

Final Report

Consultancy Services for

Assessment of the Effects of the ACPC Institutional Capacity Building (ICB) Programs on Beneficiary Farmer and Fisherfolks Organizations

Department of Agriculture-
Agricultural Credit Policy Council



ASSESSMENT OF THE EFFECTS OF AGRICULTURAL CREDIT POLICY COUNCIL (ACPC) INSTITUTIONAL CAPACITY BUILDING (ICB) PROGRAMS ON BENEFICIARY FARMER AND FISHERFOLK ORGANIZATIONS

Final Report

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LIST OF ACRONYMS

AO	Administrative Order
ACPC	Agricultural Credit Policy Council
AMCFP	Agro-Industry Modernization Credit and Financing Program
BFWC	Bohol Federation of Women Cooperatives
CCIBP	Central Cordillera Institution Building Program
CSDO SC	Coalition of Social Development Organizations in South Cotabato
CALF	Comprehensive Agriculture Loan Fund
CAC	Cooperative Accreditation Criteria
CDA	Cooperative Development Authority
DA	Department of Agriculture
DBM	Department of Budget and Management
DOF	Department of Finance
EO	Executive Order
FFCOs	Farmer and fisherfolk cooperatives and organizations
FEEDF	Filipino Economic Enterprise and Development Foundation
FGDs	Focus group discussions
ICB	Institutional Capacity Building
KIIs	Key informant interviews
LBP	the Land Bank of the Philippines
NGO	Non-Government Organization
PCFC	People's Credit and Finance Corporation
PMD	Program Monitoring Division
RSBSA	Registry System for Basic Sectors in Agriculture
RA	Republic Act
RFIs	Rural Financial Institutions
SFF	Small farmers and fisherfolk
SCUs	State colleges and universities
TNA	Training needs assessment

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EXECUTIVE SUMMARY

The Resources, Environment, and Economics Center for Studies (REECS) was commissioned to assess, primarily the effects of ACPC's ICB Assistance Program on the capacity of RFIs and FFCOs to deliver credit to farmers and fisherfolk. In particular, it sought to know how the ACPC's ICB Assistance Program, specifically the grant assistance component, has benefited FFCOs in improving their organizational, technical, and financial capacities and concomitantly in enhancing their members' access to credit. Moreover, this assessment sought to achieved the following objectives: [a] determine if the ACPC ICB Assistance Program has strengthened the capacity of farmer and fisherfolk organizations and other rural financial institutions (RFIs) to access, manage, and lend credit funds to their farmer and fisherfolk members or clients; [b] assess if access to formal credit of small farmers and fisherfolk has improved as a result of the ICB grant assistance; [c] evaluate the efficiency of implementing the ICB Assistance Program; [d] identify the strengths and weaknesses of the ICB Assistance Program with regard to improving access to credit of small farmers and fisherfolk; and [e] provide recommendations on how ACPC could further improve the implementation of its ICB Assistance Program.

In order to achieve the aforementioned objectives, the team worked and proceeded under the following premises: [a] the target beneficiaries of the ACPC ICB Program are small farmer and fisherfolk cooperatives organizations (FFCOs) that require development assistance to strengthen and upgrade their maturity level and status to being credit-worthy and able to access credit; [b] the ICB interventions can either be a one-time assistance or a series of activities depending on the need or requirements of the FFCO; [c] the target FFCOs are not entirely devoid of capacity building assistance from other service providers; and [d] the ICB interventions are dependent on availability of funds. The study areas covered the six provinces of Bohol, Negros, South Cotabato, Ifugao, Mt. Province, and Kalinga where ICB grant assistance was provided between 2003 and 2013.

The focus of the assessment was in accordance with the Terms of Reference, namely: [a] effects of the ICB Assistance Program on the capacity of FFCOs to access credit from formal sources, manage and deliver credit to small farmers and fisherfolk; [b] aspects (organizational, management, financial, technical, etc.) of the FFCOs and RFIs/partner organizations' operations that have been strengthened by the ICB Assistance Program; [c] empirical evidence on the extent or how significantly the ICB Assistance Program has influenced the capacity of FFCOs to effectively manage and deliver credit to their members or clients; [d] types of ICB activity (e.g., training, coaching, business development, technical assistance) and training modules that have significantly contributed in improving credit management and delivery of FFCOs; and [e] institutional capacity and competencies of ACPC's partner training institutions (e.g., federations of cooperatives, NGOs, state colleges and universities) in conducting ICB projects with the end view of improving access to credit of small farmers and fisherfolk.

Moreover, the framing of the study was based on the logic model approach. That is, the ICB assistance envisioned to provide targeted capacity building interventions to FFCOs through partner/resource organizations (RFIs and SUCs) or other service providers (GFIs, other institutions). The capacity building activities in the form of training, coaching, mentoring and assistance in systems set up aimed to improve the management and operations of the FFCOs and enable them to effectively and efficiently facilitate access and delivery of credit to farmers and fisherfolk. In terms of the methodology, a time-based analysis was conducted through a comparison of "before" and "after ICB" scenarios, using baseline information during the year of ICB intervention, year after and 2013 data. A comparative analysis based on whether or not a "significant improvement" for an indicator from the baseline year to 2013 was also carried. Moreover, the study conducted descriptive and qualitative analyses based on key informant interviews (KIIs) and/or focus group discussions (FGDs) in the absence of or varying baseline data/ years and mid-term assessments. Conversely, three levels of evaluation were conducted following the outcome pathway, namely: [a] Program level (Program Inputs); [b] Partner/Resource Organization

level (Program Outputs); and [c] FFCO level (Program Outcomes). Descriptive statistics, specifically, frequencies, percentages, averages, and graphs were utilized in the assessment. Case studies were also conducted in order to highlight the notable effects of the ICB assistance. In addition, primary and secondary data were collected through a combination of methods and approaches such as FGDs with the partner/resource organizations, survey of the FFCOs, and FGDs with selected FFCOs and some of their farmer and fisherfolk members. Furthermore, secondary data were gathered from: [a] desk review of relevant ACPC ICB Program documents and reports and FFCO documents such as manual of operations, annual reports, financial statements and other relevant documents; and [b] research on related studies and other or similar literature and available secondary data from relevant NGAs and LGUs. A triangulation of these approaches was accomplished to validate the findings and come up with a sound assessment of the ICB Program as well as draw recommendations from the results.

Findings from the assessment revealed the following:

FINDINGS	
Relevance and effectiveness of the ICB program	
1. Relevance of ICB Activities	<ul style="list-style-type: none"> ACPC has a specific niche in terms of the target clientele of ICB intervention Given its specific clientele, ACPC ICB interventions are deemed relevant and targeted
2. Reach of ICB Activities	<ul style="list-style-type: none"> ICB activities involved the FFCO officers and financial management staff From 2004-2012, ACPC collaborated with over 30 resource and partner organizations (RFIs, SCUs, NGOs) which conducted 179 ICB activities involving more than 1,680 FFCOs with an estimated membership of about 6,850 Resource organizations and CCIBP covered by this assessment conducted some 80 ICB activities involving some 175 FFCOs Partnerships not only tapped the expertise of local resource organizations but also facilitated the provision of technical assistance faster, leveraged funds/resources for ICB activities reaching more FFCOs and reduced the cost of administration and conduct of ICB activities
3. Empowerment of FFCOs and Partner Organizations	<ul style="list-style-type: none"> ACPC has a specific niche in terms of the target clientele of ICB intervention ICB interventions helped develop the skills needed in strengthening the FFCOs
Efficiency of the ICB Interventions	
1. Comparative Delivery Costs	<ul style="list-style-type: none"> Under a partnership arrangement, the delivery of ICB was made more efficient
2. Comparison with Standard Training Rates	<ul style="list-style-type: none"> Even with mentoring assistance, the ICB rates are found competitive and even lower than standard rates
Effect on the FFCOs Management and Operations	
1. Membership and Participation of FFCOs	<ul style="list-style-type: none"> a marked increase in the number of cooperatives whose membership have increased after ICB intervention (based on 2013 data)
2. Improvement in Institutional Capacity	<ul style="list-style-type: none"> Seventy three (73) percent of the FFCOs in the study areas perceived that the ICB trainings they received improved their institutional capacities compliance to legal and policy requirements of supervisory and regulatory agencies shows that compliance with CDA and BIR requirements dipped after ICB intervention attributed to the poor performance of a number of FFCOs brought about by the onslaught of natural calamities About 50% of the FFCOs surveyed indicated their difficulty in meeting compliance requirements of RA 9520 specifically About 15% have decided to no longer register but just continue to operate A few have opted to register with DOLE instead

	FINDINGS
3. Improvement in Technical Capacity/Operations	<ul style="list-style-type: none"> About half of the FFCOs covered indicated that the ICB interventions helped improve their technical capacity to prepare proposals, establish a new business or expand their operations and access funds About half (46%) were able to access funds for new business or expanded operations through project or business proposals they prepared However, many of those which prepared proposals accessed funds from partner or resource organizations (BFWC and FEEDF) that were given funds for grant assistance for relending or enterprise development FFCOs under CCIBP, meanwhile, have existing credit line with Land Bank which they could avail as needed
4. Improvement in financial management and performance	<ul style="list-style-type: none"> Significant ICB interventions were in the areas of financial management, bookkeeping and recording Majority of the FFCOs have engaged licensed and CDA-accredited accountants to conduct external audit and prepare their audited financial statements
5. Improvement in Credit Management and Delivery	<ul style="list-style-type: none"> More than 60% of the FFCOs indicated that ICB improved their capital build-up and savings mobilization policies and systems which improved member awareness and participation and resulted in increased savings and share capital participation FFCOs interviewed indicated in KIIs that the ICB activities helped them improve their capital build-up, savings mobilization and profitability and debt management KIIs indicated that ICB assistance have contributed to the growth in the loan portfolio in terms of improving lending policies which facilitated access or borrowing by the FFCO members
6. FFCO Feedback on ICB Interventions	<ul style="list-style-type: none"> The ICB interventions were rated excellent in terms of conduct, relevance and application by 40%-50% of the FFCOs. Less than 3% indicated that conduct and relevance of ICB interventions needed to be improved. A higher percentage of 8% indicated that the application of ICB activities needed to be improved implying more hands-on interventions or preparation of clear action plans after ICB to guide them in applying learnings and skills acquired
7. Effectiveness of Modes of Delivery	<ul style="list-style-type: none"> Less than 3% indicated that conduct and relevance of ICB interventions needed to be improved. Almost half of the FFCOs find trainings (lectures and workshops) most effective in terms of improving their knowledge and skills related to coop operations
8. Feedback from FCCO Farmer and Fisherfolk Members	<ul style="list-style-type: none"> Results of the survey with member farmers and fisherfolk reveal that they are generally satisfied with the performance and services of their FFCOs. Ninety-one percent of the farmer members of the FFCOs confirm that there were improvements in their FFCOs through having a capital build-up and savings program 76.5% said their share capital certificates/records and passbooks have been regularly updated.
Strengths of the ICB Program	
1. Easy Access to ICB Grant Assistance	<ul style="list-style-type: none"> ICB Assistance Program provides a ready and accessible source of funding for capacity building requirements of FFCOs especially the small ones The resource or partner organizations identified the following strengths of the ICB Assistance Program: [a] accessibility of the ICB grant (easy and manageable requirements); [b] reasonable paper work (submitted only mid-term and terminal reports); [c] flexibility and control on the conduct of the activities/ trainings (adjustments were made on need basis); and [d] program fit (catered to need or requirements of cooperatives).

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	FINDINGS
2. Staff and service provider competency and management	<ul style="list-style-type: none"> At the ACPC level, the ICB Assistance Program is implemented by a lean and highly qualified and technically competent staff The selection of the resource and partner organizations followed a given eligibility criteria Need to increase the ICB staff complement or expand partnerships to reach out to more FFCOs, given the growing demand for ICB assistance with RSBSA as basis and need for follow through and monitoring activities Continuous retooling of knowledge and skills of the staff in terms of designing and planning for innovative ICB schemes and monitoring and evaluation should be pursued
3. Tie-up a Series of ICB Activities with Available Loans from ACPC and Partner Agencies	<ul style="list-style-type: none"> The ICB activities are more effective in enabling the FFCOs and their members to access credit facilities when these are bundled together (e.g., CCIBP with the Land Bank of the Philippines as a resource partner)
4. Flexibility and customization of ICB interventions	<ul style="list-style-type: none"> Resource or partner organizations were given the flexibility to develop and conduct training modules and designs appropriate to the needs of their FFCO beneficiaries Trainings came in diverse areas Among the different methods in implementing the ICB inventions, the assessment showed that cooperatives tended to appreciate hands-on and on-site trainings
Weaknesses of the ICB Program	
1. Limited duration of ICB interventions	<ul style="list-style-type: none"> One of the challenges of the ICB program is the limited duration or exposure of participants to trainings In general, the implementation of each ICB activity took only one to a little more than two days
2. Monitoring of ICB Interventions	<ul style="list-style-type: none"> ICB activities were generally monitored and reported in terms of partner organizations engaged, training activities conducted and FFCOs and officers trained but not the results A more regular monitoring and evaluation system for ICB activities including those funded by the grant assistance needs to be put in place to help ensure that they effectively strengthen the FFCOs and generate information to improve ICB activities Need to be more proactive and results-based monitoring and evaluation system for its ICB activities
3. Budget for ICB Activities	<ul style="list-style-type: none"> Grant assistance with a fixed amount of about PHP300,000 per resource or partner organization. Given a fixed allocation, planning and budgeting for ICB have not been based on actual need or capacity building requirements of the clientele; rather, the work plan and targets have been adjusted based on available budget Basis for determining the budget for ICB, thus, needs to be drawn for a more responsive ICB budget allocation that meets the requirements of ACPC's Magna Carta mandate to provide ICB Grant and IFS
4. Selection of Beneficiary Cooperatives/Associations	<ul style="list-style-type: none"> Although the criteria for selecting FFCOs to participate in the ICB activities of CSDO, BFWC, FEEDF and the CCIBP varied, similar themes such as location, cooperative's business activities/type, and affiliation or membership were observable To ensure that the ICB grant assistance really target the FFCOs, ACPC might need to review the criteria for the selection of the FFCO beneficiaries of its resource or partner organizations

Based on the findings above, particularly on the need to find their niche in capacity building for small farmers and fisherfolk (SFF), the following recommendations which may help enhance and focus their ICB assistance to areas most needed by SFFs are presented:

	RECOMMENDATIONS
Ensuring that qualified FFCOs are covered	<ul style="list-style-type: none"> ▪ The criteria for the selection of FFCOs should be clearly drawn up and strictly enforced with the resource and partner organizations. ▪ The ICB Assistance Program could focus on SFFs included in the Registry System on Basic Sectors in Agriculture (RSBSA) and those targeted to be financed by the PHP1 billion and PHP2 billion fund allocated through ACPC and administered by PCFC and Land Bank as potential clients ▪ criteria could include size in terms of assets, membership (at least 70% to 100% should be farmers or fisherfolk) and level of development based on CDA criteria or LBP CAC ▪ ICB Division's role has to be also strengthened in terms of facilitating linkages among the other service providers and provision of ICB assistance
Eligibility requirements for resource or partner organizations	<ul style="list-style-type: none"> ▪ Minimum qualifications for the resource speakers or trainers also need to be set ▪ In the absence of standardized modules for ICB interventions, it will be prudent and also ensure effective and sustainable delivery of ICB assistance if the resource organizations or their trainers meet the minimum training experience and qualifications ▪ Accreditation with training or resource institutions such as the CDA, ATI and DA will be a plus
Conduct of preparatory activities	<ul style="list-style-type: none"> ▪ Gathering of baseline information on the target FFCOs, TNAs as well as environmental scanning activities in the study sites need to be required from the resource or partner organizations as part of the preparatory activities for the ICB interventions ▪ The TNAs, in particular, have to be very objective in order to note the difference between '<i>what the FFCOs think they need</i>' and '<i>what they actually need</i>' ▪ Effectiveness of the trainings and other ICB activities will be maximized when trainings are conducted by groups based on difficulty, level of understanding and capacity of the target beneficiaries ▪ Budget for the conduct of these activities can a) form part of the 30% share of the resource or partner organization; b) be part of the grant assistance; or c) be budgeted on top of the grant assistance.
Regular M&E and Development of Database	<ul style="list-style-type: none"> ▪ ACPC needs to adopt a more proactive and results-based monitoring and evaluation system for its ICB activities to help ensure that they effectively strengthen the FFCOs ▪ Identification and establishment of performance indicators ▪ The ICB Division should closely collaborate with the Monitoring Division and the Information System Management Division to come up with a results-based M&E system and database for FFCOs covered under the ICB Assistance Program ▪ M&E results will be useful in informing future ICB programs as well as in documentation of ICB best practices and models
Strategies for the Conduct of ICB	
1. Focus on financial and credit management interventions	<ul style="list-style-type: none"> ▪ In order to find its niche, ACPC may focus its grant assistance on the following needed areas in a phased manner: credit/finance management trainings; trainings on business development including strategic planning; cooperative management; and, bookkeeping/recordkeeping

	RECOMMENDATIONS
2. Standardization of Training Modules	<ul style="list-style-type: none"> It may be more practical on the part of ACPC and the resource organizations to have standard modules Standardization of training materials will: [a] provide common performance indicators to facilitate progress monitoring and evaluation of ICB activities; [b] save time and resources in developing modules; [c] ensure the quality of training materials and delivery of ICB activities to the FFCO beneficiaries ACPC has reportedly developed 14 training modules on various areas and these may be prescribed for adoption or customization as needed
3. Training of teams, not individuals	<ul style="list-style-type: none"> Transfer and application of learnings, knowledge and skills from ICB activities will be more effective if a team from the FFCOs is trained rather than individuals or just the management This will promote team effort and widespread transfer, and ensure retention of learnings, knowledge and skills in cases of retirement and staff movement
4. Conduct of follow on/through ICB	<ul style="list-style-type: none"> Retention and application of knowledge and skills will be higher when two to three-day trainings are followed up with further related trainings or hands on trainings, coaching or mentoring interventions A programmatic approach to ICB similar to CCIBP may be further pursued, where interventions are phased until the FFCOs are linked with credit institutions
5. Deployment of a team of trainers per area or per program	<ul style="list-style-type: none"> One resource or partner organization manage an ICB program covering contiguous areas to facilitate management, coordination and monitoring of ICB activities
Budget Allocation for ICB Activities	<ul style="list-style-type: none"> Mechanics for determining the budget for ICB need to be drawn for a more responsive ICB budget allocation that meets the requirements of ACPC's Magna Carta mandate to provide ICB Grant and IFS ICB budget should be able to cover not only the grant assistance and operations but also the conduct of pre-ICB prerequisites, M&E and documentation.
Staff retooling and training	<ul style="list-style-type: none"> ACPC staff as providers and facilitators of ICB would also require continuous training and retooling of knowledge and skills particularly in terms of designing innovative ICB schemes, planning and budgeting, management and monitoring and evaluation of ICB interventions
Sustainability Strategies for ICB Activities	<ul style="list-style-type: none"> Phased and continuous capacity building interventions are more effective in ensuring the sustainability of cooperative operations Conduct of follow up or follow through capacity building interventions should be pursued but would require more resources Strengthen its links with CDA, DAR, ATI, DTI, LBP and PCFC to augment and share resources and cover more FFCOs Encourage funds leveraging and counterparting with its resource/partner organizations and even with the FFCOs Explore the implementation of output-based aid (OBA) type of grant assistance where partners can advance ICB investment and depending on outputs, assistance may be doubled or where fund tranches are linked with outputs to ensure delivery and achievement of targets/outcomes

ASSESSMENT OF THE EFFECTS OF AGRICULTURAL CREDIT POLICY COUNCIL (ACPC) INSTITUTIONAL CAPACITY BUILDING (ICB) PROGRAMS ON BENEFICIARY FARMER AND FISHERFOLK ORGANIZATIONS

1 BACKGROUND & RATIONALE OF THE ICB ASSESSMENT

1.1. Background of the Assessment

The Agricultural Credit Policy Council (ACPC) was created in 1986 by virtue of Executive Order (EO) 113 to assist in harmonizing all credit policies and programs supportive of the priority programs of the Department of Agriculture (DA). EO 116 made ACPC an attached agency of the DA. DA Administrative Order (AO) No. 5 tasked ACPC to administer the Comprehensive Agriculture Loan Fund (CALF) and to review and evaluate the economic soundness of all ongoing and proposed agricultural credit programs, whether for domestic or foreign funding, prior to approval.

Republic Act (RA) 7607 or the Magna Carta for Small Farmers of 1992 expanded ACPC's role to implement institutional capacity building (ICB) programs and pilot-test innovative financing schemes for marginalized farmers and fisherfolk. More specifically, this law specifies that ACPC and other concerned agencies will be responsible for the following: (1) registration, (2) information dissemination, and (3) monitoring of farmer organizations, non-government organizations (NGOs), cooperative banks, and other institutions providing credit facilities (IRR, Rule 75).

RA 8435 or the Agriculture and Fisheries Modernization Act of 1997 provided for the phase-out of all agricultural directed credit programs (DCPs) and mandated ACPC to develop the design and act as administrator of the Agro-Industry Modernization Credit and Financing Program (AMCFP). ACPC Council Resolution 01-1999 empowered the ACPC to oversee the administration of the AMCFP Fund and ensure the adequate flow of funds to the DA's priority sectors and intended clients.

DA-DOF-DBM Joint Circular No. 1¹ in 2003 tasked the ACPC to manage and facilitate the collection and consolidation of government DCPs into the AMCFP. DA Special Order 605 issued in 2011 further expanded ACPC's role to ensuring compliance of financial institutions on lending to the agri-agra sector as mandated under RA 10000 or the Agri-Agra Reform Credit Act of 2009.

¹ The Department of Agriculture (DA), Department of Finance (DOF) and Department of Budget and Management (DBM) Joint Circular No. 1, approved on March 11, 2003, established the rules and regulations on the transfer of the Directed Credit Program (DCP) funds into the AMCFP.

The ACPC has employed the following strategies to implement its mandates: a) strengthen AMCFP lending to small farm and fishing households; b) reduce costs of lending and provide incentives for private banks to increase lending to the agriculture and fisheries sector; c) reduce risks through strengthened credit guarantee and agricultural insurance programs; d) build-up credit database for small farmers and fisherfolk (SFF), intensify information dissemination and strengthen monitoring and evaluation; and e) enhance capacity of SSF and their cooperatives and organizations.² The ultimate goal of these strategies is to ensure the effective and sustainable delivery of financial services to the SFF.

Recognizing the importance of ICB in meeting this goal, the ACPC has provided assistance to farmer and fisherfolk cooperatives and organizations (FFCOs) to improve the accessibility, management, and provision of credit to their small farmer and fisherfolk members. The ACPC's ICB Assistance Program is mainly designed to support credit programs under the AMCFP by strengthening the capacities of FFCOs and transforming these organizations into sustainable entities, particularly by providing micro and livelihood credit for its members. ICB assistance is delivered through these activities:

1. provision of grants to apex organizations or federations of cooperatives, farmers' organizations, and/or farmer-owned financial institutions that are capable of managing the ICB activities (e.g., training, coaching) under the ACPC Grant Assistance Program; and
2. outsourcing via training or educational institutions such as rural financial institutions (RFIs) and state colleges and universities (SCUs) (ACPC, 2002).³

The implementation of ICB programs formally commenced on October 1998. After 17 years of implementation, ACPC has collaborated with more than 28 partner or resource organizations including RFIs, NGOs and SCUs and has provided ICB assistance to more than 1,500 FFCOs covering about 7,000 small farmer and fisherfolk beneficiaries from 2003 to 2012.

The ICB accomplishments have been reported in terms of trainings conducted and FFCOs assisted but an assessment of the effectiveness and efficiency of these interventions has not been done in the past. This study, therefore, endeavored to look at how the ACPC's ICB Assistance Program, specifically the grant assistance component, has benefited FFCOs in improving their organizational, technical and financial capacities and concomitantly in enhancing their members' access to credit.

1.2. Objectives of the Study

This study primarily aimed to assess the effects of ACPC's ICB Assistance Program on the capacity of RFIs and FFCOs to deliver credit to farmers and fisherfolk. Specifically, it sought to:

1. Determine if the ACPC ICB Assistance Program has strengthened the capacity of farmer and fisherfolk organizations and other rural financial institutions (RFIs) to access, manage, and lend credit funds to their farmer and fisherfolk members or clients;

² Summary of ACPC mandates and 2015 Major Final Outputs and Performance Indicators. Accessed at <http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2015/GAA%202015%20Volume%20I/DA/B.pdf>

³Source: Agricultural Credit Policy Council. (2002). The ACPC Institution Building Program. *ACPC Monitor*, (5). Accessed at <http://www.acpc.da.gov.ph/ACPC%20Monitors/2002/institutional%20building.pdf>.

2. Assess if access to formal credit of small farmers and fisherfolk has improved as a result of the ICB grant assistance;
3. Evaluate the efficiency of implementing the ICB Assistance Program;
4. Identify the strengths and weaknesses of the ICB Assistance Program with regard to improving access to credit of small farmers and fisherfolk; and
5. Provide recommendations on how ACPC could further improve the implementation of its ICB Assistance Program.⁴

1.3. Basic Premises/Assumptions

The assessment of the ICB Assistance Program proceeded from the following premises:

1. The target beneficiaries of the ACPC ICB Program are small farmer and fisherfolk cooperatives organizations (FFCOs)⁵ that require development assistance to strengthen and upgrade their maturity level and status to being credit-worthy and able to access credit.⁶ The ICB assistance, therefore, will improve the organizational, operational and financial capabilities of the FFCOs and upgrade their maturity level, and ultimately facilitate their access to funds to expand their outreach to small farmers and fisherfolk. The ICB interventions, however, are not stand alone assistance but may need other support services to ensure transformation of the small FFCOs into creditworthy and viable organizations which are able to access credit. Access to credit by the FFCOs and their members is manifested by the following: a) increase in the volume of loans of FFCOs for productive activities or relending to its members; b) interest rates are affordable to FFCOs; c) there is an increase in the number of members who find the requirements simple and easy to comply with and are therefore able to borrow from the coop; and d) improved loan repayments with terms that are based on the cash flow of the household.
2. ICB interventions can either be a one-time assistance or a series of activities depending on the need or requirements of the FFCO. Being demand driven, there is “no one size fits all” or standard intervention per FFCO. In this regard, the effect or impact of interventions may also vary per FFCO.

⁴ Based on the Terms of Reference for the Study issued by ACPC.

⁵ RA 7607 (Magna Carta for Small Farmers) refer to small farmers' cooperatives, associations, or corporations duly registered with appropriate government agencies and which are composed primarily of small agricultural producers, farmers, farmworkers, and other agrarian reform beneficiaries dependent on small-scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of One hundred eighty thousand pesos (P180,000.00) per annum based on 1992 constant prices.

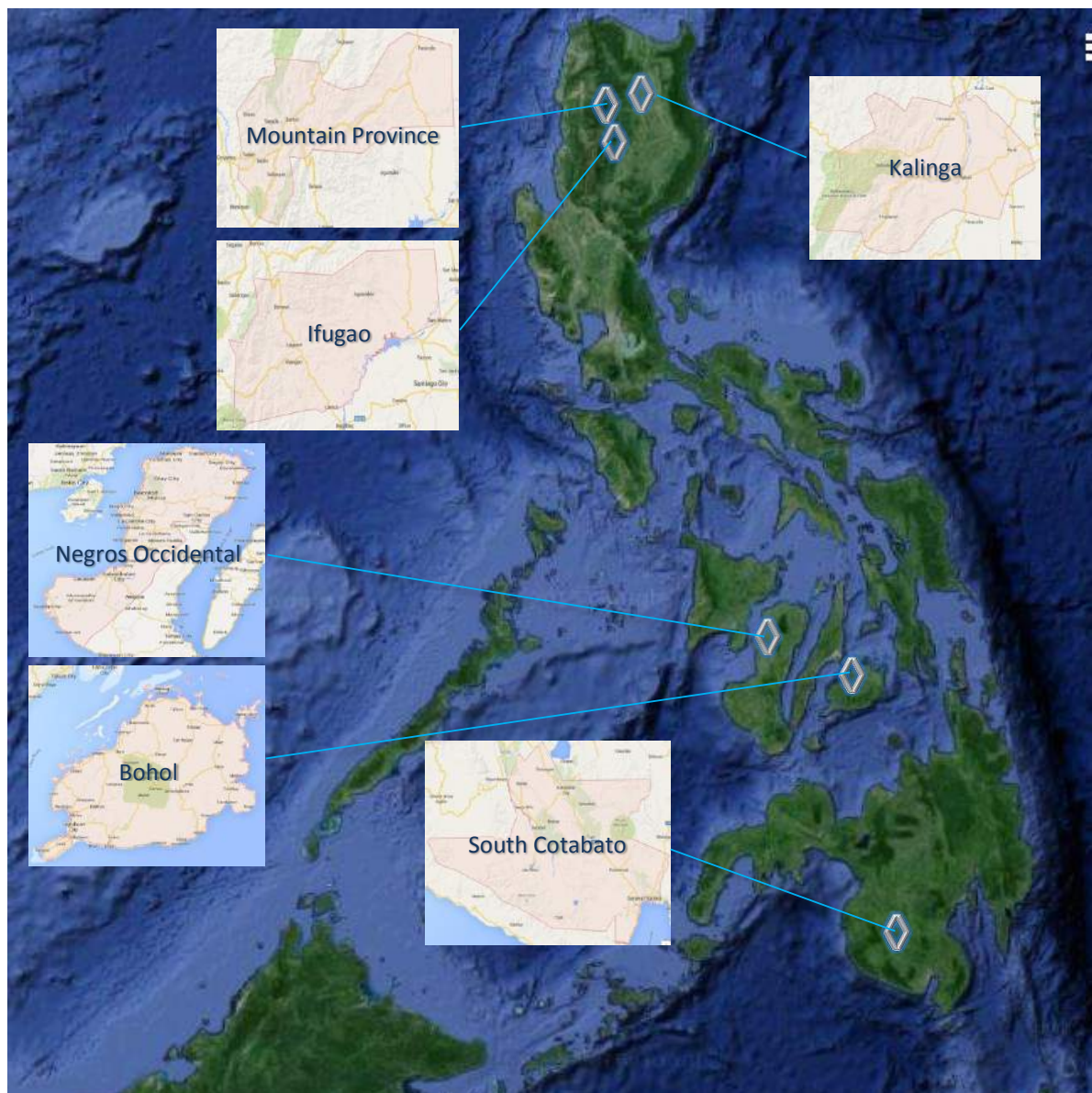
⁶ Using the LBP Cooperative Accreditation Criteria (CAC) as reference, the ICB Program focuses on FFCOs, SLAs and RFAs that may fall under Class D, C and F categories which are not yet viable organizations. LANDBANK adopts the Cooperative Accreditation Criteria (CAC), a system for accrediting and classifying cooperatives, to properly calibrate the delivery of financial and technical assistance to cooperatives. The CAC classifies cooperatives according to maturity level based on three major indicators: organization and management, business operation and financial and loan portfolio, and determines the weak areas in their operations. Cooperatives classified as A and B are considered the stronger co-ops. Class C and D levels require further development assistance to strengthen and eventually upgrade them. A level F means the cooperative has failed to attain the minimum score under CAC, thus, needs further technical assistance.

3. The target FFCOs are not entirely devoid of capacity building assistance from other service providers. Thus, the effect on FFCO development may not be directly or solely attributable to ICB Program assistance. ICB assistance can be gap filling (activity fills a gap that enables progress to be made towards a broader set of outputs and outcomes), integrated or complementary (training activities are identified as a component in a broader set of technical or other investments), or diffused (training activity adds to the stock of human resources but cannot be linked directly with specific change in practice or behavior).
4. ICB interventions are dependent on availability of funds. For the past years, the ACPC is allocated a budget of PHP5 million for ICB grant assistance, of which about PHP3 million have been allocated for ICB activities for FFCOs and the rest for operations. The limited funds can only cover a few FFCOs, therefore, are allocated to resource partners that are willing to leverage the funds with their own resources to be able to reach more FFCOs. Thus, leveraging can be more efficient and effective reaching more FFCOs with ICB assistance. Other ICB programs are funded as special projects and focus on facilitation of services for FFCOs.

1.4. Study Areas

The study areas covered the six provinces of Bohol, Negros, South Cotabato, Ifugao, Mt. Province, and Kalinga where ICB grant assistance was provided between 2003 and 2013. **Figure 1** shows the location of the study areas.

Figure 1. Location of Study Areas



Source: 2015 Satellite image, Google Map.

1.5. Scope and Limitations

The assessment does not cover the whole ICB Assistance Program but only the **grant assistance** component focusing on selected partner organizations and FFCOs in the identified study areas.⁷

In accordance with the Project's Terms of Reference, the assessment focused on the following:

1. effects of the ICB Assistance Program on the capacity of FFCOs to access credit from formal sources, manage and deliver credit to small farmers and fisherfolk;
2. aspects (organizational, management, financial, technical, etc.) of the FFCOs and RFI/partner organizations' operations that have been strengthened by the ICB Assistance Program;
3. empirical evidence on the extent or how significantly the ICB Assistance Program has influenced the capacity of FFCOs to effectively manage and deliver credit to their members or clients;
4. types of ICB activity (e.g., training, coaching, business development, technical assistance) and training modules that have significantly contributed in improving credit management and delivery of FFCOs; and
5. institutional capacity and competencies of ACPC's partner training institutions (e.g., federations of cooperatives, NGOs state colleges and universities) in conducting ICB projects with the end view of improving access to credit of small farmers and fisherfolk.

The following constrained the conduct of a complete assessment of the effects of the ICB interventions:

- a. *Lack of baseline data on the FFCOs.* There was no baseline study conducted on the FFCOs either by ACPC or the partner organizations before the ICB interventions were conducted. The resource or partner organizations claimed to have conducted training needs assessments (TNAs) but the results were also no longer available. Thus, an impact assessment of the ICB interventions was not undertaken. A "before and after ICB intervention" approach was, therefore, adopted for the assessment. However, memory recall of the interventions could be compromised given that the time lapse of 8 to 10 years between the conduct of the ICB assistance and the survey and that most of the trainings were conducted for two to three days only and were often leveraged with funding from other sources. Responses during the surveys may not be as accurate as had the assessment been done earlier or results of TNAs and training evaluation reports been made available for triangulation.
- b. *Lack of standard ICB training and monitoring formats.* With different partner/resource organizations which were tasked to formulate their own ICB projects and activities and no standard procedure for the conduct of trainings and monitoring activities prescribed by ACPC, data collection and recording on the FFCOs and trainings conducted also varied. This had

⁷ The ICB Assistance Program also includes special ICB projects such as ICB for the Direct Market Linkage Development Program (DMLDP); ICB for Convergence Areas; Credit Access through Technical Capability Enhancement; Phil- Luxembourg ICB Project for Microfinance; and Business Planning Development under the Ugnayang Agri-Kredit SA Probinsya. The grant assistance component provides grant subsidies for ICB activities through resource or partner organizations or tie-up or partnership with government agencies, international organizations or financial institutions with complementary programs or assistance such as credit or microfinance services for small FFCOs.

repercussions on consistency/dependability of comparing data sets across resource organizations or FFCOs and perceptions of trainees/interviewees. The surveys were thus triangulated with available information from coop written documents and focus group discussions (FGDs) and key informant interviews (KIIs) with coop members or clients. Case studies of selected FFCOs were also prepared to highlight notable effects of ICB assistance.

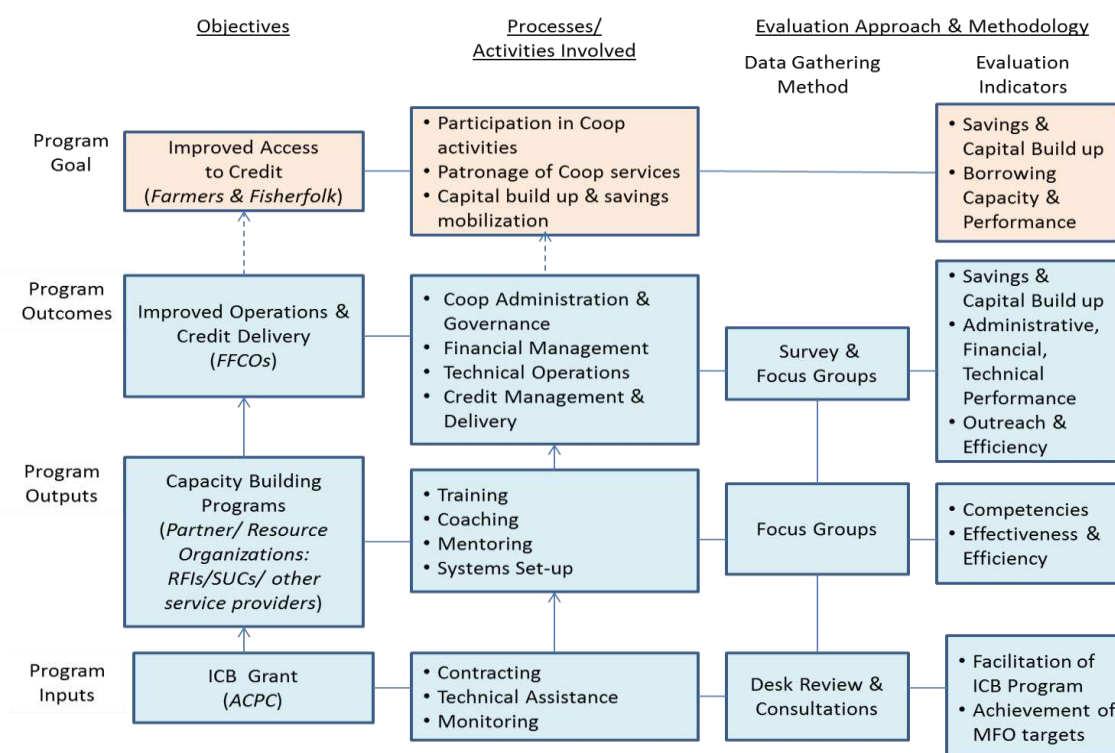
- c. *Changes in RFI and FFCO management and staff.* Given that ICB interventions in these areas were rendered 8 to 10 years ago between 2004-2008, many of the FFCO members, particularly the coop managers who participated in the ICB trainings, have changed (either retired, died or moved to another place or work) and were no longer available for the survey. In lieu of them, some coop staff who were familiar with the training were interviewed. Thus, in a number of cases, the perceptions especially on the conduct of trainings were not based on actual experience but implied as what have been observed or heard by the other staff. Of the three RFIs/partner organizations covered, one (CSDO) had a full change of management and staff and no formal turnover of documents on the ICB was done. Thus, information on the ICB and FFCOs in the areas covered was only based on available documents that were left in the office.
- d. *Inactive or non-operational FFCOs.* A number of FFCOs were affected by natural calamities (especially in Bohol) and by the passage in 2008 of R.A 9520 or The New Cooperative Code, which imposed more stringent service standards and reporting requirements. About 35% of the FFCOs trained and included in the list to be surveyed were no longer active or have ceased to operate while about 17% have undetermined status due to security issues and geographic limitations (refer to **Annex B**). Thus, only 37 out of the target number of 40 FFCOs to be covered were surveyed.

2 FRAMEWORK AND METHODOLOGY

2.1. Conceptual and Analytical Framework

Figure 2 illustrates the pathway for the evaluation of the ICB Program outcomes and impacts. The ICB assistance envisioned to provide targeted capacity building interventions to FFCOs through partner/resource organizations (RFIs and SUCs) or other service providers (GFIs, other institutions). The capacity building activities in the form of training, coaching, mentoring and assistance in systems set up aimed to improve the management and operations of the FFCOs and enable them to effectively and efficiently facilitate access and delivery of credit to farmers and fisherfolk.

Figure 2. Assessment Framework



Direct attribution to improved access to credit by the end-beneficiaries (farmers and fisherfolk) (Program Goal) would at most be implied based on the increased volume of loans/ loan portfolio lent by the FFCOs. Given the nature of ICB trainings which focused on the FFCOs as facilitators and conduits of credit, it would be difficult to establish the direct effect of ICB activities for FFCOs on the borrowing capacities of end-beneficiaries.

2.2. Methodology

A time-based analysis was conducted through a comparison of “before” and “after ICB” scenarios, using baseline information during the year of ICB intervention, year after and 2013 data. A comparative analysis based on whether or not a “significant improvement” for an indicator from the baseline year to 2013 was conducted. With the absence of baseline study and mid-term assessments on the conditions of the FFCOs status and conditions prior to the implementation of ICB in the provinces under study, gathering information on “before ICB” scenarios was met with difficulties and limitations due to varying baseline years. Furthermore, specific quantitative targets as measures of improvement have not been set for evaluation. In addressing these issues, the study conducted descriptive and qualitative analyses based on key informant interviews (KIIs) and/or focused group discussions (FGDs).

Three levels of evaluation were done following the outcome pathway:

1. Program level (Program Inputs): Evaluation of facilitation of access to ICB interventions and achievement of MFO targets through assessment of a) implementation and management; b) effectiveness of interventions in terms of reach; and c) efficiency of the program;
2. Partner/Resource Organization level (Program Outputs): Assessment of competency and efficacy of delivery of ICB activities; and
3. FFCO level (Program Outcomes): Assessment of improvement in organizational, financial and credit management capacities and effectiveness and efficiency in delivery of credit services using the “before and after” analysis.

Primary and secondary data were collected through a combination of methods and approaches. Primary data were gathered through the conduct of:

1. FGDs with the partner/resource organizations: to assess the efficacy of their delivery of ICB interventions;
2. Survey of the FFCOs: to determine the effects of ICB interventions on their organizational, technical and financial capabilities and credit management and delivery to members; and
3. FGDs with selected FFCOs and some of their farmer and fisherfolk members: to complement and validate the FFCO survey.

Field surveys were conducted from September 9 to December 12, 2014 using the survey instruments attached in the study’s Inception Report. **Table 1** provides a summary of RFIs/partner organizations met, along with the number of FFCOs surveyed and the households interviewed. The FFCOs targeted to be interviewed were taken from a long list of FFCOs covered by the ICB Program (**Annex A**). A total of 79 FFCOs were identified for the survey, of which 68 came from the long list and 11 alternate coops identified by the partner/resource organization. Of the 68 FFCOs, 29 (43%) remain active and 27 (40%) are inactive/ non-operational. The status of the remaining 12 FFCOs (17%) is undetermined due to lack of communication facilities and inaccessibility given peace and order situation, distance or road condition at the time of the survey (**Annex C**). Over all, less than half

(45.59%) of the ICB beneficiaries across the four (4) RFIs/programs remain operational (although some cooperatives re-organized); while 35% are confirmed non-operational.⁸

Table 1. KIIs and FGDs of RFIs, FFCOs, and households

Province/RFI/Program (Partner Organization)	Period of data collection	No. of FFCOs Trained	No. of FFCOs based on ICB Group's suggested list*	Target No. of FFCOs to be covered**	No. of FFCOs Covered (see Annex C for the list)
A. FEEDF	Sept. 8-14, 2014	13	18	10	12
B. CSDO-SC	Oct. 16-17, 2014; Nov. 05-07, 2014	82	22	10	9
C. BFWC	Nov. 12-17, 2014	70	18	10	8
Subtotal		165	58	30	29
D. CCIBP	Oct. 20-22, 2014; Oct. 26-30, 2014; Dec. 08-12, 2014	33	10	10	8
TOTAL		198	68	40	37
<i>Note: Validation of FFCO responses was done through perception surveys from available households.</i>					
<i>* Based on ACPC's recommended list (Annex B)</i>					
<i>** No. of FFCOs based on methodology (see Inception Report)</i>					

Secondary data were gathered from a) desk review of relevant ACPC ICB Program documents and reports and FFCO documents such as manual of operations, annual reports, financial statements and other relevant documents; and b) research on related studies and other or similar literature and available secondary data from relevant NGAs and LGUs. A triangulation of these approaches was done to validate the findings and come up with a sound assessment of the ICB Program and draw recommendations from the results.

⁸ Coverage of this is only within the long list (Annex A), and not status of the other beneficiary cooperatives of the excluded in the initial list.

3 THE ICB ASSISTANCE PROGRAM

4.1 Basis and Intent of the ICB Program

The ICB Assistance Program implements the ACPC's mandate espoused under RA 7607 (Magna Carta for Small Farmers of 1992) to enhance capacities of FFCOs to deliver financial services and improve their members' knowledge on: "(1) credit awareness, (2) loan acquisition, and (3) loan repayment" through education and training. Section 21 of the law allows the DA, through the ACPC, to give subsidies for activities that will increase small farmers' access to credit. Section 22 mandates ACPC and other concerned government agencies to advocate for the establishment of cooperative banks and promote the growth of their network. Under the Program, grants are provided to coop banks and small FFCOs for institutional capacity building.

Prior to 2014, ACPC contributed to two major final outputs (MFOs) of the DA: DA-MFO 1, the delivery of agriculture support services and DA-MFO 3, the planning, development, implementation, monitoring and evaluation of plans, policies and programs. Under each of these MFOs were sub-MFOs that identify the specific outputs expected of ACPC as the attached agency of DA responsible for ensuring that small farmers and fisherfolk have access to credit financing. The sub-MFOs were i) credit facilitation services; ii) extension, support, training and education services and iii) policy research and studies, program monitoring and evaluation for the development and formulation of appropriate credit policies and programs. The ICB Program contributed to the achievement of Sub-MFO 3 (credit facilitation services) under MFO 1 (agriculture and fisheries support services delivered). The ACPC implemented the following activities from 2008-2013 under sub-MFO on extension, support, training and education services:

- Package and fund ICB programs for farmers' organization or NGOs
- Implement ICB activities for coops, banks, NGOs etc. through training institutions
- Conduct advocacy activities to generate public awareness, understanding, acceptance and support to ACPC/DA policies, programs and projects
- Package, publish and disseminate IEC materials

Performance indicators for the ICB Program included: number of training/ICB activities conducted, number of farmers organizations strengthened, and number of farmers/fisherfolk trained.

Starting January 2014, the MFO of ACPC was shifted from "credit facilitation" to "credit support services." This shift highlights the importance of ICB as one of the support services to facilitate access of the small FFCOs to credit.

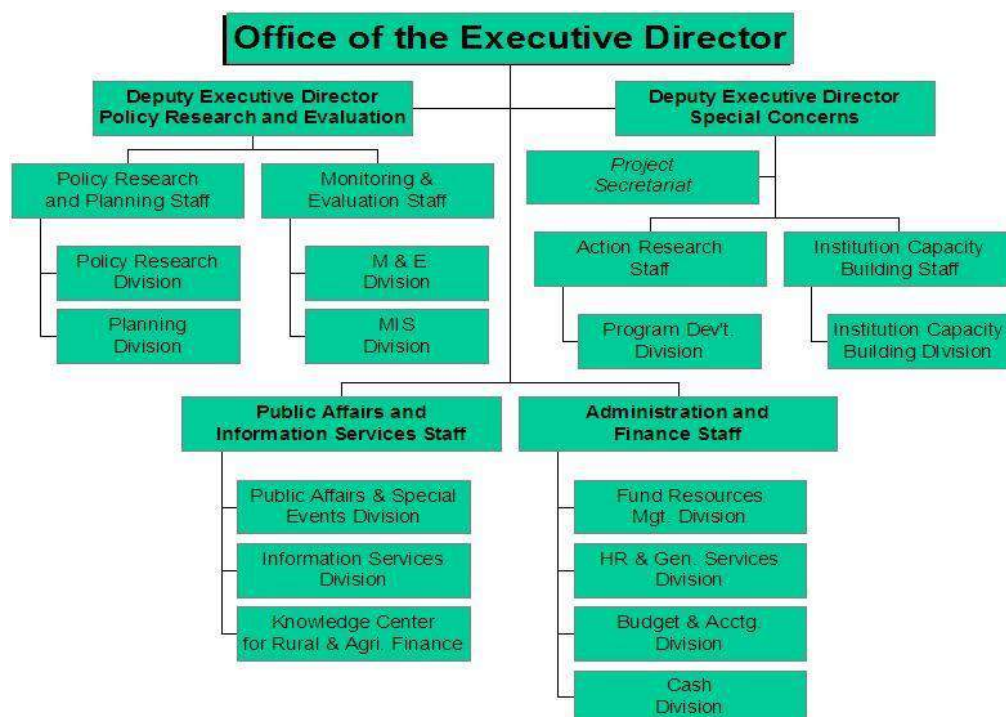
4.2 ICB Program Staff

The ACPC organization has a total staff of 70 comprising 36 permanent personnel, 33 job order staff and one staff under the Upland Southern Mindanao Credit and Institution Building Program (USM-CIBP) based in Davao. The ICB Directorate, under the Office of Special Concerns (**Figure 3**), was initially tasked to undertake the following with respect to providing grants for FFCO capacity building:

1. develop ICB programs to strengthen coop banks and farmers' organizations so that they could access credit and deliver credit to small farmers;
2. in partnership with federations of farmer-owned financial institutions (e.g., coops, coop banks) provide grants to fund ICB activities that shall strengthen the target organizations' ability to access credit from formal financial institutions and to effectively lend the funds to small farmers for their livelihood projects;
3. evaluate ICB proposals from partner institutions for funding consideration; and
4. formulate policies and guidelines for the efficient implementation of ICB programs.

One officer and five staff members are directly involved in the implementation of the ICB grant assistance program. Three of the five are on job order status. Other staff members and units are also indirectly involved in the implementation of ICB grant assistance in support of ACPC's credit support function.

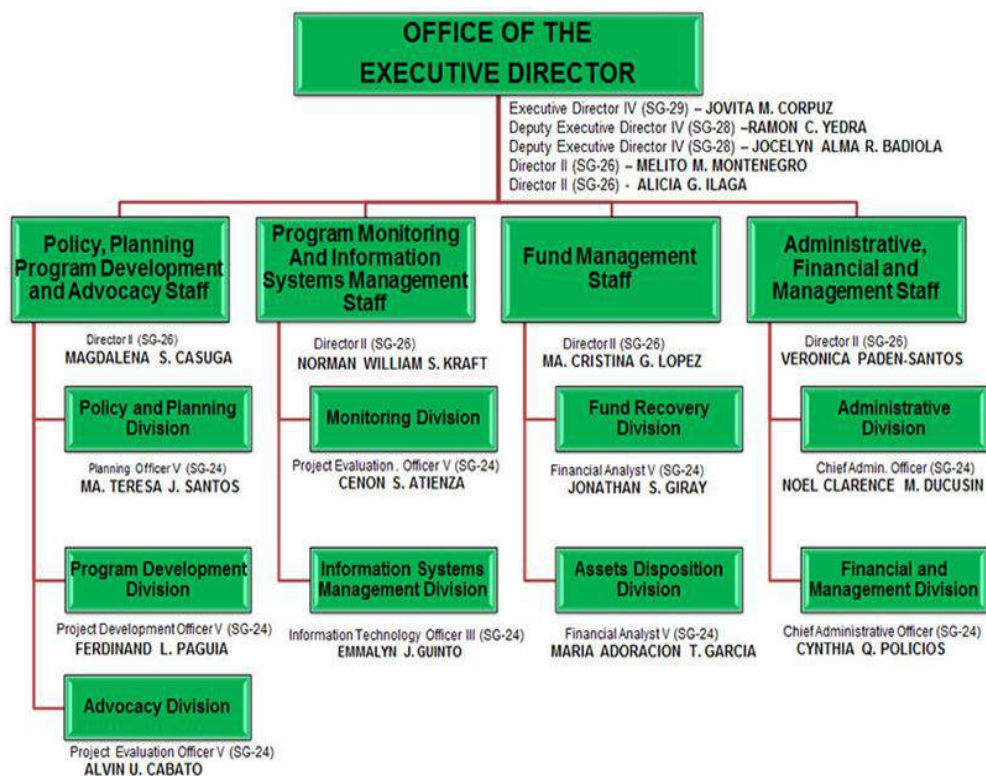
Figure 3. ACPC Organizational Structure Prior to Rationalization



Under the rationalization program (EO 366) implemented in late 2013, the ICB/Advocacy Division has been placed under the Policy, Program Development and Advocacy Staff (Directorate) (**Figure 4**). The ICB Division has two sections under it, the Project Management and Coordination Section and the Training Section. The ICB Division (ICBD) is specifically tasked to:

1. conceptualize and develop ICB programs and projects that will promote the education and training of small farmers on credit awareness, loan acquisition and loan repayment, among others;
2. manage, oversee, and coordinate the implementation of ICB programs and projects including the preparation of policies and guidelines for the implementation of said programs and projects;
3. develop and/or conduct training programs that will promote the establishment of strong and viable farmers' organizations such as cooperatives, credit unions, credit associations, and non-government organization; and
4. documentation of successful ICB programs/projects.

Figure 4. New Organizational Structure under EO 366



4.3 ICB Program Guidelines

The ICB Program Guidelines issued in 2002 indicate that grant assistance will be used for institutional building activities that will enhance the delivery of credit to small farmers and fisherfolk.⁹ Grants are given to eligible rural financial institutions (RFIs) and partner organizations to subsidize up to a maximum of 70% of the total requirements for their institution building programs for eligible activities including: a) capital and saving mobilization activities; b) management information systems projects (with exception of hardware); c) social preparation activities for small farmers; d) management training activities; and e) organization, establishment and strengthening of cooperative banks and other farmer-owned financial institutions. The partner organization provides 30% of the total cost of the ICB program as its equity share. However, for educational or training institutions, the grant fund can cover up to 100% the total ICB program. The ICB activities cover:

1. “strategies to raise additional pledges or capital for cooperative banks and other schemes for resource generation;
2. organizational and human resource development that help in making an organization stronger and more responsive;
3. training on the use of information technology for more efficient bank operations;
4. installation of computer software; and
5. Lakbay Aral or exposure trips to successful cooperatives and coop-banks; and research studies and the development of training materials” (ACPC, 2002).

Two ICB implementation modes or tracks are adopted:

1. direct grant assistance to partner organizations such as federations of farmer and fisherfolk organizations, state colleges and universities (SCUs), rural financial institutions (RFIs), trainings institutions and NGOs which conduct the ICB activities; and
2. tie-ups or partnerships with government agencies, international organizations or financial institutions with complementary programs or assistance such as credit or microfinance services for small FFCOs and RFIs like cooperative banks and rural banks.

The grant assistance enables the ACPC resource or partner organizations to formulate their own ICB projects and activities which are directed towards increasing access of members to formal credit and developing linkages to wider institutional and/ or commercial networks.¹⁰

The effectiveness and efficiency of delivery of ICB assistance through either of the two modes or tracks of ICB implementation will be measured in terms of improvement in FFCO operations and ultimately the access of their farmer and fisherfolk members to credit.

⁹ ACPC Institutional Capacity Building Program Guidelines, 2002.

¹⁰Source: The website of the Agricultural Credit Policy Council – Institutional Capacity Building Program. Accessed at <http://acpc.da.gov.ph/program/ICB.html>.

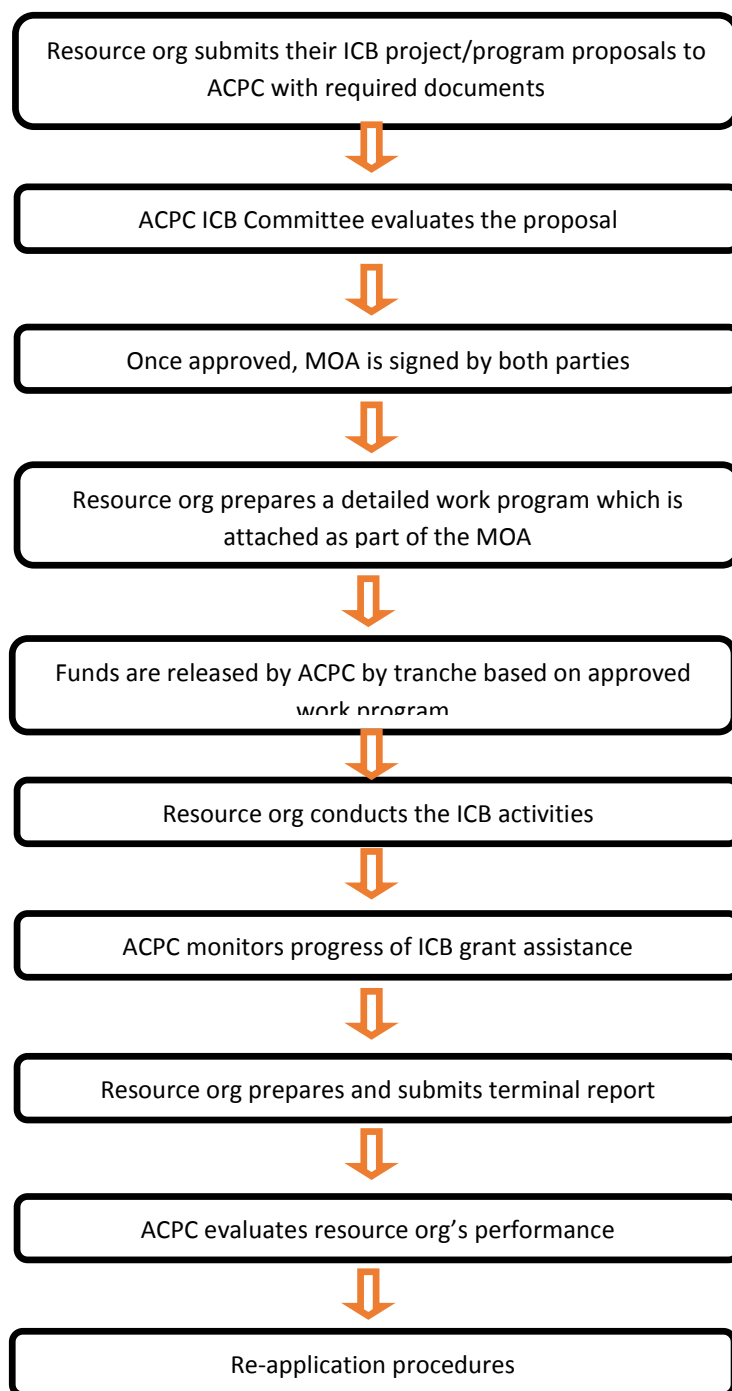
4.4 ICB Process Flow¹¹

To access the ICB grant funds, resource organizations such as coop federations, RFIs, SCUs, NGOs and other qualified organizations are required to complete and submit several documents pertaining to, among others, their interest to access grant fund and approval of counterpart fund assistance. These should be specific to institutional capacity building activity programs. The training proposals are submitted to ACPC for review and evaluation which is done by an internal committee (**Figure 5**). Upon approval of the proposal, a memorandum of agreement (MOA) is entered into by the ACPC and the proponent organization. Funds are then released to the proponent organizations based on an approved detailed work plan.

The monitoring and evaluation of the progress of the beneficiary cooperatives are done by the program partners/RFIs. The ACPC, through a post-program assessment, may evaluate and validate the impact of ICB interventions on the beneficiary cooperatives in terms of better services to its members. Mid-term and terminal reports are prepared and submitted accordingly.

¹¹ ACPC Institutional Capacity Building Program Guidelines.

Figure 5. The ICB Process Flow



4 ASSESSMENT OF THE ICB PROGRAM

4.1. Assessment at the Program Level

This section looks at how the ICB Assistance Program has been implemented at the ACPC level. The review covers the aspects of program management, budget allocation and effectiveness and efficiency of the ICB interventions.

4.1.1 Implementation and Management

Staff competency. The ICB Assistance Program is directly administered by the ICB Division, a lean unit composed of one Director and four staff. All staff have master's degrees and are also CDA accredited trainers with extensive field experience in the areas of rural development, community organization and development and institutional development and capacity building. Thus, in terms of professional competency, the ICB staff are highly qualified and technically competent to ensure quality planning and coordination of ICB activities. The ICB Division is also supported by the ACPC's other concerned units under the same Directorate (Staff), the Program Monitoring and MIS Directorate and Administration and Finance Directorate.

The ACPC's mandate covers small farmers and fisherfolk (SFFs) that are included in the Registry System for Basic Sectors in Agriculture (RSBSA).¹² With better information on SFFs based on the RSBSA coupled with the release of new funds for credit (P1 B and 2 B fund allocated through ACPC and administered by PCFC and Land Bank), a growing demand for ICB assistance and need for follow through and monitoring activities are expected to facilitate their access to credit. In this regard, there may be a need to expand partnerships to reach out to more FFCOs. Given limited staff complement, continuous retooling of knowledge and skills of the staff in terms of designing and planning for innovative ICB schemes and monitoring and evaluation should be pursued.

Process of Implementation. The ICB process flow reveals a systematic process of engaging national or local resource organizations for ICB activities. However, the guidelines were issued in 2002 and may need to be updated.

Although ICB activities are supposed to be based on demand, the partner proposals and work programs are more budget-driven. They also have no target outcomes. Thus, fund releases are not linked to results.

There should be standardized training modules and reporting formats for resource organizations required by ACPC. ACPC has reportedly developed 14 training modules on various areas and these may be prescribed for adoption or customization as needed. Standardization of training materials will ensure not only the quality of training interventions but will also provide common performance indicators to facilitate progress monitoring and evaluation of ICB activities.

¹² The RSBSA is an electronic compilation of basic information on farmers, farm laborers and fishermen. The database includes profile and additional information on the farmer, farm laborer and fisherman, farm parcel and fisheries. The establishment of the database will provide manageable access to baseline agricultural information, which can effectively help government planners and policymakers in the formulation of significant policies for agricultural development.

A review of the ICB grant assistance program guidelines shows that it is silent on the eligibility of the resource speakers or trainers selected or engaged by the resource or partner organizations as well as the selection of FFCO beneficiaries. In the absence of standardized modules for ICB interventions, minimum qualifications of trainers such as experience, training and educational background may be set to ensure effective and sustainable delivery of ICB assistance. It will be a plus if the resource organizations or their trainers are accredited by training or resource institutions such as the CDA, ATI and DA. Criteria for the selection of the FFCOs to be trained should also be included in the guidelines to ensure that the target FFCOs and ultimately the small farmers and fisherfolk are provided with ICB assistance.

The ICB guidelines may also explicitly require the conduct of pre-ICB activities such as trainings needs assessment (TNAs), gathering of baseline information and environmental scanning. These activities are important to determine results of ICB interventions and facilitate future review of ICB processes and methodologies. Funding for these activities could form part of the resource or partner organizations' counterpart or equity share of 30% or a provision in the 70% budget for preparatory activities can be made. The ACPC also has to oversee gathering of baseline data and monitoring activities of the resource and partner organizations and ensure that they feed into the MIS on FFCOs.

Monitoring of ICB Interventions. The ACPC Monitoring and Evaluation Division (MED), now the Program Monitoring Division (PMD), is tasked to monitor and evaluate ICB activities. A review of the tasks of the ICB Division indicates that while it is not involved in monitoring ICB activities, it has to work closely with PMD. The management, overseeing, and coordination of the implementation of ICB programs and projects and as part of its new task of documenting successful ICB programs/projects would require the ICB Division to gather the baseline information and monitor progress of these activities as well as evaluate results of ICB interventions.

ACPC should adopt a proactive and results-based monitoring and evaluation system for its ICB activities. In the past, ICB activities were largely monitored and reported in terms of partner organizations engaged, training activities conducted and FFCOs and officers trained but not the results. Results monitoring and evaluation were done piecemeal on per program basis. A more regular monitoring and evaluation system for ICB activities including those funded by the grant assistance needs to be put in place to help ensure that they effectively strengthen the FFCOs. Identification of performance indicators (activity to outcome levels and targets), frequency, levels of monitoring, reporting formats for partner and resource organizations and target audience of monitoring reports should be part of the ICB monitoring and evaluation system.

4.1.2. Reach and Effectiveness of ICB Activities

Reach of ICB Activities. Partnerships with resource organizations and institutions for ICB activities are forged as a strategy to manage the conduct of ICB activities. From 2004-2012, ACPC collaborated with over 30 resource and partner organizations (RFIs, SCUs, NGOs) which conducted 179 ICB activities involving more than 1,680 FFCOs with an estimated membership of about 6,850 (see **Annex D** for the list). The partnerships not only tapped the expertise of local resource organizations but also facilitated the faster provision of technical assistance, leveraged funds/resources for ICB activities reaching more FFCOs, and reduced the cost of administration and conduct of ICB activities. The local partnerships especially enabled the customization and adoption of technical assistance to local requirements and conditions.

The annual targets for training activities and FFCOs and officers to be trained are based on the work plans submitted by partner organizations adjusted based on a given budget. Since 1998, the major ICB grant assistance programs that have been implemented are as follows:

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1. Upland Southern Mindanao Credit and Institution Building Program (USM-CIBP);
2. Central Cordillera Institution Building Program (CCIBP);
3. ICB and Microfinance Program in Bohol;
4. ICB for the District Market Linkage Development Program (DMLDP);
5. ICB for Convergence Areas;
6. Siliman Outreach Program; and
7. Credit Access through Technical Capability Enhancement

The ICB Program has also provided grant assistance to partners such as the Aurora State College of Technology (ASCOT), Bohol Federation of Women Cooperatives (BFWC), Bohol Local Development Foundation, Inc. (BLDFI), Filipino Economic Enterprise and Development Foundation (FEEDF), Nueva Segovia Consortium of Cooperatives (NSCC), Coalition of Social Development Organizations in South Cotabato (CSDO) and Agusan del Sur Civil Society Network for Sustainable Integrated Development (ADS Network), among others to implement ICB programs.¹³ ACPC has also partnered with the Land Bank of the Philippines (LBP) and the People's Credit and Finance Corporation (PCFC) in implementing ICB activities for FFCOs and savings and loans associations (SLAs) and rural farmers associations (RFAs), respectively, to strengthen their management, organizational and financial systems so they can effectively improve their operations and access funds from formal financial institutions.

The ICB accomplishments of identified partner organizations covered by this study are shown in **Table 2**. From 2004 to 2012, the resource organizations and CCIBP covered by this assessment conducted some 86 ICB activities involving some 198 FFCOs.

Table 2. Accomplishments of ACPC ICB Program Partners Covered by the Assessment, 2003-2012

ICB Account/ Project	Partner Organization/ Resource Providers (GF, RFI or SUC)	Period/ Year Implemented	Provinces Covered	ICB Grant/ Assistance ¹⁴	Credit/ Microfinance tie up (PHP)	No. of FFCOs Trained	No. of ICB Activities	No. of Individual Beneficiaries
A. Mode/ tract 1 --Direct Assistance								
ICB and Microfinance Program in Bohol	Bohol Federation of Women Coops (BFWC); I	2006	Bohol	242,129	None	48	7	403
	Bohol Federation of Women Coops (BFWC); II	2010-2012	Bohol	300,000	2,200,000	22	22	212
	Coalition of Social Development Organization (CSDO)	2007	South Cotabato	350,000	None	82	5	159

¹³ Extracted from ACPC Annual Report (2009-2013). Accessed at <http://www.acpc.da.gov.ph>

¹⁴ Source: Terminal Reports; MOA

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ICB Account/ Project	Partner Organization/ Resource Providers (GF, RFI or SUC)	Period/ Year Implemented	Provinces Covered	ICB Grant/ Assistance ¹⁴	Credit/ Microfinance tie up (PHP)	No. of FFCOs Trained	No. of ICB Activities	No. of Individual Beneficiaries
Access to Rural Financing in the Agricultural Sector in Negros Occidental	Filipino Economic and Environment Development Foundation (FEEDF)	2007-2009	Negros Occ.	300,000	2,700,000	13	26	1,300
<i>Subtotal</i>				1,192,129	-	165	60	2,074
<i>Average per FFCO; ICB activity and farmer/fisherfolk beneficiary</i>						7,225	19,869	575
B. Mode/ tract 2 --Tie up or partnership with NGA or GFI								
Central Cordillera Institution Building Program (CCIBP)**	LBP for cooperatives and PCFC for SLAs and RFAs	2003-2009	Iligan, Mountain Province, Kalinga, Abra	31,122,273*	None	33	26	3,545
<i>Subtotal</i>				31,122,273*	-	33	26	3,545
<i>Average per FFCO; ICB activity and farmer/fisherfolk beneficiary</i>						1,037,409	1,197,010	8,779
TOTAL								
*ICB activities were financed from CECAP loan proceeds collected; 60% collectible; based on CCIBP Terminal Report (cash contributions from CCIBPTF, ACPC, LBP, PCPC, and beneficiary organizations)								
** ICB activities included mentoring of FFCOs and trainings								
Sources: ACPC Annual Reports, 2008-2013; Evaluation of the ACPC ICB Program, MRMCI, 2011; Data from the ACPC ICB Group								

4.1.3. Relevance of ICB Activities¹⁵

The ACPC is among the agencies mandated to provide ICB activities in the agriculture sector (**Table 3**). A review of its capacity building mandate vis-à-vis those of the other agencies reveals that while there may be overlaps in some focus areas of interventions, the ACPC has a specific niche in terms of the target clientele of ICB intervention given its mandate under RA 7607 (Magna Carta of Small Farmers). ACPC's ICB interventions target the farmer and fisherfolk organizations that are categorized as small¹⁶ and are not covered by DAR services for

¹⁵ Sources: "ACPC Annual Reports, 2009-2013." Accessed at the following websites:

<http://www.acpc.da.gov.ph/AnnualReport/AR2009.pdf>;

<http://www.acpc.da.gov.ph/AnnualReport/AR2010.pdf>;

<http://www.acpc.da.gov.ph/AnnualReport/AR2011.pdf>;

<http://www.acpc.da.gov.ph/Report/PHP2012.pdf>; and

<http://www.acpc.da.gov.ph/Report/tgt2013.pdf>

Evaluation of the Agricultural Credit Policy Council's Institutional Capacity Building Program". MRMCI. January 2011.

¹⁶ Based on RA 7607 or the Magna Carta for Small Farmers, small farmer and fisherfolk cooperatives are those that depend on small-scale subsistence farming as their primary source of income and whose sale of agricultural products do not exceed a gross value of P180,000 per annum based on 1992 constant prices or about P300,000 in 2015 prices.

ARB cooperatives or by those of other identified agencies. Given its specific clientele, ACPC ICB interventions are deemed relevant and targeted.

Table 3. Comparative Targets and Focus Areas of ICB Activities of Various Agencies

Agricultural Credit Policy Council (ACPC)	Department of Agrarian Reform (DAR)	Agricultural Training Institute (ATI)	Cooperative Development Authority (CDA)	LandBank of the Philippines (LBP)'s (LCDFI)	People's Credit and Finance Corporation (PCFC)
<i>Mandate:</i>					
Empower the rural finance sector by facilitating institution-building programs for countryside financial institutions, including cooperatives and other people's organizations as well as for their farmer and fisherfolk members	Implement, facilitate and coordinate the delivery of support services to ARBs	Prepare an integrated plan for publicly-funded training programs in agriculture and fisheries; Assist, in coordination with SUCs, the LGUs' extension system by improving their effectiveness and efficiency through capability building and complementary extension activities	Provide capacity building to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development; and ensure their officers, staff and members are knowledgeable, highly skilled, and creative as well as imbued with positive work ethics and spiritual values	Deliver innovative capacity-building services to strengthen cooperatives and assist farmers and fishers in their development	Empower the marginalized sector through the delivery of responsive financial and other services, as well as capacity development programs to accredited microfinance institutions.
<i>Target Clientele</i>					
Small cooperatives and other people's organizations as well as for their farmer and fisherfolk members as defined by RA 7607	ARB cooperatives and ARB members	SUCs and LGUs and other organizations providing cap b to farmers and fisherfolk	Training Providers, External Auditors and Mediators and Conciliators, Arbiters, Social Auditors; All types of Cooperatives	LBP borrowing cooperatives particularly their board of directors, officers and management on knowledge, competencies and skills on cooperative management	rural banks, cooperative banks, NGOs and cooperatives that implement credit assistance programs using any proven microfinance lending methodology to finance livelihood projects that can augment the income of targeted poor clients
<i>ICB Focus Area/s</i>					
a) capital and saving mobilization	Social Infrastructure and Local	complementary extension activities such as	trainings, mentoring, cliniquing,	knowledge, competencies and skills on	capability-building related to microfinance

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Agricultural Credit Policy Council (ACPC)	Department of Agrarian Reform (DAR)	Agricultural Training Institute (ATI)	Cooperative Development Authority (CDA)	LandBank of the Philippines (LBP)'s (LCDFI)	People's Credit and Finance Corporation (PCFC)
activities; b) management information systems projects (with exception of hardware); c) social preparation activities; d) management training activities; and e) organization, establishment and strengthening of cooperatives	Capability Building (SILCAB); Sustainable Agribusiness and Rural Enterprise Development (SARED); and Access Facilitation and Enhancement Services (AFES)	technical assistance, training of LGU personnel, improvement of physical facilities, extension cum research and information support services	consultancy and the provision of legal opinions on cooperative management and governance; trainings for accreditation	cooperative management	lending program
<p><i>Sources:</i> Agricultural Credit Policy Council website at http://acpc.da.gov.ph/ accessed on June 16, 2015. Agricultural Training Institute website at http://ati.da.gov.ph/ accessed on June 16, 2015. Cooperative Development Authority http://www.cda.gov.ph/index.PHP/transparency/overview/118-transparency/transparency-seal/i-cda-mandate-powers-and-functions-citizen-s-charter-and-contact-information/a-cda-mandate accessed on June 19, 2015. Department of Agrarian Reform website at http://www.dar.gov.ph/about-us/about-the-department accessed on June 16, 2015. LandBank of the Philippines website https://www.landbank.com/Countryside-Development-Foundation accessed on June 19, 2015.</p>					

The ICB activities conducted by partner organizations or resource organizations generally aimed to: a) improve the management competency of the core team/officers of the coop; b) improve administrative efficiency; c) enhance operations and governance; d) improve financial management; and e) develop mechanisms for broadening the service scope and reach.

A review of the types of ICB activities from ACPC and terminal reports of resource/partner organizations, triangulated with FGDs and KIIs conducted with recipient FFCOs, reveals that these were the priority intervention areas needed by the FFCOs to enhance their organizational, operational and financial capabilities and develop and expand their outreach to small farmers and fisherfolk. Methodologies included trainings, coaching, mentoring, study visits, and systems set-up. ICB requirements varied per FFCO, SLA or RFA depending on their current status, level of maturity, readiness and willingness to avail themselves of assistance, among others.

ICB programs, therefore, came in diverse areas like the following: (1) cooperative ownership seminars; (2) cooperative management courses; (3) strategic development planning; (4) credit policy management; (5) bookkeeping and auditing for non-accountants; (6) preparation of project proposals. Observation tours to visit and learn from successful cooperatives in terms of savings, finance and business methodologies were also conducted. Among the outputs which were produced during the trainings were as follows: (1) five-year strategic plan, (2) revised/updated credit policies, and (3) project proposals to be submitted to a funding agency (i.e. LBP). The participants for the said trainings were mostly the officers and financial management staff of the FFCOs and RFIs who were the target beneficiaries of the ICB activities.

4.1.4. Budget Allocation for ICB Activities

The budget allocation for ICB grant assistance remains to be a small proportion of the total ACPC budget averaging at around 2% per year. **Table 4** shows the planned and actual budget allocation for ICB grant assistance. The ICB budget allocation has been more or less the same for the past decade. A PHP300,000 was set as ceiling per resource organization¹⁷ for ICB grant assistance per resource or partner organization. With a fixed allocation, planning and budgeting for ICB have not been based on actual need or capacity building requirements of the clientele; rather, the work plan and targets have been adjusted based on available budget. While the funding limitation has actually allowed more opportunities for local partners to join the program since they have lower cost of operations being located in the proposed area/s of assistance, the rising cost of training resources over the years could limit the reach or affect the quality of ICB activities.

Table 4. Planned and Actual Budget Allocation for ICB Grant Assistance Activities

Year	Planned in '000	Actual in '000	Total GAA	% ICB to Total GAA
2010	443	443	26,323	1.68
2011	524	689	31,283	2.20
2012	577	697	29,782	2.34
2013	685	710	1,034,344*	2.07
2014	702	702	55,898**	2.07

* Includes P1.0B credit fund (non-recurring).
 **Includes about P22 million GAA consultancy expenses for policy research and evaluation studies (non-recurring)
 Source: ACPC, GAA

The grant assistance ceiling was set way back in 2002 and thus may need to be reviewed. The basis for determining the budget for ICB needs to be drawn for a more responsive ICB budget allocation that meets the requirements of ACPC's Magna Carta mandate to provide ICB grant and IFS.

4.1.5 Efficiency of ICB Activities

Under a partnership arrangement, ICB costs can be lower. For instance, the cost of a three-day training is lower at around PHP130,300 compared to PHP178,000 if the ICB is done directly by ACPC. A comparison of training costs done directly by ACPC and a local resource organization shows a more efficient provision of ICB assistance in terms of cost for the latter (**Table 5**).

¹⁷ Set in 2002 by the then DA Secretary; the ceiling has not been reviewed and adjusted since then.

Table 5. Comparison of Training Costs (Grant Assistance only)

Budget Item	ACPC		Local Resource Organization	
	Unit	Total (PHP)	Unit	Total (PHP)
1. Travel Expenses	min of 3 pax @ PHP 6,000 RT fares	18,000	Min of 3 pax @ PHP 500	1,500
2. Hotel & per diem *	3 pax @ ave. of PHP 1,500 x 3 days	13,500	3 pax @ ave of PHP 200 x 3 days (no hotel accommodation needed)	1,800
3. Venue & food	Maximum of PHP 1,200/day per pax x 3 days x 30**	108,000	Maximum of PHP 1,200/day per pax x 3 days x 30**	108,000
4. Materials	For min of 30 pax @ 300/pax	9,000	For min of 30 pax @ 300/pax	9,000
5. Resource person *	P10,000/day x 3 days	30,000	P10,000/activity	10,000
TOTAL		178,500		130,300
Source: ACPC, CSDO and BWFC				
* Average as prescribed under AO 103 dated August 31, 2004				
** Or if without lodging, average of PHP 450 for 2 snacks & 1 lunch/day x 3 days x 30 pax				
Note: the above computations do not cover the case of CCIBP				

The cost of packaging and conduct of ICB under the direct assistance mode (using resource or partner organizations) averaged at PHP7,225 per FFCO and about PHP19,869 per ICB. These translate to an average cost of about PHP575 per farmer or fisherfolk. ICB intervention under a tie-up mode (with DA, PCFC and Land Bank for CECAP) cost more averaging at PHP1.04 million per FFCO and PHP1.2 million per ICB activity with coaching or mentoring assistance or PHP8,779 per farmer or fisherfolk. Although average costs between the two modes are not comparable because of the additional coaching and mentoring assistance for the tie-up mode, the latter would provide a more direct and series of ICB interventions compared to one-time ICB assistance (2-3 day workshops) provided under direct mode of assistance, thus, could be more sustainable.

4.2. Assessment of Partner/Resource Organizations (RFIs)

This section discusses results of assessment at the resource or partner organization level focusing on their competency and efficacy in delivering ICB activities. As selected partners and conduits of ICB interventions, they should have met the minimum requirements of the ICB guidelines and delivered their expected outputs based on targets set in their work and financial plans submitted to and approved by ACPC.

4.2.1. Profile of RFIs

In terms of the eligibility criteria for accessing direct grant assistance, all the resource and partner organizations were required at the minimum to meet the following: [a] with juridical personality, [b] at least three years of experience in organizing and conducting institution building activities, [c] with at least 10 member organizations,

[d] at least provincial based or with provincial network, and [e] with financial and human resources to put up the required equity counterpart for the institution building activity to be conducted.

All the three partner organizations, namely FEEDF, CSDO-SC and BFWC passed all the aforementioned standards. These RFIs have at least a decade of experience in cooperative networking, organizing, training, and capability building. Both FEEDF and CSDO-SC are duly registered with the Securities and Exchange Commission (SEC), and BFWC with the Cooperative Development Authority (CDA). One of them was accredited by the CDA to undertake trainings among cooperatives. Furthermore, their coverage and network are all province-wide, involving considerably more member cooperatives, NGOs, and POs than the minimum requirement. Management and operations of FEEDF, CSDO-SC, and BFWC were manned and/or overseen by 13, 5, and 11 staff, respectively. Finally, they were all able to produce their equity share (30%) to the total fund for each of the corresponding ICB program (**Table 6**).

Table 6. Profile of RFIs

Name	Type	Date established	No. of staff	Areas of operation/ program/ services
FEEDF	NGO	2004 (?) SEC: 2004	13 ^[a]	Fund sourcing/Financing
				Organic fertilizer production
			5 Regular	Training, Institutional capacity building
			5 Trustees	Technical assistance to members
			1 Full time	Research and consultancy
		2 Volunteers	Cassava Production	
CSDO-SC	Coalition of Cooperatives, NGOs, and POs	1994 SEC: 1994	12 ^[b]	Lending
				Fund sourcing/Financing
			7 Trustees	Training, Institutional capacity building
			5 Support	Technical assistance to members
BFWC	Secondary Cooperative (Federation of Cooperatives)	1994 CDA: 1995	11	Purchase and sale of farm inputs, supplies etc. to member cooperatives
				Savings mobilization
			1 Chair	Lending
			1 Vice Chair	Fund sourcing/Financing
			3 BODs	Processing of products of its members
			1 GM	Marketing of products of its members
			1 Secretary	Organic fertilizer production
			1 Treasurer	Training, Institutional capacity building
			1 Cashier	Technical assistance to members
			1 Bookkeeper	
			1 Bill collector	
			^[a] Information is based on the End Program Evaluation Report, December 2006 by Multi-Sectoral Management and Development Corporation.	
^[b] Source: CSDO-SC Report, ACPC; Personal Communication. CSDO-SC staff. February 2015.				

Reportedly, the RFIs knowledge of the ACPC ICB program was based on similar network and converging activities on agricultural-related programs. They all submitted individual proposals, along with the necessary documents for the grant/s, which were correspondingly reviewed and approved by a committee and the ACPC prior to the implementation of the ICB interventions.

Assessment of these partner/resource organizations revealed that funding/financing, providing technical assistance, and providing trainings to their member cooperatives were common and central activities for them.

A partner organization based in the Visayas region, the FEEDF was officially registered as NGO with SEC back in 2004. The organization has 13 staff and focus on community organizing and mobilizing as well as capacity building (**Table 7**). FEEDF with some 14 member organizations, is linked with San Miguel Corporation, ACPC, and DA.¹⁸

Table 7. Number of FFCO Members/Clients, Active and Non-Active (Annex C)

Name of RFI/ Partner Organization	Number of FFCO Members/ Clients ^[b]	No. of FFCO active and inactive ^[c]		Number of FFCO Members/ Clients ^[d]	No. of FFCO active and inactive ^[e]			Covered in the Study ^[f]
		Active ^[i]	Inactive ^[ii]		Active ^[i]	Inactive ^[ii]	Undeter- mined ^[iii]	
FEEDF	14	14	0	18	10	8	0	12
CSDO-SC	32	32	0	26	9	6	11	9
BFWC	15	15	0	24	12	10	2	8
Subtotal	61	61	0	68	31	24	13	29
CCIBP ^[a]	-	-	-	10	9	0	1	8
TOTAL	61	61	0	68	31	24	13	37

^[a] Info on CCIBP as of 2013 is unavailable.
^[b] ^[c] As of 2013/ 2014 based on the list (Annex A).
^[d] ^[e] ICB training FFCO beneficiaries (included in the assessment, excluding FFCOs under CCIBP) based on the list (Annex A).
^[c. ii] Current members are either new cooperatives or organizations that remain active up to now.

The CSDO-SC was organized and registered with SEC in 1994. This is an alliance of some 27 local cooperatives, non-government organizations (NGOs), and people's organizations (POs) in South Cotabato.¹⁹ It is not a recipient of ACPC AMCFP. Similar to BFWC, CSDO-SC provides lending services to their member cooperatives/organizations. Presently, they have five staff running their daily operations and 32 active cooperatives.

BFWC was registered with the CDA in 1995, only a year after it was organized. The BFWC, composed of 11 staff is a women-led group focused on empowering women in their involvement in cooperatives that are engaged in sustainable development and agriculture, environment, among others. Accordingly, majority of their member cooperatives are women farmers. The BFWC operates on a number of services such as the purchase and sale of farm inputs, savings mobilization, lending, funding and sourcing/financing, processing and marketing of products of the members, production, and provision of training (institutional capacity building), and technical assistance to members. Furthermore, the Federation which has 15 member cooperatives, is affiliated with Philippine Women's Cooperative as well as the Federation of Cooperative Union of the Philippines. The BFWC, an AMCFP recipient, entered into a couple of contracts with the ACPC in 2006 and 2009.

The Central Cordillera Institution Building Program (CCIBP) was altogether a different case, i.e., this was a program created as an extension of the Central Cordillera Agricultural Program's (CECAP) institutional building activities.²⁰ The ICB activities for this program were implemented in partnership with the People's Credit and

¹⁸ Source: Multi-Sectoral Management and Development Corporation, December 2006. End Program Evaluation Report; ACPC Training Report, 2006-2008.

¹⁹ Presently, the members increased to 32 cooperatives. [Source: CSDO-SC Report; ACPC, 2008]. The target beneficiary cooperatives, then, for the project were only 10.

²⁰ Source: ACPC, Terminal Report, 2003 – 2009.

Finance Corporation (PCFC) as well as Land Bank of the Philippines (LBP).²¹ The same beneficiary cooperatives of CECAP were carried over in CCIBP. This six-year program was under the Department of Agriculture (DA) in partnership with the European Commission (EC).²²

Based on the long list of FFCOs initially assumed active, thus recommended to be included in this study (**Annex A**) from each partner organization, less than 18% and below of the beneficiary cooperatives remain active. In total, less than half (45.59%) of the ICB beneficiaries across the four (4) RFIs/programs remain operational (although some cooperatives re-organized); while 35% are confirmed non-operational.²³

4.2.2. Access to ICB Grant Assistance

Access to the ICB grant took approximately less than a year. According to the KIIs with RFI officers and staff, the necessary requirements for the grant/loan application to ACPC were reasonable and easy to fulfill.

The application and approval of proposals of the partner organizations followed the general process flow of accessing grants with only minor adjustments. In the case of one of the partner organizations, i.e., BFWC, the process went as follows:

1. Application. BFWC applied for the ICB grant by filling up a form. Included in the application form were the (a) different training courses that the partner organization proposed to undertake, (b) budget for the said activities, including the honoraria, materials and other training costs (c) number of people involved, and (d) list of all target participants. The other requirements that BFWC attended to were (e) current financial statements and (f) new and separate bank account for the ACPC-ICB. They were not required to conduct a TNA, provide a training design²⁴ and submit profiles of their resource persons.
2. Review of Proposal. While BFWC was waiting for the results, an internal committee on the part of the ACPC was created to evaluate the proposal submitted to them.
3. Upon acceptance and review of the proposal, the BFWC was advised that the grant was approved. Signing of a memorandum of agreement (MOA) then followed. BFWC prepared and attached a detailed work plan with the MOA.
4. Release of funds. Funds were issued in several tranches upon receipt of training report from BFWC. ACPC released the first tranche to BFWC in less than a year.
5. Conduct of training/ICB activities. In the case of BFWC, the beneficiaries chosen were women-led cooperatives and not necessarily farmer or fisherfolk organizations. All of them, however, are member cooperatives of the federation.

²¹ Source: ACPC, Terminal Report, 2003 – 2009.

²² Unfortunately, collecting in-depth details about the implementers of the CCIBP proved challenging due to lack of established communication with the said tied-up organizations.

²³ Coverage of this is only within the long list (Annex A), and not status of the other beneficiary cooperatives of the excluded in the initial list.

²⁴ However, BFWC prepared the training design (the revision of which was based on the ‘consultation’ with the participant/cooperatives) for the ICB program before actual trainings commenced.

6. Monitoring. In the duration of the trainings, ACPC, including the Executive Director, would visit the training sites to monitor the progress of the program. Monitoring was likewise conducted internally (by the BWFC) as part of their report to the ACPC. No monitoring format was prescribed.
7. Submission of reports. After the activities were finished, the BWFC prepared training and financial reports and submitted them to the ACPC. These were required for the release of funds for the next ICB activities.

When the first ICB grant was evaluated by the ACPC-ICB and had concluded, the BWFC was advised to consider another ICB program implementation, although this time it was coupled with a credit or microfinance design. The entire application process was, then, initiated again.

Although the criteria for selecting the cooperatives to participate in any of the programs under the three RFIs and the CCIBP varied, similar themes were observed such as location, cooperative's business activities/type, and affiliation or membership.

For instance, the FEEDF's selection criteria revealed that participating cooperatives are: [a] based in Negros Occidental, [b] composed of farmers, agrarian reform beneficiaries and/or sugar plantation workers; and [c] registered with the Cooperative Development Authority (CDA).²⁵ Similarly, BWFC prioritized their network (i.e., member of the Federation) in choosing the beneficiary cooperatives with the addition of gender-specific organizations (i.e., women-led groups, NGOs, POs etc.).

Majority of the members of a number of the resource organizations' selected FFCOs, however, were not small farmers or fisherfolk, such as BWFC whose beneficiary cooperatives were mostly women-led groups with women entrepreneurs as members and CSDO whose beneficiary cooperatives and groups were laborers, vendors and consumer members. Thus, the objective of the ICB Assistance Program of reaching the target beneficiaries (small farmers and fisherfolk) may not have been fully achieved. To ensure that the ICB grant assistance really target the FFCOs, ACPC might need to review the criteria for the selection of the FFCO beneficiaries and include a condition that majority of the membership (at least 70% to 100%) should be farmers or fisherfolk. ICB for cooperatives that do not meet such criteria may be referred to PCFC or other government entities providing similar services.

The collaboration among the resource/partner organizations and the ACPC for the ICB programs kicked off between 2006 and 2007, with the exception of the CCIBP which was initiated three years earlier (**Table 8**).

²⁵ ACPC Report.

Table 8. Date Applied, Granted, Amount, Program Duration (Annex D)

Name of RFI/ Partner Organization	Date applied	Date granted	Amount (PHP) released by ACPC	Program Duration*
FEEDF	-	2006	3,000,000.00	2006-2009
CSDO-SC	-	2007	350,000.00	2007
BFWC	-	2006	242,128.70	2006-2007 (ICB only)
		2009	2.5 M	2009-2012 (Phase I)
			(300,000 for ICB; 2.2 M for the Credit)	2009-2012 (Phase II)
<i>Subtotal (ICB only)</i>			<i>3,892,128.70</i>	
CCIBP	-	2003		2003-2009
<i>Total</i>				
<i>Source: ACPC ICB Group, BFWC, MOA</i>				

The BFWC was engaged for two separate programs associated with the ACPC ICB. The first program, which was extended over a year, was primarily focused on ICB activities; hence the title, “*Institution Capacity Program in Bohol*.” The ICB grant released for this program amounted to around PHP300,000. The mode of release of such funds was done in tranches based on project budget and schedule of release, following the submission of documentation and/or activity reports and other requirements like detailed liquidation reports.²⁶ Two years after the said ICB program, the BFWC was then again approved for another program entitled: *ICB and Micro-Credit Program in Bohol*. Compared to the first grant, this has an additional component, i.e., credit loan assistance, which aimed to reach the marginalized sector of the province. This was a pilot program which intended to provide technical assistance to the beneficiary cooperatives and farmer-owned institutions in order to “support the development of small agricultural projects” with emphasis on strengthening their financial and technical capabilities.²⁷ The budget ceiling on ICB grant in the amount of PHP300,000 was released to subsidize the cost of implementation of the program activities. The added loan worth of PHP2.5 million at 3% interest was allocated for the micro-credit services for the following activities: [a] income generating agricultural and agricultural-related activities, and (b) value chain activities.

The program “*Access to Rural Financing in the Agricultural Sector in Negros*” was undertaken in partnership with the FEEDF and also involved both ICB and micro-finance. This project had similar objectives as the Bohol program, that is, provision of trainings, and financial as well technical assistance (e.g., marketing) in order to strengthen the capability of the beneficiary (primary) cooperatives in the province.²⁸ The entire project, which covered 12 member cooperatives, spanned four years from 2009 to 2012 with the fund amounting to PHP3 million (Table 8).

In addition, the CSDO-SC was a partner organization for the “*Capacity Building for Rural Peoples Organizations*.” The program, which ran for a year, was focused on providing ICB support in order to enhance their capacity to manage rural financing. The grant fund assistance amounted to PHP350,000.

²⁶ Funds are made available in a separate bank account (as one of the application requirements) from which withdrawal was vested in two authorized members of the BFWC.

²⁷ Ibid.

²⁸ ACPC Report.

4.2.3. ICB Trainings Conducted

Based on a review of the training as well as terminal reports, the ICB interventions conducted by partner organizations or resource organizations generally aimed to: a) improve the management competency of the core team/officers of the coop; b) improve administrative efficiency; c) enhance operations and governance; d) improve financial management; and e) develop mechanisms for broadening the service scope and reach.

Preparatory ICB Activities. Prior to the conduct of the ICB trainings, the resource and partner organizations carried out several preparatory activities such as environmental scanning (ES) and training needs assessments (TNAs) which on the average took a day to complete.

The BFWC accomplished several environmental scanning (ES) activities under the ICB program. The purpose of which revolved around the identification of feasible industries and/or livelihood activities which could be supported and enhanced across the province, and of priority areas as well as beneficiary cooperatives.²⁹ This likewise involved the conduct of strengths, weaknesses, opportunities, and threats (SWOT) analysis on the target women and farmers/fisherfolks organizations. Through focus group discussions and key informant interviews with all the members, the BFWC collected information on their activities, sources of livelihood, and different resources or products abounding in the area that might be developed for income generating activities. With the assistance of a third party resource persons, BFWC used questionnaires to complete a TNA on target sites in order to draw a list of competency themes/topics which would comprise the subsequent training activities.

Capitalizing on their strength and niche as a federation, the BFWC formulated their modules and the corresponding handouts for each ICB training under the project. Review and revisions were likewise completed based on the results of the consultations with the participants (i.e., expectations on the ICB trainings). BFWC spent considerable time and effort to translate the training materials to Cebuano or the local dialects of the participating cooperatives and farmer owned institutions. Conversely, the trainings in the two programs were conducted both in local languages by local speakers; and in occasions by non-speakers resource persons. Most of the said trainings were held on-site, within or near the locality of the beneficiary cooperatives.

The FEEDF also oversaw the conduct of rapid appraisal and TNA among the 14 cooperatives in the target areas. The results of the TNA became the basis for the formulation of the training modules. Under the CCIBP, the method of identifying the participating cooperatives' training needs was also done through questionnaires and interviews. They answered the question, "*what kinds of trainings do you need?*"

For the CCIBP, TNA was conducted by the ACPC among the 30 organizations. Through this assessment, the program was not only able to identify ICB needs of the participating groups but also the corresponding appropriate interventions. The results were also shared with the CCIBP organizations and become the bases for the RFIs (PCFC and LBP) for the implementation of the necessary ICB activities.³⁰

Topic, Methodology/Module, and Duration of Trainings. Trainings for the four ICB programs came in diverse areas: [a] cooperative ownership seminar; [b] cooperative management courses; [c] strategic development planning; [d] credit policy management; [e] bookkeeping and auditing for non-accountants; and [f] preparation of project proposals. Aside from these trainings/lectures, observation tours to successful cooperatives were also done so participants can learn about savings, finance, and business methodologies. The target participants for the said trainings were mostly the key officers and financial management staff of the FFCOs and RFIs.

²⁹ The target of which are small farmers and fisherfolks with focus on women food produces. [Source: BFWC Terminal Report; ACPC.]

³⁰ Source: CCIBP Terminal Report, 2003-2009.

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Among the outputs which were produced during the trainings were as follows: (1) five-year strategic plan, (2) revised/updated credit policies, and (3) project proposals to be submitted to a funding agency (e.g. LBP). The ICB methodologies included trainings, coaching, mentoring, study visits (*Lakbay-aral*) and systems set-up.

In general, the implementation of each ICB activity took only one to a little more than two days, with the exception of select workshops and seminars the duration of which extended for 4 to 12 days (**Table 9**). Trainings with lectures seminars across the different programs took two days to finish on the average, while, coaching took a little more than a day. The same is true for systems set up. The conduct of mentoring activities took the longest (i.e., 2.25 days on the average). On the average, FFCOs under the CCIBP had undergone more capacity building support than those under other partnership mode.

Table 9. Topic, Methodology/Module & Duration of Trainings

Types of ICB interventions by method ³¹	No. of Individual ICB Activities/ Trainings conducted			Total No. ICB Activities/ Trainings conducted			Ave. of Number of Training days		
	Total	FEEDF, CSDO, BFWC	CCIBP	Total	FEEDF, CSDO, BFWC	CCIBP	Total	FEEDF, CSDO, BFWC	CCIBP
Training	60	24	36	185	72	113	2.09	0.6	1.4
Organizational	10			45	16	29	2.47	0.5	
Operational	15			38	13	25	2.42		
Financial	22			68	21	47	1.97		
Technical	13			34	22	12	1.53		
Coaching	6	3	3	10	3	7	1.50	0.0	1.0
Operational	2			6	0	6	1.50		
Technical	4			4	3	1	1.50		
Mentoring	4	1	3	7	1	6	2.25	1.1	2.3
Organizational	4			7	1	6	2.25		
Systems set-up	1	1	0	1	1	0	1.00	1.0	
Operational	1			1	1	0	1.00		
Environmental scanning	3	2	0	34	34	0	1.00	1.1	
TNA	2	3	0	7	7	0	1.13	1.0	
TOTAL	76	34	42	244	118	126		0.6	1.3
TOTAL ^[a]	71			203	77	126			
^[a] Excluding TNAs and ES									

³¹ Sources:

Terminal Reports;

ACPC Annual Reports, 2009-2013. Accessed at the following websites

<http://www.acpc.da.gov.ph/AnnualReport/AR2009.pdf>

<http://www.acpc.da.gov.ph/AnnualReport/AR2010.pdf>

<http://www.acpc.da.gov.ph/AnnualReport/AR2011.pdf>

<http://www.acpc.da.gov.ph/Report/PHP2012.pdf>

<http://www.acpc.da.gov.ph/Report/tgt2013.pdf>

“Evaluation of the Agricultural Credit Policy Council’s Institutional Capacity Building Program”. MRMCI. January 2011.

Among the different methods in implementing the ICB inventions, the assessment showed that cooperatives tend to appreciate hands-on and on-site trainings. Accordingly, the difficulty of the training topics has to match the duration (or number of days). Either too short and/or too long training sessions may not draw as much learning and retention of skills.

The ICB activities were centered on four main themes: organizational, operational, financial, technical enhancement as well as systems set-up.

With regard to the ICB programs conducted with the BFWC, the objectives of the interventions were geared towards the development and improvement of beneficiary cooperatives' organizational, operational, and financial capabilities in order to access funds from various financial organizations or institutions.³² These interventions primarily involved training the beneficiary cooperatives' key staff and officers. Furthermore, the goals for the implementation of phase II were as follows: [a] provide a conducive climate for cooperatives and farmer-owned institutions (e.g., credit cooperatives) to deliver credit to small farmers and fisherfolk in Bohol; [b] make credit accessible to farmers at reasonable terms and conditions; and [c] enhance the capacity of farmer households to implement and manage their livelihood project.³³ Similar objectives anchored in these ICB programs in Bohol echo those in Negros Occidental, namely: [a] provide a conducive climate for financial institutions to deliver credit to small farmers through primary cooperatives; [b] make credit accessible to farmers at reasonable terms and conditions; [c] enhance the capacity of farmer households to implement and manage their livelihood project; and [d] promote the advantages of organic-based farming with the preservation of the ecosystem in order to attain long-sustainability.³⁴

In terms of the modules, it was the resource/partner organizations who formulated them on a need basis. For the BFWC, the program covered seven modules: [1] orientation on credit access and proper use of credit, [2] leadership and governance, [3] management training, [4] capital savings mobilization, [5] accessing credit and marketing outlets, [6] bookkeeping and accounting, and [7] monitoring and evaluation. Accordingly, the expected outputs³⁵ for these trainings included the following:

- Refined lending policies and establish preventive measures for delinquency;
- Defined cooperative's vision, mission, goals and prepared action plans;
- Formulated policies on credit and business plan of the coop;
- Increased enrollment in the savings scheme and develop programs and activities that will encourage capital and savings mobilization from the members;
- Devised ways of accessing credit and marketing outlets and increased access to credit facilities
- Improved skills in accounting, bookkeeping, budgeting; and install accounting systems in some cooperatives
- Developed a reporting system and M&E framework

Regarding the ICB inventions conducted in partnership with the CSDO, there were four main activities. A quarter of these efforts are focused on enhancing the capacity and skills of the local cooperatives in technical, management, and organizational development. Specifically, the training topics included were:

- Organizational Review and Planning
- Rural Finance Service and Micro-Finance Training

³² BFWC Terminal Report; MOA.

³³ Extracted from BFWC Terminal Report; MOA.

³⁴ Extract from ACPC Report.

³⁵ Based on sample Work and Financial Plan in BFWC Terminal Report.

- Financial Management Services Training with Roving Assistance (technical assistance)
- Social Enterprise Development

Workshops on various organizational themes were undertaken, namely [1] formulation of vision-mission, [2] setting of goals, [3] plans with regard to strategic directions, identification of programs and projects, and [4] conduct of SWOT analysis of the beneficiary cooperatives. Also included in the ICB activities was the provision of technical assistance on topics such as financial management as well as formulation of action plans of the cooperatives. Moreover, for the lecture type training, CSDO grouped the participants based on their experience, i.e., beginners' group and advanced Group, and the topics according to level of understanding. Representatives of each beneficiary cooperative joined for a visit (*Lakbay-aral*) to provide them with actual experience in successful and established organizations and institutions.

Similarly, FEEDF also developed the modules used in the ICB trainings which involved the following: [a] Refresher Course on Cooperative Organization and Management; [b] Financial Management System; and [c] Business Development Management. The objectives for these activities were to review on the cooperative values, principles, and practices; enhance the capability of the participating cooperatives in establishing a financial management system with emphasis on transparency and accountability to members' and instill various entrepreneurial values as well as develop their management skills.³⁶

Several ICB activities were conducted to meet the capacity building requirements of FFCOs and RFIs to improve their operations and effectively deliver credit services to farmers and fisherfolk. The FFCOs are trained to enhance their organizational, operational, financial and technical capabilities as well as develop and expand their outreach to small farmers and fisherfolk.

As a whole, all the ICB activities regardless of topic were participated in by managers (**Table 10**). For trainings/seminars that are intended to develop, review/refresh, and strengthen the beneficiaries' organizations, the target participants' tend to be the managers, BODs and all key members, occasionally including regular staff and members. While it is the managers and BODs who attended the trainings pertaining to operations or the administrative aspect of the cooperatives, bookkeepers dominated the sessions in all the topics related to finance. At times, depending on the specific training topic managers, loan officers, treasurers, and BOD participated in the training. The same may be said for the technical workshops conducted which were attended mostly by managers and key officers.

³⁶ FEEDF Report; ACPC.

Table 10. No. of FFCOs Trained by training activity, by type of participants

Training Activity	FEEDF	CSDO	BWFC		CCIBP		TOTAL	Type of Participants
				Subtotal		Subtotal		
Organizational	13	82	70	165	30	30	195	FEEDF [Chairperson, Vice-Chairperson, Treasurers, Bookkeepers, regular members] CSDO [Managers, officers] BWFC [Officers, Members] CCIBP [BODs, Managers, Management staff, officers & staff]
Operational								CSDO [Managers] BWFC [BODs, Officers] CCIBP [BODs, Managers]
Financial								FEEDF [Chairperson, Vice-Chairperson, Treasurers, Bookkeepers, Auditors, BODs, committee members]; CSDO [BOD members, Treasurers, Bookkeepers, Loan officers] BWFC [Bookkeepers, select members] CCIBP [Bookkeepers, Managers,]
Technical								FEEDF [Chairperson, Vice-Chairperson, Treasurers, Bookkeepers, Auditors, BODs, committee members]; CSDO [Key officers] BWFC [Officers] CCIBP [Managers]
Study-Visit								CCIBP [Managers, BODs]

Method of Training Evaluation. Training evaluation was conducted through a questionnaire and/or a focus group discussion (FGD) at the end of the training activities. Each participant was asked to give an overall rating and feedback on the conduct of the seminar-workshop. Several items were included in the assessment, namely, [a] training content, [b] training objectives, [c] training materials, [d] training staff, and [e] training venue. With the same rating system, the resource persons per training activity were also evaluated based on their mastery of the topics (exhibited knowledge, answered questions effectively, balanced principles/theories), presentation of topics (organized materials, aroused interests), speaker's related personality traits (established good rapport with the participants), and overall acceptability as a resource speaker. The last two sections of the training evaluation questionnaire involved feedback-giving on the topic or activities that they found most and/or least helpful; and finally, the identification of other future trainings needs which may be offered to the local cooperatives.

Monitoring of the ICB Program's impacts on FCCO Participants. Part of the task of the ACPC is to monitor the progress of the ICB activities. In the case of CSDO, two of ACPC's Monitoring and Evaluation (M&E) staff visited a site during the conduct of the program's first ICB Training which lasted for five days. Among the details included in the monitoring/validation report were as follows: [a] general topic content, training method/techniques (e.g.,

grouping the participants according to their knowledge and experience), attendees, trainers; [b] general flow and setting of the training (e.g., organizing/handling workshops, critiquing of outputs).³⁷

There was no follow up monitoring done by ACPC or the partner or resource organization on the FFCO beneficiaries to determine the adoption or effect of the ICB activities.

4.2.4. Reporting on ICB Activities

As part of their MOA between the resource/partner organizations and ACPC, the latter submitted midterm and terminal reports. Generally, the partner organizations would also transmit detailed documentation/reports by tranches, soon after the completion of an ICB activity as this is a requirement to access the succeeding grant fund/loan assistance.

Case in point, the FEEDF submitted three individual training reports based on the three ICB trainings/topics conducted under the program. Aside from these and all the other documentary reports required by the ACPC for the release of payments, FEEDF also transmitted a completion report.

The same flow occurred the rest of the partner organizations/ ICB program, although in varying schedules based on MOA.

4.2.5. RFI Evaluation of ICB Program

The trainings conducted as part of the ACPC ICB Program empowered not only the partner organization but also its member cooperatives. The various trainings helped develop the skills needed in strengthening the FFCOs in terms of financial recording, record management and leadership.

One partner organization considered the following as strengths of the ICB Assistance Program:

- accessibility of the ICB grant (easy and manageable requirements);
- reasonable paper work (submitted only mid-term and terminal reports);
- flexibility and control on the conduct of the activities/trainings (adjustments were made on need basis); and
- program fit (catered to the needs/requirements of the cooperatives)

One of the challenges of the ICB program is the limited duration or exposure of participants to trainings. On this account, partner organizations suggested that future ICB trainings and interventions should have follow up or follow through activities such as preparation and implementation of an action plan to be done after the training, coaching or mentoring and conduct of advance modules to maximize learning and skills development. More training programs on capacity building that target key cooperative officers are also needed to enable them to educate and help farmers and fisherfolk have access to credit.

³⁷ Reportedly, the said monitoring also served as a databased gathering activity.

4.2.6. Effectiveness & Efficiency of ICB Activities Conducted

Effectiveness of TNAs. Even prior to the involvement of the aforementioned partner organizations with the ACPC ICB Program, the partner organizations were already heavily involved in conducting capacity building and training of cooperatives, non-government organizations, and people's organizations. They capitalized not only on their in-house trainers but also other resource persons and/or mentors from outside their organizations. Based on the training needs vis-à-vis their technical expertise and experience, select trainers were sought and contracted. Although not all of them were accredited by the CDA, some resource persons (including the cooperative management trainers or CMTs) especially those involved in financial and cooperative management trainings/mentoring activities were qualified by CDA standards. Nonetheless, to ensure the quality of trainings provided to FFCOs, ACPC may prescribe minimum qualifications on the trainers of the partner organizations in the ICB guidelines.

Various TNAs as well as environmental scanning activities in the study sites were undertaken to determine what the member cooperatives need in terms of training and technical assistance. Despite this, it is essential to note the difference between '*what they think they need*' and '*what they actually need*.' In other words, their perception of what they need may be not the same as what they truly need in order to capacitate the organization and improve the access of their member farmers and fisherfolk to credit.

An objective pre-assessment of these member cooperatives by the experts may prove useful in: [a] identifying those cooperatives that are most in need of training and technical assistance from the ICB program based on their strengths and weaknesses, [b] determine the specific training requirements based on the result of the pre-assessment juxtaposed with the ICB program goals. The results of such pre-test of the member cooperatives will help align and prioritize the training topics and the potential, priority participants to be involved in the program. Moreover, this will aid the RFIs in properly grouping/segregating the beneficiary cooperatives according to their experience, level, and status. Effectiveness of the trainings and other ICB activities will be maximized when trainings are conducted by groups based on difficulty vis-à-vis capacity.

The training modules which accordingly were based on the TNAs conducted were developed by the RFIs which were then reviewed and approved by the ACPC. One significant effort that the RFIs made to ensure the success of trainings was to translate the training modules/materials from English to the mother tongue of the participants. Another important consideration in terms of effective communication and delivery of trainings was the difference between having local speakers and non-speakers as resource persons.

Comparative Costs of Training. The average training rate per individual participant per day for ICB direct assistance mode across the three ICB programs was PHP280 (ranging from a little more than PHP100 to PHP1,000) (**Table 11**).³⁸ Rates per pax per day of training programs provided by a sample CDA accredited cooperative resource training providers revealed an average of PHP1,514 training cost (i.e., PHP1,923 for affiliates and PHP2,423 for non-affiliates). Even with mentoring assistance, the ICB rates are found competitive and even lower than standard rates.

³⁸ The training cost rate under the CCIBP is relatively higher at around PHP4,200. This cost appears highest among all the other three ICB programs, primarily because the actual ICB budget was not used for the computation but rather the entire budget for the CCIBP. The value is expected to lower once ICB budget was separated from the Micro-Credit component.

Table 11. Comparative ICB Rates among RFIs

RFI/ ICB Program	Rate per pax/day (PHP)
FEEDF	113
CSDO-SC	1,074
BFWC	430
Sub-total	280
CCIBP	4,283
Sub-total	4,283
TOTAL	2,805
(Sample) Accredited Cooperative Training Service Providers	1,514
Source Sample Calendar of Trainings, 2014. CDA. A pdf file accessed at http://www.cda.gov.ph/images/Downloads/CDA-Accreditations/training_providers_calendar_training_2nd_quarter_1.pdf on February 2015.	

4.3. Assessment of FFCO Performance after ICB Assistance

The assessment of the FFCOs performance focused on improvement in their organizational, financial and credit management capacities and effectiveness and efficiency in their delivery of credit services to their members. The assessment was done by comparing before and after status of 39 of the FFCOs using selected indicators from the COOP PESOS rating system employed by the CDA. A total of 38 FFCOs were covered in the survey (see Section 2.2 for details).

4.3.1. Profile of the FFCOs

Type and Services of Cooperatives. Results of the survey show that majority of the recipients of the ICB grant assistance were multipurpose cooperatives, followed by credit and consumer cooperatives (Table 12).

Table 12. Distribution of Cooperatives Given ICB Assistance by Type (Multiple Response; N=37)

Type of Cooperative	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Multipurpose	28	23	5	45.2	37.1	8.1
Credit	11	7	4	17.7	11.3	6.5
Consumer	6	4	2	9.7	6.5	3.2
ARB	4	4	0	6.5	6.5	0.0
Marketing	4	2	2	6.5	3.2	3.2

³⁹ Reference year is prior to ICB for “before” status and the year after ICB intervention until 2013 for “after” status.

Type of Cooperative	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Producers	4	3	1	6.5	4.8	1.6
NGO	2	2	0	3.2	3.2	0.0
Service	2	2	0	3.2	3.2	0.0
Basket weavers	1	1	0	1.6	1.6	0.0
TOTAL	62	48	14	100.0	77.4	22.6

Majority of the FFCOs provide savings and credit services, followed by production and trading of consumer goods (**Table 13**). Very few provided educational services and goods production to its members.

Table 13. Distribution of FFCOs by activities engaged in (Multiple Response; N=37)

Type of Cooperative	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Savings and credit services	37	29	8	20.4	16.0	4.4
Marketing services	37	29	8	20.4	16.0	4.4
Handicrafts	37	29	8	20.4	16.0	4.4
Goods production	37	29	8	20.4	16.0	4.4
Productions services	14	12	2	7.7	6.6	1.1
Trading of consumer goods	13	9	4	7.2	5.0	2.2
Health services	2	0	2	1.1	0.0	1.1
Manpower services	2	2	0	1.1	1.1	0.0
Transport services	1	0	1	0.6	0.0	0.6
Educational services	1	0	1	0.6	0.0	0.6
TOTAL	181	139	42	100	76.8	23.2

Status of Registration. Many of the recipient FFCOs were registered with the Cooperative Development Authority (CDA) before 2003 (**Table 14**). These included the cooperatives assisted under CCIBP. This means that many of the FFCOs were established cooperatives but needed assistance to improve their operations. After RA 9520 (An Act Amending the Cooperative Code of the Philippines to be known as the "Philippine Cooperative Code Of 2008") was implemented, about 21% of the cooperatives have not re-registered but still continued to operate.

Table 14. Distribution of FFCOs by year of registration with the CDA

Year Registered	Before RA 9520						After RA 9520	
	TOTAL		FEEDF, CSDO, BFWC		CCIBP			
	Freq	%	Freq	%	Freq	%	Freq	%
Before 2003	24	65	18	49	6	16	-	-
2003-2010	10	27	8	22	2	5	-	-
After 2010	2	5	2	5	0	0	29	100
No data/ n.a. (coop dissolved/split etc.)	1	3	1	3	0	0		
Total	37	100	29	78	8	22	29	100

Membership of FFCOs. A review of the membership of the FFCOs showed that many had members of 200 or less prior to ICB assistance (**Table 15**). There was a marked increase in the number of cooperatives which have increased membership to more than 400 to 500 in 2013. Yet, there was also a marked decline in membership of about seven FFCOs to below 100. Reasons cited for deterioration in membership included the drop out of members who defaulted in their loan obligations and failure of the cooperatives to entice new members due to poor financial performance of the FFCOs.

Table 15. Distribution of FFCOs by size of membership from before 2009 to 2013

Total No. of Members			Below 100	100-200	201-300	301-400	401-500	More than 500	No data/ not applicable	TOTAL
FEEDF, CSDO, BFWC	Before 2009	Freq	7.0	4.0	3.0	1.0	0.0	3.0	13.0	31.0
		%	18.9	10.8	8.1	2.7	0.0	8.1	35.1	83.8
	2009	Freq	8.0	3.0	1.0	0.0	0.0	1.0	16.0	29.0
		%	21.6	8.1	2.7	0.0	0.0	2.7	43.2	78.4
	2010	Freq	3.0	0.0	0.0	0.0	0.0	0.0	26.0	29.0
		%	8.1	0.0	0.0	0.0	0.0	0.0	70.3	78.4
	2011	Freq	3.0	0.0	2.0	0.0	0.0	0.0	24.0	29.0
		%	8.1	0.0	5.4	0.0	0.0	0.0	64.9	78.4
	2012	Freq	5.0	0.0	0.0	0.0	0.0	0.0	24.0	29.0
		%	13.5	0.0	0.0	0.0	0.0	0.0	64.9	78.4
	2013	Freq	15.0	6.0	3.0	0.0	1.0	2.0	2.0	29.0
		%	40.5	16.2	8.1	0.0	2.7	5.4	5.4	78.4
CCIBP	Before 2009	Freq	1.0	2.0	0.0	0.0	0.0	2.0	1.0	6.0
		%	2.7	5.4	0.0	0.0	0.0	5.4	2.7	16.2
	2009	Freq	0.0	0.0	0.0	1.0	0.0	3.0	4.0	8.0
		%	0.0	0.0	0.0	2.7	0.0	8.1	10.8	21.6
	2010	Freq	0.0	0.0	0.0	1.0	0.0	0.0	3.0	8.0
		%	0.0	0.0	0.0	2.7	0.0	0.0	8.1	21.6
	2011	Freq	0.0	0.0	0.0	1.0	0.0	3.0	4.0	8.0
		%	0.0	0.0	0.0	2.7	0.0	8.1	10.8	21.6

Total No. of Members			Below 100	100-200	201-300	301-400	401-500	More than 500	No data/ not applicable	TOTAL
	2012	Freq	0.0	0.0	0.0	0.0	0.0	5.0	3.0	8.0
		%	0.0	0.0	0.0	0.0	0.0	13.5	8.1	21.6
	2013	Freq	0.0	0.0	0.0	0.0	0.0	8.0	0.0	8.0
		%	0.0	0.0	0.0	0.0	0.0	21.6	0.0	21.6

4.3.2. Participation in the ICB Program

Knowledge About the ICB Program. The resource or partner organizations identified the FFCOs to be covered as part of the grant application process. This process was validated from the survey. Majority of the trained FFCOs knew about the ICB activities (trainings, mentoring and study visits) through the service providers, the partner or resource organizations. They were members of the service providers so were automatically eligible for assistance or were informed or listed to be part of the ICB activities.

Reasons for Participating in ICB Activities. The main reason for participating in ICB activities cited by FFCOs was to upgrade or enhance their knowledge and skills to improve their operations through continuous education (**Table 16**). Some noted that they wanted to take advantage of the invitation for free training.

Table 16. Distribution of FFCOs by reasons for participating in ICB activities

Reason for Participating	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Improve operations, benefits, part of responsibility, facilitate access to loan/financial assistance	20	15	5	54.1	40.5	13.5
Continuous education	8	7	1	21.6	18.9	2.7
Avail of invitation for free training	7	6	1	18.9	16.2	2.7
Turnover	1	0	1	2.7	0.0	2.7
NA/didn't attend/no data	1	1	0	2.7	2.7	0.0
Total	37	29	8	100	78.4	21.6

ICB Interventions Received. Survey results on the ICB interventions received by the FFCOs indicated that more than 70% or 26 of the 37 FFCOs received credit/finance management trainings (**Table 17**). This was followed by 62% or 23 FFCOs which received trainings on business development including strategic planning; 49% or 18 on cooperative management; and 27% or 10 FFCOs on bookkeeping/record keeping. KIIs with officers and staff of FFCOs interviewed confirmed that these four top areas of ICB are most needed by them to improve their operational, financial and institutional capabilities.

Method and Duration of ICB Interventions. About 77% of the ICB interventions provided by the resource or partner organizations were in the form of trainings or seminar workshops, followed by coaching or mentoring

(Table 18). The duration of trainings averaged at two to three days with the exception of FFCOs under the CCIBP which also had mentoring assistance on bookkeeping and recordkeeping throughout the period of assistance (2003-2007).

Table 17. Distribution of FFCOs by method of ICB interventions received (Multiple Response; N=37)

Type of ICB Interventions	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Credit/Finance Management	27	18	9	26.2	17.5	8.7
Business Development/Strategic Planning	27	19	8	26.2	18.4	7.8
Cooperative Management	19	15	4	18.4	14.6	3.9
Bookkeeping/Records/Inventory/Audit	10	2	8	9.7	1.9	7.8
Financing Services/Business	6	6		5.8	5.8	0.0
Skills and Value Formation Training	6	4	2	5.8	3.9	1.9
Capacity Building for Officers/Leadership	3	1	2	2.9	1.0	1.9
Updates on Government Requirement & Policies	2	0	2	1.9	0.0	1.9
Others (study visits/ system update)	3	0	3	2.9	0.0	2.9
Total	103	65	38	100	63.1	36.9

Table 18. Distribution of FFCOs by method of ICB interventions received (Multiple Response; N=37)

Method of ICB	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Training	65	41	24	63.1	39.8	23.3
All the 4 methods	15	15	0	14.6	14.6	0.0
Coaching/ Mentoring	15	3	12	14.6	2.9	11.7
Study visit	3	1	2	2.9	1.0	1.9
Training/ Coaching/ Mentoring	2	2	0	1.9	1.9	0.0
Systems set-up	1	1	0	1.0	1.0	0.0
Training/ Coaching/ Mentoring/ Study-visit	1	1	0	1.0	1.0	0.0
Training/ Study-visit	1	1	0	1.0	1.0	0.0
Total	103	65	38	100.0	63.1	36.9

Number of Participants. An average of less than five officers and staff per FFCO attended the ICB activities (Table 19). More than 10 participants for leadership or management trainings were usually reported only when the whole board of directors are trained.

Table 19. Distribution of FFCOs by number of participants in ICB activities (Multiple Responses; N=37)

Number of Participants	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Less than 5	50	29	21	48.5	28.2	20.4
5-10	40	29	11	38.8	28.2	10.7
More than 10	10	4	6	9.7	3.9	5.8
NA/didn't attend/no data	3	3	0	2.9	2.9	0.0
Total	103	65	38	100	63.1	36.9

4.3.3. Results of ICB Interventions

One of the study's basic premises/assumptions, as stated in Section 1, is that the FFCOs under study were not entirely devoid of capacity building assistance from other service providers when the ICB assistance was provided. Thus, caution in the analysis has been employed to glean the most possible effects of ICB activities. The results do not claim to be entirely due to ACPC ICB interventions but the latter are deemed contributory to positive results on FFCO performance. The results have been aptly triangulated by KIIs to validate the findings. Policies such as the RA 9520 and other conditions (e.g., natural calamities) that have occurred in the study areas have also affected FFCO operations, and thus also have to be taken into consideration.

4.3.3.1. Improvement in Institutional Capacity

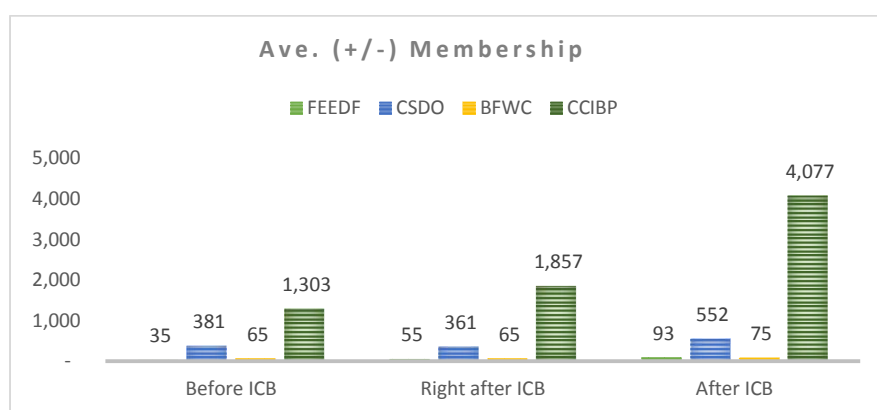
Improvements in institutional capacities would cover organizational aspects such as increase in membership, quality of FFCO membership, ability to comply with legal and policy requirements for their operation and administrative efficiency. Seventy three (73) percent of the FFCOs in the study areas perceived that the ICB trainings they received improved their institutional capacities while only 5.4% reported that their institutional capacity was not improved by the ICB (**Table 20**).

Table 20. Distribution of reported effect of ICB on the FFCO institutional capacity

Did ICB assistance improve the coop's institutional capacity?	Frequency			Percent		
	TOTAL	FEEDF, CSDO, BFWC	CCIBP	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Yes	27	22	5	73.0	59.5	13.5
No	2	1	1	5.4	2.7	2.7
NA/didn't attend/no data	8	6	2	21.6	16.2	5.4
Total	37	29	8	100.0	78.4	21.6

Growth in membership. While the trend in membership cannot be attributed solely to ICB, increase in membership is a manifestation or function of the FFCO's management and operations. There was generally significant increase in membership in FFCOs in CCIBP and Negros areas indicating improved management and operations (**Figure 6**). The downtrend in average membership of FFCOs in South Cotabato and Bohol were attributed the drop out of members who defaulted from their loan obligations and failure of the cooperatives to entice new members due to poor financial performance of the FFCOs.

Figure 6. Growth in Average Membership



FFCOs in	Average no. of member (n=17)		
	Before ICB	Right after ICB	After ICB
Negros under FEEDF	35	55	93
South Cotabato under CSDO	381	300	237
Bohol under BFWC	65	95	75
Subtotal	481	450	405
CAR under CCIBP	1,303	1,857	4,077
TOTAL	1,784	2,307	4,482

Organization, Participation of Members and Affiliation. Results indicate that organization, quality of membership, participation and affiliation showed generally the same condition (**Table 21**). It should be noted that before ICB, majority of the FFCOs already have capital build-up and savings programs, have achieved quorums in their general assemblies and have existing affiliations or linkages. The decline in the number of FFCOs

complying with organizational requirements would include those which opted to reorganize and register as a new entity under RA 9520 or with the Department of Labor and Employment (DOLE).

Table 21. Distribution of FFCOs by compliance to organization and membership requirements before and after the ICB intervention (n=37)

Institutional Aspects	BEFORE				AFTER			
	Frequency		Percent		Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Manual of Policies and Procedures								
Quorum in GA	26	8	70.3	21.6	19	6	51.4	16.2
Authorized capital fully subscribed	5	3	13.5	8.1	4	1	10.8	2.7
Have capital build-up program	5	6	13.5	16.2	9	6	24.3	16.2
Have savings deposits	10	3	27.0	8.1	10	3	27.0	8.1
Annual Program and Development Plan	19	4	51.4	10.8	18	6	48.6	16.2
B. Membership Education Requirements								
Pre-membership education seminars conducted	20	7	54.1	18.9	17	7	45.9	18.9
Cooperative education conducted	14	6	37.8	16.2	13	7	35.1	18.9
C. Affiliation and Linkages Requirements								
Laboratory Cooperative	3	5	8.1	13.5	3	5	8.1	13.5
Involved in community service	9	4	24.3	10.8	8	6	21.6	16.2
Cooperative paid annual dues	16	6	43.2	16.2	13	5	35.1	13.5
Business alliance with federations	14	5	37.8	13.5	13	7	35.1	18.9
Business alliance with other cooperatives	13	5	35.1	13.5	12	6	32.4	16.2

Compliance to Legal and Policy Requirements. A review of compliance to legal and policy requirements of supervisory and regulatory agencies shows that compliance with CDA and BIR requirements dipped after ICB intervention. The trend, however, is not attributed to the ICB intervention but rather to the poor performance of a number of FFCOs brought about by their difficulty in complying with the requirements of the new CDA law, i.e., RA 9520 in 2008 (50% of the FFCOs surveyed indicated this). About 15% have decided to no longer register but just continue to operate. A few have opted to register with DOLE instead. Other factors are the onslaught of natural calamities such as earthquakes, typhoons, and floods. FFCOs in the Visayas region, such as those in Bohol and Negros were affected by typhoons Frank in 2008, the magnitude 7 earthquake in 2013, and super typhoon Yolanda in 2013. The absence of proper records and filing systems of several FFCOs, the loss of records due to the Bohol earthquake, the floods and typhoons, the memory recall gap of those interviewed, and the fact that many of those interviewed were new officers, posed limitations to the study, especially in obtaining responses to specific legal and policy requirements shown in **Table 22**.

Table 22. Distribution of FFCOs by compliance to legal and policy requirements before and after the ICB intervention (n=37)

Legal and Policy Requirements	BEFORE				AFTER			
	Frequency		Percent		Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Compliance to Legal Requirements of CD								
Bonds of Accountable Officers current	17	7	45.9	18.9	18	5	48.6	13.5
Articles of Incorporation & by-laws updated	21	7	56.8	18.9	18	5	48.6	13.5
Share capital certificates distributed regularly	12	7	32.4	18.9	11	5	29.7	13.5
CDS required reports submitted	20	7	54.1	18.9	13	6	35.1	16.2
B. Compliance to BIR Requirements								
Annual registration requirements	20	8	54.1	21.6	16	6	43.2	16.2
Appropriate taxes, withheld and remitted	16	6	43.2	16.2	14	15	37.8	40.5
Knowledgeable on tax exemption privileges	15	7	40.5	18.9	17	5	45.9	13.5
Book of accounts registered	20	8	54.1	21.6	18	16	48.6	43.2
C. Compliance to LGU Requirements								
Local business permit acquired	20	8	54.1	21.6	13	5	35.1	13.5
D. Compliance to DOLE Requirements								
Minimum wage and 13th month pay	3	5	8.1	13.5	5	5	13.5	13.5
Mandatory insurance premiums remitted	2	5	5.4	13.5	4	6	10.8	16.2
Additional retirement plans provided	1	3	2.7	8.1	2	5	5.4	13.5
Retirement benefits are paid	1	3	2.7	8.1	2	5	5.4	13.5

4.3.3.2. Improvement in Administrative Efficiency

Majority of the FFCOs surveyed have existing policies and procedures on membership, savings and lending even prior to the ICB intervention. Many of them still do even after the ICB intervention and 73% of the FFCOs surveyed have knowledge that the ICB intervention helped strengthen their institutional capacity (**Table 21**). Hence, **Table 22** shows mixed results and does not necessarily mean a one-to-one correspondence that those FFCOs with policies, governance and management mechanisms and organizational plans and programs before the ICB no longer had these after the ICB intervention. Rather, the FFCO officers interviewed revealed that although the above administrative aspects were in place, some of which were enhanced by the ICB intervention, there were lapses in their implementation. Many FFCO members interviewed were also not aware of the existence of the said administrative aspects and policies of the FFCOs where they belonged to. Furthermore, the responses in **Table 23** can also be due to the absence of proper records and filing systems of some FFCOs, the loss of records due to natural calamities, the difficulty of recall of those interviewed and the non-transfer of institutional knowledge from the old to the new officers.

Table 23. Distribution of FFCOs by reported improvements in the administrative efficiency after the ICB intervention (n=37)

Administrative Aspects	BEFORE				AFTER			
	Frequency		Percent		Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Manual of Policies and Procedures								
Provision on membership	23	8	62.2	21.6	19	6	51.4	16.2
Provision on loans/lending	22	7	59.5	18.9	17	6	45.9	16.2
Provision on savings deposits	12	6	32.4	16.2	11	5	29.7	13.5
Provision on time deposits	4	6	10.8	16.2	4	5	10.8	13.5
Provision on asset/liability management	15	7	40.5	18.9	14	6	37.8	16.2
Provision on accounting	19	7	51.4	18.9	19	6	51.4	16.2
Provision on internal control and audit	18	7	48.6	18.9	18	6	48.6	16.2
Provision on hiring, promotion and firing	7	6	18.9	16.2	9	6	24.3	16.2
Provision on staff development	6	5	16.2	13.5	7	5	18.9	13.5
Provision on compensation/benefits	6	6	16.2	16.2	8	6	21.6	16.2
Provision on performance appraisal	7	6	18.9	16.2	8	6	21.6	16.2
Provision on job description	8	5	21.6	13.5	8	5	21.6	13.5
B. Governance and Management								
Have code of governance & ethical standards	12	5	32.4	13.5	10	4	27.0	10.8
BOD and committee members elected	22	6	59.5	16.2	18	5	48.6	13.5
BOD meet regularly	25	8	67.6	21.6	20	6	54.1	16.2
All committees meet regularly	21	6	56.8	16.2	20	5	54.1	13.5
BOD periodically review policies	20	5	54.1	13.5	16	3	43.2	8.1
BOD meetings recorded and updated	25	8	67.6	21.6	22	6	59.5	16.2
Committee meetings properly recorded	23	7	62.2	18.9	21	5	56.8	13.5
Have fulltime and qualified manager	18	7	48.6	18.9	15	6	40.5	16.2
Have policy on succession of manager	8	3	21.6	8.1	7	1	18.9	2.7
All employees have individual personnel files	9	6	24.3	16.2	8	5	21.6	13.5
Have organizational structure	21	6	56.8	16.2	21	5	56.8	13.5
C. Organizational Plans, Program and Administration								
Have vision, statement of mission and goals	26	8	70.3	21.6	23	6	62.2	16.2
Have development of strategic plan	21	6	56.8	16.2	21	5	56.8	13.5
Have approved annual plan and budget	24	6	64.9	16.2	24	5	64.9	13.5
BOD conduct monthly review and assessment	23	5	62.2	13.5	21	5	56.8	13.5
FFCO give reports on financial status, etc.	25	7	67.6	18.9	23	6	62.2	16.2

4.3.3.3. Improvement in Technical Capacity/Operations

More than half of the FFCOs covered indicated that the ICB interventions helped improve their technical capacity to prepare proposals, establish a new business or expand their operations and access funds (**Table 24**). Specifically for FFCOs under CCIBP, lessons on financial management and proposal preparation helped FFCOs establish new branches; improve their collection system; improve their consumer store operation; and expand into new business such as tractor rental, rice trading, and lending/micro lending. About half (40%) have indicated that their improved ability enabled them to prepare project or business proposals that allowed them to access funds for new business or expanded operations. Note, however, that many of those which prepared proposals accessed funds from partner or resource organizations (BFWC and FEEDF) that were given funds for grant assistance for relending or enterprise development. FFCOs under CCIBP, meanwhile, have existing credit line with Land Bank which they could access as needed.

Table 24. Distribution of FFCOs by reported improvements in technical capacity

Technical Efficiency	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. In what way did ICB help improve technical capacity? (multiple responses; n=25)				
Operations*	11	7	44.0	28.0
Open new business line	4	1	16.0	4.0
Prepare project proposal	3	1	12.0	4.0
Meet lending requirements	2	1	8.0	4.0
Access additional capital	1	0	4.0	0.0
B. Did ICB help establish a new business operation? (n=37)				
Yes	11	6	29.7	16.2
No	13	0	35.1	0.0
NA/didn't attend/no data	5	2	13.5	5.4
C. What new business operations did ICB help to establish? (n=13)				
Credit (Lending/ microfinance)	5	0	38.5	0.0
Production and trading	1	3	7.7	23.1
Consumer	1	0	7.7	0.0
Services (Rent of equipment)	1	1	7.7	7.7
Expansion (new branches)	0	1	0.0	7.7
Credit (Lending/ microfinance)	5	0	38.5	0.0
D. Did ICB help in accessing loan? (n=37)				
Yes	10	4	27.0	10.8
No	11	0	29.7	0.0
NA/didn't attend/no data	8	4	21.6	10.8
E. Did ICB help in completing requirements of supervisory and regulatory agencies? (n=37)				
Yes	13	6	35.1	16.2
No	8	0	21.6	0.0

Technical Efficiency	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
NA/didn't attend/no data	8	2	21.6	5.4
*in terms of the following: financial management, record keeping, collection system, reduced delinquency, revised policies, update on knowledge				

4.3.3.4. Improvement in Financial Management and Performance

Significant ICB interventions were in the areas of financial management, bookkeeping and recording. These would have clearer impact on FFCO financial management and performance since the trained staff are directly involved in related functions such as recordkeeping, bookkeeping, accounting, audit and inventory.

Improvement in Internal Control. Results show generally positive improvements in internal control. **Table 25** shows that majority of the FFCOs conducted their own audit on a regular basis. The Audit and Inventory Committees (AICs) whose members and coop auditors were recipients of ICB financial management trainings were largely involved.

Table 25. Distribution of FFCOs by responses on the conduct of internal audit (n=37)

Internal Audit	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Frequency of Audit				
Once a year	10	6	27.0	16.2
Twice a year	2	0	5.4	0.0
Thrice a year	3	0	8.1	0.0
Quarterly	2	0	5.4	0.0
Monthly	2	0	5.4	0.0
Twice a month	0	1	0.0	2.7
Weekly	1	1	2.7	2.7
As needed	2	0	5.4	0.0
Spot audit	1	0	2.7	0.0
None	2	0	5.4	0.0
NA/didn't attend/no data	4	0	10.8	0.0
B. Who did the Internal Audit				
AIC Chair or Committee	13	6	35.1	16.2
Cooperative Auditor	8	2	21.6	5.4
BOD	1		2.7	0.0
Bookkeeper	1		2.7	0.0
NA/didn't attend/no data	6		16.2	0.0

Part of internal control and a requirement of CDA and BIR are the annual audited financial statements of coops. Majority of the FFCOs have engaged licensed and CDA-accredited accountants to conduct external audit and prepare their audited financial statements (**Table 26**).

Table 26. Distribution of FFCOs by responses to the conduct of external audit (n=37)

External Audit	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Have audited financial statements				
Yes	21	8	56.8	21.6
No	6	0	16.2	0.0
NA/didn't attend/no data	2		5.4	0.0
B. Who conducted audit				
CDA-accredited & licensed CPA	22	4	59.5	10.8
Auditing Firm	0	3	0.0	8.1
Audit Committee	0	1	0.0	2.7
internal auditor	1	0	2.7	0.0
None	4	0	10.8	0.0
NA/didn't attend/no data	2	0	5.4	0.0

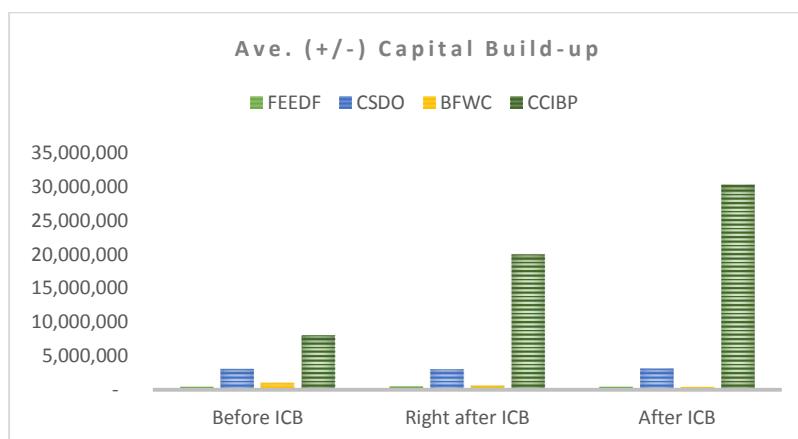
4.3.3.5. Improvement in Credit Management and Delivery

The major aim of ICB activities is to facilitate credit management and delivery by FFCOs to the small farmers and fisherfolk. FFCOs interviewed indicated in KIIs that the ICB activities helped them improve their capital build-up, savings mobilization and profitability and debt management (**Table 27**). More than 60% of the FFCOs indicated that ICB improved their capital build-up and savings mobilization policies and systems which improved member awareness and participation and resulted in increased savings and share capital participation. The increases come from the shares of new members, employment of innovative schemes such as automatic retention of a percentage of the loans of members and advocacy seminars, issuance of notices and brochures on the FFCOs savings and capital build-up programs, design and promotion of new products and reminders during general assemblies and meetings.

Table 27. Distribution of FFCOs by reported improvement on the coop's capital build-up and savings

Capital Build-up and Savings	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Did ICB improve capital build-up and savings? (n=37)				
Yes	18	8	48.6	21.6
No	5	0	13.5	0.0
NA/didn't attend/no data	6		16.2	0.0
B. In what way? (n=37)				
Improved capital build-up and savings policies and system	12	5	32.4	13.5
Increase share capital	2	0	5.4	0.0
Improved member awareness and participation	3	1	8.1	2.7
NA/didn't attend/no data	12	2	32.4	5.4
C. Promotion of CBU and savings (multiple responses)				
During seminars	1	6	2.7	16.2
Notices/brochures on capital build-up and savings	1	3	2.7	8.1
Design and promotion of new & loan products	0	2	0.0	5.4
Others (multiple responses):	17	2	45.9	5.4
GA	9	1	52.9	5.9
Meetings	4	0	23.5	0.0
Deduction for share	4	0	23.5	0.0
Policy updates	1	1	5.9	5.9

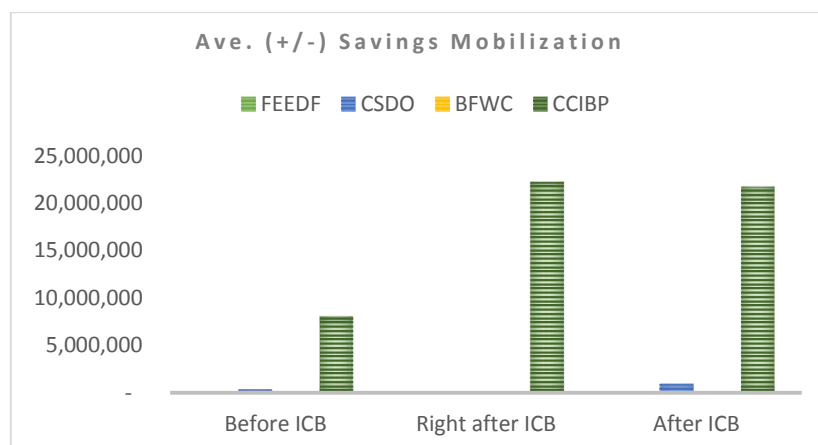
Improvement in capital build-up and savings mobilization. A review of the financial statements of the selected cooperatives revealed that average capital build-up of selected FFCOs generally increased in all areas after ICB (**Figure 7**). The biggest average increases were those of FFCOs in Bohol and CCIBP areas.

Figure 7. Growth in Capital Build-up


FFCOs in	Average Capital Build-Up (n=17)		
	Before ICB	Right after ICB	After ICB
Negros under FEEDF	404,573	441,679	412,172
South Cotabato under CSDO	3,073,926	2,997,363	3,146,538
Bohol under BFWC	973,431	654,951	7,835,072
CAR under CCIBP	8,084,268	19,984,003	30,255,400

Savings mobilization, except for FFCOs in Negros areas, has also improved with notable increases in the FFCOs in the CCIBP areas (**Figure 8**). FFCO officers interviewed said that they have employed innovative savings programs such as kiddie savings program, savings retention from dividends, and savings mobilization campaigns.

Figure 8. Growth in Savings



FFCOs in	Average Saving Mobilized (n=17)		
	Before ICB	Right after ICB	After ICB
Negros under FEEDF*			
South Cotabato under CSDO	358,191	98,959	831,980
Bohol under BFWC	107,829	94,603	1,278,144
CAR under CCIBP	8,104,083	22,222,993	21,728,577
* Mostly producers cooperatives without savings mobilization programs			

Access to Funds. More than half (54%) of the FFCOs interviewed indicated that they have borrowed during the last five years after ICB intervention (**Table 28**). FFCOs accessed funds from the partner/resource organizations which were given additional grant assistance for micro lending, except for those under CCIBP which already had access to Land Bank after CECAP turn over. While the results show that access of FFCOs to funds was facilitated through ICB assistance, their access to loans from formal financial institutions has not really improved.

Table 28. Distribution of FFCOs by reported access to funds (n=37)

Access to Funds	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Has coop borrowed in the last five years?				
Yes	17	3	45.9	8.1
No	9	3	24.3	8.1
NA/didn't attend/no data	3	2	8.1	5.4
B. Loan source (multiple responses)				
FEEDF	6		16.2	0.0
LBP		4	0.0	10.8
BFWC	3		8.1	0.0
CSDO	3		8.1	0.0
NLSF		1	0.0	2.7
SBC		1	0.0	2.7
MUAD	1		2.7	0.0
NWTF	1		2.7	0.0
PLGU	1		2.7	0.0
UCPB	1		2.7	0.0
FSDC	1		2.7	0.0
PACAP	1		2.7	0.0
NA/didn't attend/no data	6	2	16.2	5.4

KIIs with FFCOs generally indicated that ICB assistance improved their loan portfolio, profitability and debt management (**Table 29**). Sixty-five percent (65%) of the FFCOs reported that the ICB improved their loan portfolio and this was mainly through increase in lending to members (32%) and reduced delinquency or improved loan repayment (22%). This may be attributed to ICB on credit and financial management, bookkeeping and recordkeeping.

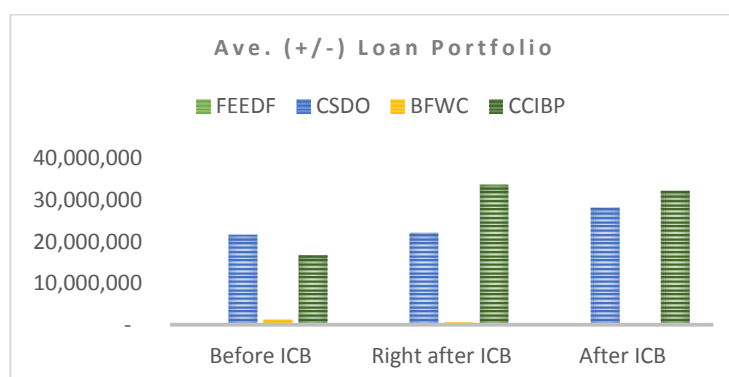
Table 29. Distribution of FFCOs by reported improvements in the loan portfolio

	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Has coop borrowed in the last five years?				
Yes	18	6	48.6	16.2
No	6		16.2	0.0
NA/didn't attend/no data	5	2	13.5	5.4
B. Loan source (multiple responses, n=37)				
Increased loans to members	7	6	18.9	16.2
Reduced delinquency/ past due loans	1	3	2.7	8.1

	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
Improved loan repayment	2	2	5.4	5.4
Others: (n=15)	12	3	32.4	8.1
<i>Improved management, policy, and system*</i>	5	1	33.3	6.7
<i>Review of policies/ update records</i>	1	1	6.7	6.7
<i>Access to funds/ grants</i>	2	0	13.3	0.0
<i>Knowledge and application**</i>	2	0	13.3	0.0
<i>Increased coverage of loans</i>	0	1	0.0	6.7
<i>Capital support implementation</i>	1	0	6.7	0.0
<i>Knowledge and application (loan management, values)</i>	1	0	6.7	0.0
C. Improved profitability and debt management (multiple responses, n=37)				
Yes	21	6	56.8	16.2
No	4	0	10.8	0.0
NA/didn't attend/no data	4	2	10.8	5.4
*record keeping, loan collection, advocacy/policy on lending, CBU, strategic planning				
** loan management, values, situational analysis				

KIIs indicate that ICB assistance have contributed to the growth in the loan portfolio in terms of improving lending policies which facilitated access or borrowing by the FFCO members. Records of selected FFCOs support these claims. Loan portfolios of selected FFCOs increased right after ICB assistance (**Figure 9**). The increases in internally generated funds from capital build-up and savings mobilization as well as funds accessed from the grant assistance and from other sources by selected FFCOs increased funds for lending. However, decreases in loan portfolios were noted Bohol and CCIBP areas during the recent period (2013). Reasons cited were the effects of calamities in Bohol and increased loan defaults in CCIBP areas which led the FFCOs to slow down on their lending activities.

Figure 9. Growth in Loan Portfolio



Loans Outstanding (or Portfolio)	Average increase/decrease (n = 17)		
	Before ICB	Right after ICB	After ICB
FEEDF	-	115,930	-
CSDO	21,629,962	22,099,478	28,093,330
BFWC	1,169,459	648,866	370,940
CCIBP	16,761,576	33,613,260	32,189,506

4.3.3.6. FFCO Feedback on ICB Interventions

Perception survey through KIIs and FGDs was adopted to determine the effectiveness of the delivery mode given absence of baseline information of the targeted area of ICB assistance.

Rating of ICB Interventions. Survey results revealed relatively favorable feedback on the ICB interventions received by the FFCOs (**Table 30**). The ICB interventions were rated excellent in terms of conduct, relevance and application by 40%-50% of the FFCOs. Less than 3% indicated that conduct and relevance of ICB interventions needed to be improved. A higher percentage of 8% indicated that the application of ICB activities needed to be improved implying more hands-on interventions or preparation of clear action plans after ICB to guide them in applying learnings and skills acquired.

Table 30. Distribution of FFCO members by reported improvements in their FFCOs

Rating	Conduct		Relevance		Application	
	Freq	%	Freq	%	Freq	%
Needs Improvement	3	2.9	3	2.9	8	7.8
Satisfactory	7	6.8	8	7.8	18	17.5
Good	30	29.1	27	26.2	18	17.5
Excellent	49	47.6	51	49.5	42	40.8
No Answer	14	13.6	14	13.6	17	16.5
Total	103		103		103	

Effectiveness of Modes of Delivery. Almost half of the FFCOs find trainings (lectures and workshops) most effective in terms of improving their knowledge and skills related to coop operations (**Table 31**). The information gathered, however, cannot be construed as balanced since only those under the CCIBP had mentoring or coaching assistance. Nonetheless, based on KIIs, FFCO officers and staff interviewed indicated that having hands on or on the job trainings and mentoring assistance as follow up to lectures and workshops would help ensure the application of knowledge and skills learned. The preparation of an action plan for follow through activities by each FFCO would also help but the resource providers need to conduct regular monitoring visits to ensure their implementation.

Table 31. Effectiveness of ICB Method (Multiple Responses; N=37)

ICB Method	Most effective		Satisfactory		Effective		Least effective		NA		Total	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
FREQUENCY												
Training	17	3	12	3	2	0	0	0	6	2	37	8
Coaching	8	3	7	2	2	1	1	0	19	2	37	8
Systems set up	3	1	3	0	2	1	1	0	28	6	37	8
Study visits	4	2	4	1	1	0	1	0	27	5	37	8
PERCENT												
Training	45.9	37.5	32.4	37.5	5.4	0.0	0.0	0.0	16.2	25.0	100	100
Coaching	21.6	37.5	18.9	25.0	5.4	12.5	2.7	0.0	51.4	25.0	100	100
Systems set up	8.1	12.5	8.1	0.0	5.4	12.5	2.7	0.0	75.7	75.0	100	100
Study visits	10.8	25.0	10.8	12.5	2.7	0.0	2.7	0.0	73.0	62.5	100	100

4.4. Feedback from FCCO Members

ICB assistance is ultimately geared to improve the FCCO management and operations. The satisfaction of the FCCO members would be a reflection of the performance of their organizations and the delivery of services being offered. The perceptions of the FCCO members on the effects of the ICB intervention on their FCCOs were gathered through FGDs done in several sessions. The results were used to verify findings from the survey of FCCOs.

Results of the survey with member farmers and fisherfolk reveal that they were generally satisfied with the performance and services of their FCCOs. Ninety-one percent of the farmer members of the FCCOs confirm that there were improvements in their FCCOs through having a capital build-up and savings program (Table 32). These programs were promoted to the members during the general assembly and meetings of the FCCOs. Also, 76.5% said their share capital certificates/records and passbooks have been regularly updated.

Table 32. Distribution of FCCO members by reported improvements in their FCCOs (n=34)

Improvements	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Have Capital Build-Up and Savings Program				
Yes	22	9	64.7	26.5
No	1	1	2.9	2.9
NA/didn't attend/no data	1	0	2.9	0.0
B. If yes, how are these promoted(multiple response)				
Design and Promotion	11	9	32.4	26.5

Improvements	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
Notices and Brochures	8	7	23.5	20.6
Seminars	5	1	14.7	2.9
Others: (n=14)	18	2	52.9	5.9
GA	7	0	20.6	0.0
Meetings	6	0	17.6	0.0
Loan collectors	0	1	0.0	2.9
NA/didn't attend/no data	5	1	14.7	2.9
C. Share Capital Certificates/Records and Passbooks Regularly Updated				
Yes	18	10	52.9	29.4
No	3	0	8.8	0.0
NA/didn't attend/no data	3	0	8.8	0.0

When asked about their loan availment, 82% of the farmer participants said that they have availed themselves of loans from their FFCOs, and most of them said that their reason for borrowing was that they were already qualified to take a loan and also for use in their agricultural production (**Table 33**). Education of children was also one more frequently reported reason for loan availment (14%). Reasons for non-availment, on the other hand, were insufficient capital build-up to qualify for a loan and having no need for a loan. Seventy nine percent (79.4%) of the farmer participants also said that the terms and conditions of the lending facilities of their FFCOs were all explained to them.

Table 33. Distribution of farmers by availment of loans and reasons for availment

	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
A. Applied for a Loan (n=34)				
Yes	13	10	38.2	29.4
No	6	0	17.6	0.0
NA/didn't attend/no data	5	0	14.7	0.0
B. Reason for borrowing (multiple response, n=23)				
Eligible as borrower	8	1	23.5	2.9
Needed for production	8	5	23.5	14.7
Others: (n=10)	4	6	11.8	17.6
Education	2	4	5.9	11.8
Business capital	1	0	2.9	0.0
Family emergency	1	1	2.9	2.9
Medical	0	1	0.0	2.9
C. Reason for not borrowing (n=6)				

	Frequency		Percent	
	FEEDF, CSDO, BFWC	CCIBP	FEEDF, CSDO, BFWC	CCIBP
No need for loan	2	0	33.3	0.0
Others: (n=4)	4	6	66.7	100.0
<i>Not enough capital build-up</i>	2	0	33.3	0.0
<i>No lending scheme</i>	1	0	16.7	0.0
<i>Husband did not allow</i>	1	0	16.7	0.0
D. Informed of the terms and conditions (n=34)				
Yes	18	10	52.9	29.4
No	0	0	0.0	0.0
NA/didn't attend/no data	6	0	17.6	0.0

With regard to their rating on the operations and services of their FFCOs, majority of the farmer respondents gave an excellent rating to their FFCOs (**Table 34**). These were particularly in the aspects of having an active BOD (53%), staff efficiency (62%), regularity of meetings (53%), as well as in the review and compilation of the reports (56%). More farmers also gave excellent ratings in the aspects of relevance of policies (44%), conduct of trainings (29%), savings mobilization and capital build up (38%). Loan processes were also rated as excellent, from loan processing, timely loan releases, and loan collection and monitoring. Good ratings were given by the farmers in the aspects of clarity and transparency, relevance of policies and the feedback mechanisms. Generally, good (38%) and excellent (38%) ratings were given by the farmer members to their FFCOs in all these aspects.

Table 34. Distribution of farmer respondents by their rating on the operations and services of their FFCOs

RATING (1 to 4)	FREQUENCY																		AVERAGE		
	FEEDF, CSDO, BFWC									CCIBP											
	1	1.5	2	2.5	3	3.5	4	4.5	4	1	1.5	2	2.5	3	3.5	4	4.5	4	TOTAL	FEEDF, CSDO, BFWC	CCIBP
Clarity and transparency	9	0	13	0	2	0	0	0	0	3	0	5	0	2	0	0	0	0	1.8	1.7	1.9
Relevance of policies	12	0	10	0	2	0	0	0	0	2	0	4	1	2	0	0	0	0	1.7	1.6	2.1
Conduct of trainings	8	0	4	0	6	0	2	0	0	3	0	3	0	2	0	0	0	0	2.0	2.1	1.9
Savings mobilization & capital build-up	9	0	6	0	4	0	1	0	0	3	1	5	0	1	0	0	0	0	1.8	1.9	1.8
Loan application procedures & processing	8	0	5	0	5	0	0	0	0	6	0	3	0	1	0	0	0	0	1.7	1.8	1.4
Timeliness of loan releases	8	0	6	0	2	0	1	0	0	4	1	4	0	0	0	0	0	0	1.7	1.8	1.5
Loan collection & monitoring	8	0	3	0	5	0	1	0	0	4	0	4	0	2	0	0	0	0	1.9	1.9	1.8
Functioning & active BOD	14	0	5	0	4	0	1	0	0	4	0	2	1	0	0	2	0	0	1.8	1.7	2.1
Staff efficiency	17	0	6	0	1	0	0	0	0	3	1	3	0	0	0	1	0	0	1.5	1.3	1.8
Regularity of meetings	14	0	4	0	6	0	0	0	0	4	0	4	0	1	0	0	0	0	1.7	1.7	1.7
Review & compilation of reports	15	0	7	0	1	0	0	0	0	4	0	3	0	0	0	1	0	0	1.5	1.4	1.7
Feedback mechanism	9	0	12	0	3	0	0	0	0	3	0	4	0	0	0	1	0	0	1.8	1.8	1.9

5 CASE STUDIES

The case studies provide an in-depth analysis of the characteristics of selected FFCOs, their participation in ICB activities or interventions and the effects of these on the FFCO's organizational, technical and financial and credit management capacities and effectiveness and efficiency in delivery of credit services to the coop members. Selected cooperatives with distinct performance were studied to cull out the specific effects of the ICB assistance program.

Each case study consists of the FFCO's profile and organizational structure, participation in the ICB program, benefits derived from the said program, success and constraining factors, and suggestions for future ICB activities. Program benefits can include improvement in operations, growth in capital build-up (CBU), savings mobilization and earning assets, greater access to loans and support from external sources. Selected indicators of the above parameters are also presented before and after the ICB program.

5.1 Kooperatiba Sto. Niño

5.1.1. Profile of the Cooperative

Kooperatiba Sto. Niño, located in National Highway, Brgy. San Vicente, Sto. Niño municipality in South Cotabato, was registered with the CDA (RN-769) on Oct 21, 1991. The main objective of the cooperative is to encourage thrift and savings mobilization. It is a multi-purpose marketing cooperative whose main business activities include the planting and marketing of organic rice (MASIPAG rice), handmade paper-making, production of rice-based products like rice *pandesal* and renting out farm and post-harvest equipment to its farmer-members. The cooperative has a closed membership. Since its incorporation, the membership has remained at 118. However, only 40 members are active and have current savings and loans with the cooperative or have continuously patronized or availed themselves of the coop services since the start of their membership. It owns a building which serves as its office and a storage house, a delivery truck, a motorcycle, and postharvest facilities such as a solar drier, farm machineries and equipment which its members use in order to increase their agricultural productivity and income.

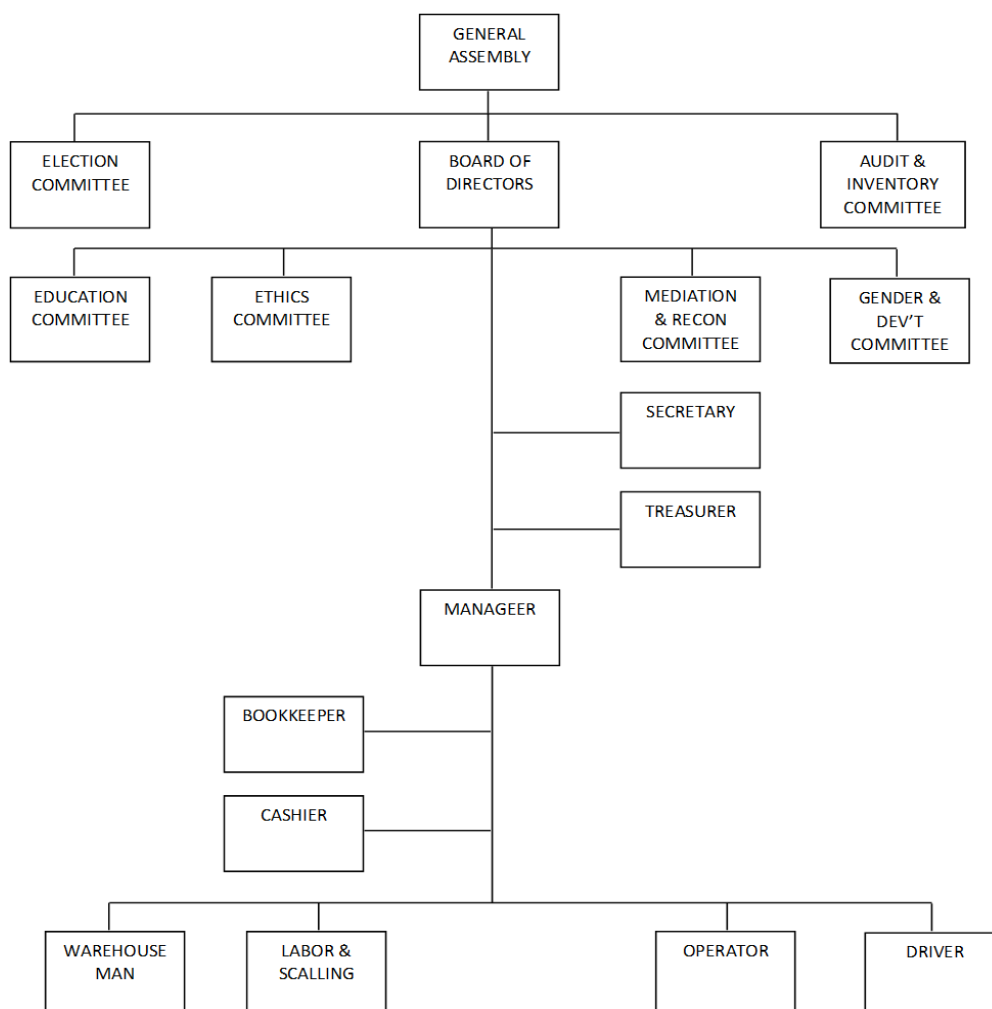
Kooperatiba Sto. Niño has a vision and mission statement and goals, a development plan and an annual plan and budget. It started as a consumer cooperative then expanded by providing agricultural services to members. It introduced the "*kuliglig*" and thresher rentals to members, charging one sack of palay for every 15 sacks harvested. In 1998, the cooperative started to implement "organic rice farming technology". As a result, the members of the cooperative have harvested 70 to 80 *cavans* per hectare (ha). In 2007, the cooperative received a loan of PHP800,000 from the Philippine Development Assistance Program (PDAP) to expand its organic farming project. Since then, it has achieved a total of 99 ha planted to organic rice. It consolidates organic rice produce from its members and sells them in bulk in marketing outlets in South Cotabato and Metro Manila. From 2006-2007, it engaged in carabao dispersal with each member buying a carabao worth PHP10,000 from the cooperative on a loan basis. The cooperative engaged in lending to its members when it acquired loans from the South Cotabato Foundation, Inc. for farm input financing. The Phil-Australian Community Assistance Program (PACAP) also granted loans to the cooperative's members at PHP8,000 per ha of their farmlots, payable in 180 days at 3% interest per month.

The organizational structure of Sto. Niño cooperative is shown in **Figure 10**. It has a board of directors and committees on elections, audit and inventory, education, ethics, mediation and reconciliation, and gender and development.⁴⁰ The cooperative has a secretary and treasurer, who are under the board of directors. It has a part-time general manager. He/she is responsible for the day-to-day business operations of the cooperative and supervises the following staff: bookkeeper, cashier, warehouseman, labor and scalling, operator and driver. Its BOD meets every second Saturday of the month to review and assess the cooperative's performance. The cooperative reports on its financial status and activities in the General Assembly (GA) held once a year. To achieve a quorum in GA, the officers go house to house to enjoin the members or their representatives to attend the meeting. The cooperative has also affiliated itself with the CSDO (belonging to the Allah Valley Development or ALVADEV cluster of the organization), the Global Organic Wellness (GLOW) Corporation based in Quezon City, and the Sumbakil Multi-Purpose Cooperative.

Although not required by RA 9520, the features that distinguish this cooperative from other cooperatives is that it has a gender and development committee. Furthermore, its board of directors form part of the project management committee with the Sumbakil Multi-Purpose Cooperative in the implementation of the Internal Quality Control System for the production and marketing of organic rice. Unlike other cooperatives, it does not have a credit committee and a dedicated or distinct loan officer position, which are crucial in accessing new loans for re-lending to cooperative members.

⁴⁰The Implementing Rules and Regulations of RA 9520, Rule 7, Section 3 on Committees of Cooperatives state "The By-laws (of the cooperative) shall provide for the creation of the following committees: 1. Audit Committee; 2. Election Committee; 3. Mediation and Conciliation Committee; 4. Ethics Committee; and 5. Other Committees as may be necessary for the conduct of the affairs of the cooperative. The members of Audit and Election Committees shall be elected by the General Assembly while the Board of Directors shall appoint the rest."

Figure 10. Organizational Chart: Kooperatiba Sto. Niño



5.1.2. Participation in the ICB Program

The cooperative learned about the ICB program from the Coalition of Social Development Organizations in South Cotabato (CSDO). The cooperative is a member of the CSDO. The Chairman of the Board and the OIC-General Manager attended the three-day ACPC ICB training on *Social Enterprise Development Training* in September 2008. The ACPC-ICB training was conducted by Mr. Allan Cledela of San Bada. The CSDO did not charge fees for the ACPC-ICB training. Understand the role of enterprise development in poverty reduction. The training course taught participants a) identify key elements to designing a successful social venture; b) analyze social entrepreneurship in the context of developing sustainable businesses; and c) network with resource organizations for social enterprise development projects. The participants from the cooperative rated the delivery of the training as excellent and said that it was effective, relevant and readily applicable to their cooperative.

5.1.3. Benefits from the ICB Program

According to the cooperative's general manager, the training on social enterprise and entrepreneurship has provided them with good insights and a guide in developing marketing and asset management strategies that they have adopted to sustain their services.

5.1.3.1. Improvement in Technical Operations

According to the general manager, the ACPC ICB assistance contributed to the enhancement of the cooperative's production, marketing and promotional activities for organic rice. Kooperatiba Sto. Niño has developed an operating manual or internal quality control system (IQCS) for organic farming together with the Sumbakil Multi-Purpose Cooperative. This is to help the members reduce their marketing and production constraints in organic farming and to establish standards for organic crop production through an internal control system. With the improvement in promotional and marketing activities, the cooperative was able to find a market outside of South Cotabato. Its tie up with the GLOW Corporation ensured a ready market for its organic rice in Metro Manila. With a new market, the coop's profitability and debt management has also improved.

5.1.3.2. Growth In Capital Build-Up, Savings Mobilization and Earning Assets

Figure 11 shows Kooperatiba Sto. Niño's net income, outstanding loans, total earning assets and total loans borrowed from 2004-2010. Since 2008 was marked by a global financial crisis, there was a 50% decrease in loans borrowed by the cooperative from PHP1.971 M in 2007 to PHP526,250 in 2008. This dropped further to PHP266,000 in 2009 and PHP156,000 in 2010. This may be attributed to the global financial crisis in 2008. The outstanding loans of the cooperative remained constant at PHP267,402 from 2006 to 2010. The positive aspect is that, from 2008 to 2010, there has been an increase in the total earning assets of the cooperative. This was in terms of short-term investments in the form of stocks, which grew from PHP 83,480 in 2008 to PHP 220,813 in 2010. Hence, in 2010, total earning assets of the cooperative were greater than the loans it borrowed or incurred by PHP64,814. With increased earnings from sales/net income, the coop was able to increase its investment in long term securities. This is shown in the increase in total assets. The ACPC ICB assistance might have helped the cooperative in terms of advice on investments.

Figure 11. Kooperatiba Sto. Niño's Total Earning Assets and Total Loans Borrowed, 2004-2010

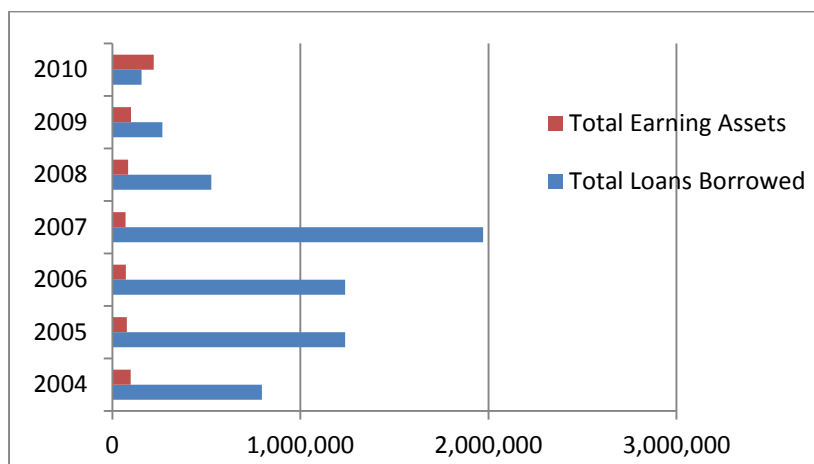
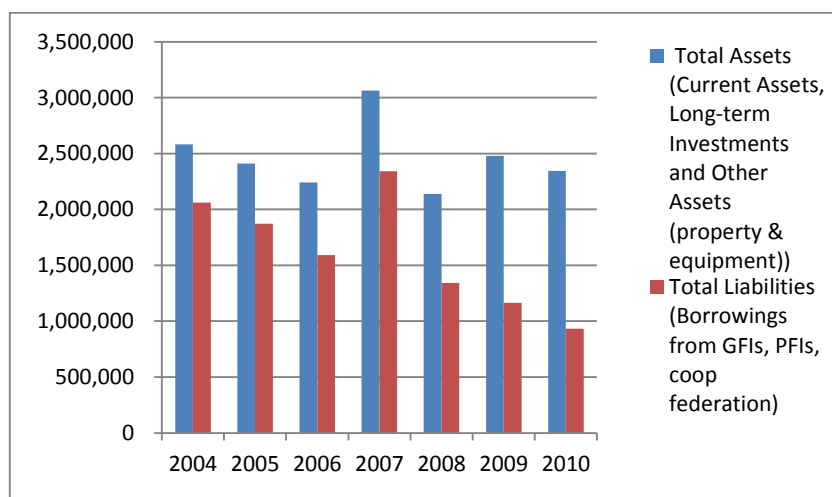


Figure 12 shows Kooperatiba Sto. Niño's equity, total assets and liabilities from 2004 to 2010. There was a 51% drop in equity from 2008 to 2009 from PHP795,911 to PHP391,128. Total liabilities in terms of borrowings from government and private financial institutions and cooperative federations decreased from PHP1.34 M in 2008 to PHP1.165 M in 2009 and decreased further to PHP931,375 in 2010. Total assets (current, long-term investments and other assets) increased from PHP2.13 M in 2008 to PHP2.47 M in 2009 but decreased slightly in 2010 to PHP2.34 M. Nonetheless, the total assets are still greater than the total liabilities by 60%. This can be attributed to the increase in the asset earnings of the cooperative.

Figure 12. Kooperatiba Sto. Niño's Total Assets vs. Total Liabilities, 2004-2010



5.1.3.3. Improvement in Financial Performance

The ICB Program helped improve the coop's loan portfolio, profitability and debt lending policies. The debt-to-equity ratio of Kooperatiba Sto. Niño have improved as shown in **Figure 13**, indicating the coop's viable operations. The cooperative's debt-to-equity ratio of 22 in 2004 decreased to 3.26 in 2007, then to 1.69 in 2008, then increased to 2.98 in 2009 and slightly decreased to 2.38 in 2010. Improved marketing and production activities and better management of their assets contributed significantly to the improvement in these performance indicators over the period of study.

Figure 13. Kooperatiba Sto. Niño's Debt to Equity Ratio

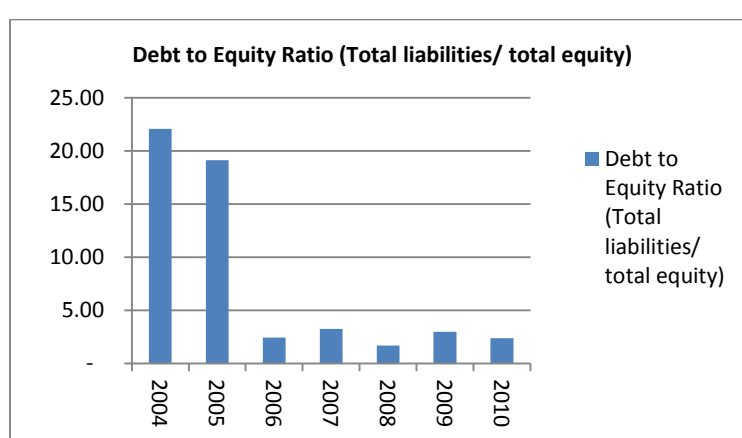


Table 35 shows the financial and operational performance of the coop.

Table 35. Selected Development Parameters, Kooperatiba Sto Nino

	2004	2005	2006	2007	2008	2009	2010
Total Loans Borrowed	794,918	1,237,112	1,237,112	1,971,485	526,250	266,000	156,000
Total Earning Assets	98,193	77,147	71,647	70,147	83,480	98,814	220,814
Loans Outstanding (or Portfolio)	610,147	610,147	269,927	267,402	267,402	267,402	267,402
Total Assets (Current Assets, Long-term Investments and Other Assets (property & equipment))	2,583,588	2,411,695	2,240,475	3,062,402	2,138,714	2,478,714	2,344,633
Total Liabilities (Borrowings from GFIs, PFIs, coop federation)	2,060,490	1,873,249	1,590,139	2,342,890	1,342,802	1,165,317	931,376
Equity ('2009-10-Other Funds and Deposits')	93,337	97,941	650,336	719,513	795,912	391,128	391,128
Debt to Equity Ratio (Total liabilities/ total equity)	22.08	19.13	2.45	3.26	1.69	2.98	2.38

5.1.4. Notable Success Factors

The ICB training on social enterprise development has contributed to the enhancement of the cooperative's production, marketing and promotional activities for organic rice and in developing new product lines to diversify the coop's income generating activities. The coop's general manager indicated that his learnings from the training were used to develop better strategies in marketing their rice produce, developing new products (rice flour/pandesal and rice hull paper) from rice, and managing their assets. The coop's leadership and linking with LGUs, NGAs, private entities as well as marketing strategies also helped in sustaining its operations through the years.

5.1.5. Constraining Factors

The cooperative has focused on the production of a single product for a long time. If the market for organic rice fails, the losses will be huge and impact on their income will be significant. This happened in 2012 when a buyer reneged on their marketing contract and failed to pay the cooperative. The cooperative started to diversify by going into rice flour/pandesal making and rice hull paper making in 2013. The absence of a credit committee and a distinct loan officer might have affected the cooperative's ability to access new loans and administer these to its members.

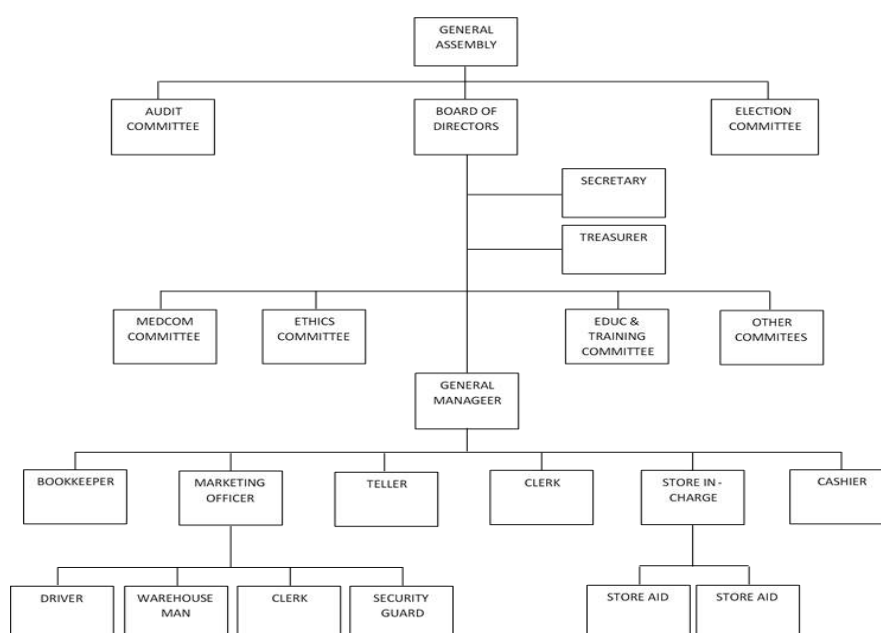
5.2. San Felipe Cooperative (SAFECO)

5.2.1. Profile of the Cooperative

The San Felipe Cooperative (SAFECO), located in Purok 4, San Felipe, Tantangan, South Cotabato, was first organized in July 1991. In order to comply with RA 9520 and in response to its members' needs, SAFECO amended its articles of incorporation and by-laws twice, the first was in February 2006 and the second was in March 2011. SAFECO is a multi-purpose cooperative that has a consumer store and engaged in the trading of palay and savings and credit services. It had 444 members as of 2014. It received PACAP assistance from 1999-2003 in the amount of PHP3 million for trading and production assistance.

SAFECO's organizational structure consists of a board of directors with seven members and the following committees: audit, election, mediation and conciliation, ethics and education and training. It has other committees, such as the credit committee (in its amended by-laws). It has a full time general manager and 15 full time staff. These are the bookkeeper, the marketing officer who supervises a driver, warehouseman, clerk and security guard; a teller, clerk, cashier and a store in-charge who supervises two store aides (see **Figure 14**). It has loan officers, although they are not reflected in the current organizational chart.

Figure 14. Organizational Chart: San Felipe Cooperative



5.2.2. Participation in the ICB Program

SAFECO learned about the ACPC-ICB program through the Coalition of Social Development Organizations in South Cotabato (CSDO-SC) in 2007. The general manager, officers and selected staff attended the ACPC-ICB trainings on rural finance and microfinance servicing and study visit to successful microfinance institutions. The trainings aimed to enhance the technical, management and organization skills. The SAFECO officials availed themselves of the ICB activities because of the coop's thrust on continuing education, i.e., to enhance the knowledge and skills of the officers and staff on cooperative management. The ICB activities were provided for free to SAFECO. The SAFECO officers who were interviewed rated these ICB activities as excellent (4) in the conduct of the training, relevance and application/adoption. Afterwards, CSDO provided a loan to SAFECO for marketing, in order to augment their capital, with a credit line of PHP2 million.

5.2.3. Benefits from the ICB Program

5.2.3.1. Improvement in the Institutional Capacity of the Cooperative

The SAFECO officers said that the ICB intervention improved the services and management of their cooperative and introduced the coop to other systems, which they replicated. Their knowledge increased when they participated in the training and study visit.

5.2.3.2. Growth In Capital Build Up, Savings Mobilization, and Earning Assets

The ICB program helped in the improvement of the coop's capital build-up and savings mobilization programs. The program improved the coop's credit and savings systems. Initially, the coop's average CBU was PHP2,000 per member. This increased to PHP10,000 in five years' time. The coop's average savings per member was initially at PHP500. The minimum loan amount is PHP10,000 per member, PHP500 of which is deducted as automatic savings. Interest is at 3% per annum.

5.2.3.3. Improvement in Technical Operations

The ICB program helped SAFECO establish a new operation as it motivated the cooperative to strive further, such as focusing the system for micro-lending.

5.2.3.4. Improvement in Credit Management and Delivery

The ICB Program helped improve the coop's lending policies and procedures since it introduced an enhanced way of lending. There has been an improved transparency in lending as part of the coop's policies. **Table 36** shows the improvement in development parameters of SAFECO before and after the ICB Program. For example, the number of members increased from 208 in 2007 to 444 in 2014. The total CBU and savings mobilization also increased by more than 100%. The cooperative was able to access loan from QUEDANCOR. Its loan portfolio has also increased with remarkable loan recovery (with past due ratio almost nil). The coop's revenues, assets and equity have likewise increased. Thus, despite its loan obligation of PHP5 million in 2010, its debt to equity ratio has been manageable at below 1.

Table 36. Selected Development Parameters, San Felipe Cooperative

Parameters	Before ICB (2007)	After ICB (2010)
a) No. of members	208	314
b) Total capital build-up (P)	1,270,670.80	11,780,636.70
c) Total savings mobilized (P)	1,549,562.73	2,288,121.44
Average CBU per member	6,110	37,518
Average savings per member	7,450	7,287
d) Loans Borrowed (or Borrowings) (P):	1,093,681.67	5,545,694.78
Land Bank	0.00	0.00
Other Sources (2006-07-'Loans Payable-Short Term'; 2010-13-'Loans and Other Payables')	1,093,681.67	5,545,694.78
Total Loans Borrowed	1,093,681.67	5,545,694.78
e) Volume of Loans (PHP)		
Loans Outstanding (or Portfolio)	2,527,264.15	9,926,942.92
Current	2,444,029.75	9,926,942.92
Past Due Loans (one day missed to ≥ 30 days)	83,234.40	0.00
Portfolio at Risk (PAR) (Past due loans/ total loan portfolio or loans outstanding)	0.03	0.00

Parameters	Before ICB (2007)	After ICB (2010)
f) Income/Revenues & Expenses		
Total Income (Revenues)	3,498,626.82	6,711,216.76
Total Expenses	3,518,297.80	5,833,222.57
Net Income (Total Revenues - Total expenses)	(19,670.98)	877,994.19
g) Assets & Liabilities (PHP)		
Total Assets (Current Assets, Long-term Investments and Other Assets (property & equipment))	15,244,021.39	20,912,874.55
Total Liabilities (Borrowings from GFIs, PFIs, coop federation)	5,909,099.88	8,681,983.59
Equity	9,334,921.51	12,230,890.96
Debt to Equity Ratio (Total liabilities/ total equity)	0.63	0.71
h) Administrative efficiency (Administrative costs to average gross loan portfolio); NOTE: Admin costs only	2,916,836.12	5,161,953.87
i) Operational self-sufficiency (Total revenues/ Financing costs ¹ + administrative costs (direct & indirect costs))	1.19	1.15

5.2.4. Success Factors

SAFECO has 15 full time staff, including the general manager. Hence, they were able to handle the operations of the cooperative more efficiently. Furthermore, the SAFECO Board holds meetings every second Saturday of the month. During these meetings, the officers review the coop's policies, such as those pertaining to internal control, credit, human resources, savings and community outreach. An internal audit is also conducted monthly.

5.2.5. Constraining Factors

SAFECO does not yet have a policy on the succession of the General Manager and other key top positions. Its by-laws also limit its membership to those residing in South Cotabato province. This is unlike other cooperatives that have opened their membership to residents of adjoining provinces or regions.

5.2.6. Suggestions for Future Trainings and Improvements

SAFECO officers mentioned the need for further training of the board and staff on (1) financial analysis, in order to meet the COOP-PESOS requirements and (2) internal audit, for the staff and internal audit committee.

5.3. Bohol Basket Weavers Multi-Purpose Cooperative

5.3.1. Profile of the Cooperative

The cooperative, located in Calunasan Norte, Loboc, Bohol, was first organized in May 1990 as the Calunasan Multi-Purpose Cooperative (CMPC) under RA 6938. It re-registered as Basket Weavers Multi-Purpose Cooperative (BWMPC) with the Cooperative Development Authority in May 2012, under the new law on cooperatives, RA 9520. The BWMPC has a consumer cooperative store integrated with basket weaving business. It offers savings and credit services, trading of consumer goods and lending. It currently has 60 active members. It is a member of the Loboc Federation of Cooperatives and the Bohol Women's Federation of Cooperatives (BWFC).

The organizational structure of the BWMPC consists of a board of directors and committees on elections, audit, mediation and conciliation, ethics and credit, a general manager (part-time), secretary, treasurer, bookkeeper, cashier and utility worker. The Board of Directors meets every last Saturday of the month to review and assess the cooperative's performance. Internal audit is conducted every month.

5.3.2. Participation in the ICB Program

The BWMPC was a recipient of the ACPC ICB program through the trainings conducted by the Bohol Women's Federation of Cooperatives (BWFC) in 2006 and in 2010-2012. The training-workshops were on the following topics: values formation and leadership, cooperative management, financial management and enterprise development skills training. A training on organic farming was also conducted for 13 Saturdays. These were all free-of-charge.

5.3.3. Benefits from the ICB Program

5.3.3.1. Improvement in the Institutional Capacity of the Cooperative

The ICB intervention on cooperative and financial management helped the cooperative in coming up with a manual of operations and improved lending and savings mobilization policies. Notably, these improvements helped enhance the services and management of their cooperative. The BWMPC was also able to access funds or loans after the ICB program.

5.3.3.2. Growth in Capital Build-Up, Savings Mobilization and Earning Assets

According to the BWMPC officers, the ICB program helped them come up with capital build-up strategies which improved the coop's capital build-up (CBU). These strategies include increased patronage refund and interest reduction on loans based on CBU contributed. For example if a member has contributed PHP5,000 CBU, he or she is entitled to borrow at 2% interest instead of 3% interest. Initially, the average CBU per member was

PHP5,000. At present, it is PHP8,000 per member. A portion of the CBU mobilized was allocated for capacity building of members.

5.3.3.3. Improvement in Technical Operations

The ICB program helped the cooperative meet the various legal requirements of the CDA, DOLE, BIR and COA. Documentation including preparation of financial statements was facilitated because of better record and book keeping by the coop officers as a result of what they learned from the ICB trainings.

5.3.3.4. Improvement in Financial Performance

The ICB Program helped improve the coop's loan portfolio, profitability and debt management policies. It motivated the cooperative to venture into pig butchering and sale and the setting up of a sari-sari or cooperative store. The ICB intervention also helped the cooperative access loans from external sources. For example, in 2009 and 2012, the cooperative was able to obtain a loan of PHP200,000 and PHP 100,000 respectively, from the BWFC. In 2013, it was able to obtain a loan of PHP100,000 from the Cooperative Bank of Bohol. Hence, the ICB program helped improve the volume and quality of the coop's loan portfolio through increased loans to its members. The cooperative also has certificates of deposit with the Cooperative Bank of Bohol. **Table 37** shows the changes in the development parameters of Calunasan Multi-purpose Cooperative (1990-2011) and its registration as BWMPC (2012 to present) before and after the ICB Program in 2006 and 2010-2012. Thus, the decrease in certain parameters after the ICB intervention in Table C.1 are not attributed to the ICB but rather, due to the adverse effects of typhoon Frank in 2008 and the 2013 Bohol earthquake. These resulted in increased loan payment defaults from the members, hence, making it difficult for the former Calunasan MPC and the reorganized BWMPC to recover financially.

Table 37. Selected Development Parameters, BBWMPC

Parameters	Before ICB (2004) Calunasan MPC	After ICB (2013) BWMPC
a) No. of members	100	60
b) Total capital build-up (P)	780,500.00	148,447.55
a) Volume of Loans (P)		
Loans Outstanding (or Portfolio)	849,411.48	230,919.15
Current	693,351.50	230,919.15
Past Due Loans (one day missed to ≥ 30 days)	62,950.00	0.00
Portfolio at Risk (PAR) (Past due loans/ total loan portfolio or loans outstanding)	0.07	0.00
b) Income/Revenues & Expenses		
Total Income (Revenues)	501,931.43	201,688.81
Total Expenses	374,946.98	167,410.90
Net Income (Total Revenues - Total expenses)	126,984.45	34,277.91
c) Assets & Liabilities (P)		
Total Assets (Current Assets, Long-term Investments and Other Assets (property & equipment))	1,052,071.31	289,265.80

Parameters	Before ICB (2004) Calunasan MPC	After ICB (2013) BWMPC
Total Liabilities (Borrowings from GFIs, PFIs, coop federation)	42,427.55	123,994.54
Equity	1,052,071.31	165,271.26
Debt to Equity Ratio (Total liabilities/ total equity)	0.04	0.75
c) Income/Revenues & Expenses		
Total Income (Revenues)	501,931.43	201,688.81
Total Expenses	374,946.98	167,410.90
Net Income (Total Revenues - Total expenses)	126,984.45	34,277.91
Administrative efficiency (Administrative costs to average gross loan portfolio)	302,696.76	147,066.25
NOTE: Admin costs only		
Operational self-sufficiency (Total revenues/ Financing costs + administrative costs (direct & indirect costs))	1.34	1.20

5.3.4. Success Factors

The ICB intervention helped the cooperative formulate a manual of policies. This is also an output of frequent meetings and consultations with the members (almost twice a week). The manual is divided into two major policies: membership and internal control. The latter includes policies on CBU format, personnel and administration, distribution of income, allocation and fund management, lending and borrowing. The strong commitment of the manager and the officers is also contributory to the success of the cooperative. Although adversely affected by calamities, the BWMPC officers are striving to revive the cooperative through other business ventures such as meat and rice vending especially to members affected by the calamities. The coop also has a membership recruitment incentive. A member who recruits a new member receives PHP20 from the coop. A member can recruit as many as 10 members since the coop membership fee is PHP200.

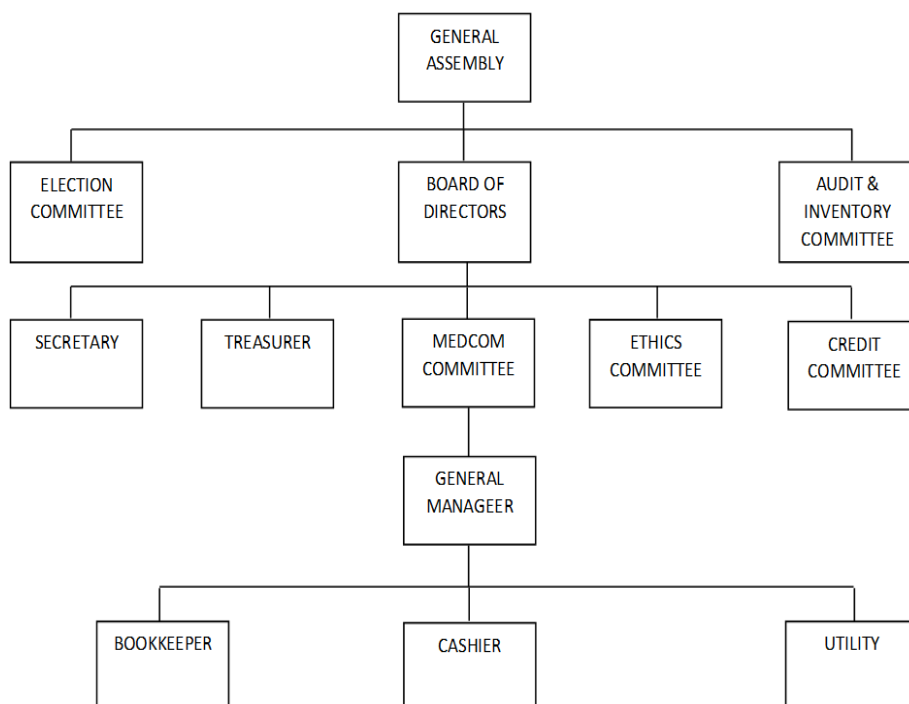
5.3.5. Constraining Factors

The members of the cooperative has multiple borrowings due to the presence of many microfinance institutions (MFIs). Hence, the competition for credit provision between the BWMPC and other MFIs adversely affects the cooperative's credit operations. Calunasan MPC was adversely affected by typhoon Frank in 2008 and the BWMPC was adversely affected by the 2013 Bohol earthquake.

5.3.6. Suggestions for Future Trainings and Improvements

The BWMPC officers brought up the need for continuous cooperative education and training of the members on values formation.

Figure 15. Organizational Chart: Bohol Basket Weavers Multi-Purpose Cooperative



5.4. Aguinaldo Marketing and Development Cooperative

5.4.1. Profile of the Cooperative

The Aguinaldo Marketing Cooperative, located in Ubao, Aguinaldo, Ifugao, was first organized in October 1998, with the assistance of the Central Cordillera Agricultural Program (CECAP). It had an initial capital of PHP40,000, which was pooled from the share capital of its first cooperators and members. CECAP granted the cooperative a loan of PHP119,000 to start its agricultural inputs store in December 1998. On March 4, 1999, the cooperative was registered with the CDA in Baguio City.

Furthermore, CECAP provided a Business Management Incentive Fund Grant to enable AMC to hire full time management staff consisting of a manager, cashier and bookkeeper. These three staff served as storekeeper on a rotation basis until the coop was able to hire another staff for this position. In year 2000, the coop expanded its business activities to cover savings mobilization and credit with a start-up capital of PHP75,000 taken from the earnings of its agricultural inputs store. In year 2001, CECAP provided a grant and loan package for the coop to put up a rice and corn mill, with the coop taking up 25% of the cost. In 2003, the coop ventured into output marketing with an initial capital of PHP30,000. When RA 9520 was passed in 2009, the cooperative re-registered with the CDA on December 29, 2009 as the Aguinaldo Marketing and Development Cooperative (AMDC). The cooperative's services were further expanded to cassava production, aqua feeds and milling supply services and rental of a flatbed drier for palay and corn starting in 2005. It had 200 members in 2003 and this rose to 611 members in 2013.

The organizational structure of the AMDC is shown in **Figure 16**. It has a board of directors, a secretary, a treasurer, and committees on audit and inventory and elections, as prescribed by RA 9520. It does not have the prescribed ethics committee and a mediation and conciliation committee. However, it has five additional committees on credit, membership, education, project management, project monitoring and evaluation. Its management staff is composed of the general manager; a credit section made up of the bookkeeper, cashier and loan officer; a storekeeper for the agri-store; and rice mill workers made up of an operator and two helpers.

With the assistance of the CECAP and the Northern Luzon Federation of Cooperatives and Development Center (NORLU-CEDEC), the AMDC was able to prepare a 100-page comprehensive policy manual. This contains the qualifications and job descriptions of all the officers and staff of the coop, to whom each one is accountable to, criteria for job performance ratings, policies on fund management, budgeting, audit and signing authority per type and monetary amount of transaction, personnel matters, general administration, elections, internal audit, cash management, records management, business operations (savings deposits, credit, etc.), procedures and fees per service/facility, disposal of by-products and waste product, special projects, mutual aid benefits, monitoring and evaluation, meetings, accounting policies, systems and procedures, cash disbursements, loan procedures, payroll, plant, property and equipment and flowcharts for accounting and purchasing procedures.

5.4.2. Participation in the ICB Program

The AMDC learned about the ACPC-ICB program in 2004 and 2005 through the CECAP. It was part of the standard process of turnover of the CECAP operations by the Department of Agriculture (DA) to ACPC when CECAP was completed in 2003. When CECAP assistance was terminated, the cooperative had difficulty in recordkeeping, financial management and marketing of products and services. It struggled with high operating expenses. The low income from its services was barely enough to pay its debts to CECAP and the Land Bank. Hence, starting 2004, the ACPC-ICB program provided the cooperative with coaching/mentoring and trainings as a follow through of CECAP capacity building interventions to sustain the organizational development momentum gained under the completed program. This was also to ensure the viability of the cooperative to repay existing loans and access new loans. Mentoring on record and bookkeeping, audit and inventory was provided by a cooperative management trainer (CMT) engaged by ACPC for a group of cooperatives under its Central Cordillera Institutional Capacity Building Program (CCIBP). Cooperative officers and selected staff also received trainings on cooperative management and leadership. The assigned CMT would visit the cooperative for two to three days intermittently from 2004-2005 and mentor the cooperative's officers, manager, bookkeeper and cashier. Afterwards, the ACPC conducted capability building for new officers and trainings on audit and inventory, cooperative management leadership and systems set-up from 2004-2009.

The ICB activities were provided for free to the AMDC. Before the ACPC ICB activities were conducted, the CMT administered a questionnaire and conducted a training needs assessment to ascertain the cooperative's ICB requirements. After the ICB interventions were provided, the CMT also did an assessment.

The AMDC officers who were interviewed rated these ICB activities as excellent, while the last training on systems set-up was rated as satisfactory in terms of delivery and adoption. They noted that the mentoring and training activities formed part of their continuous cooperative education and skills upgrading.

5.4.3. Benefits from the ICB Program

5.4.3.1. Improvement in the Institutional Capacity of the Cooperative

The AMDC officers indicated that the ICB interventions, particularly assistance in record keeping, bookkeeping and audit and inventory helped the cooperative sustain its compliance to government administrative and legal requirements including CDA re-registration and annual reporting, BIR requirements and business permits imposed by the LGU. The cooperative management training contributed to the improvement of their governance strategies including development and enforcement of better policies on membership, credit and savings mobilization. In particular, they were able to recruit more members and design and promote new loan products that were more affordable to their members. Coop membership has increased by threefold and so have the coop's average capital build-up and savings per member (**Table 38**).

Table 38. Selected Development Parameters, Aguinaldo Marketing and Development Cooperative

Parameters	Before ICB (2003)	After ICB (2013)
a) No. of members	200	608
b) Total capital build-up (P)	1,138,236.21	8,100,303.43
c) Total savings mobilized (P)	266,135.50	8,911,295.08
Average CBU per member	5,691	13,323
Average savings per member	1,331	14,657
d) Loans Borrowed (or Borrowings) (P):	90,531.70	5,206,610.48
Land Bank	0.00	0.00
Other Sources (2002-03-'Loans Payable-Short Term')	90,531.70	-
Total Loans Borrowed ('Current, Restructured and Past Due')	90,531.70	5,206,610.48
e) Total Earning Assets (P):	1,000.00	12,000.00
Certificates of Deposits	0.00	0.00
Stocks (2003-'Long Term Investments (Cooperatives)'; 2013-14-'Investments in Non-Marketable Equity Securities')	1,000.00	12,000.00
a) Volume of Loans (P)		
Loans Outstanding (or Portfolio)	1,063,750.00	5,206,610.48
Current	268,180.00	3,405,635.30
Past Due Loans (one day missed to ≥ 30 days)	413,766.00	851,750.18
Portfolio at Risk (PAR) (Past due loans/ total loan portfolio or loans outstanding)	0.39	0.16
b) Income/Revenues & Expenses		
Total Income (Revenues)	633,458.68	2,909,519.91
Total Expenses	525,723.39	1,404,904.04
Net Income (Total Revenues - Total expenses)	107,735.29	1,504,615.87
Net Loan Loss Provision Expense	30,000.00	89,595.03
Net Operating Income (NI- Net Loan Loss Provision Expense)	77,735.29	1,415,020.84

Parameters	Before ICB (2003)	After ICB (2013)
c) Assets & Liabilities (P)		
Total Assets (Current Assets, Long-term Investments and Other Assets (property & equipment))	3,088,860.65	12,000.00
Total Liabilities (Borrowings from GFIs, PFIs, coop federation)	575,990.07	13,753,612.62
Equity	1,138,236.21	15,258,930.70
Debt to Equity Ratio (Total liabilities/ total equity)	0.51	0.90
a) Volume of Loans (P)	1,063,750.00	5,206,610.48
c) Income/Revenues & Expenses		
Total Income (Revenues)	633,458.68	2,909,519.91
Total Expenses	525,723.39	1,404,904.04
Net Income (Total Revenues - Total expenses)	107,735.29	1,504,615.87
Net Loan Loss Provision Expense	30,000.00	89,595.03
Net Operating Income (NI- Net Loan Loss Provision Expense)	77,735.29	1,415,020.84
Administrative efficiency (Administrative costs ^[4] to average gross loan portfolio) NOTE: Admin costs only	513,463.89	629,371.39
Operational self-sufficiency (Total revenues/ Financing costs + administrative costs (direct & indirect costs))	1.20	3.82

5.4.3.2. Greater Access to Loans and Support from External Sources

With better recordkeeping and updated and improved financial statements, the AMDC was able to keep its credit line with the Land Bank of the Philippines. The cooperative can borrow up to a maximum of PHP6 million from its credit line at an interest of 6% per annum as needed. In 2010, it borrowed PHP1 million, which was fully paid in 2013. Using the project proposal it developed under the ICB training, the cooperative was also able to obtain grants from the Department of Agriculture and Department of Agrarian Reform in the form of agricultural equipment/facilities which were rented by their members for their farming operations.

5.4.3.3. Improvement in the Volume and Quality of the Coop's Loan Portfolio

The ICB mentoring activities on recordkeeping and financial management helped AMDC manage its loan portfolio. Loan portfolio increased from more than PHP1 million in 2003 to more than PHP5 million in 2013 indicating improved access of its members to loans. Past due ratio has also declined indicating better portfolio management for the cooperative. The improved PAR also manifests the coop's improved lending and loan collection policies. The improved operational self-sufficiency ratio from 1.20 to 3.82 indicated positive revenues as well as better management of expenses.

5.4.4. Success Factors

The ICB trainings helped enhance the knowledge and skills of the officers and staff and guided the conduct of their duties and responsibilities. Some of the trainings served as refresher courses. Mentoring or periodic visits of the CMT greatly helped in the transfer of knowledge and adoption/application of skills learned in actual coop operations. The mentoring exercise helped in instilling discipline among concerned staff in record keeping and financial management. The AMDC experience also showed that coaching not only ensures direct transfer of knowledge and skills but also serves to monitor adoption and performance of the mentee cooperative. Since coop trainees are often constrained by time and official duties, it is difficult for them to be absent for a long time from their jobs in order to attend the trainings. On-the-job mentoring helped to address this problem. The cooperative's formulation and implementation of a comprehensive policy manual also contributed significantly to the efficiency and effectiveness of its operations. The officers and members of the cooperative acknowledged that, "One of the success factors of cooperatives lies on the presence of comprehensive, complete, sound and realistic policies, systems and procedures (PSPs)."⁴¹

5.4.5. Constraining Factors

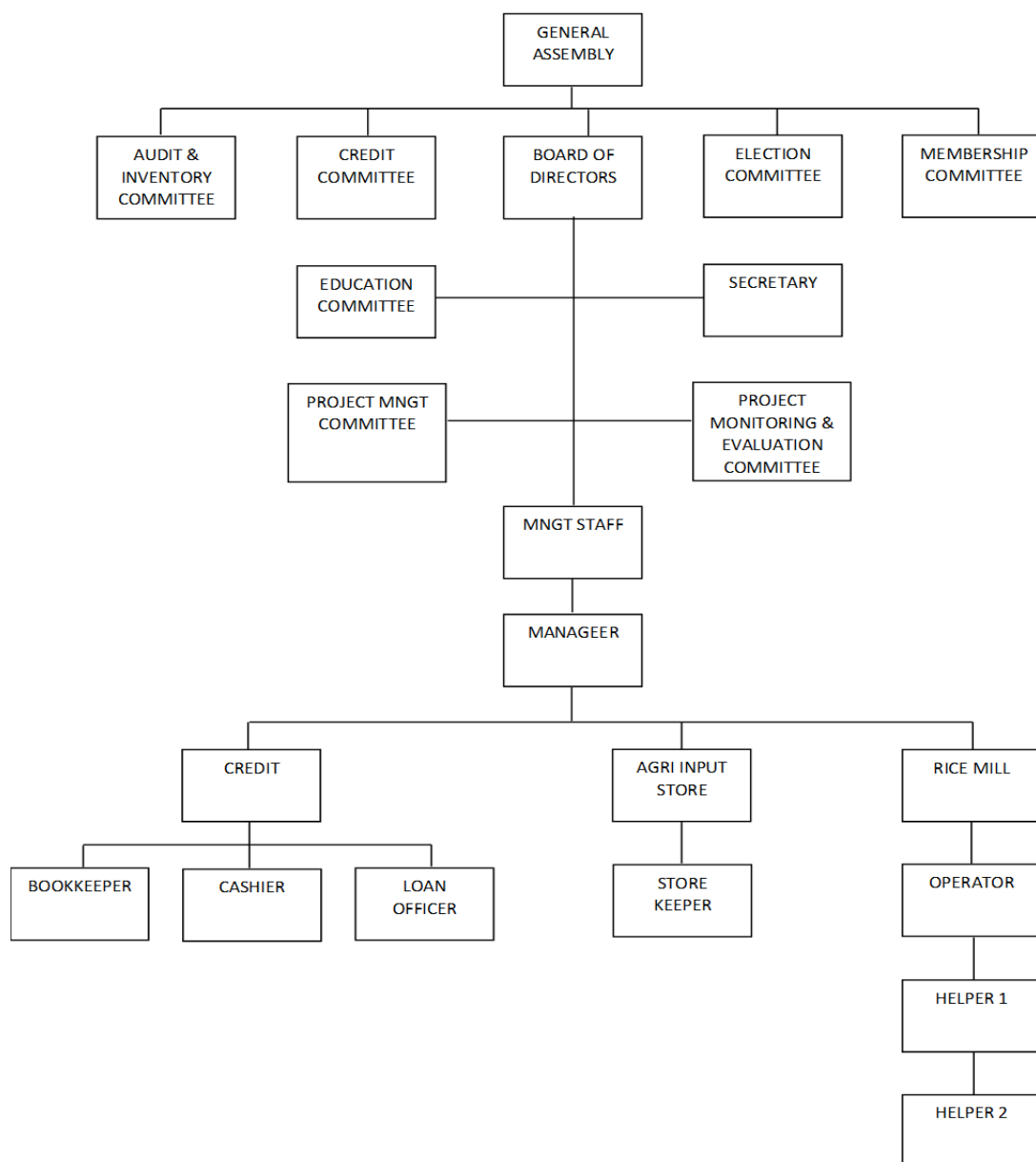
Staff movement (e.g. resignations, transfer to other jobs, retirement) can erode knowledge gained from mentoring and training. The orientation/training for new officers and staff and periodic visits of mentors or coaches can ensure sustained transfer of knowledge and skills to the staff.

5.4.6. Suggestions for future trainings and improvements

In order to help the cooperative to further improve its operations, the officers suggested that the ACPC help them improve their project monitoring and evaluation system (PMES). The current practice is one-on-one briefing of new members. They believe that it will be more prudent if they have a PMES module and are taught on how to re-echo what they learned from trainings to of new members.

⁴¹ Aguinaldo Marketing and Development Cooperative. Policy Manual. Ifugao: Ubao, Aguinaldo. 2004.

Figure 16. Organizational Chart: Aguinaldo Marketing and Development Cooperative



5.5. Piwong Multi-Purpose Cooperative

5.5.1. Profile of the Cooperative

After a series of planning meetings facilitated by Plan International, a group of 51 community members in Piwong, Hingyon, Ifugao, organized the Piwong Savings and Credit Cooperative and registered this with the with the Department of Agriculture Regional Office in Baguio City in 1986. In 1989, the Cooperative opened its membership to other people in the province and expanded its business operations to other services such as trading. Its general assembly renamed the cooperative to Piwong Multi-Purpose Cooperative and registered this amendment in name with the DA, Baguio City. In March 1991, the Cooperative Development Authority (CDA) in Quezon City confirmed the cooperative's registration with confirmation number 1078. In October 2006, the cooperative expanded its area of operations to include the Cordillera Administrative Region and Region 2 and registered this with the CDA, Cordillera Administrative Region (CAR) in Baguio City. PMC is relatively large, because aside from its main office in Piwong, Hingyon, Ifugao, it has branches in Maddela and Diffun towns in Quirino province, Bambang town in Nueva Vizcaya province and satellite offices in Baguio City and Diadi town, Nueva Vizcaya province. In order to comply with the new CDA regulations, RA 9520, PMPC re-registered with the CDA Cordillera Administrative Region (CAR), on December 29, 2009 with the assistance of the Central Cordillera Agricultural Program (CECAP). The cooperative's business activities cover savings and credit services and the trading of consumer goods, such as feeds for hogs, herbicides and organic rice.

The PMC organizational structure is shown in **Figure 17**. It has a general manager and committees on audit and supply, election, ethics, mediation and conciliation in its main office. Each committee has a chairman, vice-chairman and a secretary. Its main office has a lending group composed of a loan officer, bookkeeper, accounting officer and accountant clerk. Its main office has a trading group composed of a sales clerk, driver, two watchmen and an administrative clerk. Its Maddela branch has almost the same setup as the main office except that it has its own cashier in the lending group and a separate bookkeeper, sales clerk and two sales aides in its trading group. The Diffun branch also has its own general manager and a lending group composed of a loan officer, bookkeeper, cashier and accounting officer. It does not have a trading group. The PMC Bambang branch only has staff for lending services composed of a bookkeeper, a cashier and an accounting officer. The Baguio satellite office has a loan officer and a cashier to provide lending services to the members. The Diadi satellite office also offers lending services, with a staff component of a cashier and accounting officer. In total, PMC has around 32 staff supervised by the general manager. These are all full-time staff. This figure does not yet include the Board of Directors and the different committees. While PMPC does not have a separate overall credit committee, it has lending groups in all its branches and satellite offices and loan officers in its main branch, in the Maddela and Diffun branches in Nueva Vizcaya and in its satellite office in Baguio City.

5.5.2. Participation in the ICB Program

The PMPC learned about the ACPC-ICB program through the CECAP NLSF personnel, through the Land Bank of the Philippines and through Luz Madangeng, a Cooperative Management Trainer (CMT) engaged by ACPC for a group of cooperatives under its Central Cordillera Institutional Capacity Building Program (CCIBP). In order to be able to participate in the program, PMC submitted audited financial statements to the ACPC. It was part of standard process of turnover of the CECAP operations by the DA to ACPC when CECAP was completed in 2003. From 2004 to 2008, the cooperative was provided with coaching/mentoring and trainings as a follow through of

CECAP capacity building interventions. The ICB activities envisioned to ensure that the cooperative would be more able to repay its loans and access new loans. The assigned CMT would mentor the cooperative's officers, manager, bookkeeper and cashier for two to three days intermittently from 2004-2005. The rest of the ICB activities consisted mostly of seminars, workshops and trainings. Before the ACPC ICB activities were conducted, the CMT conducted a training needs assessment through key informant interviews. After attending an ICB activity, the participants reported what they learned during the cooperative's committee and board of directors' meetings. The ICB activities were provided for free to the PMPC which availed themselves of these so that its officers and staff will know more about innovations that are applicable to their cooperative. They saw training, coaching and mentoring and systems set-up as the most effective means of the ICB.

Participants in the ICB activities were the cooperative's general manager, bookkeeper, board of directors, cashier and members of its key committees such as the audit and inventory committee. As a beneficiary of the CCIBP, the coop participated in the following one to four-day ICB activities in 2004: Director Competencies and Enhancement Seminar Workshop, Mandatory Requirements on Fiscal Management for Coops, Basic Bookkeeping, Staff Orientation in Duties and Functions, Credit and Collection Management cum Credit/Background Investigation and Property Appraisal and Cooperative Ownership Seminar. In 2005, it participated in the following ICB activities: 2004 Assessment and 2005 Business Development Planning, Orientation on Duties, Responsibilities and Powers of the General Assembly, Techniques Participatory Development Planning including Labor Education and Policy Review, Orientation of Duties, Responsibilities & Powers of Officers, Cooperative Internal Operation Review Seminar, Cooperative Ownership Seminar, Business Development Training, Branch Ownership Seminar, Credit/Background Investigation and Property Appraisal Seminar, Records Management Seminar and the Review of Organizational Structure of Management Staff including Job Analysis. In 2007, the ICB activities that PMPC participated in were the following: Standard Chart of Accounts Seminar, Mid-year Assessment and Action Planning, Credit and Collection Management Seminar and the Cooperative Financial Analysis and Management Seminar. In 2008, PMPC participated in the following ICB activities: Cooperative Internal Audit Seminar, Cooperative Ownership Seminar, Workshop on Performance Appraisal and Evaluation System of Cooperative Management Staff and Officers and Credit and Collection Management cum Credit/Background Investigation and Property Appraisal. In 2012, PMPC participated in the ACPC-ICB's General Manager Risk Management Trainer's Training. In total, the PMPC participated in 26 ICB activities from 2004 to 2012, or an average of 5 ICB activities per year. This is unlike the other FFCOs which only participated in one ICB activity from 2004 to 2012.

5.5.3. Benefits from the ICB Program

5.5.3.1. Improvement in the Institutional Capacity of the Cooperative

The PMPC officers indicated that the ICB interventions enhanced the institutional capacity of their cooperative. Through the ICB, the PMPC was able to network with the NORLU and Ifugao DECO. The cooperative's BOD has around 28 meetings in a year, i.e., it meets at least twice a month. This is unlike other cooperatives wherein their BOD meets only once a month. A general assembly is held every third Saturday of the month. In this assembly, the financial status of the cooperative is presented to the members.

Furthermore, with the series of ICB interventions, the PMPC was able to improve its policy manual which was first prepared in 1999. The manual was amended in 2006 and 2007. It was updated in 2011 into a 150-page policy manual. The manual contains the history, vision, mission and goals, objectives and purposes of the coop and chapters on policies on governance and organization, financial management, human resources, credit

management, deposits, risk management, social services, other services (trading, marketing, stock control and patronage refund). Notable in the policy manual are the staff salary standardization increases per year, branch policies, codified approving/signing authorities, internal control policies, property and equipment systems and procedures, detailed human resources policies and performance evaluation system for management and staff, numerous social services including children's education plans, catering services, native attire for rent, health care program and mortuary and death benefits of members. The ICB interventions also helped the PMPC improve its policy on the monitoring of branch operations.

The coop's number of members increased from 2,190 in 2003 to 4,370 in 2013. This includes members from the coop's branches. The operational self-sufficiency of PMPC increased from 1.28 in 2003 to 1.79 in 2013. (**Table 39**).

Table 39. Selected Development Parameters, Aguinaldo Marketing and Development Cooperative

Parameters	Before ICB (2003)	After ICB (2013)
a) No. of members: (2003- 2007)	2,190	4,370
b) Total capital build-up (P)	8,239,448.93	49,794,961
c) Total savings mobilized (P)	3,114,949.96	59,962,905
<i>Average CBU per member</i>	3,762	11,395
<i>Average savings per member</i>	1,422	13,721
d) Loans Borrowed (or Borrowings) (P):	3,510,337.50	3,954,775
e) Total Earning Assets (PHP)	411,586.08	14,042,868
Stocks ('2003-Investments (with NORLU, IFEDECO, PMPCI Trading and Investment-Maddela); 2006-07-Long Term Investments (with cooperatives, PMPC Trading and Investment Branch); 2012-Long Term Investments (with cooperative, Branch, Bambang Branch, Baguio Satellite, Time Deposit-Diffun and Diadi Satellite); 2013-Long Term Investments (with cooperative, Branch, Baguio Satellite, Time Deposit-Diffun, PMPC Trading and Maddella Branch)')		
f) Loans Outstanding (or Portfolio)	15,634,164.96	106,651,323
<i>Current PHP</i>	15,634,164.96	106,651,323
g) Income/Revenues & Expenses		
Total Income (Revenues) PHP	2,331,450.63	21,522,143.00
Total Expenses PHP	1,822,816.07	12,027,096.00
<i>Net Income (Total Revenues - Total expenses) PHP</i>	508,634.56	9,495,047.00
h) Assets & Liabilities (P)		
<i>Total Assets (Current Assets, Long-term Investments and Other Assets (property & equipment)) PHP</i>	18,297,805.19	153,535,734
<i>Total Liabilities (Borrowings from GFIs, PFIs, coop federation) PHP</i>	6,795,951.20	94,957,248.00
<i>Equity, PHP</i>	11,501,853.99	58,578,487.00
<i>Debt to Equity Ratio (Total liabilities/ total equity)</i>	0.59	1.62
i) Operational self-sufficiency (Total revenues/ Financing costs + administrative costs (direct & indirect costs))	1.28	1.79

5.5.3.2. Increase in Capital Build-up and Savings Mobilization

The ICB mentoring activities on records and financial management helped the PMPC in increasing the share and paid up capital of its members. The PMPC was able to increase its capital build-up from PHP8.23 million in 2003 to PHP49.79 million in 2013. This translates to an average of PHP3,762 per member in 2003 and PHP11,396 per member in 2013. The coop was also able to increase its savings mobilization from PHP3.11 million in 2003 to PHP59.96 million in 2013. This is about PHP1,422 per member in 2003 and PHP13,721 per member in 2013. The PMPC conducts an aggressive information drive on savings and capital build-up especially in its branches.

5.5.3.3. Greater Access to Loans and Support from External Sources

The ICB activities helped the PMPC in the formulation of improved policies in the implementation and monthly monitoring of branch operations, especially in the financial aspects. With ICB and NORLU assistance, the PMC was able to prepare a project proposal on post-harvest facilities in 2005. It was able to access an ARISP grant for the post-harvest facility in 2012.

Also, with improved records and financial management as a result of the ICB interventions, the PMPC was able to access a PHP15 million credit line with the Land Bank of the Philippines in 2002. In 2010, it was able to access an SBC credit line of PHP2 million. The PMPC was endorsed by the DTI-TST Program for the Land Bank credit line. In 2003, prior to the ICB interventions, PMPC's loan amount was PHP3.51 million. Of this amount, PHP2.7 million was from the Land Bank of the Philippines, PHP634,000 was from CECAP and the CECAP-infused Fund, and the rest were from other sources. The loans increased to PHP3.95 million in 2013, indicating that PMPC was able to access new loans for re-lending to its members.

5.5.3.4. Improvement in the Volume and Quality of the Coop's Loan Portfolio, Income, Assets and Equity

Prior to the ICB interventions, the coop's loans outstanding or loans receivable in the current asset/balance sheet (includes current plus past due loans) was PHP15.63 million in 2003. This increased to PHP106.65 million in 2013, indicating that more members accessed loans from the cooperative or more loans were made available to the members.

The PMPC's net income also increased from PHP508,634 in 2003 to PHP9.49 million in 2013. The total assets of PMPC increased from PHP18.2 million in 2003 to PHP153.5 million in 2013. The total earning assets of PMPC in terms of stocks increased from PHP411,586 in 2003 (before the ICB) to PHP14 million in 2013 (after the ICB interventions). The PMC investments are as follows:

- 2003- Investments with NORLU, IFEDECO, PMPCI Trading and Investment-Maddela
- 2006-2007- long term investments with cooperatives, PMPC Trading and Investment Branch
- 2012- long term investments with cooperatives, branches, Bambang Branch, Baguio satellite and time deposits -Diffun and Diaddi satellite
- 2013- long term investments with cooperatives, branches, Baguio satellite and time deposits- Diffun, PMPC Trading and Maddella Branch

The equity of PMPC increased from PHP11.5 million in 2003 to PHP58.57 million in 2013. Return to assets increased from 0.59 in 2003 to 1.62 in 2013. Operational self-sufficiency increased from 1.28 to 1.79.

5.5.4. Success Factors

The numerous and continuous ICB activities from 2004 to 2012 under the CCIBP, especially the mentoring of a Cooperative Management Trainer coupled with the provision of loans by the Land Bank of the Philippines under the CECAP, were instrumental in the success and expansion of the PMPC. The cooperative's organizational structure with full-time staff coupled with a comprehensive policy manual (also an output of the ICB interventions) also helped in the exemplary performance of the cooperative. According to the PMPC, the good track record of the cooperative helped increase its membership and credibility. Thus, financial agencies have confidence in transacting business with the cooperative. Another factor is the expansion of the operations of the cooperative to two regions – CAR and Region 2 and hence, opening its membership to “kababayan Ifugaos” who are residents of these regions.

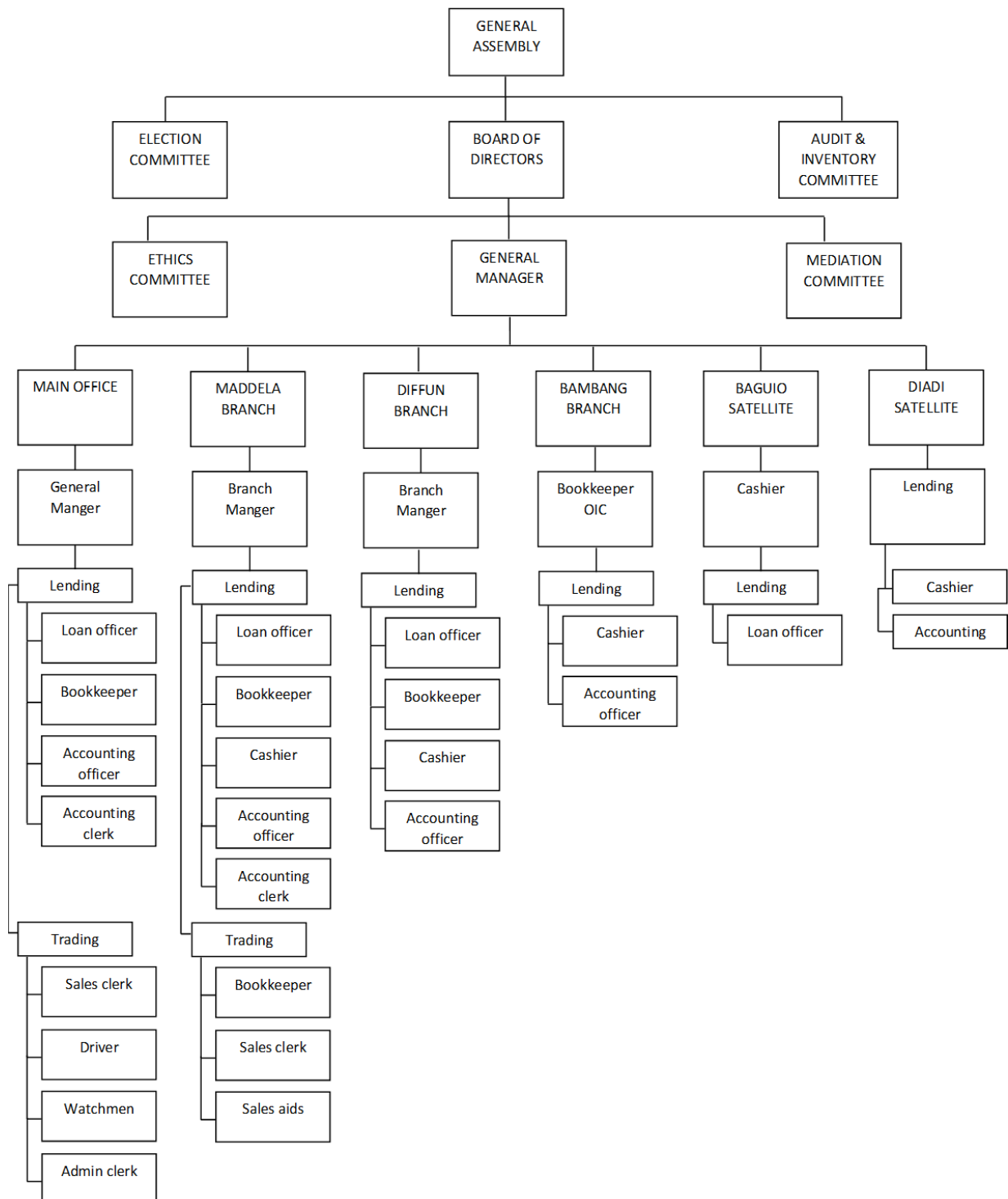
5.5.5. Constraining Factors

With the enormous size of PMPC and its financial transactions comes the challenge of recording and collecting loan payments. These point to the need for the cooperative to further improve its records and financial management through computerization.

5.5.6. Suggestions for future trainings and improvements

The PMPC officers suggested that the ACPC help them with the following: (1) review of policies in order to reduce the number of members with past due and delinquency rates; (2) expansion of services such as lending and trading (rice and feeds); (3) hands-on management information systems (e.g., computerization); and (4) study visits to successful cooperatives to learn innovations.

Figure 17. Organizational Chart: Piwong Multi-Purpose Cooperative



6 FINDINGS AND RECOMMENDATIONS

6.1 Findings from the Assessment

6.1.1. Relevance and Effectiveness of the ICB Program

Relevance of ICB Activities. A review of ACPC's capacity building mandate vis-à-vis those of the other agencies showed that while there may be overlaps in some focus areas of interventions, the ACPC has a specific niche in terms of the target clientele of ICB intervention given its mandate under RA 7607 (Magna Carta of Small Farmers). ACPC's ICB interventions target the small farmer and fisherfolk organizations that are not covered by DAR services for ARB cooperatives or by those of other identified agencies. Given its specific clientele, ACPC ICB interventions are deemed relevant and targeted.

The types of ICB activities conducted by the resource/partner organizations were found relevant since they are the priority intervention areas needed by the FFCOs to enhance their organizational, operational and financial capabilities and develop and expand their outreach to small farmers and fisherfolk. ICB requirements varied per FFCO depending on their current status, level of maturity, readiness and willingness to receive assistance, among others. The ICB activities involved the FFCO officers and financial management staff who play crucial roles in the management and operations of the FFCOs.

Reach of ICB Activities. From 2004-2012, ACPC collaborated with over 30 resource and partner organizations (RFIs, SCUs, NGOs) which conducted 179 ICB activities involving more than 1,680 FFCOs with an estimated membership of about 6,850. The resource organizations and CCIBP covered by this assessment conducted some 80 ICB activities involving some 175 FFCOs. Outreach was widened with partnership arrangements with resource or partner organizations such as the RFIs, SCUs and NGOs. The partnerships not only tapped the expertise of local resource organizations but also facilitated the provision of technical assistance faster, leveraged funds/resources for ICB activities reaching more FFCOs and reduced the cost of administration and conduct of ICB activities.

Empowerment of FFCOs and Partner Organizations. The ICB activities provided the knowledge and skills that empowered not only the FFCOs but the partner organizations. The various ICB interventions helped develop the skills needed in strengthening the FFCOs particularly in terms of financial and credit management (recordkeeping, bookkeeping, preparation of financial statements, audit and inventory and funds and portfolio management).

6.1.2. Efficiency of the ICB Interventions

Comparative Delivery Costs. Under a partnership arrangement, the delivery of ICB was made more efficient. The cost of a 3-day training conducted by a local partner was lower at around PHP130,300 compared with about PHP178,000 if done directly by ACPC or by a national partner. The cost of packaging and conduct of ICB under the direct assistance mode (using resource or partner organizations) averaged at about PHP7,225 per FFCO and PHP19,869 per ICB activity. ICB intervention under a tie-up mode (with DA, PCFC and Land Bank for CCIBP) cost more averaging at PHP1.04 million per FFCO and PHP1.2 million per ICB activity with coaching or mentoring

assistance. Although average costs between the two modes are not comparable because of the additional coaching and mentoring assistance for the tie-up mode, the latter would provide a more direct and series of ICB interventions compared to one-time ICB assistance (2-3 day workshops) provided under direct mode of assistance.

Comparison with Standard Training Rates. The average training rate per individual participant per day for ICB direct assistance mode across the three (3) ICB programs was PHP280 (ranging from a little more than PHP100 to PHP1,000). Rates per pax per day of training programs provided by a sample CDA accredited cooperative resource training providers revealed an average of PHP1,514 training cost (i.e., PHP1,923 for affiliates and PHP 2,423 for non-affiliates). Even with mentoring assistance, the ICB rates are found competitive and even lower than standard rates.

6.1.3. Effect on FFCOs Management and Operations

Membership and Participation of FFCOs. While the trend in membership cannot be attributed solely to ICB, increase or decrease in membership is a manifestation or function of the FFCO's management and operations. On the average, there was a marked increase in the number of cooperatives whose membership have increased after ICB intervention (based on 2013 data) particularly in CCIBP and Negros areas indicating improved management and operations. Reasons cited for the deterioration in membership in other areas included the drop out of members who defaulted in their loan obligations, failure of the cooperatives to entice new members due to poor financial performance of the FFCOs and the reorganization and registration of some FFCOs as a new entity under RA 9520 or with DOLE.

Improvement in Institutional Capacity. Improvements in institutional capacities would cover organizational aspects such as quality of FFCO membership, ability to comply with legal and policy requirements for their operation and administrative efficiency. Seventy three (73) percent of the FFCOs in the study areas perceived that the ICB trainings they received improved their institutional capacities. However, a review of compliance to legal and policy requirements of supervisory and regulatory agencies shows that compliance with CDA and BIR requirements dipped after ICB intervention. The trend is attributed to the poor performance of a number of FFCOs brought about by the onslaught of natural calamities. FFCOs in the Visayas (Bohol and Negros areas) especially were affected by typhoons Frank in 2008 and Yolanda in 2013 and the earthquake in 2013. As a result, about 50% of the FFCOs surveyed indicated their difficulty in meeting compliance requirements of RA 9520 specifically. About 15% have decided to no longer register but just continue to operate. A few have opted to register with DOLE instead.

Improvement in Technical Capacity/Operations. About half of the FFCOs covered indicated that the ICB interventions helped improve their technical capacity to prepare proposals, establish a new business or expand their operations and access funds. Specifically, learnings from financial management and proposal preparation helped FFCOs establish new branches; improve their collection system; improve their consumer store operation; and expand into new business such as tractor rental, rice trading, and lending/micro lending. About half (46%) have actually indicated that they were able to access funds for new business or expanded operations through project or business proposals they prepared and improved ability to meet documentary requirements. However, many of those which prepared proposals accessed funds from partner or resource organizations (BFWC and FEEDF) that were given funds for grant assistance for relending or enterprise development. FFCOs under CCIBP, meanwhile, have existing credit line with Land Bank which they could avail as needed.

Improvement in financial management and performance. Significant ICB interventions were in the areas of financial management, bookkeeping and recording. These would have clearer impact on FFCO financial management and performance since the trained staff, e.g. manager, treasurer, bookkeepers, members of the Audit and Internal Control Committee, are directly involved in related functions such as record keeping, bookkeeping, accounting, audit and inventory. Positive improvements in internal control were observed with majority of the FFCOs conducting their own audit on a regular basis, even as frequent as monthly. Part of internal control and a requirement of CDA and BIR are the annual audited financial statements of coops. Majority of the FFCOs have engaged licensed and CDA-accredited accountants to conduct external audit and prepare their audited financial statements.

Improvement in Credit Management and Delivery. The major aim of ICB activities is to facilitate credit management and delivery by FFCOs to the small farmers and fisherfolk. FFCOs interviewed indicated in KIIs that the ICB activities helped them improve their capital build-up, savings mobilization and profitability and debt management. More than 60% of the FFCOs indicated that ICB improved their capital build-up and savings mobilization policies and systems which improved member awareness and participation and resulted in increased savings and share capital participation. The increases come from the shares of new members, employment of innovative schemes such as automatic retention of a percentage of the loans of members and advocacy seminars, issuance of notices and brochures on the FFCOs savings and capital build-up programs, design and promotion of new products and reminders during general assemblies and meetings.

More than half (54%) of the FFCOs during the KIIs indicated that they have borrowed during the last five years after ICB intervention. While the results show that access of FFCOs to funds was facilitated through ICB assistance, their access to loans from formal financial institutions has not really improved. FFCOs accessed funds from the partner/resource organizations which were given additional grant assistance for micro lending, except for those under CCIBP which already had access to Land Bank after CECAP turn over.

KIIs indicated that ICB assistance have contributed to the growth in the loan portfolio in terms of improving lending policies which facilitated access or borrowing by the FFCO members. Loan portfolios of selected FFCOs increased right after ICB assistance. The increases in internally generated funds from capital build-up and savings mobilization as well as funds accessed from the grant assistance and from other sources by selected FFCOs increased funds for lending. However, decreases in loan portfolios were noted in Bohol and CCIBP areas during the recent period (2013). Reasons cited were the effects of calamities in Bohol and increased loan defaults in CCIBP areas which led the FFCOs to slow down on their lending activities.

FFCO Feedback on ICB Interventions. Survey results revealed relatively favorable feedback on the ICB interventions received by the FFCOs. The ICB interventions were rated excellent in terms of conduct, relevance and application by 40%-50% of the FFCOs. Less than 3% indicated that conduct and relevance of ICB interventions needed to be improved. A higher percentage of 8% indicated that the application of ICB activities needed to be improved implying more hands-on interventions or preparation of clear action plans after ICB to guide them in applying learnings and skills acquired.

Effectiveness of Modes of Delivery. Almost half of the FFCOs find trainings (lectures and workshops) most effective in terms of improving their knowledge and skills related to coop operations. The information gathered, however, cannot be construed as balanced since only those under the CCIBP had mentoring or coaching assistance. Nonetheless, based on KIIs, FFCO officers and staff interviewed indicated that having hands on or on the job trainings and mentoring assistance as follow up to lectures and workshops would help ensure the application of knowledge and skills learned. The preparation of an action plan for follow through activities by each FFCO would also help but the resource providers need to conduct regular monitoring visits to ensure their implementation.

Feedback from FCCO Farmer and Fisherfolk Members. ICB assistance is ultimately geared to improve the FCCO management and operations. The satisfaction of the FCCO members would be a reflection of the performance of their organizations and the delivery of services being offered. Results of the survey with member farmers and fisherfolk reveal that they are generally satisfied with the performance and services of their FCCOs. Ninety-one percent of the farmer members of the FCCOs confirm that there were improvements in their FCCOs through having a capital build-up and savings program. These programs were promoted to the members during the general assembly and meetings of the FCCOs. Also, 76.5% said their share capital certificates/records and passbooks have been regularly updated.

6.1.4. Strengths of the ICB Program

Easy Access to ICB Grant Assistance. The ICB Assistance Program provides a ready and accessible source of funding for capacity building requirements of FCCOs especially the small ones. The necessary requirements for the grant/ loan application to ACPC were reasonable and easy to comply with. Access to the ICB grant took approximately less than a year. The application and approval of proposals of the partner organizations followed the general process flow of accessing grants with only minor adjustments.

The resource or partner organizations identified the following strengths of the ICB Assistance Program: [a] accessibility of the ICB grant (easy and manageable requirements); [b] reasonable paper work (submitted only mid-term and terminal reports); [c] flexibility and control on the conduct of the activities/ trainings (adjustments were made on need basis); and [d] program fit (catered to need or requirements of cooperatives).

Staff and service provider competency and management. At the ACPC level, the ICB Assistance Program is implemented by a lean and highly qualified and technically competent staff. In consonance with their roles and functions under the rationalized ACPC organization and in keeping with their mandate under RA 7607, they can provide appropriate guidance to the resource and partner organizations in the conduct of ICB activities and continue to develop mechanisms to improve and expand ICB assistance.

The selection of the resource and partner organizations followed a given eligibility criteria. All the three partner organizations, namely: FEEDF, CSDO-SC and BFWC passed the eligibility criteria set in the ICB guidelines for accessing direct grant assistance. These RFIs have at least a decade of experience on cooperative networking, organizing, training, and capability building.

However, with the growing demand for ICB assistance with RSBSA as basis and need for follow through and monitoring activities, there may be a need to increase the ICB staff complement or expand partnerships to reach out to more FCCOs. Continuous retooling of knowledge and skills of the staff in terms of designing and planning for innovative ICB schemes and monitoring and evaluation should be pursued.

Tie-up a Series of ICB Activities with Available Loans from ACPC and Partner Agencies. Based on the survey and the case studies, the ICB activities are more effective in enabling the FCCOs and their members to access credit facilities when these are bundled together. Such is the case of the CCIBP with the Land Bank of the Philippines as a resource partner.

Flexibility and customization of ICB interventions. The resource or partner organizations were given the flexibility to develop and conduct training modules and designs appropriate to the needs of their FCCO beneficiaries. This encouraged localization and customization to the requirements of their clients. Trainings came in diverse areas, namely: [a] cooperative ownership seminar; [b] cooperative management courses; [c] strategic development planning; [d] credit policy management; [e] bookkeeping and auditing for non-accountants; [f] preparation of

project proposals. Among the different methods in implementing the ICB inventions, the assessment showed that cooperatives tended to appreciate hands-on and on-site trainings.

6.1.5. Weaknesses of the ICB Program

Limited duration of ICB interventions. One of the challenges of the ICB program is the limited duration or exposure of participants to trainings. In general, the implementation of each ICB activity took only one to a little more than two days. Trainings with lectures seminars across the different programs took two (2) days to finish on the average, while, coaching took a little more than a day. The same is true for systems set-up. The conduct of mentoring activities took the longest (i.e., 2.25 days on the average). This may have an effect on the retention and adoption of knowledge and skills by the participants. On this account, partner organizations suggested that future ICB trainings and interventions have follow up or follow through activities such as preparation and implementation of an action plan to be done after the training, coaching or mentoring and conduct of advance modules to maximize learning and skills development.

Monitoring of ICB Interventions. ICB activities were generally monitored and reported in terms of partner organizations engaged, training activities conducted and FFCOs and officers trained but not the results. Information included in the progress/ monitoring/ validation reports were usually as follows: [a] general topic content, training method/ techniques (i.e., grouping the participants according to their knowledge and experience), attendees, trainers; [b] general flow and setting of the training (i.e., organizing/ handling workshops, critiquing of outputs). There was no follow up monitoring by the ACPC or the resource organization on the FFCO beneficiaries to determine the adoption or effect of the ICB activities. Results monitoring and evaluation were done piecemeal on per program basis. A more regular monitoring and evaluation system for ICB activities including those funded by the grant assistance needs to be put in place to help ensure that they effectively strengthen the FFCOs and generate information to improve ICB activities.

Aside from these, ACPC should adopt a more proactive and results-based monitoring and evaluation system for its ICB activities. In the past, ICB activities were largely monitored and reported in terms of partner organizations engaged, training activities conducted and FFCOs and officers trained but not the results. To support M&E activities, the ICB group in ACPC would need to develop and periodically update its database of the RFIs and FFCOs. Furthermore, it is recommended that impact assessments be made more often, such as after 2 to 5 years after the ICB intervention.

Budget for ICB Activities. The annual ICB budget allocation has been a measly proportion of the ACPC budget allocation accounting for an average of about 2%. Grant assistance has also been allocated a fixed amount of about PHP300,000 per resource or partner organization. Given a fixed allocation, planning and budgeting for ICB have not been based on actual need or capacity building requirements of the clientele; rather, the work plan and targets have been adjusted based on available budget. The ceiling was determined way back in 2002 and the rising cost of training could constrain the reach or quality of ICB activities. The basis for determining the budget for ICB, therefore, needs to be drawn for a more responsive ICB budget allocation that meets the requirements of ACPC's Magna Carta mandate to provide ICB Grant and IFS.

Selection of Beneficiary Cooperatives/Associations. Although the criteria for selecting FFCOs to participate in the ICB activities of CSDO, BFWC, FEEDF and the CCIBP varied, similar themes such as location, cooperative's business activities/type, and affiliation or membership were observable. Many members of a number of the resource organization's FFCOs, however, were not small farmers or fisherfolk, e.g. BFWC whose beneficiary cooperatives were mostly women-led groups with women entrepreneurs as members and CSDO whose

beneficiary cooperatives and groups comprised of laborers, vendors and consumer members. Thus, the objective of the ICB Assistance Program of reaching the target beneficiaries (small farmers and fisherfolk) may not have been fully achieved. To ensure that the ICB grant assistance really target the FFCOs, ACPC might need to review the criteria for the selection of the FFCO beneficiaries of its resource or partner organizations.

6.2 Recommendations

The ICB Assistance Program has been in place for more than a decade. Some of the policies and mechanisms governing the Program's implementation may need to be reviewed and enhanced to be more attuned to the present requirements for ICB. ICB interventions currently duplicate those offered by other agencies such as the DAR, ATI, CDA and the Land Bank. The ACPC, therefore, needs to define its niche in capacity building for small farmers and fisherfolk (SFF). The following recommendations may help enhance and focus its ICB assistance to areas most needed by SFFs:

Ensuring that qualified FFCOs are covered. The current ICB program guidelines do not include the criteria for the FFCOs. To ensure that the ICB assistance really covers the SFFs, the criteria for the selection of FFCOs should be clearly drawn up and strictly enforced with the resource and partner organizations. The ICB Assistance Program could focus on SFFs included in the Registry System on Basic Sectors in Agriculture (RSBSA) and those targeted to be financed by the PHP1 billion and PHP2 billion fund allocated through ACPC and administered by PCFC and Land Bank as potential clients. Aside from ICB needs requirements, the criteria could include size in terms of assets, membership (at least 70% to 100% should be farmers or fisherfolk) and level of development based on CDA criteria or LBP CAC. ICB for cooperatives that do not meet such criteria may be referred to LBP, PCFC or other government entities providing similar services. The ICB Division's role has to be also strengthened in terms of facilitating linkages among the other service providers and provision of ICB assistance.

Eligibility requirements for resource or partner organizations. While one of the requirements for resource or partner organizations is the submission of the profile of their trainers or resource speakers, the minimum qualifications for the resource speakers or trainers also need to be set. In the absence of standardized modules for ICB interventions, it will be prudent and also ensure effective and sustainable delivery of ICB assistance if the resource organizations or their trainers meet the minimum training experience and qualifications. Their accreditation with training or resource institutions such as the CDA, ATI and DA will be a plus.

Conduct of preparatory activities. The gathering of baseline information on the target FFCOs, TNAs as well as environmental scanning activities in the study sites need to be required from the resource or partner organizations as part of the preparatory activities for the ICB interventions. These activities will provide the basis in determining what the member FFCOs need in terms of training and technical assistance. The TNAs, in particular, have to be very objective in order to note the difference between 'what the FFCOs think they need' and 'what they actually need.' Their perception of what they need may not be the same as what they truly need in order to capacitate their organization and improve the access of their member farmers and fisherfolk to credit. The baseline surveys, TNA and environmental scanning provide the tools for an objective pre-assessment of the FFCOs to: [a] identify those cooperatives/organizations that are most in of need training and technical assistance from the ICB program based on their strengths and weaknesses, and [b] determine the specific training requirements based on the result of the pre-assessment juxtaposed with the ICB program goals. The results of such pre-test of the member cooperatives will help align and prioritize the training topics and the potential participants to be involved in the program. Moreover, this will aid the resource organizations, the service providers, in grouping/segregating the beneficiary cooperatives according to their experience, level, and status. Effectiveness of the trainings and other ICB activities will be maximized when trainings are conducted by groups based on difficulty, level of understanding and capacity of the target beneficiaries. Baseline information gathering, TNA and environmental scanning can further guide the preparation of the work and financial plan of the resource or partner organization for its proposed ICB program interventions. Budget for the conduct of these activities can a) form part of the 30% share of the resource or partner organization; b) be part of the grant assistance; or c) be budgeted on top of the grant assistance.

Regular M&E and Development of Database. ACPC needs to adopt a more proactive and results-based monitoring and evaluation system for its ICB activities to help ensure that they effectively strengthen the FFCOs. This will entail the identification and establishment of performance indicators (activity to outcome levels and targets). The frequency, levels of monitoring, reporting formats for partner and resource organizations and target audience of monitoring reports should be likewise established as part of the ICB M&E system. The ICB Division should closely collaborate with the Monitoring Division and the Information System Management Division to come up with a results-based M&E system and database for FFCOs covered under the ICB Assistance Program. M&E results will be useful in informing future ICB programs as well as in documentation of ICB best practices and models.

Strategies for the Conduct of ICB. Strategies to enhance implementation of ICB programs can include:

- a. *Focus on financial and credit management interventions* - Survey results on the ICB interventions received by the FFCOs indicated that more than 70% of the FFCOs received credit/finance management trainings. This was followed by 62% or 23 FFCOs which received trainings on business development including strategic planning; 49% or 18 on cooperative management; and 27% or 10 FFCOs on bookkeeping/recordkeeping. KIIs with officers and staff of FFCOs interviewed confirmed that these four top areas of ICB are most needed by them to improve their operational, financial and institutional capabilities. However, survey and empirical results also revealed that the more significant ICB effects are in the areas of financial and credit management that concomitantly facilitate access to funds by the FFCOs and their SFF members. In order to find its niche, ACPC may focus its grant assistance on these areas in a phased manner.
- b. *Standardization of Training Modules* – The resource/partner organizations formulated their training modules on need basis. A review of the content of these modules revealed that they cover similar topics across resource/partner organizations. Thus, it may be more practical on the part of ACPC and the resource organizations to have standard modules. Not only will this save time and resources in developing modules, but will also ensure the quality of training materials and delivery of ICB activities to the FFCO beneficiaries. Standardization of training materials will also provide common performance indicators to facilitate progress monitoring and evaluation of ICB activities. ACPC has reportedly developed 14 training modules on various areas and these may be prescribed for adoption or customization as needed.
- c. *Training of teams, not individuals* - It has been observed that transfer and application of learnings, knowledge and skills from ICB activities will be more effective if a team from the FFCOs is trained rather than individuals or just the management. This strategy will promote team effort and widespread transfer, and ensure retention of learnings, knowledge and skills in cases of retirement and staff movement. The benefits in terms of effectiveness over the long run will outweigh the bigger cost of training FFCO teams.
- d. *Conduct of follow on/through ICB* – The retention and application of knowledge and skills will be higher when two to three-day trainings are followed up with further related trainings or hands on trainings, coaching or mentoring interventions. KIIs with FFCO participants have confirmed the need for these follow up or follow through activities. The action plans prepared by the FFCO participants after each training will guide the application and identification of follow through activities, targets and outputs and responsibility centers and facilitate monitoring of ICB results. A programmatic approach to ICB similar to CCIBP may be further pursued, where interventions are phased until the FFCOs are linked with credit institutions.

- e. *Deployment of a team of trainers per area or per program* – As in the case of CCIBP, a team of trainers may be deployed either directly by ACPC or through the resource or partner organizations to cover a group of FFCOs or teams of FFCOs or a specific module or training area for roving, mentoring or coaching assistance. The deployment of a team of trainers will focus ICB intervention, facilitate the selection of a cadre of qualified trainers, ensure quality of ICB interventions and facilitate supervision and monitoring. It is recommended that one resource or partner organization manage an ICB program covering contiguous areas to facilitate management, coordination and monitoring of ICB activities. Note that in earlier programs, Bohol for instance had at least two service providers. This implies a bigger budget per resource or partner organization but management and monitoring costs will be lower.

Budget Allocation for ICB Activities. The establishment of the RSBSA and the allocation of more funds for SFFs through LBP and PCFC provide the bases for a bigger budget allocation for ICB activities. A bigger budget allocation will enable development and implementation of more innovative and effective ICB delivery schemes. The mechanics for determining the budget for ICB need to be drawn for a more responsive ICB budget allocation that meets the requirements of ACPC's Magna Carta mandate to provide ICB Grant and IFS. The ICB budget should be able to cover not only the grant assistance and operations but also the conduct of pre-ICB prerequisites, M&E and documentation.

Staff retooling and training. The ACPC staff as providers and facilitators of ICB would also require continuous training and retooling of knowledge and skills particularly in terms of designing innovative ICB schemes, planning and budgeting, management and monitoring and evaluation of ICB interventions. This will be needed as the ACPC braces for the growing demand for ICB within the context of new policies such as RA 9520 and RA 10000 and imperatives of ASEAN economic integration and climate change.

Sustainability Strategies for ICB Activities. A comparison of performance of FFCOs covered by CCIBP with those under the other ICB programs showed that phased and continuous capacity building interventions are more effective in ensuring the sustainability of cooperative operations. Thus, the conduct of follow up or follow through capacity building interventions should be pursued but would require more resources. To sustain the provision of ICB activities to a broader base of clientele, ACPC will need fresh or additional funds and promote the role and relevance of the ICB grant assistance in the over-all ICB Program. It should strengthen its links with CDA, DAR, ATI, DTI, LBP and PCFC to augment and share resources and cover more FFCOs. It should also encourage funds leveraging and counterparting with its resource/partner organizations and even with the FFCOs. ACPC can also explore the implementation of output-based aid (OBA) type of grant assistance where partners can advance ICB investment and depending on outputs, assistance may be doubled or where fund tranches are linked with outputs to ensure delivery and achievement of targets/outcomes.

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8 ANNEXES

Annex A. ACPC Long List of Organizations to be Included in the ICB Assessment

1. Central Cordillera Institution Building Program

Name of Cooperative	Project Coverage
Piwong Multi-Purpose Cooperative Inc.	Piwong, Ifugao
Kiangan Community Multi-purpose Development Cooperative Inc.	Kiangan, Ifugao
Lagawe Multi-purpose Development Cooperative	Lagawe, Ifugao
Aguinaldo Marketing Cooperative Inc. (AMDC)	Aguinaldo, Ifugao
Aguinaldo Pomochan MPC	Aguinaldo, Ifugao
Arang Multi-purpose Cooperative Inc.	Natonin, Mountain Province
Dagopan Multi-Purpose Cooperative Inc.	Natonin, Mountain Province
Dupligan Multi-Purpose Cooperative Inc.	Tanudan, Kalinga
Kajchilan Multi-Purpose Cooperative Inc.	Balbalan, Kalinga
Daguioman United Tingguian Multi-Purpose Cooperative Inc.	Daguioman, Abra
Sub-Total	10 Organizations

2. Filipino Economic Enterprise and Development Foundation

Name of Beneficiary Organization	Project Coverage
Brgy. Bulanon Farmers ARB Multi-Purpose Coop	Sagay City, Negros Occidental
Baricotot Small Fishermen's MPC	Catabla, Talisay City, Negros Occidental
Carabalan Agrarian Reform Beneficiaries Multi-Purpose Cooperative	Carabalan, Himamaylan City, Negros Occidental
Capt. Ramon Farmers MPC	Silay City, Negros Occidental
Guadalupe Farmers Multi-Purpose Cooperative	La Carlota City, Negros Occidental
Hacienda Lani Workers MPC	Magalona, Negros Occidental
Hacienda Carmen Multi-Purpose Cooperative	Binalbagan, Negros Occidental
Hacienda Malinong Employees Multi-Purpose Cooperative	Pontevedra, Negros Occidental
Kinalatan, Lantawan, San Juan MPC	Silay City, Negros Occidental
Masungay Fisherfolks MPC	Negros Occidental
Nacab Fisherfolk MPC	Talisay City, Negros Occidental
Pinasahi Federation	Negros Occidental
Recreo ARB Multi-Purpose Cooperative	Pontevedra, Negros Occidental
Samahang Kabuhayan ng San Isidro MPC	Magalona, Negros Occidental
San Vicente I ARB MPC	Sagay City, Negros Occidental
Sibato Bukidnon Trabal Community	Silay City, Negros Occidental
Tara Small Farmers MPC	Himamaylan City, Negros Occidental
Vigen MPC	Talisay City, Negros Occidental
Sub-Total	18 Organizations

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3. Bohol Federation of Women's Cooperatives

Name of Beneficiary Organization	Project Coverage
Mayacabac Ubi Growers and Processors Producers Cooperative	Bohol
Jagna Ubi Growers and Processors	Bohol
Corella Ubi Growers	Bohol
Subayon Uplan Farmers MPC	Bohol
NAGKALO	Bohol
Alimango MPC	Bohol
Loon Service Provider MPC	Bohol
Calunasan Loboc MPC	Bohol
Tagbilaran All Women's MPC	Bohol
Cabilao Romblon Weaver's Network (CROWN)	Bohol
Quinoguitan Loboc MPC	Bohol
Calunasan Calape Livelihood MPC	Bohol
Tagum Norte MPC	Bohol
Balilihan Federated RIC Consumers Cooperative	Bohol
Balilihan Basket Weavers MPC	Bohol
Candijay BSPO	Bohol
Tayong-Tocdog Women's Cooperative	Bohol
Sta. Cruz Women's MPC	Bohol
Sub-Total	18 Organizations

4. Coalition of Social Development Organizations in South Cotabato

Name of Beneficiary Organization	Project Coverage
Kooperatiba Sto. Nino	Sto. Nino, South Cotabato
Lemsnolon Community Development Association	T'boli, South Cotabato
T'Boli Integrated Development Cooperative	T'boli, South Cotabato
Charis Multi-Purpose Cooperative	Norala, South Cotabato
Lamian Agrarian Reform Beneficiaries Development MPC	Surallah, South Cotabato
San Felipe Cooperative	Tantangan, South Cotabato
Spring Tinongcop Integrated Farmers MPC	Tantangan, South Cotabato
Samahang Magsasaka sa Timog Kutabato	South Cotabato
Libas MPC	Tantangan, South Cotabato
Perlas MPC	Tantangan, South Cotabato
Tinguha Foundation Inc.	South Cotabato
Mambusong Small Farmers MPC	Tupi, South Cotabato
Polomolok Skilled Workers MPC	Polomolok, South Cotabato
Sumbakil MPC	Polomolok, South Cotabato
Landan People's MPC	Polomolok, South Cotabato
Datalbila Farmers MPC	Landan, South Cotabato
Datalbaca Farmers MPC	Malungon, Saranggani
Maligo MPC	Malungon, Saranggani
Kinilis Farmers MPC	Polomolok, South Cotabato

Name of Beneficiary Organization	Project Coverage
Palkan Farmers MPC	Polomolok, South Cotabato
Bukay-Pait MPC	Tantangan, South Cotabato
Tinongcop Agrarian Reform Beneficiaries MPC	Tantangan, South Cotabato
Sub-Total	22 Organizations

5. Multi-Sector Alliance for Development – Negros

Name of Beneficiary Organization	Project Coverage
Tres Marias ARBA	Calatrava, Negros Occidental
Dolis ARB MPC	Calatrava, Negros Occidental
Hilub-ang ARBA	Calatrava, Negros Occidental
Macasilao ARB Farmers Association	Calatrava, Negros Occidental
Bulanon ARB MPC	Sagay City, Negros Occidental
Sition Pangpang ARB MPC	Isabela, Negros Occidental
Malata ARBA	Calatrava, Negros Occidental
Balicotoc Ilog Farmers Association	Ilog, Negros Occidental
Telim ARBA	Calatrava, Negros Occidental
Canlaon Farmers MPC	Canlaon City, Negros Occidental
Federation of Agricultural Resources Managers, Inc.	Calatrava & Bacolod City, Negros Occidental
Brgy. Magsaysay ARB MPC	Cadiz City, Negros Occidental
Transform ARB Producers MPC	Cadiz City, Negros Occidental
San Miguel ARB MPC	Cadiz City, Negros Occidental
Southern Negros Forest Occupancy and Permittees Association	Cauayan, Negros Occidental
Sub-Total	15 Organizations

Annex B. List and Status of Cooperatives/ Organizations

RFI/ ICB Program	No.	Recommended Cooperative	Status at the time of visit
A. FEEDF	1	Baricotot Small Fishermen's MPC	Active
A. FEEDF	2	Brgy. Bulanon Farmers ARB Multi-Purpose Coop	Active
A. FEEDF	3	Capt. Ramon Farmers MPC	Active
A. FEEDF	4	Carabalan Agrarian Reform Beneficiaries MPC	Active
A. FEEDF	5	Guadalupe Farmers Multi-Purpose Cooperative	Inactive
A. FEEDF	6	Hacienda Carmen Multi-Purpose Cooperative	Active
A. FEEDF	7	Hacienda Lani Workers MPC	Inactive
A. FEEDF	8	Hacienda Malinong Employees Multi-Purpose Cooperative	Active
A. FEEDF	9	Kinalatan, Lantawan, San Juan MPC	Active
A. FEEDF	10	Masungay Fisherfolks MPC	Inactive
A. FEEDF	11	Nacab Fisherfolk MPC	Active
A. FEEDF	12	Pinasahi Federation	Inactive
A. FEEDF	13	Recreo ARB Multi-Purpose Cooperative	Inactive
A. FEEDF	14	Samahang Kabuhayan ng San Isidro MPC	Inactive
A. FEEDF	15	San Vicente I ARB MPC	Active
A. FEEDF	16	Sibato Bukidnon Trabal Community	Inactive
A. FEEDF	17	Tara Small Farmers MPC	Active
A. FEEDF	18	Vigen MPC	Inactive
B. CSDO-SC	19	Bukay-Pait MPC	Inactive
B. CSDO-SC	20	Charis Multi-Purpose Cooperative	Inactive
B. CSDO-SC	21	Datalbaca Farmers MPC	Inactive
B. CSDO-SC	22	Datalbila Farmers MPC	Inactive
B. CSDO-SC	23	Kinilis Farmers MPC	*
B. CSDO-SC	24	Kooperatiba Sto. Nino	Active
B. CSDO-SC	25	Lamian Agrarian Reform Beneficiaries Development MPC	*
B. CSDO-SC	26	Landan People's MPC	Active
B. CSDO-SC	27	Lemsnolon Community Development Association	*
B. CSDO-SC	28	Libas MPC	*
B. CSDO-SC	29	Maligo MPC	Inactive
B. CSDO-SC	30	Mambusong Small Farmers MPC	Active
B. CSDO-SC	31	Palkan Farmers MPC	*
B. CSDO-SC	32	Perlas MPC	*
B. CSDO-SC	33	Polomolok Skilled Workers MPC	*

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RFI/ ICB Program	No.	Recommended Cooperative	Status at the time of visit
B. CSDO-SC	34	Samahang Magsasaka sa Timog Kutabato	*
B. CSDO-SC	35	San Felipe Cooperative	Active
B. CSDO-SC	36	Spring Tinongcop Integrated Farmers MPC	*
B. CSDO-SC	37	Sumbakil MPC	*
B. CSDO-SC	38	T'Boli Integrated Development Cooperative	Inactive
B. CSDO-SC	39	Tinguha Foundation Inc.	*
B. CSDO-SC	40	Tinongcop Agrarian Reform Beneficiaries MPC	Active
B. CSDO-SC	41	Allah Valley Dev't Foundation, Inc.	Active
B. CSDO-SC	42	Cooperative of Women in Health and Development	Active
B. CSDO-SC	43	Surrallah Entrepreneur (SURE) MPC	Active
B. CSDO-SC	44	Tribal Leaders Dev't Foundation	Active
C. BFWC	45	Alimango MPC	Active
C. BFWC	46	Balilihan Basket Weavers MPC	Inactive
C. BFWC	47	Balilihan Federated RIC Consumers Cooperative	Inactive
C. BFWC	48	Cabilao Romblon Weaver's Network (CROWN)	Active
C. BFWC	49	Calunasan Calape Livelihood MPC	Inactive
C. BFWC	50	Calunasan Loboc MPC	Active
C. BFWC	51	Candijay BSPO	Inactive
C. BFWC	52	Corella Ubi Growers	Inactive
C. BFWC	53	Jagna Ubi Growers and Processors	Inactive
C. BFWC	54	Loon Service Provider MPC	Active
C. BFWC	55	Mayacabac Ubi Growers and Processors Producers Cooperative	Inactive
C. BFWC	56	NAGKALO	Inactive
C. BFWC	57	Quinoguitan Loboc MPC	Active
C. BFWC	58	Sta. Cruz Women's MPC	Inactive
C. BFWC	59	Subayon Uplan Farmers MPC	Inactive
C. BFWC	60	Tagbilaran All Women's MPC	Active
C. BFWC	61	Tagum Norte MPC	Inactive
C. BFWC	62	Tayong-Tocdog Women's Cooperative	Inactive
C. BFWC	63	Amislagan-Cabog MPC (farmers)	Active
C. BFWC	64	Calunasan Loboc MPC/ Bohol Basket Weavers MPC	Active
C. BFWC	65	Cambaol Farmers MPC	Active
C. BFWC	66	Maubo MPC	Active
C. BFWC	67	Quinoguitan MPC	Active
C. BFWC	68	Tagbilaran All Women's MPC	Active

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RFI/ ICB Program	No.	Recommended Cooperative	Status at the time of visit
D. CCIBP	69	Aguinaldo Marketing Cooperative Inc. (AMDC)	Active
D. CCIBP	70	Aguinaldo Pomochan MPC	Active
D. CCIBP	71	Arang Multi-purpose Cooperative Inc.	*
D. CCIBP	72	Dagopan Multi-Purpose Cooperative Inc.	Active
D. CCIBP	73	Daguioman United Tingguian Multi-Purpose Cooperative Inc.	*
D. CCIBP	74	Dupligan Multi-Purpose Cooperative Inc.	Active
D. CCIBP	75	Kajchilan Multi-Purpose Cooperative Inc.	Active
D. CCIBP	76	Kiangan Community Multi-purpose Development Cooperative Inc.	Active
D. CCIBP	77	Lagawe Multi-purpose Development Cooperative	Active
D. CCIBP	78	Piwong Multi-Purpose Cooperative Inc.	Active
<p>Note: colored are additional FFCOs from the RFIs list and/ or recommended by the RFIs as alternates</p> <p>*Coops which were not identified whether active or inactive due to security issues, geographic limitations, type of coop etc.</p> <p>Active=39 (50%); Inactive=26 (33%); undetermined = 13 (20%)</p>			

Annex C. Complete list of FFCO Members/ Clients, Active & Inactive, Covered or Not Covered in the Study

List of Cooperatives by RFI	Status of Coop at the time of visit				Covered in the Study?	
	Active	Inactive	Undetermined*	Total	Yes	No
A. FEEDF	10	8	0	18	10	8
Baricotot Small Fishermen's MPC	1				1	
Capt. Ramon Farmers MPC	1				1	
Carabalan Agrarian Reform Beneficiaries MPC	1				1	
Guadalupe Farmers MPC		1				1
Hacienda Carmen MPC	1				1	
Hacienda Lani Workers MPC		1				1
Hacienda Malinong Employees MPC	1				1	
Kinalatan, Lantawan, San Juan MPC	1				1	
Masungay Fisherfolks MPC		1				1
Nacab Fisherfolk MPC	1				1	
Pinasahi Federation		1				1
Recreo ARB MPC		1				1
Samahang Kabuhayan ng San Isidro MPC		1				1
San Vicente I ARB MPC	1				1	
Sibato Bukidnon Trabal Community		1				1
Talusan ARB Farmers/ Brgy. Bulanon Farmers ARB MPC	1				1	
Tara Small Farmers MPC	1				1	
Vigen MPC		1				1
San Vicente Ferrer MPC	1				1	
San Antonio ARB Association	1				1	
B. CSDO-SC	5	6	11	22	4	18
Bukay-Pait MPC		1				1
Charis MPC		1				1
Datalbaca Farmers MPC		1				1
Datalbila Farmers MPC		1				1
Kinilis Farmers MPC			1			1
Kooperatiba Sto. Nino	1				1	
Lamian Agrarian Reform Beneficiaries Development MPC			1			1
Landan People's MPC	1				1	
Lemsnolon Community Development Association			1			1
Libas MPC			1			1

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List of Cooperatives by RFIs	Status of Coop at the time of visit				Covered in the Study?	
	Active	Inactive	Undetermined*	Total	Yes	No
Maligo MPC		1				1
Mambusong Small Farmers MPC	1					1
Palkan Farmers MPC			1			1
Perlas MPC			1			1
Polomolok Skilled Workers MPC			1			1
Samahang Magsasaka sa Timog Kutabato			1			1
San Felipe Cooperative	1				1	
Spring Tinongcop Integrated Farmers MPC			1			1
Sumbakil MPC			1			1
T'Boli Integrated Development Cooperative		1				1
Tinguha Foundation Inc.			1			1
Tinongcop Agrarian Reform Beneficiaries MPC	1				1	
<i>Allah Valley Dev't Foundation, Inc.</i>	1				1	
<i>Cooperative of Women in Health and Development</i>	1				1	
<i>Surralah Entrepreneur (SURE) MPC</i>	1				1	
<i>Tibud sa Katibawasan MPC</i>	1				1	
<i>Tribal Leaders Dev't Foundation</i>	1				1	
C. BFWC	5	12	0	17	4	13
Alimango MPC	1				1	
Balilihan Federated RIC Consumers Cooperative		1				1
Balilihan Basket Weavers MPC		1				1
Cabilao Romblon Weaver's Network (CROWN)	1					1
Calunasan Calape Livelihood MPC		1				1
Candijay BSPO		1				1
Corella Ubi Growers		1				1
Jagna Ubi Growers and Processors		1				1
Loon Service Provider MPC	1				1	
Mayacabac Ubi Growers & Processors Producers Coop		1				1
NAGKALO		1				1
Quinoguitan Loboc MPC	1				1	
Sta. Cruz Women's MPC		1				1
Subayon Uplan Farmers MPC		1				1
Tagbilaran All Women's MPC	1				1	
Tagum Norte MPC		1				1

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List of Cooperatives by RFIs	Status of Coop at the time of visit				Covered in the Study?	
	Active	Inactive	Undetermined*	Total	Yes	No
Tayong-Tocdog Women's Cooperative		1				1
Amislagan-Cabog MPC (farmers)	1				1	
Calunasan Loboc MPC/ Bohol Basket Weavers MPC	1				1	
Cambaol Farmers MPC	1				1	
Maubo MPC	1				1	
D. CCIBP	8	1	1	10	8	2
Aguinaldo Marketing Cooperative Inc. (AMDC)	1				1	
Aguinaldo Pomochan MPC	1				1	
Arang MPC Inc.**		1				1
Dagopan MPC Inc.	1				1	
Daguioman United Tingguian MPC Inc.			1			1
Dupligan MPC Inc.	1				1	
Kajchilan MPC Inc.	1				1	
Kiangan Community Multi-purpose Development Coop Inc.	1				1	
Lagawe Multi-purpose Development Cooperative	1				1	
Piwong MPC Inc.	1				1	
Grand Total	28	27	12	67	26	41
*Coops which were not determined as active or inactive due to security issues, geographic limitations, or type (non-farmer or fisher folk coops like transport, market vendors, were excluded from the list, etc.)						
**The case of Arang MPC Inc., it is a re-organized group, and the officers/ BOD are no longer active						
Note: colored are additional FFCOs from the RFIs list and/ or recommended by the RFIs as alternates.						

Annex D. ACPC ICB Program Partners and Their Accomplishments, 2004-2013

ICB Account/ Project	Partner Organization/ Resource Providers (GF, RFI or SUC)	Period/ Year Implemented	Provinces Covered	ICB Grant/ Assistance	With Credit/ Microfinance tie up? (Yes/ No)	No. of FFCOs Trained	No. of ICB Activities	No. of Individual Beneficia- ries
A. Mode/ tract 1 --Direct Assistance								
ICB and Microfinance Program in Bohol	Agricultural Credit and Cooperative Institution (ACCI)	2004	Los Baños	-	-	-	-	-
	Agusan Del Sur Civil Society Network	2008	Agusan del Sur	299,600	-	53	4	183
	Antique Federation NGOs (AFON)	2005-2006	Antique	370,852	No	144	4	245
	Associates for Integral Development Foundation	2005	Agusan del Sur	-	-	-	-	-
	Ateneo Business Resource Foundation, Inc.	2007	Zamboanga	306,820	No	5	5	150
	Ateneo De Davao Institute of Small Farmers	2008	Region XI	300,000	-	40	5	160
	Aurora State College of Technology (ASCOT)	2008-2009	Aurora	256,355	No	33	5	150
	Benguet Provincial Cooperative Union (BPCU)	2006	Benguet	295,000	-	100	5	286
	Bohol Federation of Women Coops (BFWC); I	2006	Bohol	242,129	No	48	7	403
	Bohol Federation of Women Coops (BFWC); II	2010-2012	Bohol	600,000	Yes	22	22	212
	Bohol Local Development Foundation, Inc.	2010-2012	Bohol	600,000	Yes	27	4	92
	Coalition of Social Development Organization	2007	South Cotabato	350,000	No	82	5	159
	Cooperative Bank of Benguet (CBBI)	2005	Benguet	368,040	-	111	12	241
	Cooperative Bank of Palawan	2007	Palawan	68,000	-	6	1	48
Access to Rural Financing in the Agricultural Sector in	Filipino Economic and Environment Development Foundation	2007-2009	Negros Occ.	3,000,000	Yes	13	26	1,300

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ICB Account/ Project	Partner Organization/ Resource Providers (GF, RFI or SUC)	Period/ Year Implemented	Provinces Covered	ICB Grant/ Assistance	With Credit/ Microfinance tie up? (Yes/ No)	No. of FFCOs Trained	No. of ICB Activities	No. of Individual Beneficia- ries
Negros Occidental	Multi-Sectoral Alliance for Development, Inc.	2006	Negros Occ.	242,128	No	48	7	403
	National Confederation of Credit Coops (NATCCO)	2004	Nationwide	620,520	-	37	7	186
	Northern Luzon Federation of Cooperatives	2007	Northern Luzon	295,560	-	101	7	199
	Northern Luzon Federation of Cooperatives	2009	Ilocos Sur	227,424	-	20	7	351
	Provincial Cooperative Union of (PCU) Surigao del Sur	2007	Surigao del Sur	91,000	No	74	1	112
	Provincial Cooperative Union of Davao (PCUD)	2006	Davao	349,400	-	190	10	527
	Quezon Federation and Union of Cooperatives	2005	Quezon	540,200	-	117	8	431
	Samar Center for Rural Education and Development, Inc.	2012	Samar	247,264	-	17	3	124
	Siliman University	2007	Siquijor	318,628	-	31	2	75
	Siquijor Provincial Union of Cooperatives	2010	Siquijor	275,212	-	40	2	80
Siliman Outreach Program	Surigao Sur Organizations for Human Development, Inc.	-	Surigao	589,500	-	10	5	150
	Tagalog Cooperative Development Center	2007	Luzon	300,000	-	71	5	188
	Ugnayan ng mga Kooperatiba sa Romblon (UKR)	2006	Romblon	243,000	-	93	5	261
Subtotal					-	1,533	174	6,716
B. Mode/ tract 2 --Tie up or partnership with NGA or GFI								
Central Cordillera Institution	LBP for cooperatives and PCFC for SLAs and RFAs	2003-2009	Ifugao, Mountain Province,	31,122,27 3**	No	10	-	-

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ICB Account/ Project	Partner Organization/ Resource Providers (GF, RFI or SUC)	Period/ Year Implemented	Provinces Covered	ICB Grant/ Assistance	With Credit/ Microfinance tie up? (Yes/ No)	No. of FFCOs Trained	No. of ICB Activities	No. of Individual Beneficia- ries
Building Program			Kalinga, Abra					
Upland Southern Mindanao Credit and Institution Building Program (USM-CIBP)	LBP for cooperatives;	2009- present;	Compostela Valley, Davao del Sur, Davao del Norte;	80,000,00 0 (cash fund)***	Yes;	13;	-	-
	MFIs for microfinance groups/ individual farmers	2009-present	Davao Oriental, Sarangani and South Cotabato	36,000,00 0 (cash fund)	Yes	Yes	-	-
*ICB for the Direct Market Linkage Development Program (DMLDP)		2009-present	Northern Samar, Quezon Province	-	No			
ICB for Convergence Areas	SACRED; ICDAI	2011	Northern Samar, Quezon Province	300,000	No	16	5	134
*Credit Access Through Technical Capability Enhancement		2009-	Northern Samar, Quezon Province	-	No	6	-	-
Phil- Luxembourg ICB Project for Microfinance		2011	Southern Mindanao, CAR, Nueva Vizcaya	200,000 (Training only)	No	19	-	-
*Business Planning Development under the Ugnayang Agri-Kredit sa Probinsya		2011		None (DA)	No	80	-	-
Subtotal						147	5	134
Total						1,680	179	6,850
<p>*Not really ICB but more of credit promotions program (ICB group)</p> <p>**60% collectible; based on CCIBP Terminal Report (cash contributions from CCIBPTF, ACPC, LBP, PCPC, and beneficiary organizations)</p> <p>***P5-6 M/ year; training, ICB, operations (hiring)</p> <p>Sources: ACPC Annual Reports, 2008-2013; Evaluation of the ACPC ICB Program, MRMCI, 2011; Data from the ACPC ICB Group</p>								

Annex E. Photo-documentation of the Field activities



Image 1. The Team conducted several data collection activities in Negros Occidental, South Cotabato, and Bohol. Among the three ICB Partner Organizations that the research team visited were FEEDF, CSDO-SC, and BFW between September and December 2014.

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Image 2. A number of interviews and Focus Group Discussions (FGDs) with various beneficiary Farmer and Fisherfolks Cooperations/ Organizations were carried out as part of the research methodology.

Data collection activities in CAR

- Ifugao
- Kalinga



Image 3. The Research Team also visited nine (9) beneficiary Farmer and Fisherfolks Cooperations/ Organizations in the Cordillera Administrative Region (CAR), particularly Ifugao, and Kalinga, to conduct interviews in October and December 2014.

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Image 4. Some of the beneficiary Farmer and Fisherfolks Cooperations/ Organizations under FEEDF, CSDO-SC, and BFWC that the Team visited from September to November 2014 catered to numerous business actives like production and marketing services, handicrafts, savings and credits, and trading of consumer goods.

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Image 5. A number of the beneficiary Farmer and Fisherfolks Cooperations/ Organizations under the CCIBP which the Team interviewed were engaged in multiple services/ business activities such as savings and credits, marketing services, goods production, among others.

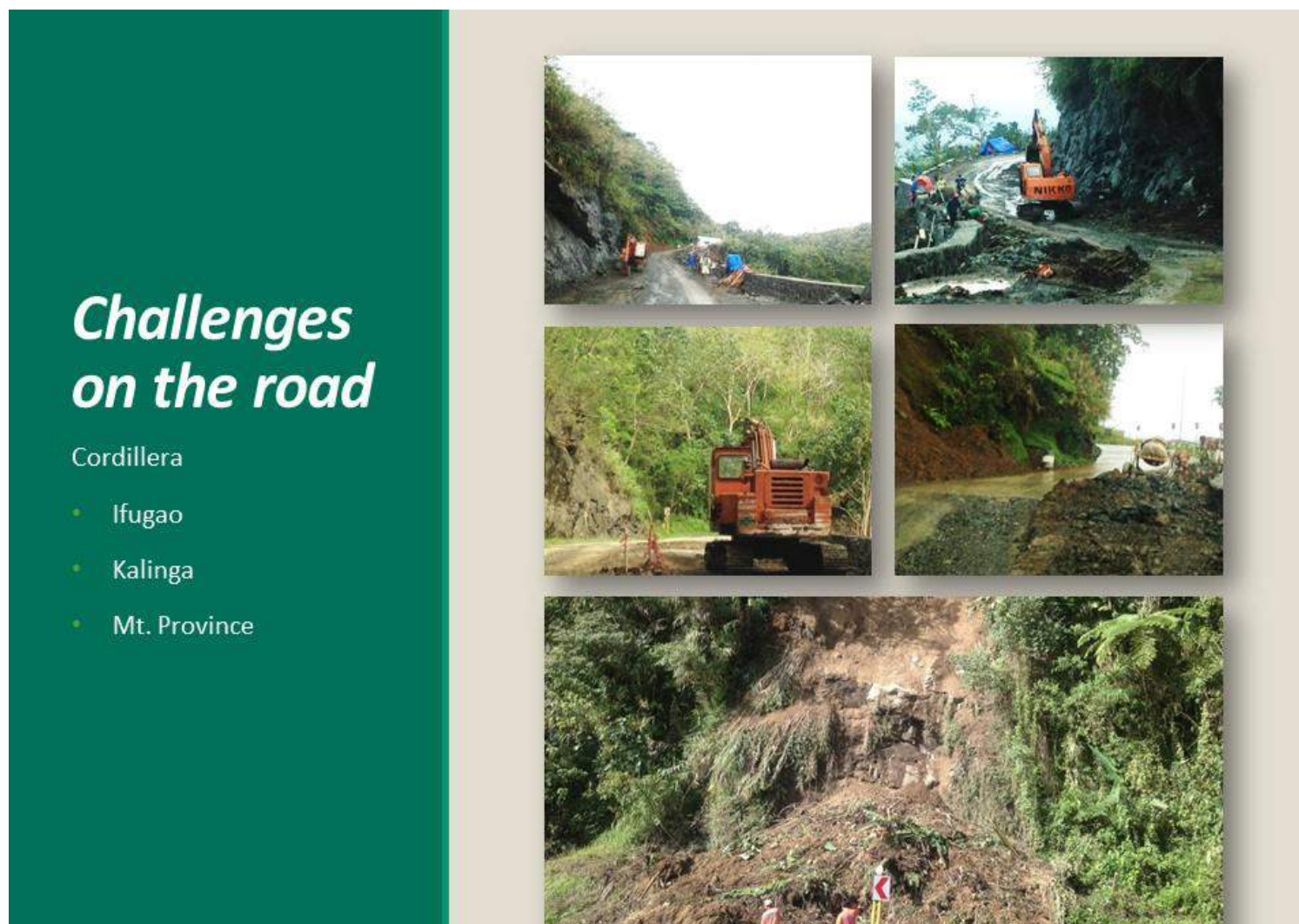


Image 6. Road construction and clearing as well as landslides due to heavy rains were among the challenges that the Team encountered during data collection in the Cordillera Administrative Region.