



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM
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Memorandum Circular No. 01
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SUBJECT: Revised Guidelines and Procedures on the Assessment of the Level of Development of Agrarian Reform Communities (ALDA)

I. Background and Rationale

For the past five years, the Department of Agrarian Reform has adopted and institutionalized the strategy of building viable Agrarian Reform Communities (ARCs) to support the national government's thrust of redistributing agricultural landownership based on cultivation and developing the countryside to alleviate rural poverty. ARC development has been identified as a strategic approach to address the development requirements of the farming communities because it harnesses the internal and external resources of various stakeholders to create impact on the lives of the farmers. The ARC is a people-centered and area-focused strategy to show concrete results and impact.

However, the basic question is how do we measure the level of development of the ARCs? Are the ARC interventions focused on achieving the end goals of ARB empowerment, increasing agricultural productivity and household income?

In response to this need, the guidelines and procedures on the assessment of the level of development of ARC (ALDA) was issued on December 23, 1996.

The first ALDA conducted in 1997 covered 806 (92%) ARCs. Since only 644 (80%) ARCs have complete data, this was the basis for coming up with the final ALDA report. The ALDA is composed of five major key result areas namely: land tenure improvement, organizational building and strengthening, farm productivity and income, basic social services and gender and development. The ALDA result showed that 31 (5%) ARCs are categorized as in level 3 with 106 (8%) developed ARB organizations, 185 (29%) ARCs are in level 2 with 626 (50%) developing ARB organizations and 428 (66%) ARCs are in level 1 with 527 (42%) underdeveloped ARB organizations.



"Tulong-tulong sa pagsulong"



Based on this initial conduct of the ALDA, there are improvements necessary on the instrument and the methodology. Hence, these revised guidelines and procedures.

II. Major Areas of Improvement

In summary, substantive improvements were undertaken in the categorization of ALDA key result areas. First, from five (5) key result areas, the revised ALDA has now six (6) key result areas as a result of separating ECOPISS from FPI. Secondly, ALDA indicators are now classified as either output or outcome indicators for proper assignments of statistical values in the computation and as basis in the interpretation of results and analysis. Thirdly, the standard descriptors rating scale has been adjusted such that from three (3), there are now four (4) ratings, namely, 0, 1, 2 & 3. Fourthly, statistical improvements have been carried out to accord proper values to each of the ALDA key result areas. Fifth, the standard descriptors for rating each indicator were fine tuned in consonance with objective and technically sound principles. Finally, the methodologies have been enhanced in terms of participatory/democratic processes, practical and objective principles.

III. Objectives

The general objective of the ARC Level of Development Assessment is to determine the growth of the ARCs and the extent by which interventions of key ARC players are translated concretely towards ARB's socio-economic and political empowerment.

Specifically, the ALDA aim to:

1. Assess the status of the ARCs in the areas of land tenure improvement (LTI), organizational maturity (OM), economic and physical infrastructure support services (ECOPISS), farm productivity and income (FPI) basic social services (BSS), and gender and development (GAD);
2. Classify and define ARCs based on assessed level of development; and
3. Define the appropriate interventions to be implemented by the community, people's organizations and implementors of DAR, NGOs, LGUs and line agencies towards improving the ARC level of development.

IV. Operational Framework

An ARC is a cluster of farm households located in one or more barangays. Most of these households are headed by ARBs. To every ARC is assigned a Development Facilitator (DFs) who is made responsible for assisting about 300 households liberate themselves from poverty.

The development of an ARC is a complex process, which requires the facilitation of a balanced growth of three development wheels – environmental, economic and socio-political. This entails a holistic approach to bring these development wheels together in an integrated manner. The concerted effort and synergy of various stakeholders within and outside the ARC is equally important to operationalize the integration process of ARC development.

It is in this context that the key result areas of ARC development are defined as land tenure improvement (LTI), organizational maturity (OM), economic and physical infrastructure support services (ECOPISS), farm productivity and income (FPI), basic social services (BSS) and gender and development (GAD). Agri-based rural industries and ecosystems development are part of the indicators within the ECOPISS and FPI parameters.

- LTI secures the tenure of landless farmers and farmworkers by redistributing agricultural landownership or institutions of leasehold or other beneficial tenurial arrangements.
- OM enhances the capability of people's organizations in managing and sustaining viable gender-sensitive organizations and institutionalizes empowerment mechanisms and economic structures within agrarian reform communities.
- ECOPISS improves farm-to-market roads, multi-purpose pavements, water-impounding facilities and other infrastructure that would boost farm productivity and income.
- FPI strengthens the agricultural productivity systems from credit accessing purchase of quality inputs, basic processing and marketing.
- BSS responds to basic needs of rural communities.
- GAD ensures equal access and participation of both men and women in developing their communities.

Using the result of ALDA, the current state of the ARCs is defined and performance gaps are determined. This can be the springboard for the development and improvement of the plans of the ARC players and the ARC organizations. The operational plan shall spell out the needed interventions and strategies to bring about the desired level of development within the ARCs.

V. Key Result Areas, Indicators and Descriptors of ALDA

The revised ARC Level of Development Assessment (ALDA) has six (6) major key result areas which are consistent with the ARC development framework. These are: a) land tenure improvement (LTI); b) organizational maturity (OM); c) economic and physical infrastructure support services (ECOPISS); d) farm productivity and income (FPI); e) basic social services (BSS); and f) gender and development (GAD).

4.1 Land Tenure Improvement (LTI)

The LTI key result area is focused on assessing the extent of land acquisition and distribution, ownership, cultivation and the improvement in tenurial status of ARBs. This is composed of eight (8) indicators covering both land acquisition and distribution (LAD) and non-land transfer (leasehold) scheme.

4.2 Organizational Maturity (OM)

The OM key result area shall assess the outputs and outcomes of interventions under the Organizational Building and Strengthening (OBAS) KRA. This KRA deals with the assessment of the organizational functionality and financial viability of the ARB organizations in the ARCs. Specifically, this KRA is composed of twenty-seven (27) indicators, covering four major aspects namely: a) organizational management; b) resource management; c) social enterprises operations; and d) linkages and alliance building or involvement in local governance.

The organizational management aspect looks at the organizational structure, membership and leadership management, functionality of board of directors and committees, level of participation of leaders and members, and training provided.

The resource management aspect defines the generation of internal resources of the ARB organization, which include: capital build-up generation, savings mobilization and employment of core management staff.

The social enterprises operations and management aspect is focused on: a) installation of financial and operational policies, systems and procedures (PSP); b) projects implemented and services provided by the ARB organization; and c) financial performance.

The local governance and alliance building aspect pinpoints the extent of representation and collaborative work between ARB organizations and the local government units where the ARC is situated.

4.3 Economic and Physical Infrastructure Support Services (ECOPISS)

The ECOPISS key result area is concentrated on assessing the delivery of needed economic and physical infrastructure support services to the ARCs, provision of credit and marketing services, and rural-based industries established to effect increase in ARBs productivity and household income. This key parameter is composed of nine (9) indicators.

4.4 Farm Productivity and Income (FPI)

The FPI key result area focuses on assessing the adoption of appropriate farming technology to effect increase of farm productivity and income. This parameter has five (5) indicators.

4.5 Basic Social Services (BSS)

The BSS key result area defines the existing basic social services in the ARC and the extent of access of the ARC households to these services. Six (6) indicators are assessed in this parameter.

4.6 Gender and Development (GAD)

The GAD key result area assesses the gender sensitiveness of the ARC development program. This parameter comprises five (5) indicators.

For details of the key result areas, indicators and the standard descriptors for rating of ALDA indicators, please refer to:

Annex 1 – Key Result Areas, Indicators and Standard Descriptors for ALDA Rating

Annex 2– Guidelines in the Interpretation of ALDA Indicators

VI. Methodology

In the conduct of ALDA the following procedures shall be followed:

5.1 Frequency of the conduct of ALDA and Team composition

5.1.1 The ALDA shall be conducted yearly to determine the progress and growth of the ARCs and at the same time identify strengthening activities to facilitate sustained development.

5.1.2 The Team that will conduct the ALDA shall be composed of DAR regional and provincial ARC coordinators, partner NGOs and representative from PO/Coop.

5.2 Orientation/Training of ALDA Team

5.2.1 Within the first quarter of 1998, DAR BARBD and SARC-TSARRD shall conduct orientation/trainings on ALDA. Two orientation/trainings shall be undertaken:

- a. The first orientation workshop will be on how the ALDA will be conducted. This will provide the team with a common understanding on:
 - a.1) parameters, indicators and descriptors;
 - a.2) methodology at the ARC level;
 - a.3) forms to be accomplished;
 - a.4) computation of rating and analysis of the result;
and
 - a.5) action planning.

- b. The second activity will be the consolidation, analysis and report preparation workshop after the actual conduct of ALDA. This will be undertaken to have a common understanding on the rating process of the ARCs, analysis of the ARC development level, action planning process and reports to be submitted.

5.3 Data Gathering and Evaluation

- 5.3.1 After the training and prior to the conduct of ALDA, the team shall convene at the field level to thoroughly review and gain mastery of the *data gathering instrument (Annex 3)*, *data processing table (Annex 4)* and *guide for computation of rating (Annex 5)*. They shall also agree on the data-gathering mechanics such as source documents to be reviewed, focus group discussion and interviews, observations of organization's activities and enterprise operation, etc.
- 5.3.2 *Annex 3* shall be used and properly filled-up during the data gathering at the ARC level.
- 5.3.3 Data/information can be both from primary and secondary sources. The team must review all existing documents and reports such as ARCDPs, monitoring reports, coop/organization's by-laws, VMGO, written policies, financial reports, systems installed, ARC/barangay profiles, DF's chronicles and provincial/municipal development council's reports, etc.
- 5.3.4 Focus group discussion (FGD)/interview with the MARO/DF/DW/IDO and the members/leaders of the organization and some members of the community shall be undertaken for the primary data requirement. Only questions applicable to each group shall be asked during the FGD/interview.
- 5.3.5 **All cooperatives/people's organization within the ARC with DAR has direct interventions and those whose majority members are ARBs shall be subjected to the assessment.** These are the organizations reported in the ARC Forms 1-11.

5.3.6 The respondents from the cooperative/organization shall be at least 80% of the leaders (BOD & committees members), 10% of the general membership for less than 300 total membership or at least 50 members for those with more than 300 members, and all members of the core management staff. Some of the members of the community shall also be asked for validation.

5.3.7 Once the entire data requirement needed for the evaluation/assessment have been gathered and reviewed, results shall be analyzed using *Annex 1- Standards for Rating, Annex 4- Processing Table and Annex 5- Computation of Rating.*

5.4 Computation of Rating

5.4.1 The computation of rating per indicator within a key result area i.e. LTI, OM, ECOPISS, FPI, BSS and GAD shall be done by relating the actual performance to the expected level of performance. There may be instances when some of the indicators are not applicable. Hence, these shall not be rated.

5.4.2 The standards for rating per indicator shall be **0 to 3** where **0** is the lowest and **3** is the highest. Indicators are categorized as **output** and **outcome** indicators. All outcome indicators shall have a weight 1.5 times more than the output indicators since these indicators are tangible results of many outputs done in the ARC. (See Annex 5 for illustrations.) The outcome indicators are considered as success indicators (refer to *Annex 5* for the computation). Weights per parameter are assigned as follows:

a. Land Tenure Improvement (LTI)	-	20%
b. Organizational Maturity (OM)	-	20%
c. Economic & Infrastructure Support Services (ECOPISS)	-	20%
d. Farm Productivity & Income (FPI)	-	30%
e. Basic Social Services (BSS)	-	5%
f. Gender and Development	-	5%

5.4.3 *Annex 1* shall be used to determine the points per indicator. The standard descriptors per indicator are presented as follows: a) percentage of accomplishment; b) average; c) ratio and d) quantity and qualitative description. *Annex 2* shall be used as a guide in the interpretation of rating per indicator.

5.4.4 *Annex 4* shall be used in the processing of the result of the assessment while *Annex 5* shall be used as the guide in the computation of rating. In determining the rating per key result area, list the scores per indicator and segregate the scores of the output indicators from the outcome indicators to get the weighted average. Then compute the ARC overall rating.

Formula for computation of overall rating:

a. Per Key Result Area

Key Result Area	%	Formula	Weighted Rating
a.1 LTI	20%	$L \times 20\%$	R_l
a.2 OM	20%	$O \times 20\%$	R_o
a.3 ECOPISS	20%	$E \times 20\%$	R_e
a.4 FPI	30%	$F \times 30\%$	R_f
a.5 BSS	5%	$B \times 5\%$	R_b
a.6 GAD	5%	$G \times 5\%$	R_g

b. ARC Rating

$$R_{ARC} = R_l + R_o + R_e + R_f + R_b + R_g$$

Legend:

L = rating for LTI	R_l - weighted rating for LTI
O = rating for OM	R_o - weighted rating for OM
E = rating for ECOPISS	R_e - weighted rating for ECOPISS
F = rating for FPI	R_f - weighted rating for FPI
B = rating for BSS	R_b - weighted rating for BSS
G = rating for GAD	R_g - weighted rating for GAD

5.5 Interpretation and Analysis of the Final Score

5.5.1 The interpretation of final score shall be as follows:

Range of Rating	Interpretation
Below 1.33	Level 1 (Low Level of Development)
1.34 – 2.33 (with no rating below 1.00)	Level 2 (Medium Level of Development)
2.34 – 3.00 (with no rating below 2.0)	Level 3 (High Level of Development)

5.5.2 Written reports on the result of ALDA per ARC (with all the accompanying tables) shall be submitted and presented by the team to the ARC Task Force. The ARC coordinators shall present the report to the MARO/DF assigned in the ARC for them to discuss with the ARB organizations. This shall be the basis for action planning for ARB organizations and ARC players.

5.6 Action Planning

5.6.1 The result of ALDA shall be discussed with the ARB organization and shall be the basis for the action planning at the ARC level. The MARO/DF together with the leaders and selected members of the organization shall develop a one year action plan. The plan shall identify the needs of the ARCs as a whole and the need of the organization in particular. Targets should be set corresponding to specific activities under each KRA for viable ARC, time frame, resource requirement and persons or groups responsible for the activities.

- a. Amount and sources of funding should also be indicated in the plan.
- b. The action plan format is presented in *Annex 6*. This plan shall be presented to the community for approval and implementation.


VII. Reporting and Feedbacking

1. ALDA reports and ARC action plans shall be consolidated per province to be submitted to DARRO-SSD. The DARRO-SSD shall likewise consolidate and prepare a regional ALDA report for submission to the National ARC Task Force. A national situation report shall be prepared pinpointing the levels of development of the ARCs and the recommended action agenda to ensure the sustained growth of the ARCs. Revised ARC plan per province, region and national level shall be done which shall form part of the performance contract of the Regional Directors, ARDOs, and PAROs.
2. ALDA shall be conducted in all ARCs annually (every December of the year). Reports on its conduct shall be prepared and submitted every 15th day of January.
3. ALDA reports shall form part of the annual reports to be submitted to the Office of the Undersecretary FOSSO and Assistant Secretary for SSO.

VIII. Effectivity

This memorandum Circular shall take immediately.

Diliman, Quezon City, January 21, 1998


ERNESTO D. GARILAO
Secretary 