

**PDF- Working Group on Sustainable Rural Development**

**HIGHLIGHTS OF THE 2007 ACTION PLANNING WORKSHOP**

**May 23-24, 2007**

**MMLDC Foundation Inc., Antipolo City**

**I. Participants**

The workshop was attended by representatives from the three departments (DA, DAR and DENR) from the government side and the World Bank, EC and GTZ from the development partners' side:

May 23	May 24
<p><b>1. DA</b>                      Usec. Segfredo Serrano                      Ms. Ma. Jaydda Mayoralgo</p> <p><b>2. Convergence TWG</b>                      Dir. Carlos Mendoza                      Ms. Mercy Barile</p> <p><b>3. DAR</b>                      Usec. Gerundio Madueno                      Ms. Cynthia Cardenas</p> <p><b>4. DENR</b>                      Usec. Manuel Gerochi                      Dir. Eriberto Argete                      Ms. Juliet Texon                      Atty. Emelyne Talabis</p> <p><b>5. European Commission</b>                      Ms. Emily Mercado</p> <p><b>6. World Bank</b>                      Mr. Fabrizio Bresciani                      Mr. Felizardo Virtucio, Jr.</p> <p><b>7. German Technical Cooperation</b>                      Mr. Peter Keller                      Ms. Erlinda Dolatre</p>	<p><b>1. DA</b>                      Usec. Segfredo Serrano                      Ms. Ma. Jaydda Mayoralgo</p> <p><b>2. Convergence TWG</b>                      Dir. Carlos Mendoza                      Ms. Mercy Barile</p> <p><b>3. DAR</b>                      Usec. Gerundio Madueno                      Ms. Cynthia Cardenas</p> <p><b>4. DENR</b>                      Dir. Eriberto Argete                      Ms. Juliet Texon</p> <p><b>5. European Commission</b>                      Ms. Emily Mercado</p> <p><b>6. World Bank</b>                      Mr. Fabrizio Bresciani                      Mr. Felizardo Virtucio, Jr.</p> <p><b>7. German Technical Cooperation</b>                      Mr. Peter Keller                      Ms. Erlinda Dolatre</p>

Guests/resource persons from the oversight agencies also participated in the workshop during the presentation of outputs in the afternoon of May 24:

1. Dir. Nora Oliveros (DBM)
2. Mr. Dominador Gomez (NEDA)

## **II. *Opening Remarks***

In his opening message, Usec. Serrano, co-convenor of the WG on Sustainable Rural Development, called on the representatives of both government and the donor institutions to “put our act together”. Specifically, he urged the government partners to seriously consider the need to interface and “properly locate ourselves with the development partners in order to achieve synergy towards sustainable rural development.

The two themes prioritized during the 2007 PDF Meeting in Cebu appeared as recurring themes since the 2006 PDF event. Thus, he encouraged the participants to take this workshop as an opportunity to think about the magnitude of these issues and concerns in the sector, and to come up with workable strategies in order to address them more effectively as we did not have such opportunity/ time during the PDF meeting. May this workshop also serve to review the 2007 PDF output (in matrix) as the 3 agencies are now adequately represented, specifically concerning the issue on upland development which was considered very important to sustainable rural development but was not adequately elaborated.

Finally, Usec. Serrano expressed his confidence that participants would be able to accomplish the expected outputs from this workshop and wished also the participants an enjoyable stay in Antipolo.

## **III. *Introduction to the Workshop***

Mr. Eberhard Bauer facilitated the workshop and in order to put the subsequent discussions into proper context, the objectives and workshop program were clarified as follows:

### **A. Objectives of the Workshop**

1. Share accomplishments on “Convergence Initiatives / Rationalizing Investments in Agriculture” and “Land Use, Administration and Distribution / CARP beyond 2008 / POST-LAD”
2. Develop strategic proposals including timeframe, indicators, responsibilities on areas to be prioritized by the workshop participants

#### B. Workshop Program

Wednesday	1. Background on PDF	Peter Keller
	2. Accomplishments / Status	TWG / DAR
	3. Framework of Objectives	Usec. Fred Serrano
	4. Actual Engagement (Government, Donors)	
	5. Focus of WG for 2007	Break
Thursday	6. Group Work: Action Planning / Strategies	
	7. Presentation, Discussion, Agreement	
	8. Indication on what donors can tackle / support and possible link to other PDF-WGs such as the WG on Decentralization.	

#### IV. **Background on the Philippine Development Forum (PDF)**

As there were first-time attendees to the PDF- Working Group, Mr. Keller provided a short background on the Philippine Development Forum, its goals/objectives, working structures and activities ( *Attachment 1*). The process involved in identifying the two major issues ( or themes) during the March 2006 and March 2007 PDF meetings was also discussed.

For this Action Planning workshop, he informed the body that new proposals (or issues) e.g. upland development can still be considered in addition to the two issues prioritized during the March 2007 PDF. However, he emphasized that the WG should be clear on *what to focus in 2007*.

#### V. **Status Reports**

The accomplishment on the two themes identified 2006 Action Agenda were presented by Ms. Cynthia Cardenas ( agrarian reform) and Ms. Mercy Barile (convergence):

- A. Agrarian Reform/CARP Beyond 2008 (Attachment 2)

Ms. Cardenas presented CARP's policy directions and DAR's strategic approaches to accelerate LAD completion and expeditious resolution of agrarian cases. She also informed the body that the two bills on CARP extension which were not taken up during the 13<sup>th</sup> Congress will have to be-refiled in the 14<sup>th</sup> Congress which will open in July 2007. Advocacy for supporting CARP's extension is being pursued by DAR with various stakeholders. After the proclamation of the winning senators and congress-people, DAR will start *looking for an ally who would author the bill* .

On the observation that President Arroyo was *silent* on the CARP extension issue in her statement during the 2007 PDF meeting, earnest efforts will be pursued to bring this issue to the Executive and that the CARP bill be certified as *urgent*.

#### B. Convergence Initiatives (Attachment 3)

Ms. Barile updated the body on the Convergence Initiative (CI) accomplishments. She reported about the approval of the CI Guide for Implementation which was signed last 4 July 2006 and immediately after the signing, a regional briefing on the guide was conducted. The said briefing was participated by the Regional Directors of the DA-DAR-DENR.

Relative to agribusiness, 4 contract agreements were signed between the Philippine Government and some Chinese Investors during the Asean Summit last January 2007. Accordingly, a Joint DA-DAR-DENR Memorandum Circular on the "General Rules and Policies Governing Agribusiness/Upland Agroforestry Investments/Agreements under the Convergence Framework" was formulated.

Another Joint DA-DAR-DENR-LMP-DILG Memorandum Circular on the "Rules and Guidelines for Implementing Executive Order 606 otherwise known as Sustainable Upland Development (SUD)" has been finalized. This upland development is working on the convergence framework with the League of Municipalities as the secretariat.

Lastly, the development of information sharing system for the DA, DAR, and DENR to harmonize MFOs, plans and programs was completed and ready for adoption for the 2008 budget cycle. It is being proposed that the expansion of the information sharing system is the development of agribusiness lands investment database and the mapping of the available lands for development.

## VI. **Framework of Objectives**

In order to have a better understanding of the topic - *competitiveness and profitability of agriculture*, Usec. Serrano provided an overview of the state of the RD sector which was generally characterized to be of *poor competitiveness*. He further described the different factors affecting *competitiveness* such as governance ( law and order), marketing, finance and credit, investment in land, infrastructure, land distribution ) or access to land) and support systems to included policies and institutional delivery systems (Attachment 4). Equally important to this key issue are the sub-sector goals on social justice/equity and natural resources management.

## VII. Actual Engagement of Government and Donors

Given the importance of the sector, both government and donor institutions provide investments and technical support to improve its performance. The participants of the workshop indicated the aspects or factors described in Usec. Serrano's presentation – Attachment 4, where they are active and what support is being provided by their respective offices (Attachment 5). In the absence of the other donor institutions such as JBIC, AusAid , it was agreed that this matrix will be circulated for their inputs and get a broader view of the donor support to the sector.

## VIII. **Focus for 2007**

The workshop participants were asked – *On which topics should the WG focus during the next 10 months..*Each participant was given *three red dots* and were asked to put the dots to the topics they would like to focus. Corresponding ranking of priority ( 1-5) was also made as follows:

Topic	No. of Points/Dots	Rank
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Investment in Land	5	4
Infrastructure	4	5
Marketing	2	
Finance and Credit	1	
Land Administration and Distribution	9	1
Support Structures	8	2
Governance (Peace, Law and Order)		
Natural Resources Management	7	3
Non-farm Activities	3	

The participants agreed on the high priority accorded on agrarian reform/land administration/land distribution issue due to its urgency considering that the CARL expires in 2008.

With regards to support systems and natural resources management topics, the participants recognized the value of taking the two topics into one group considering its interrelatedness in terms of policies, delivery systems (watershed approach) and convergence strategy for sustainable rural development.

#### IX. Action Planning/Strategic Proposals

The participants grouped themselves into two and worked on their plans/strategic proposals for the next 10 months:

Group 1 : Support Systems and Natural Resources Management

Group 2 : Agrarian Reform/ CARP Beyond 2008

The respective outputs are presented as Attachments 6 and 7.

#### X. **Group Output Presentation and Reactions from oversight agencies**

The groups' outputs were presented in plenary with the presence of representatives from the oversight agencies - Director Nora Oliveros from the Department of Budget and Management (DBM) and Mr. Jose Dominador Gomez from the National Economic Development Authority (NEDA).

##### A. *On Group 2: Agrarian Reform/CARP Beyond 2008 Presentation*

Dir. Oliveros emphasized the *status quo* position of the DBCC ( not only of the DBM) for Land Acquisition and Distribution (LAD) in 2008, which means that for the year, budget for LAD will be provided for the 130,000 hectares targeted for distribution. Assuming that there would be no action on CARP extension until 2008, Dir. Oliveros recommended that exit mechanisms should already be thought about.

Dir. Oliveros cited the importance of establishing the *real LAD balance* to guide subsequent budgeting for LAD to guide subsequent budgeting for LAD. According to DBCC, DAR's data on CARP scope and balance keep changing hence a CARP LAD Balance Assessment supported by the World Bank is now on-going and expected to be completed by September 2007. Many participants expressed *discomfort* and a *strange feeling* why it took an external financing to undertake this important and critical issue of CARP/LAD balance.

When asked - *Would you consider the proposals made by the group conducive to making a decision?* Dir. Oliveros considered the CARP LAD Balance Assessment study as an important input to making decisions on CARP. The quality of lands still undistributed are mostly *socially and politically touchy*. DAR has also admitted the difficulty in covering Private Agricultural Lands, hence, there should really be a position by the PARC on whether LAD should or should not be continued.

In addition, DBM agrees with the findings and suggestions of the DAR-GTZ Post-LAD Scenario Studies that there are still so many things to do even after 2008, among them are the 2<sup>nd</sup> generation problems on agrarian reform.

Funding for CARP after the law expires in June 2008 is the most important constraint if and when CARP implementation would continue – but requires urgent executive and legislative actions.

Recognizing the importance and urgency of having an Executive position on the issue of CARP, representatives of the donor institutions asked their government partners *how donors can help?..will a resolution from the donors expressing their support influence the speed of decision-making?* It was further expressed that the representation of this

working group can always raise the issue in discussions, submit some arguments/analysis following some reasoning to highlight the need for urgent actions.

Mr. Keller was requested to raise the issue to the PDF Donors' Group breakfast meetings for broader support from the donor community.

#### *B. On Group 1 : Support Systems and Natural Resources Management*

Dir. Oliveros inquired whether the rationalization plans of the three agencies were considered in discussing the proposals for support systems and natural resources management--- DBM has yet to officially receive the rationalization plans.

Water resources is one on the most critical aspects in NRM ; a lot agencies are involved in this topic and in some areas, a source of conflict among its users. A watershed approach will be more sustainable and proposed to be adopted in the planning and implementation of rural development projects. Hence a proposal to undertake baseline study/ watershed study would be appropriate. The study , according to Usec. Serrano, would also help analyze the behavior of NIA which prioritizes the construction of new irrigation systems over rehabilitation works where systems losses are higher than the outputs of new construction .

In addition, this study would serve as a more systematic approach to operationalize convergence approach rather than the incidentals such as agribusiness initiatives.

The group will further discuss on the timing of the study.

Considering the nature and complexities of the factors involved in watershed approach, linkages with other PDF Working Groups, such as the WG on Decentralization will be developed and strengthened. Possibilities of joint undertakings can be explored.

#### **XI. Closing**

In closing , Mr. Peter Keller, co-convenor of the WG on Sustainable Rural Development, expressed his satisfaction on the results of the workshop. The exercise has led the WG to a *clearer direction of where to go, what it wants to do* and came up with *focused agenda for subsequent discussions*.

He thanked the representatives of the oversight agencies for coming to Antipolo to demonstrate their interest on the topics and for sharing their views, and look forward to a strong linkage in the future.

He also appreciated on the good working relationship of DAR, DA and DENR and commented he *never felt that there is a "problem" seeing DAR, DA and DENR working together.*

Finally, he thanked everyone for their contributions.

Prepared by:

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