be Used

The Bicol River Basin Council (BRBC), at the time of the evaluation, will have been in existence for nearly two years. The objective of the evaluation will be to: (1) review the conceptual base of the program and assess effectiveness in the areas of overall policies, planning, organization, programming and budgeting, interagency participation and management strategies and systems developed and utilized by the BRBC over the first two years of the Program's existence; (2) evaluate the nature, effectiveness, appropriateness and level of USAID assistance to the program; (3) make recommendations to the BRBC and USAID respectively regarding measures to improve performance of both the Council and USAID, including recommended future levels and types of technical assistance to the Bicol Program.

B. Description

In cooperation with GOP and USAID representatives, the Contractor will:

a. Review the GOP policy and program approach utilized in the Bicol River Program vis-a-vis integrated area development (IAD) in general and with specific reference to:

1. Other IAD programs in the Philippines.

AID 1350-1 (7-69)

CONTINUATION SHEET

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM PIO/T

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1. Cooperating Country: Philippines

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Bicol River Basin Development Project (Program Evaluation)

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

2. Relationship of IAD programs to regional organizations such as the Regional Development Council (RDC) and relationships to existing line agencies and local governments. Identify and explore the roles of the RDC, and line agencies and local governments in carrying out IAD programs.

b. Review and evaluate the BRBC interagency planning and management structure and its performance and the performance of BRBC contractors (notably the SSRU, UPLB, and DAF) to date as measured against:

1. The Bicol River Basin Program Plan (Interagency report, Feb. 1973).

2. The Bicol River Basin PROP (original, dated May 1973 and revised October, 1974).

3. Output sections of GOP/USAID FY73, 74 and FY75 Project Agreements.

4. Relevant memoranda of agreement between the BRBC and participating line agencies.

c. Review and evaluate (with recommendations regarding nature, level and adequacy) the USAID technical assistance project designed to support the BRBC as measured against:

1. BRBC goals.

2. The Bicol River Basin PROP as revised.

3. Output statements contained in all relevant SPARS and Program Implementation Orders (PIOs) and Participating Agency Service Agreements (PASA).

d. Jointly with the GOP team, prepare a comprehensive evaluation report covering all items mentioned above. Where necessary, such as when there is a difference of opinion among members of the group regarding interpretation of evaluation findings and recommendations, the views of individual members may be presented separately in the body of the report. To the extent possible, however, the joint evaluation mission will attempt to prepare a report representing a unified evaluation and a unified set of recommendations for future action.

Appendix C

PERSONS INTERVIEWED INDIVIDUALLY OR IN SMALL GROUP DISCUSSIONS IN THE BICOL REGION

Hon FELIX ALFELOR, JR., Governor, Province of Camarines Sur

Msgr. TEOPISTO ALBERTO, Archbishop, Diocese of Camarines Sur

LINA ANTERO, Senior Applied Sociologist, BRBDP

NOEL ASTILLERO, Systems Analyst, Program and Project Development Office, Department of Public Works

Hon. JOSE BULTAN, M.D., Mayor, Libmanan

T. CATER, Businessman, Sagñay

Engr. TOMAS CHAVENIA, Project Director, On Farm Water Management, BRBDP

Atty. PERFECTO CHENG, Project Development Coordinator, Province of Camarines Sur

Father CIRIACO SAN DIEGO, Parish Priest, Bula

CATHERINE COOPER, Environmentalist, Volunteers for Asia

Engr. HERMINIO ECHIVERI, Project Director, Land Consolidation, BRBDP

EDMUNDO FORTALEZA, Hydrographic Engineer, BRBDP

BENJAMIN GAON, Deputy Director, Plans and Program Development, BRBDP

CRISANTO GIMPAYA, Deputy Director for Infrastructure, BRBDP and Regional Director, National Irrigation Administration

HOWELL HOPSON, Peace Corps

RONA HOPSON, Peace Corps

ROBERT HOWARD, Volunteers for Asia

Hon. FELIX IMPERIAL, Governor, Province of Albay

JUAN JOAQUIN, Provincial Director, Bureau of Animal Husbandry

Father JOSE LOPEZ, Head of the Social Action Committee of the Diocese of Camarines Sur

NOEL MANALO, Environmental Planner, BRBDP

VIRGILIO MARCO, Institutional Development Specialist, BRBDP

DOMINGO MONASTERIO, Training Specialist, BRBDP

WINFIELD NIBLO, Provincial Development Aide, USAID, Legaspi City

BERT OLAGUER, Regional Director, National Economic Development Authority and Head of Regional Development Council Staff

WILFRED OLAÑO, Extension Specialist, BRBDP

ENSEBO PANGAMBAN, Economist, Technical Assistance Group, BRBDP

JUNIO RAGRAGIO, Acting Head, Management Information Systems, BRBDP

Atty. OSCAR RAVANERA, Executive Director, BRBDP

Engr. JULIAN T. REGALDO, Regional Director, Department of Public Highways

LORENTO ROMAGOSA, Mayor, Cabusao

SULPICO ROCO, Field Operations Supervisor, Social Science Research Unit, BRBDP

NAPOLEON DE SAGUN, Marketing Economist, BRBDP

REY DE SAGUN, Sr., Agricultural Economist, BRBDP

ROBERTO SALAZAR, Acting Operations Chief, Social Science Research Unit, BRBDP

RAMON F. SANTIAGO, Crop Production Specialist, BRBDP

Engr. MARCOS P. SEVERO, Provincial Engineer, Province of Camarines Sur

CARMELO R. VILLACORTA, Hydrographic Engineer, BRBDP

Various barangay and barrio officials and seven farmers in Bula

Appendix D

PERSONS INTERVIEWED IN MANILA

EDWARD ALUMAN, Budget Officer, National Food and Agriculture Council (NFAC)

ROMEO CARIAGA, Budget Operations Service, GOP Budget Commission

Hon. DAVID M. CONSUNJI, Secretary of Public Works, Transportation and Communications (DPWTC)

TEODORO ENCA..ACION, Chief, Planning and Project Development Office (PPDO), DPWTC

NORBERTO FESTEJO, Budget Officer, Department of Agriculture (DA)

E. A. GAERLAN, Chief, Financial Management Service, Department of Agrarian Reform (DAR)

L. L. GLEECK, Former Assistant Counsel General, U. S. Embassy, Manila

JOSE JALDECAÑAS, Deputy Director, Department of Local Government and Community Development (DLGCD)

RICHARD C. KRIEDEL, Provincial Development Aide, USAID

Hon. BENJAMIN LABAYAN, Assistant Secretary for Administrative Affairs, DAR

Hon. JOSE P. LEVISTE, Jr., Assistant Secretary, DA

BENJAMIN F. MEDINA, Office of the Comptroller, USAID

THOMAS C. NIBLOCK, Director, USAID

DIOSDADO NUÑEZ, Assistant Director, Bureau of Community Development, DLGCD

BARRY PASIMIO, Director, National Economic Development Administration (NEDA)

RICHARD PHILLIPS, Agri-business Consultant, USAID

CARMENCITA PLANTA, Supervising Corporate Accountant, National Irrigation Administration

PEDRO PRADO, Manager, Plans and Programs, PPDO, DPWTC

ROBERT K. ROGERS, Provincial Development Aide, USAID

EDGARDO C. QUISUMBING, Deputy Executive Director, NFAC

Hon. JOSE A. ROÑO, Secretary, DLGCD

FRANK W. SHEPPARD, Jr., Assistant Director for Agricultural Development, USAID

KENNETH F. SMITH, Management Systems Advisor, USAID

DOUGLAS TINSLER, Project Representative, Bicol River Basin Program, USAID

FABIAN TIONGSON, Economic Development Foundation

VAL DE LEON, Senior Professional Economist, NEDA

Col. GREGORIO R. VIGILAR, Executive Director, Office of the President, Provincial Development Project

Appendix E

OFFICE OF THE PRESIDENT
of the Philippines

EXECUTIVE ORDER NO. 412

CREATING THE BICOL RIVER BASIN COUNCIL

WHEREAS, it is government policy to promote integrated area development as a means towards a systematic regional development in the country;

WHEREAS, in the Bicol Region, the Bicol River Basin is an area of high growth potential where new investments in agriculture and infrastructure will yield maximum benefits in terms of production and agrarian reform;

WHEREAS, there is a need for a coordinating body that will oversee, unify, and integrate the administration and implementation of this pilot river basin development program of the government;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby create the Bicol River Basin Council, hereinafter referred to as the "Council", under the National Economic and Development Authority.

SECTION 1. Powers and Jurisdiction. The Council shall have the following powers:

(a) To review and pass upon the programming and allocation of funds of agencies represented in its Board of Directors, for all projects within its geographical jurisdiction.

Unless otherwise decreed, the jurisdiction of the Council shall encompass that portion of the Bicol River Watershed within the province of Camarines Sur, covering the municipalities of Del Gallego, Ragay, Lupi, Sipocot, Calabanga, Cabusao, Libmanan, Pasacao, Pamplona, Bombon, Magarao, Carmona, Camaligan, Naga City, Milaor, Gainza, Minalabac, San Fernando, Bula, Balatan, Pili, Tinambac, Goa, Tigaon, Sangay, Buhi, Iriga City, Nabua, Ba-ao, Ocampo, and Bato.

(b) To integrate and coordinate with implementing agencies of the government all plans and programs affecting the Bicol River Basin.

The decision of the Council in this regard shall be final.

(c) To call on any department, bureau, office, agency and other instrumentalities of the government for assistance in the form of personnel, facilities, and other resources as the need arises in the discharge of its functions.

(c) To do all such other things and to transact all such business as is directly or indirectly necessary, incidental to the attainment of the objectives of the Bicol River Basin Development Program.

SECTION 2. Board of Directors. The powers of the Council shall be vested and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

As Chairman - The Secretary of Public Works, Transportation and Communications

As Members - The Secretary of Agriculture and Natural Resources, or his Undersecretary

The Secretary of Agrarian Reform, or his Undersecretary

The Secretary of Local Government and Community Development, or his Undersecretary

The Director-General of the National Economic and Development Authority, or his Deputy

The Provincial Governor of Camarines Sur, and

The Executive Director of the Council, ex-officio

The Board shall meet at least twice a year or more frequently as may be necessary to discharge its functions. For actual attendance at each meeting, each member of the Board shall have a per diem of one-hundred pesos (₱100), but the total amount of per diem a member may receive shall in no case exceed two-hundred pesos (₱200) a month.

Four members of the Board shall constitute a quorum during meetings of the Council.

SECTION 3. Program Office. The Council shall maintain a Program Office which shall be headed by the Executive Director and four Deputy Directors -- for Plans and Programs, Social Infrastructure, Physical Infrastructure, and Budget and Administration.

This Program Office shall have its principal location in Camarines Sur.

SECTION 4. Duties of the Board. The Board shall have the following duties:

(a) To prescribe, amend, repeal rules and regulations governing the manner in which the general affairs of the Council shall be conducted.

(b) To appoint, suspend, or otherwise remove from office for cause the Executive Director or his Deputies.

(c) To approve the annual and/or supplemental budgets of the Council which shall be submitted regularly.

SECTION 5. The Executive Director, Qualifications. The Executive Director shall be a natural-born citizen of the Philippines with demonstrated executive competence in the field of public administration, public infrastructure, or the management of agriculture, industrial, or commercial enterprises.

The Executive Director shall serve for a fixed term of four (4) years, unless earlier removed from office by a two-thirds vote of the Board.

The Executive Director shall receive an annual compensation which shall be charged against the appropriation of the Council for operating expenses. Provided, however, that in no case shall the compensation of the Executive Director be more than thirty-thousand pesos (₱30,000) per annum.

SECTION 6. Duties of the Executive Director. The Executive Director shall perform the following duties:

(a) To prepare the agenda for all meetings of the Board and to submit for consideration thereof the policies and measures which are necessary to carry out the affairs of the Council.

(b) To execute and administer the policies and measures approved by the Board.

(c) To manage the Progress Office in consonance with the policies.

(d) To submit for the approval of the Board the annual and/or supplemental budget of the Bicol River Basin Council.

(e) To submit within sixty (60) days after the close of each fiscal year, an annual report, through the Board, to the National Economic and Development Authority.

(g) To perform such other duties as may be assigned to him by the Board from time to time.

SECTION 7. Operating Expenses. There is hereby appropriated from the National Treasury not otherwise appropriated the amount of one-million, five-hundred thousand pesos (₱1,500,000) to cover the operating expenses of the Council for the first year of operations. Subsequent appropriations and releases shall be based on the budget approved by the Board.

SECTION 8. Auditing Procedures. The Auditor-General shall appoint a representative who shall be the Auditor of the Council, and the necessary personnel to assist said representative in the performance of his duties.

The financial transaction of the Council shall be audited in accordance with law, administrative regulations, and the principles and procedures applicable to corporate transactions.

SECTION 9. Effectivity. This executive order shall take effect immediately.

Done in the City of Manila, this 17th day of May, in the year of our Lord, nineteen-hundred and seventy-three.

(SIGNED)
FERDINAND E. MARCOS
President of the Philippines

By the President:

(SIGNED)
ALEJANDRO MELCHOR
Executive Secretary

Appendix F

INTEGRATED (RURAL) AREA DEVELOPMENT*

Problems and Issues

The economic progress achieved by the Philippines is, indeed, remarkable, when measured in terms of gross national product and growth in the industrial and commercial sectors. The spurts in these aggregate indicators, however, were not paralleled by development of many regions and classes of people. More particularly, poverty and sluggish growth plague the rural areas where two-thirds of the population live. Levels of income for the rural masses are low, averaging P2,818 per household in 1971 compared to the average urban household income of P5,867 and the national average of P3,746 for the same year. If one considered the fact the national median income level is lower by 71% than the "poverty line" of around P8,500 per household per year as computed from the cost of nutritional requirements, one could only imagine the large percentage of rural families living below the poverty line or the acceptable minimum standard of living.

As of November 1972, the total number of rural unemployed and underemployed was likewise staggering when compared to their urban counterparts. While the completely unemployed gave the higher percentage of 9.8 per cent for urban areas and 3.3 per cent for rural areas, this was offset by the underemployment ratio of 30 per cent for rural areas which was almost twice the percentage for urban areas. In absolute figures, total unemployed and underemployed was 2,415,000 for rural areas and 1,385,000 for urban areas. This, together with the generally low quality of life in the countryside, has resulted in heavy outmigration of population, especially the young and more ambitious, to the more "prosperous" urban centers. Productivity in agriculture and the level of exports of agricultural products have not increased as expected because agricultural extension, marketing services, agro-industries, irrigation and feeder roads, and other support services are not sufficiently developed.

Central to the issue of deprivation in rural areas is food production which assumes added significance in the light of the world-wide cereal shortage in the face of rapid population increase in the Philippines. In the Philippines, food production has hardly kept pace with the mounting demand for prime commodities, particularly rice, corn and livestock. The situation is being exacerbated by inflation. While food production is presently in its difficult stages, nevertheless it is the activity in the agricultural sector which holds great potentials for raising rural incomes and contributing to the national output. Considerable land capabilities, labor, and capital resources lie underutilized in the rural areas. More significantly, it is in the rural areas where larger additions of population will occur in the next decade.

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* Part 3 of the "Brief Situationer" by Cabinet Coordinating Committee on Integrated Area Development Projects, September 6, 1974

To be sure, many of the traditional agricultural, industrial and infrastructure projects sponsored by the government have made a substantial dent in alleviating the poverty problems in the distressed areas in the country. These efforts, however, have mainly been fragmentary and directed at selected production areas and producers and, therefore, not reinforcing in effects. Their effectiveness has also been impaired by such technical and institutional constraints as high degree of tenancy, low level of local participation, obsolete technology, inadequate delivery systems, and uncoordinated infrastructure. As a result, some misallocation and wastage in meager resources have ensued. Some investments in productive facilities; such as irrigation, have not yielded the expected full benefits for want of complementary services and farm organizations. As a consequence, rural incomes have not progressed as fast as could be expected from the resources used up. Moreover, despite an evident awareness of the need to mobilize the rural population in the development process, the involvement of local governments (at provincial, municipal and barrio levels) in this process pales in significance when compared to that of the national government. The national government departments (e.g., DPWTC, DANR, etc.), through their own practically independent programs and budgetary allocations, have heavily dominated development planning and implementation.

There is a need, therefore, for well-concerted sets of policies, programs, projects, services, and institutions that would bear directly on the problem of poverty in rural areas so as to enhance productivity and raise income, with the extensive participation of the members of the rural population. Such system must incorporate technical and economic innovations, as well as social and institutional reforms. The majority of the rural poor are directly dependent on agriculture and agriculture-related industry and services. Thus, any immediate attempt to raise the living conditions and standards of most of the rural poor must necessarily focus on increasing returns to labor in the agricultural sector. At the same time, the role of urban activities in countryside development must be recognized and reckoned with since urban centers serve as sources of farm inputs and markets for agricultural goods, aside from functioning as reception areas for extra farm labor displaced by increasing farm productivity plus increasing farm population. With higher average incomes and a more even income distribution across the functionally-linked rural and urban activity systems, the government's development efforts would go well beyond a strict exercise directed toward the agricultural sector.

Objective

Generally, the objective of integrated (rural) area development is to bring about a self-sustaining rise in the income levels of the rural poor beyond the poverty line.

Complementary objectives may include:

- increased productivity of the rural area;
- higher national output;
- more even income distribution;

- wider employment;
- greater participation by the rural people in productive endeavors and in the sharing of the gains therefrom;
- improved physical environment and general quality of life; and
- better functional and spatial relationships within and among rural and urban activity systems, thus leading to political integration.

Strategy

The above objectives can best be achieved within a total framework for national and regional development which will cover:

- overall development policies, particularly with reference to the objectives of economic efficiency, social equity, ecological balance, and improved general quality of life;
- land use and development strategy encompassing both urban and rural activity systems;
- distribution of population over a hierarchy of interlinked human settlements; and
- institutional policies, including tenure and local participation.

Given the overall framework, the policy programs and projects for rural development should concentrate on a direct attack on the causes of rural poverty. Within this policy framework, programs of investments and services are needed in: directly productive activities, supporting infrastructure, social services, and delivery systems. In all cases, the strategy must be oriented toward reaching the rural poor in order to raise their productive potentials, open up new opportunities for improvement, and provide the basis for a sustained rise in earning levels.

An integrated strategy of rural development is favored over the traditional selective project-by-project approach. In the latter approach, each activity is generally conceived, justified and programmed on its own account. While appearing more expedient in terms of project development and implementation, this approach is vulnerable to conflicts or gaps which arise when the disparate activities are collectively assessed. Inefficient utilization of resources is likely to take place. The sad experiences of piece-meal programs in the past bear out the ineffectiveness of this approach. In contrast, the integrated approach is pursued within a system of inter-dependencies so that the package of interrelated investments and services are made to reinforce each other, critical gaps and conflicts are identified and planned for, and the collective net benefits from the program are greater than in the individual project approach. In general, therefore, this technique tends to make for a better utilization of resources thus promising a faster upliftment of the living standards and outputs of the rural areas.

Criteria for Area Selection

Because of the obvious scarcity of resources compared to the needs of development, it is necessary to arrive at some system of priorities

In selecting areas for integrated (rural) development. Within the context of the overall development goals of the government, priority shall be given to the following areas:

1. Areas with high tenancy rates
2. Relatively underdeveloped areas with development potentials in more than one sector of the economy measured by certain indicators
3. Areas whose inhabitants have incomes within the lowest income bracket - i.e., average annual family income below P2,500 per year
4. Areas with potentials for swift development as measured by certain indicators
5. Areas requiring relatively small incremental investments to generate high benefits

Within these general areas, specialized functions can be identified on the basis of the following criteria and factors:

1. Leading Agricultural Areas

   a. Soil type - suitable for agriculture
   b. Slope - 0-300 meters elevation
   c. Climate - not frequently visited by typhoons
   d. Availability of irrigation water source
   e. Proximity to population center
   f. Proximity to market
   g. Transportation
   h. Adequacy or ease in providing extension facilities

2. Leading Tourist Areas

   a. Uniqueness of tourist attractions
   b. Concentration of tourist attractions
   c. Availability of accommodation facilities and ancillary services
   d. Accessibility to transportation with special emphasis on air transport

3. Land Reform Priority Areas

   a. Priority should be given to rice and corn areas cultivated largely by tenants.
   b. Priority should be given to rice and corn areas having the highest tenancy ratio.
   c. Priority also should be given to rice areas having the highest ratio of irrigated lands.

4. Leading Mining Areas

   a. Quality of resources in the Philippines in comparison to world production
   b. Value of production in the Philippines in comparison

5. Leading Industrial Areas

   a. Employment in the manufacturing industry, by industry group
   b. Fixed asset in the manufacturing industry, by industry group
   c. Production in the manufacturing industry, by industry group

6. Leading Fishing Areas

   a. Existing water resources
      Fishponds, lakes, rivers, dams, deep-sea
   b. Potential areas
      Swamplands
   c. Existing Production
   d. Other inputs and services
      Fishing vessels, capital, number of fishermen (manpower), ports

Approach

The planning strategy attempts to be comprehensive and integrated over time, to the extent that all major economic, social, physical and institutional factors critical to the attainment of development objectives are analyzed and planned for in an inter-dependent manner. While comprehensiveness implies a multi-functional approach, it need not require the same degree of scrutiny for all development factors. Nor does it imply simultaneous implementation of all projects. This is neither necessary nor practicable considering the variations in needs and the limitations in resources and information base.

What is essential is a problem-oriented approach--one where the most crucial bottlenecks and problems of development felt by the people are identified together with the relevant factors behind them, their degree of significance and their interactions. At the same time, a survey of resource potentials--human and material--that can be meshed to overcome these bottlenecks is then made. Given the problems, on the one hand, and the potentials, on the other hand, it is possible to identify key projects that will be most responsive to the development needs and most sensitive to objective attainment. Using these strategic projects as the focal points, the inter-sectoral linkages and environmental implications of the projects can be traced leading eventually to a framework plan. With all this analyzed, the specific targets of each project or project system addressed to the identified problems can be laid down, preferably in quantified terms with their respective time horizon. The targets can then be formulated into the program objectives which indicate the desired overall effect of the project systems in answer to the problems at hand. In every case, the end beneficiary of the exercise should be the people themselves.

Involved in this problem-oriented approach are the following:

1. Identification of people-centered development problems.
2. Assessment of available and potential key resources and reconciling them with the problems.

3. Identification of key projects and projects to resolve the problems.
4. Determination of broad implications and linkages of project to arrive at framework plan.
5. Setting of targets and their time horizons.
6. Formulation of development objective to resolve the problems.
7. Analysis of alternative mixes of development projects and activities desired to bring about the desired changes, e.g.:

   a. Investments in directly productive activities (irrigation, inputs for agriculture, small-scale industries, etc.)
   b. Investments in supporting physical infrastructure (roads, storage facilities, etc.)
   c. Social services (educational and health facilities and services, rural water supplies, etc.)
   d. Delivery systems (training, credit, marketing extension, etc.)

8. Assessment of relevant benefits and costs, and of overall feasibility of each alternative mix in social, economic, technical and institutional terms, and adaption of most feasible mix.
9. Formulation of a land use plan indicating the locational or spatial dimensions of the projects and activities.
10. Development and adjustment of appropriate institutions and policies in support of the plan, including land transfer, production structures, farm organizations, etc.
11. Formulation of phased integrated program of action in line with the relative needs, feasibility and resources constraints, as well as with the overall policies.

The nature and mix of activities in a rural development program will vary with the political, social and economic circumstances. The scarcity of resources and data base, however, limits the range of opportunities for a comprehensive multi-sectoral approach so that it is necessary to phase investments over time. In any case, it is essential that the program reach large numbers of people, that the costs per capita or doing so are low, and that they focus on the basic objectives of enhancing productive potentials and raising levels of living of the rural poor.

To visualize the implications, the impact and the role of various agencies of the government of identified projects on the various factors and variables affecting the rural-urban centers system, it may be useful to apply even partially, the principles of System Dynamics, with appropriate modifications to suit the data and resource limitations in the specific project areas. Thru digraphs structuring of the apparently complicated integrated rural development factor into a more concise and understandable manner is achieved. The whole activity system for integrated area development is viewed all at once so that a large number of variables and their interactions can be considered simultaneously. By such a method of analysis or thinking, the primary bottlenecks can be more readily identified, deficiencies pinpointed, and principal

alternatives are considered. The analytical process can be carried further by quantifying, even on a judgmental basis in the absence of empirical data, the various elements and activities of the dynamic system. Certain techniques have been developed to carry this process farthest, such as simulation modelling, which attempts to analyze the different factors and parameters, and the effect of alternative policies adopted on the whole system.

Appendix G

Table 1

BICOL RIVER BASIN SPECIAL FUND ACCOUNT CONTRIBUTION BY PARTICIPATING AGENCIES

Agency	Project or Activity	30 Jul 74	1 Sep 74	1 Dec 74	1 Mar 75	Total
NEDA Counterpart funds	Compact Farm Training	₱ 7,550	₱ 79,150	₱ 96,780	₱ 16,520	₱ 200,000
	Comprehensive Water Resource Study	60,000	60,000	55,000	55,000	230,000
	Agribusiness Feasibility Study	(25,000)	(25,000)	-	-	(50,000)*
	Land Classification (Training)	33,000	-	-	-	33,000
	Sub-Total	100,550	139,150	151,700	71,500	463,000
DPWTC (Including BPW and BPH)	Transport Feasibility Study	112,630	112,630	74,740	-	300,000
	Agribusiness Feasibility Study	25,000	25,000	-	-	50,000
	Sub-Total	137,630	137,630	74,740	-	350,000
DANR	Crops Development Program	30,500	5,500	5,500	5,500	47,000
	Livestock Pilot Projects	18,625	14,125	14,125	14,125	61,000
	Land Classification (Training)	33,000	-	-	-	33,000
	Agribusiness Feasibility Study	37,500	37,500	-	-	75,000
	Sub-Total	119,625	57,125	19,625	19,625	216,000
DAR	Land Consolidation Pilot Project	25,000	125,000	225,000	225,000	600,000
	Agribusiness Feasibility Study	37,500	37,500	-	-	75,000
	Sub-Total	62,500	162,500	225,000	225,000	675,000
DLGCD	Agribusiness Feasibility Study	25,000	25,000	-	-	50,000
	GRAND TOTAL	445,305	521,405	471,145	316,145	1,754,000

* funds already obligated for the same purpose under ProAg 73-04 Rev. 7

Table 2

ProAg 75-09

SPECIAL FUND ACCOUNT
DEPOSIT SCHEDULE BY PROJECT AND SOURCE,
BICOL RIVER BASIN DEVELOPMENT PROGRAM,
FOR FUNDS OBLIGATED DURING FISCAL YEAR 1975

AGENCY/PROJECT	TOTAL	DEPOSIT SCHEDULE JAN 30	DEPOSIT SCHEDULE 1 MAY 1975
		(in thousand pesos)	
1. Department of Agriculture (DA)			
a. Livestock production	55.0	32.2	22.8
b. Crops production	250.0	153.78	96.22
c. Area development teams	254.0	127.0	127.0
Sub-total	559.0	312.98	246.02
2. Department of Natural Resources (DNR)			
a. Fish production	165.0	129.0	36.0
3. Department of Agrarian Reform (DAR)			
a. Livestock production	27.5	16.2	11.30
b. Area development team	254.0	127.0	127.0
Sub-total	281.5	143.2	138.3
4. Department of Public Works, Transportation & Communications (DPWTC)			
a. Intermodal transport feasibility study	178.0	127.25	50.75
b. Industrial estate feasibility study	a/	a/	--
	b/	b/	
Sub-total	178.0	127.25	50.75
5. Department of Local Government & Community Development (DLGCD)			
a. Area development team	254.0	127.0	127.0
b. Livestock production	27.5	16.2	11.3
Sub-total	281.5	143.2	138.3
Total	1,465.0	355.63	609.37

6. Department of Public Highways (DPH)			
a. Intermodal Transport feasibility study	178.0	127.25	50.75
7. National Water Resources Council (NWRC)			
a. Comprehensive river basin planning seminar	300.0	300.0	--
8. National Economic and Development Authority (NEDA)			
a. Counterpart Funds (CF)			
(1) Systems Management	400.0	342.86	57.14
(2) Socio-Economic Research	300.0	150.0	150.0
(3) Technical Assistance Group	150.0	75.0	75.0
(4) Feasibility study for CSAC improvement	100.0	100.0	--
(5) Bi-annual Evaluation	100.0	--	100.0
Sub-total	1,050.0	667.86	382.14
b. PC 480 Peso Funds			
(1) Land classification	350.0	175.0	175.0
(2) Potable water supply	131.0	105.5	25.5
Sub-total	481.0	280.5	200.5
Total	2,009.0	1,375.61	633.39
GRAND TOTAL	3,474.0	2,231.24	1,242.76

a/ To be determined during contract negotiation.

b/ Plus the amount determined in a/.

APPENDIX H

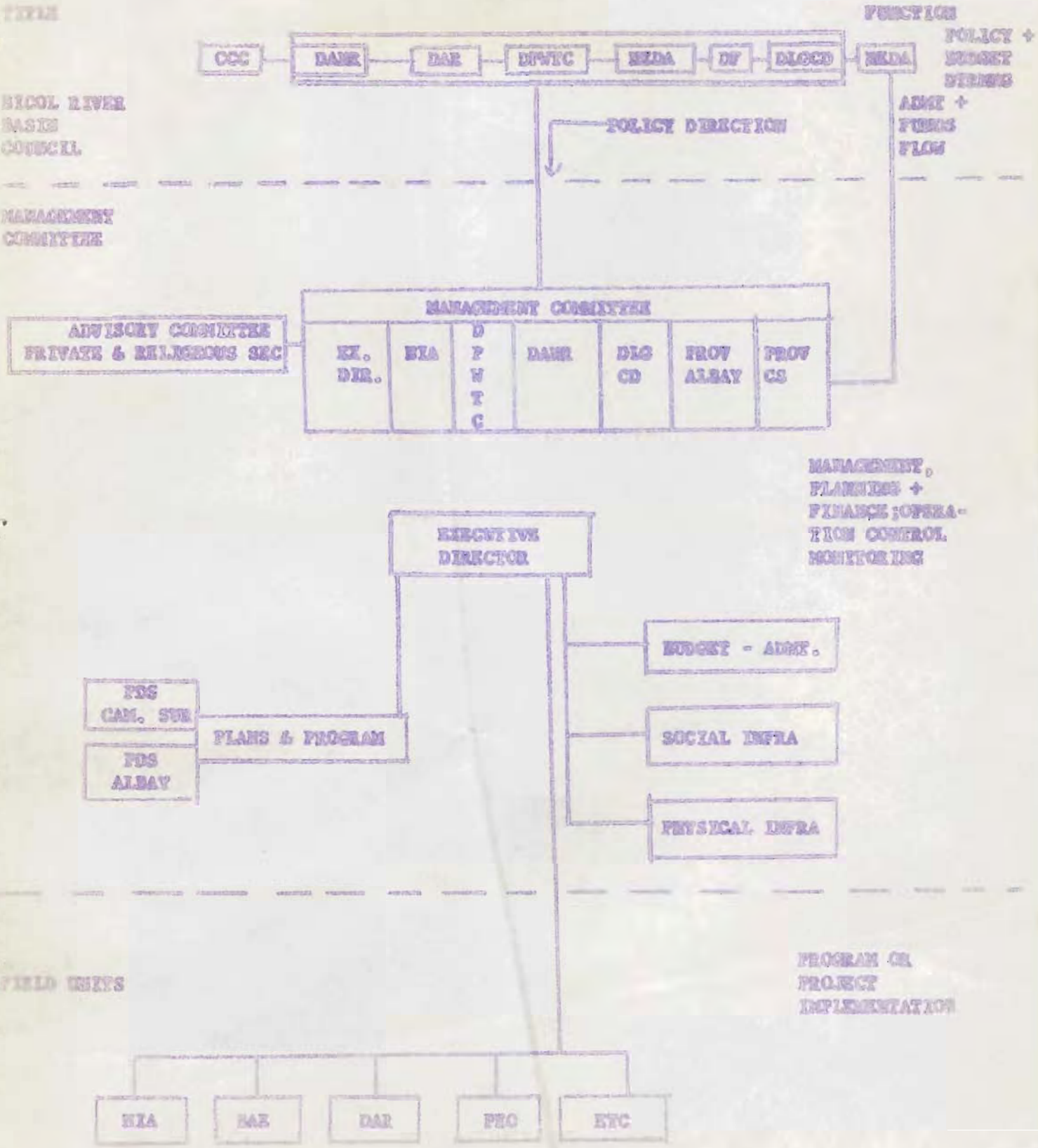
PROJECT	GOP PROGRAM	USAID SUPPORT
A. Water Resources Development	Objective: 1. Development of supply and service alternatives to maximize supply and distribution of water for irrigation domestic and industrial uses, and to minimize the impact of flooding in program area. 2. a. Long Term: Comprehensive study and data collection to produce a basin-wide plan and investment program for irrigation and flood control. b. Short Term: Establishment of a water-use program, through an inter-agency Water Management Training and Research Center at Camarines Sur Agricultural College, aimed initially at existing irrigated areas. Training of farmers and technicians in the use of modern water management practices, and physical upgrading of systems to facilitate adoption of improved on-farm water management practices.	1. Aerial photography, topographic mapping, land classification, and water resources data collection. 2. Water resources planning: - Flood control study to determine through use of computerized simulation model, the optimum combination of projects. - Pre-feasibility program for the Comprehensive Water Resource Development of the Bicol River Basin. - Reconnaissance grade comprehensive water resources. - Water balance and water supply study. - Hiring of a water resources planning adviser. 3. On-farm Water Management: - Advisory support, research and training.

Project	GOP Program	USAID Support
B. Transportation	Objective: 1. Increase of farm income through the development of the secondary and farm-to-market road network serving key agricultural areas of the basin and support of the economic growth through the development of an intermodal transport system. 2. Transport Planning Group: - Preparation of secondary and feeder road program for local or foreign financing. - Submission of the DPH's Quirino Highway project for foreign financing.	1. Consultancy in transportation economics and engineering, and design and preparation of the inter-modal transport plan.
C. Agribusiness	1. Objective: Direct public and private investments into priority off-farm agro-industrial businesses. 2. Agribusiness Task Force: - Collection and organization of base data; development of realistic commodity projections; study of specific commodity industries; formulation of specific workable alternatives; evaluation of alternatives and selection of a feasible total agribusiness system; and, formulation of a time-staged program to develop the system. 3. Negotiation for financing of the program by local and foreign institutions.	1. Consultancy in the development of agricultural data base; agribusiness planning; project development, and, specialized areas such as grain storage and livestock processing facilities.

Project	GOP Program	USAID Support
D. Crops	1. Objective: Increase farm incomes through intensification and diversification of crop production; assessment of the feasibility of changing cropping patters to minimize the effects of adverse climatic conditions; and, pilot testing of several production prototypes and extension of tested results. 2. Crops Task Force: - Inter-agency diversification program aimed at developing viable crop alternatives for compact farms in addition to rice. - Exploring market opportunities for new crops and marketing support.	1. "Test-Bed Research Program" through the NFAC will investigate: - Compatibility of different crops grown in rotation with rice and corn. - Constraints of cropping system and their economic effect and influence on risk to the producer. - Economic and social feasibility of alternate farmer support systems and marketing arrangements. - "Whole-farm" financing as a means to support varied multi-cropping systems.
E. Livestock	1. Objective: Increase of farm incomes through the intensification of backyard and semi-commercial livestock production. 2. Livestock Task Group: - BAI planning and management of the project.	1. Carried through the agribusiness program. 2. Future support depends on recommendations of the study.

Project	GOP Program	USAID Support
F. Fisheries	1. Objective: Increase of fishermen and small fishpond operators' income through the introduction of appropriate aquaculture technologies. 2. Fishery Production Task Group: - Conduction of a detailed technical study of the inland fisheries industry, and a series of research and demonstration projects at various locations.	1. Financing of technical consultancy in inland fishery economics and planning.
G. Farm Mechanization	1. Objective: Introduction and market-testing of a range of intermediate technology farm machinery, using compact farms as Integrated Farm Mechanization Units. 2. a. Long Term: Rural banking system, with the support of the BREC, will sponsor a farm machinery loan program for compact farms. - Local manufacture of farm equipment and component parts by the private sector. b. Short Term: Modelling the compact farm organization into efficient units for small-scale mechanization.	1. Short term consultancy to provide designs and field construction supervision of the experimental on-farm ferro-cement grain storage bin.

Project	GOP Program	USAID Support
H. Agricultural Credit and Rural Bank Expansion Program	1. Objective: Availability to Basin farmers of adequate supervised credit through the rural banking system and the introduction of "full farm" financing. 2. Detailed working arrangements between the CB and BRBC to insure that the rural bank expansion program and "full farm" financing program are properly interfaced with the overall BRBDP, particularly the Compact Farm.	1. Support is part of the overall national program and involves technical assistance and financing through P.L. 480 proceeds.
I. Land Reform and Cooperatives	1. Objective: Conversion of at least 19,500 rice and corn share-tenants to amortizing owners and the provision of a viable farmer support system as part of DAR operations. 2. Cooperatives: Institutionalization of the compact farm program through preparation as well as distribution of extension literature and training manuals for technicians and farmer leaders, and execution of a multi-agency Compact Farm Training Program.	1. Land Reform: Support is handled under the Agrarian Reform Project being executed through DAR. 2. Preparation of a Basin-wide cooperative marketing program within the context of the rice industry program.
J. Agricultural Education	1. Objective: Strengthening of the physical base and the curriculum and manpower training program of the Camarines Sur Agricultural College to enable the College to provide qualified manpower to serve the expected increase in demand for agricultural expertise.	1. Possible capital financing to enable the College to expand its physical, curriculum and manpower base. 2. Financial assistance in preparing the development plans for the College and identifying the capital requirements.

Project	GOP Program	USAID Support
	2. Organization of Area Development Teams (6) on an inter-agency basis to ensure that interests of the local governments are reflected in the overall planning.	
	3. Development of the Libmanan/ Cabusao Integrated Area Development Project with emphasis on land reform, agriculture, irrigation, drainage, secondary roads and health services.	

BICOL RIVER BASIN PROGRAM
ORGANIZATIONAL STRUCTURE