



Reducing poverty and improving the quality of life in agrarian reform communities

Overview

Through the assistance of the World Bank, the Philippines boosted agricultural and enterprise productivity by at least 17% over the life of the project and has increased the household incomes of smallholder farmers and their families by about 21% in 124 communities by improving their access to agriculture and related support services. The project assisted 751,984 beneficiaries, who are predominantly farmers.

Challenge

In 2002, about 37% of the rural population in the Philippines lived below the poverty line. Underlying this challenge was the highly inequitable ownership of land. An integral part of the government's strategy for reducing poverty and inequity in land ownership, particularly in rural areas, has been the land reform program that, since 1987, has been implemented through the Comprehensive Agrarian Reform Program (CARP). The CARP aims to improve the land tenure system and increase productivity and incomes in rural areas by acquiring and distributing land and by providing integrated support services to farmers and their communities. While the CARP has had some considerable success in providing support services to agrarian reform communities, its coverage is limited due to resource constraints, with only about half of the more than 2,000 communities being reached with foreign-funded support services. In the rest of the reform communities, the assistance given has not been substantial and there is a need to expand the provision of support services.

Approach

Building on the success and lessons learned during its initial phase, the project was designed to reduce rural poverty and enhance the quality of life of agrarian reform beneficiaries and their communities. Implemented by the Department of Agrarian Reform, the project aims to increase household incomes of agrarian reform beneficiaries in about 124 select communities in 18 provinces in the country by improving their productive assets and providing rural infrastructure and access to key support services. Using a community-driven

More Results



21%

rise in household income of farmers in 124 communities

69%

reduction in travel time after the completion of roads and related infrastructure

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approach, rural infrastructure is provided based on the prioritized needs of the communities include rural roads, bridges, small-scale irrigation, potable water supply systems and post-harvest facilities. The project also implemented community development and capacity-building activities to ensure active community participation and self-reliance among agrarian reform beneficiaries and organizations.

Technical support to cooperatives, peoples' organizations, microfinance institutions, local government units and partner institutions was also provided in the areas of business planning, technology promotion, marketing assistance, credit facilitation and other strategic support services to help raise agricultural productivity and encourage farm and non-farm enterprise development.

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Results

By the end of 2010, the project had helped achieve:

- Average real net household income of farmers in the target communities rose by 21% after three years of participation in the project.
- Intensity of land use in irrigated areas has tripled.
- Average crop yield of farmers in the communities increased by 17% after three years.
- Average increase in real business assets per households after joining the project was 29%.
- The cumulative volume of infrastructure handed over to reform communities to support income generation reached 1,491 units, composed largely of farm-to-market roads, small-scale irrigation and post-harvest facilities.
- Travel time was reduced by 69% after the completion of roads and related infrastructure, leading to significant reductions in the prices and hauling costs of agricultural and enterprise inputs as well as bringing other benefits in terms of access to education, health, and other services.
- Improved systems for operation and maintenance of rural infrastructure.

Voices

“With the technical assistance from this project, we were encouraged to revitalize our 'palek' business. It has become our family's main source of income, and has allowed us to make our indigenous products available for future generations of Ivatans and visitors to enjoy.”

— *Jose and Elena Gabilo, from Ivana, Batanes, makers of 'palek', a local wine made from sugarcane*

Map

Click to see project locations mapped:



Bank Contribution

The Bank supported the project with US\$50 million to implement its various components: community development and capacity building; agriculture and enterprise development; community access to financial services; rural infrastructure; and field implementation support, project management and monitoring. In March 2009, to compensate for foreign exchange losses, the Bank provided an additional US\$10 million to complete the construction and rehabilitation of communal irrigation systems being implemented by the National Irrigation Administration covering 4,153 hectares, which are part of the original target of the project.

Partners

The government's Department of Agrarian Reform was the lead implementing agency for the project. It partnered with various local government bodies in the planning and implementation of all project activities in the agrarian reform communities, including sustainability planning and monitoring. The Department also partnered with the Department of Agriculture through the National Irrigation Administration and Bureau of Soils and Water Management for the implementation of irrigation sub-projects. It also engaged the Land Bank of the Philippines, other government financing institutions, microfinance institutions, non-government organizations, and other resource agencies in improving access of select communities to financial, technical and other key support services, as well as building the capacities of assisted peoples' organizations and other community-based groups in these communities.

An inter-agency Project Management Board, chaired by the Department of Agrarian Reform Secretary, with members from other project implementing and oversight agencies (e.g., Department of Finance, National Economic and Development Authority, and the Department of Budget and Management), provided policy direction and management guidance to the project.

Toward the Future

Learning from the various project phases, the Bank has sought to ensure the activities and benefits will be sustained over time. In particular, the project has turned over responsibility for infrastructure and operations and maintenance to the communities, and supported regular inspections by the Department of Agrarian Reform, including potential conversion of grants to loans if infrastructure is not properly maintained. Village development plans were also integrated in City and Municipal Development and Investment Plans to ensure continued budget support for future activities within the communities. Importantly, the capacity-building support for government staff at the Department and local levels enhances the prospects for sustained, effective efforts after the closing of the current project.