Appendix 4

Levelling the Playing Field:
Fair Partnership for Local Development to Improve the Forest Sustainability in Southeast Asia

Analysis of Contracts and Agreements

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Analysis of Contracts and Agreements Entered by the Community of the Three Barangays of San Rafael, Tanabag and Concepcion, Puerto Princesa City

I. Introduction

In the Levelling the Playing Field (LPF) project site in barangays San Rafael, Tanabag, and Concepcion, there are many government and non-government agencies that have provided assistance and support to the communities. The support and assistance usually take the form of projects, and they are usually aimed at uplifting the socio-economic condition of the communities, and improving the conditions of natural resources through proper management and protection of those resources. In some cases, the communities and the institutions or agencies formally set out the terms and conditions of their partnerships in an agreement or contract.

LPF project plans to assist the communities to get technical and/or financial support from different institutions and agencies by entering into contracts or agreements with those institutions. It is therefore necessary for LPF project to review past and existing contracts and agreements that the communities have entered into, to understand who were engaged in those contracts and agreements, the process used in developing the contracts and agreements, and to assess the effectiveness of those agreements and contracts.

II. Methods

The LPF Team identified 8 formal and informal contracts or agreements that the community members of the three barangays have entered into. They are:

- Agreement between Department of Environment and Natural Resources (DENR) and People's Organization (PO) of San Rafael-Tanabag-Concepcion Multi-purpose Cooperative (STCMPC) on the management of Community Based Forest Management (CBFM) area;
- Memorandum of Understanding between Center For International Forestry Research (CIFOR) and STCMPC for the management of CBFM area;
- Agreement between STCMPC and Budyong Rural Development Foundation Inc. (BRDFI) on woodworks operation;
- Informal agreement between Maliliit Na Mangingisda Multi-Purpose Cooperative (MMMPC) of Barangay San Rafael with Haribon Palawan on coastal management;
- Formal agreement between Haribon Palawan and Palawan Community-Based Fisherfolk Alliance, Inc. in the implementing mechanisms for biodiversity conservation and sustainable development under the Fisher folk Self-Help for Empowerment and Regeneration Project;
- Agreements entered into by Tarabanan Fishermen Association, Incorporated (of Barangay Concepcion);

- Informal agreement between community groups and Fundacion Santiago (FS);
- Informal agreement between Taytay sa Kauswagan Inc. (TSKI) and various community groups.

Key informant interviews were conducted with 31 people (Annex 1) to gather information with regards to the processes to prepare the contracts/agreements and their implementation. The following focused questions were asked to the informants:

1. What were the processes used in developing the agreement?
2. What were some of the pertinent features of the agreement? How were they implemented? Who monitored compliance? Were these arrangements effective? What do you think went well and what went wrong? Why?
3. How were the benefits shared among members?
4. How big was the community's organization, engaged in the contract/agreement, in relation to the whole community of the three barangays?

III. Results and Analysis

Past and existing contracts and agreements were entered into by specific organized community groups and "other parties". Specific organized community groups are organizations that have been formed by a group of community members with very specific purpose. These specific community groups include, for example, the STCMPC which is a cooperative that was formed to get the rights from DENR to manage a portion of upland forests under the DENR program called Community Based Forest Management (CBFM). As a cooperative, STCMPC can engage in or implement various business activities.

"Other parties" in this case are either government organizations (like DENR), non-government organizations (funding institutions, research organizations) or private groups that want to assist the specific organized community groups through channeling resources and/or building the capacities of the groups. These institutions usually have the broader goal of uplifting the lives of the community.

Some institutions require agreements with the beneficiaries who will be involved in one way or another in their projects. For example, DENR had to initiate the preparation of the agreement as it is one basic requirement of their flagship program of community based forest management.

In some instances, it is the organized community groups who request that a formal agreement or contract is made, indicating that the community has already reached a certain level of awareness of the importance of formal contracts. This is exemplified by the agreement that the STCMPC requested in relation to their involvement in the action research project of the Centre for International Forestry Research (CIFOR). Normally local government unit or the barangay does not enter into agreement, especially with another government entity. However, specific organized community groups can enter into agreement because they are considered as legal entity and they are registered as organized groups with articles of cooperation or incorporation and by-laws. Any agreements they entered to are considered legally binding.

III.1. Agreement between DENR and STCMPC on the management of CBFM area

A community based forest management agreement is a production sharing agreement entered between a community and DENR to develop, utilizes, manage and conserve a specific portion of the forestland, consistent with the principles of sustainable development. In the case of the DENR and the STCMPC, the agreement was entered into by the People's Organization (PO) upon the initiative of the DENR. The area covered the upland forested areas of the three barangays, and the whole CBFM area is within the jurisdiction of the three barangays. The agreement covers the duration of 25 years, and can be renewed for another 25 years.

According to the interviewed PO members, the agreement went well at the start, since both parties carried out their tasks as agreed. It was also properly prepared because, before the agreement was accepted and signed by the PO representatives, the PO conducted public hearings and consultations with other community members of the barangays. One of the challenges faced during agreement preparation was the existence of permits for almaciga tapping in the same CBFM area. If the permit continued to exist, the rights of the PO over the CBFM area would not be exclusive. The agreement was signed only after it was ensured that all permits of almaciga resin tapping have been cancelled in the three barangays.

Pertinent features of the agreement, according to members interviewed, included the one year permit for utilization of dead logs, reforestation of certain CBFM areas (by planting different species like mahogany (*Swietennia spp.)*, acacia (*Acacia mangium)* and rattan), establishment of agroforestry farm, and forest protection of the whole CBFM area by the PO. The STCMPC Board of Directors (BoD), Provincial Environment and Natural Resources Officer (PENRO), Community Environment and Natural Resources Officer (CENRO), the assisting NGO (Ulugan Bay Foundation) and the employed PO members monitored the operation and activities of the PO to ensure that the agreement between the PO and DENR was implemented properly. Members of PO viewed the implementation of such agreement as effective since all concerned stakeholders did their part and carried out their responsibilities accordingly.

The benefits from the contract were in the form of employment, income from wages for community members who worked as laborers in the comprehensive site development activities, and honorarium for members. Budgets for the operations of the PO came from projects contracted to them by the DENR and earnings from sale of sawn recovered lumbers.

STCMPC has a total of 433 members and during comprehensive site development activities in year 2001, there were 300 members who actively participated in the various activities and benefited through the wages paid to them. About 12.03 percent out of the total populations of the three barangays are the legitimate members of the Cooperative.

The STCMPC is currently faced with problems as far as the management of the contracted area is concerned. Currently, they do not have projects and they do not

have the resources to continue the works that have to be done in the CBFM area. They also face problems in terms of organization management as many of the officers and directors are inactive. Consequently, even the financial status of the cooperative is not clear. This is viewed by our informants as shortcomings of the contract since members are not able to get the benefits that were promised coming from the CBFM agreement. Thus the comments we heard was that the benefits were only enjoyed by a few members of the Board of Directors.

III.2 Agreement Between Center for International Forestry Research (CIFOR) and STCMPC on forest management

CIFOR started to conduct research in cooperation with the San Rafael, Tanabag and Concepcion Multi-Purpose Cooperative (STCMPC) in 1999. It continued its activities until 2002.

There was a formal agreement between CIFOR and STCMPC. The agreement was drafted by CIFOR but it was STCMPC who first requested for such an agreement. The agreement was first presented to Board of Directors of STCMPC, who suggested some amendments to be incorporated prior to their signing it.

There were some aspects of the agreement that worked and some aspects that did not work. The agreement emphasized assistance from CIFOR to the PO in the management of CBFM area. Our informant believed that the CIFOR project had impacts on the agencies directly in charge of the management of natural resources in Palawan, i.e. the Department of Environment and Natural Resources (DENR) and Palawan Council for Sustainable Development (PCSD). Specifically the project brought together the PO, DENR and PCSD to discuss issues related to processing of documents with regard to CBFM implementation. This resulted in stakeholders being able to identify and delineate their roles and responsibilities and therefore resulted in efficient processes and better communications between PO and the different government agencies.

Benefits from the projects were given directly to the PO by means of trainings, cross-visits, enhancement of collaboration on the part of stakeholders, writing and producing newsletter to informed and updates the activities of STCMPC. The Board of Directors (BOD) monitored the implementation of Memorandum of Agreement (MOA).

Almost 45% of the 400 members of the STCMPC benefited from the activities of the research project.

There were some variations in terms of what the interviewed BOD members thought about the implementation of different aspects of this project. Regarding project updates, the BOD had requested for regular review of the MOA and monthly and quarterly updates from the project. They lamented that these regular update sessions could have provided an opportunity for them to provide suggestions for better implementation of the research project. They however received written final reports from CIFOR only during the phasing out of the project.

The suggestion of the certain BoD members to CIFOR staff to fully immerse in the community to capture the other important events in the community was not heeded. According to one of the former BOD member, CIFOR project staff only came when there are important things to do. Nevertheless, other BoD members expressed that they were satisfied with the updates by CIFOR staff and for their presence and accomplishments in the area. However, there was a suggestion from concerned individuals before finalizing the report it should be validated first with the concerned persons or agencies.

Some BoD members felt that the trainings that the project provided were not sufficient to help them in implementing various activities. They felt there is a need for follow-up monitoring and guidance. There was a lack of time to implement and monitor the trainings like nito handicraft. Some of the PO members interviewed felt they had limitations to sustain what the project had started like, producing of newsletter, using of monitoring forms and making of nito (*Lygodium spp.)* handicraft. Nevertheless, there are some members who pursued and sustained their nito making until now. If the length of time was extended in assisting the participants maybe the number of women or family who engaged in handicraft making was expanded.

It appeared that there was some disagreement among the BoD members themselves on certain issues with some members felt that they were excluded from decision-making process. For example, the decisions to buy tools for furniture making from the savings of participants from the cross-visit were done without consultations on the big groups. Based on the interview with several participants of the cross visit, planning and decision was made by 2-3 persons only. Other participants were forced to agree on the decision made by these three persons who thought that the tools are needed if the cooperative will engage in furniture making. However the said tools were not received by the cooperative. Some BoD members were trying to find the tools, but until now the tools were not found.

Based on the interview, it appeared that in general, the terms and conditions on the MOA were fulfilled. The above comments indicated a low understanding among some of BoD and PO members of what the action research is about. This was in line with some of the comments of the BoD members who were disappointed that other PO members and BoD members did not understand the project concept as it was very technical for them. They got used to the conventional project approach in which the project should provide updates to them. In action research, it should be the BoD who should share updates among themselves as they were the actors in the research. In a way, this also reflected the challenges and difficulties faced by ACM staff in changing the world view and behavior of the PO members and communicating to them clearly what action research is about within the timeframe of the project.

III.3. Agreement between Budyong Rural Development Foundation Incorporated (BRDFI) and STCMP in woodworks

The BRDFI submitted a woodworks project with a counterpart from City Government. Helvitas funded the project.

The BRDFI started working with PO on year 2002 until 2003. The collaboration was aimed at assisting the PO in woodworks operation.

The formal agreement for the cooperation was worked out by both the STCMPC and BRDFI. BRDFI drafted the MOA and presented it to board of directors. Comments from the BoD were integrated to the MOA before it was finalized. There were series of meetings and discussion between the BoD of the PO and the technical staff of BRDFI before the agreement was finalized. Incorporated in the agreement were the specific roles of BRDFI which include: a) to assist and manage the budget of project which comes from Helvitas amounting to more or less P250,000.00; b) to assist in woodworks operation; c) to assist in constructing a kiln dryer and furniture shop extension; d) to provide technical persons on woodworks; e) to train the interested PO members in furniture making; f) to provide technical persons on woodworks to train the interested PO members in furniture making; g) to provide equipments and trainings on furniture making; h) to help in marketing aspect of furniture products; and i) to help access resources for the PO. On the other hand, the PO will actively participate in the project activities.

Some operational aspect of the MOA did not work. At the PO level, the expected level of participation of the officers of the PO was not realized. The PO Chairman was less involved since he was busy working in the city, and there was no permanent secretary and bookkeeper. Thus during those times BRDFI was the one doing the financial management of the PO.

The BRDFI technical staff and some BOD members of the PO monitored the project accomplishment. For some reasons the project was effective since, there are PO members who acquired skills on furniture making. When the BRDFI started to train people in furniture making, 10 members from the cooperative participated. Presently, 3 out 10 trained members continue to practice the acquired skills, on their own.

Nevertheless, the project was discontinued due to the lack of lumber supply for furniture making, which was due to the temporary ban of lumber utilization of CBFM project in Palawan. Accordingly the suspension on lumber utilization will be lifted after the on-going review on CBFM.

From the perspective of our informants, they thought BRDFI discontinued the assistance of the skilled staff for the reason that the Annual Work Plan was not renewed, limitation on marketing, and there was no mass production of furniture since the project depend only on furniture based orders. The projected purchase order was never materialized. After the project ended, there was no proper turn-over of the remaining budget and other resources. This was due to the unavailability of other BoD members and management staff to receive the remaining cash. But nevertheless the remaining assets and cash were turn-over to the PO Manager later.

Only about 35-40% of the members of the cooperative benefited from the BRDFI project.

III.4. Informal agreement between Maliliit Na Mangingisda Multi-Purpose Cooperative of Brgy. San Rafael with Haribon Palawan on coastal management

The Maliliit na Mangingisda Multi-Purpose Cooperative (MMMPC) or Association of Small Fisherfolks was organized in year 1998 by the local NGO called Haribon Palawan. The MMMPC was legally registered with the Securities and Exchange Commission (SEC) on May 16, 2000. Haribon helped and assisted the MMMPC with initial capital for livelihood, empowerment, management of coastal resources, establishment of marine sanctuary, deputation of fish warden, facilitation in the formulation of business plan, pump boat for fishing and patrolling and others while MMMPC managed the livelihood projects and participated on the different activities conducted by Haribon Palawan.

Livelihood projects by MMMPC which were implemented with the help of Haribon were fish trading and bangus (milkfish) fry gathering. During the implementation of the bangus fry gathering projects, Haribon, Department Of Agriculture (DA)- Bureau of Fisheries and Aquatic Resources (BFAR) and City Agriculture's office monitored the project since the budget came from DA-BFAR Region IV through the Fisheries Resources Management Project (FRMP) projects, and Haribon provided a counterpart. Before the project was approved, the PO submitted a proposals and the DA-BFAR Region IV validated the area. Fish trading was a dole-out project funded through the help of Foundation for Philippine Environment (FPE) with the assistance of Haribon. At the start of implementation of these projects, all members were active in participating. However, throughout implementation of this project some members perceived that there was misuse of money as they suspected that some officers used the money of the organization without prior consent of other members. There was even accordingly double charging of one of the officers of cooperative for his travel expenses.

The policy implemented by the president was also not clear for the members and the president did not know how to acknowledge the suggestions of his members. As a result of these, some members went inactive and they tended not to participate at all in the activities. All of these sentiments came out during audit period of Haribon staff. The treasurer of the organization was called and investigated by Haribon staff in their office where she presented the receipts. Haribon finance officer found out that the receipts were not complete. According to her, some receipts were not surrendered by their president but the Haribon staff did not believe her. Consequently, the PO passed a resolution giving authority to Haribon to manage their funds and the project.

In 2003, when the original members of MMMPC set a schedule for the election of officers, they did not notice that the date they agreed was Holy Friday. They requested their president to re-schedule the meeting, since most of them are Catholic, but their president did not listen. As a result no member came to the meeting, except for the president, and the election had to be postponed. They set another date, but again the election did not happen.

The members of the new organized members of MMMPC who were interviewed, however, did not agree with the above comments. They felt that the above stories were all made up to discredit the president because of envy.

The rest of livelihood and activities was monitored by Haribon Palawan. This assistance of Haribon to MMMPC lasted until 2004.

In 2004, because of the MMMPC experience, Haribon worked on the organization of new PO chapter in San Rafael. The organization was called the Seaweeds Farmers Association (SFA). They used the name Maliliit na Mangingisda Multi-Purpose Cooperative. The SFA started using the name Maliliit na Mangingisda Multi-Purpose Cooperative in year 2005. Seaweeds Farmers Association was composed of 21 members; four members came from MMMPC and the rest were new recruited members from community of San Rafael.

In the fifth year of the project (2003), Haribon started to train a PO member in the area (Barangay San Rafael) to be their local organizers. Through facilitation of Haribon staff, the PO itself formulated the criteria on selection of local organizer. Zernan Teodoro president of Seaweeds Farmers Association or MMMPC was selected as local organizer of Haribon Palawan in Barangay San Rafael.

Original members interviewed stated that Haribon would only provide assistance and support to the MMMPC. However, it was felt that Haribon controlled the MMMPC. For the original members of MMMPC, the common complaint was favoritism by Haribon to some members. In addition, if the PO members assessed that their organization the management was good at the beginning but later, problems occurred in the management of funds. Although they were willing to be corrected, Haribon did not pay attention. Haribon Palawan acknowledged and rendered their assistance on the Seaweeds Farmers Association, since according to the other new member (SFA or MMMPC) some old members were stubborn.

Similarly, according to the old members the project was good for the PO. Its success however was affected by the attitude of some members who were protecting their self interests. When money was involved, problems and conflicts also arose. From the City Agriculture staff point of view, the PO is not ready to handle business and livelihood projects. However, the PO may be very good in the protection of coastal resources.

Presently the new organized PO (SFA) in Barangay San Rafael is the one recognized by the Haribon Palawan and also a current member of Community-Based Fisherfolks Alliance, Inc.

There are around 23 original members of MMMPC which is the organization registered with Security and Exchange Commission.

III.5. Formal agreement between Haribon Palawan and Palawan Community-Based Fisherfolk Alliance, Inc. in the Implementing Mechanisms for Biodiversity Conservation and Sustainable Development under the Fisher folk Self-Help for Empowerment and Regeneration Project

In 2005, Haribon Palawan organized the Palawan Community-Based Fisherfolk Alliance, to sustain the implementation of Community Based Coastal Resource Management Project in Palawan's Marine Biogeographic Regions particularly in Honda Bay and Green Island Bay of Puerto Princesa City. The PO, Haribon and Foundation for Philippine Environment (FPE) first developed Community-Based Resource Management (CBRMF) Framework Plan of the project as guide in the implementation of the project. The agreement was signed by the Alliance and Haribon. The MOA was drafted by the Haribon Palawan and presented with the members of Fisher folks Alliance, Inc. Amendments were considered in the finalization of the MOA. The Project's operation manager of the Palawan Community-Based Fisherfolks Alliance monitored the accomplishment in the site.

This Community-Based Fisher Folks Alliance, Inc. was composed of several PO's from different Barangays of Puerto Princesa City and Municipality of Roxas. Every year, the Foundation of Philippine Environment (FPE) granted one million pesos funds for the Alliance from 2005 until 2007. Based on the formal agreement, Haribon will assist in the technical aspect while FPE will support the funding of Alliance. The 3 government institutions, i.e., Provincial Government, City Government, and Municipality of Roxas give counterpart (funds) to every approved projects of the Alliance. POs could avail funds from FPE through project proposals. Prior to submission of proposal to FPE, said proposal had to be presented to the Provincial Government, City Government and Municipality of Roxas. After the proposal is approved by the Foundation for Philippine Environment, the budget was released directly to the PO and the PO managed the funds. FPE, Haribon, and Alliance monitor the project, the three government institutions furnishes FPE with their reports. The three government institutions had expressed committments to continue to support the sustainability of the Alliance project after FPE contract will be finished.

The current members of Maliliit na Mangingisda Multi-Purpose Cooperative (MMMPC) has a total of 21 members from Barangay San Rafael (18 members were active, and the rest are inactive) or 1.33 percent from the total population of Barangay San Rafael. Whereas, Tarabanan Fisherfolks Association of Barangay Concepcion has 68 members (but only 48 members are active) or 4.34 percent out of the total population of Barangay Concepcion.

The Fisher folk Alliance Inc. is composed of thirty POs from different barangays of Puerto Princesa City up to Municipality of Roxas Palawan. Two POs included in Levelling the Playing Field Project site, i.e. the Maliliit na Mangingisda Multi-Purpose Cooperative and Tarabanan Fisher folks Association Inc. are members of the Alliance.

III.6. Agreements entered into by Tarabanan Fishermen Association, Incorporated (of Barangay Concepcion)

Tarabanan Fishermen Association, Inc. was also organized by Haribon in 1998. This PO has similar objective with that of Maliliit na Mangingisda Multi-Purpose Cooperative at Barangay San Rafael. Haribon helped and assisted the PO with initial capital for livelihood, people empowerment, management of coastal resources, and establishment of marine sanctuary, deputization of fish warden, facilitation in the formulation of business plan, pump boat for fishing and patrolling and others. The PO managed the livelihood projects and participated on the different activities conducted by Haribon Palawan.

Through the efforts of Haribon Palawan, a fish pen project from the Department of Agriculture-Bureau of Fisheries and Aquatic Resources (DA-BFAR-Region IV) under Fisheries Resource Management Project (FRMP) was granted to Tarabanan Fishermen Association, Incorporated. According to DA-BFAR there was a written agreement but it was never signed by both parties. They didn't know what happened since the City Agriculture handled the MOA but City Agriculture stated that there was no Memorandum of Agreement. The project objective is to control degradation of the coastal resources and to help reduce poverty in the Barangay. During the implementation of the project, the agreement between them was verbal or informal. Before the project was given to the PO, the PO had to submit the proposal to DA-BFAR and it was scrutinized by the Technical Working Group, Livelihood Committee. Haribon Palawan assisted the PO in proposal making. They were later invited to come to the BFAR office to discuss the fish pen project further. Afterwards, the DA-BFAR came to Barangay Concepcion to present and explain the concept of the project to the PO members. Pertinent features of the agreement, based on the opinion of persons interviewed, included the management of fish pen by the PO, sharing of harvested bangus, and technical assistance and monitoring from DA-BFAR and City Agriculture.

All throughout the project implementation, DA-BFAR did its part by regularly visiting, monitoring the fish pen, and giving technical assistance. PO members did voluntary work in the fish pen operation as their counterpart. The agreement was that after harvesting, and if they earn profits, the PO who worked voluntarily to the fish pen project could be paid. In the first harvest it went well even though the PO did not met the expected volume.

But on the 2nd operation, the fish pen was washed-out by flood. Our informants perceived that benefits went only to a single family. The PO did not earn profits out from the fish pen projects.

DA-BFAR- RFTC- Provincial level concluded that the project failed because the PO was not mature enough to handle the project. Similarly, the City Agriculture assessed that the PO has enough orientation on protection/ law enforcement but was not ready to handle business/livelihood. The PO also did not have the capacity to manage the fish pen project. City Agriculture also did not usually come to the area for monitoring due to conflict in schedule with their regular functions in the office. Furthermore,

sometimes they received the notification of monitoring schedule too close to the actual date of inspection.

From the point of view of City Agriculture and the interviewed PO member, the failure of the project was due to the failure to follow the management plan of the project, the negative attitudes of some of the PO members, e.g. envy and selfishnes. During introduction and the beginning of the project, only 2-3 PO members voluntarily guarded the fish pen. Afterwards, when they saw that the project was real and that they could benefit out from it, other members were convinced to join/participate.

With regards to the benefits, they were in the form of materials and the budget of fish pen project (which was directly given to the PO). If ever the fish pen become successful, the PO and its members would be directly benefited. The PO has 68 members (but only 48 members are active) or 4.34 percent out from the total population of Barangay Concepcion.

Tarabanan Fisherfolks Association, like the Maliliit na Mangingisda Multi-Purpose Cooperative, is a member of Community-Based Fisherfolks Alliance, Inc. The Haribon's local organizer in Barangay Concepcion was Barangay Councilor Ana Rodriguez. The benefits and roles of TFAI in the alliance was also the same with Maliliit na Mangingisda Multi-Purpose Cooperative.

III.7. Informal agreements between different saving groups and Fundacion Santiago and formal agreement between Mt. Cleopatra Credit Cooperative and Fundacion Santiago in the three barangays

The Fundacion Santiago (FS) started working in San Rafael, Tanabag, and Concepcion in 2004. The staff conducted courtesy call and presented the project objective in the barangay councils and brought the concept of community organizing savings and micro-financing. FS proposed to form informal groups (savings group) for the community to learn how to save and raise capital for preferably for business purposes. According to FS, they let the community members to organize and choose their members with a minimum of 5 members and a maximum of 25 members for each saving group. Three saving groups were organized in San Rafael with a total of 15 members, one group was organized in Tanabag with a total of 6 members, and eight groups were organized in Concepcion with a total of 95 members.

There are two types of agreement, verbal or informal agreements between savings group members and formal agreement between Mt. Cleopatra Credit Cooperative and Fundacion Santiago. Within the group, members formulated their own agreements and policies on saving and lending money to their group members, such as frequency of the meeting (e.g. every week), contribution to be made by each member (e.g. Php10.00/week), the interest rate to be paid by members who will borrow the savings of the group (e.g. 5% interest rate). Each group can come up with different rules, policy and agreements based on the discussions and agreements reached by its

members. There are two types of verbal agreements: i) within members of savings group, and ii) between Fundacion Santiago and the savings groups.

Within 3-6 months all good members of the saving groups are encouraged by the Fundacion Santiago to register and become legitimate members of Mt. Ceopatra Credit Cooperative. This credit cooperative was organized by Fundacion Santiago for eligible members of savings group. It was legally registered in the Security and Exchange Commission (SEC) last January 2005. With regard to the formal agreement between the Mount Cleopatra and Fundacion Santiago, the Fundacion Santiago helped the Mt. Cleopatra Credit Cooperative to borrow money in different funding agencies for microfinance. FS served as a mediator between the cooperative and the funding agency. Last year Mt. Cleopatra borrowed PhP 500,000 the National Livelihood Support Fund (NLSF). They will return the money to NLSF through Fundacion Santiago. Only members of Mt. Cleopatra Credit Cooperative are allowed to apply loan with the Mt. Cleopatra Credit Cooperative with collateral. The members have to meet the requirements and pass the credit investigation conducted by the credit committee of the cooperative. Once the loan is released to the member, he/she will sign a promissory note of payment indicating the mode of payment and interest he/she would pay to the Cooperative.

Besides teaching the saving group members on how to save, FS also gives training on cassava, cashew corn processing, tilapia, seaweeds processing, bookkeeping, accounting, financial management, leadership training, enterprise development strengthening and other topics. Through Mt. Cleopatra Credit Cooperative, the members borrow capital to buy equipment by means of loan to start business.

Only members of Mt. Cleopatra Credit Cooperative are given life insurance and crop insurance for the money that the members borrow. The members of Mt. Cleopatra come from different Barangays of Puerto Princesa City including San Rafael, Tanabag and Concepcion.

Fundacion Santiago follows some criteria in assisting savings groups, such as the members should organize themselves beforehand, the group should have a minimum of 5 members, and each group should have its own officers. The groups should also formulate their own policy on saving and lending money to their group members. The area coordinator of the project monitors the groups. According to members interviewed, the arrangement was effective since everyone has participated accordingly.

The staff of Fundacion Santiago monitors the savings groups and Mt. Cleopatra Cooperative until November 2005. After this time, the monitoring tasks will be transferred to Mt. Cleopatra membership committee. According to the interviewed members and staff of FS, the arrangement was effective since everyone has participated accordingly. After 3 years the Mount Cleopatra Credit Cooperative could directly approach the funding agency without the support of Fundacion Santiago.

The total number of members of the saving groups is 116, from the three barangays or 3.22 percent of the total population of the three barangays.

III.8. Informal agreements between Taytay sa Kauswagan Inc. and community groups of San Rafael, Tanabag, and Concepcion

Taytay sa Kauswagan Inc. (TKSI) is a micro lending organization for the community. This credit organization was started in August 2004 at Brgy. Concepcion, and in 2003 at Brgy. San Rafael. There are approximately 36 members from Brgy. San Rafael and 95 members from Concepcion. The 2 members from Brgy. Tanabag joined in the groups of Bgry. Concepcion. TSKI organized its members in a minimum number of 5 members per groups; each group is allowed to choose its own members.

The agreement between the group and the TSKI was only verbal. The TSKI formulated the agreement and explained the terms and conditions to the group. These include setting arrangement by group, complete filling of billing, wearing ID, wearing t-shirt, updating of passbook, all members allowed to apply for a loan in the TSKI provided that members pass the required documents and credit investigation, the credit should be paid within 25 weeks, the members are required to pay their credit weekly.

According to the members, the agreement has been working well in three barangays, since all of the members cooperated and paid their loans on time. This is because during weekly meetings if one member cannot pay her loan, her group members or the whole group will contribute for the payment of her obligations and the meeting will not adjourn until all members have paid.

Since the agreement within the group members were formulated by the members themselves, different groups have different agreement, for example: a) the amount approved by the group members for the group savings and which can be borrowed by group members with corresponding interest; b) payment of penalty when late; c) payment of monthly dues; and d) payment of fines if not attending special occasions like outing during anniversary of the groups.

The TSKI staff assigned to barangay San Rafael and Concepcion and the group members all monitor if the agreement is being implemented. According to all members interviewed, the implementation of the agreement has been very effective since everyone does his part.

The benefits are directly given to the members such as life insurance. If the members of the group die, automatically the insurance will go the beneficiary of the family. For loans, if the members can meet all the requirements and is approved by the credit investigator, the loan goes directly to the person who applies for that loan.

The total members of TSKI is 3.14 percent out of the 3, 597 total population of three barangays.

IV. Conclusion

Contracts and agreements entered into by the different organizations in the three barangays were either formal or informal. Formal agreements came in the form of

written contracts and agreements discussed and agreed upon by the parties concerned and to which the representatives of said parties affix their signatures. On the other hand informal agreements do not have written contracts or agreements. The form of the contract (formal or informal), and the process of generating the agreements did not seem to determine the success or failure of the contracts.

The capacity of the community organizations in taking part in the project seemed to be an important factor. For this reason, most of the projects had capacity building component as a part of the project, for example in enterprising, financial management, and resource management. In these areas, the capacities of relevant community organizations were still weak. Nevertheless, due to the limited timeframe of the project, the capacity of the community organizations was not built high enough to contribute to the success of the project.

The participation of the participating community members in defining the rules during the project implementation seems to be a crucial factor in determining the success. This was clear in the case of Fundacion Santiago (FS), Taytay sa Kauswagan Inc. (TKSI) and different saving groups in the community. The size of the groups may also contribute to the ability to self-regulate the group members as they can easily monitor its own performance. In instances when there is an agreed manner of monitoring and evaluating a certain agreement or contract, the implementation was more effective.

There was clear indication from this study that the benefits from the project were not directly shared to many members of the communities. This probably confirms that there is still the culture among people in the barangay along the Pilipino saying: “kung sinong nagtanim siya dapat mag-aani” or “whoever planted should be the one who should reap the benefits”. This suggested that only those who participated and invested their time and energy would enjoy benefits. They may not have the motivation to share the benefits to wider community especially if the benefits produced from the project were limited. The projects operated in the area were indeed relatively very small in scale and scope. It would therefore not realistic to expect that such small project could produce positive impacts for the whole community.

Contracts were also found to be helpful in clarifying responsibilities, roles and benefits as was directly experienced in the STCMPC-CIFOR agreements and indirectly in the other agreements.

One of the feedbacks which can be very important in the implementation of the LPF project is the expressed need by the community to be regularly provided with results of studies conducted by the project. LPF should also be aware that the communities wish to first have project reports validated by them before they are finalized. Although this is already being done by the LPF project as what we have done with the results of the socio economic baseline studies, we still have to the reporting of the results of the multi-landscape assessment and the market study, the analysis of institutional arrangements and this analysis of contracts and agreements herin being reported.

Annex 1. List of persons interviewed on the contract/ agreement entered by the community

Name	Current Position /Organization	Address
Teodoro Zernan	- Local organizer/ Haribon Palawan - Member/ Fundacion Santiago - Chairman/Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, Puerto Princesa City (PPC)
Nicanor Fernando	Former Operation Manager/ Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, PPC
Crisologo Elesterio	- Former President/ Maliliit na Mangingisda Multi-Purpose Cooperative - Member/STCMPC - Barangay Councilor	San Rafael, PPC
Jessica Patnongon	Former BOD Member /Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, PPC
Delia Paclibar	Former treasurer/Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, PPC
Evelyn Peralta	Current BOD member/ Maliliit na Mangingisda Multi-purpose Cooperative	San Rafael, PPC
Wilfredo Peralta	Former BOD/ Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, PPC
Gina Villon	Current BOD/ Maliliit na Mangingisda Multi-Purpose Cooperative	San Rafael, PPC
Melquiades Rodriguez	- Barangay Captain - BOD Member / STCMPC	San Rafael, PPC
Domingo Solina	- Barangay. Councilor - Former BOD Member/ STCMPC	San Rafael, PPC
Jesus Maquillao	Acting Chairman/San Rafael Multi-Purpose Cooperative	San Rafael, PPC
Capt. Epitacio Abrea	- Barangay Captain - Former treasurer of STCMPC	Tanabag, PPC
Eddie Canete	BOD Member/ STCMPC	Concepcion, PPC

Name	Current Position /Organization	Address
Beatriz Dacles	- Operation Manager/STCMPC - Member/ Taytay sa Kauswagan - Member/Fundacion Santiago	Concepcion, PPC
Merlinda Lumbre	BOD Member/STCMPC	San Rafael, PPC
Roselyn Restar	Former bookkeeper/STCMPC	Concepcion, PPC
Anecia Rodriguez	Member/Taytay sa Kauswagan Inc.	San Rafael, PPC
Lelia Balud	Member/ Taytay sa Kauswagan Inc. and Fundacion Santiago	Concepcion, PPC
Vergie Gasmin	Member /Taytay sa Kauswagan Inc.	Tanabag, PPC
Marisol Ejida	Former member/ Taytay sa Kauswagan Inc.	
Gaudencio Osano	- Barangay Councilor - Member/ Fundacion Santiago	Tanabag, PPC
Dancil	- Barangay Councilor - Member/Fundacion Santiago	Tanabag, PPC
Ana Rodriguez	- Treasurer/ Tarabanan Fisherfolks Association - Brgy. councilor - Local Organizer/ Haribon Palawan	Concepcion, PPC
Edeniel Jalocon	- Former President of Tarabanan Fisherfolks Association - Barangay Councilor	Concepcion, PPC
Cresenciano Cuarez	Caretaker/Tarabanan Fisherfolks Associations	Concepcion, PPC
Proceso Batuto	Operation Manager/ Tarabanan Fisherfolks Association	Concepcion, PPC
Rene Pareno	DA-BFAR	Puerto Princesa City
Benny Postrado	Technical Staff, Budyong Rural Development Foundation Inc.	Puerto Princesa City

Name	Current Position /Organization	Address
Tomas J. Matillano	Project Manager/Fundacion Santiago	Puerto Princesa City
Inocencio Magallanes	Chairperson /Haribon Palawan	Puerto Princesa City
Tutu Almonte	Aquaculturist II/ City Agriculture's office	Puerto Princesa City