

Report to the Breakfast Table Meeting on November 6, 2007

PDF Working Group on Sustainable Rural Development

At the PDF Meeting in March 2007, the following issues were raised:

The need to ensure competitiveness and profitability of agriculture, as well as ensuring the right strategic focus and direction for land administration and distribution, remain critical and urgent issues to address. As such, there was a broad agreement for support to rationalize public expenditures and investments in the sector and carry out concrete program which will expand agricultural market access, promote convergence of support services delivery between national agencies and LGUs in sustainable rural development. Related to this, Government is strongly encouraged to provide the strategic direction and position to resolve the CARP Extension issue.

May 03 Meeting of the WG

The topic Rationalization of investments in the Rural Sector was discussed. As an input to the discussion, representatives from NEDA presented the *Magnitude and Status of Official Development Assistance (ODA) for Agriculture, Agrarian Reform and Natural Resources Sector* as well as the *Status of On-going ODA Commitments in Agriculture, Agrarian Reform and Natural Resources Sector*. The presentation confirmed the perception that investment in the sector is at the downtrend, thus further support will be needed to improve the situation in the sector.

A new EC Financing Facility (2007-2013) was also introduced which can be tapped for short-term (duration of two years) high impact projects focused on governance issues. EC also informed that it has also allocated funds in support of projects to address disaster preparedness in the sector and invited DA, DAR and DENR to submit proposals.

2007 Action Planning Workshop in May 2007 provided the strategic directions and clear focus for the WG.

In the next 10 months (June 2007- March 2008), the WG agreed to prioritize the topics (1.) Agrarian reform/ land administration and distribution due to its urgency considering that the Comprehensive Agrarian Reform Law (CARL) expires in 2008 and (2.) Support structures and natural resources management (under the main topic *competitiveness and profitability of agriculture*) to focus on policies, delivery systems (watershed approach) and convergence strategy for sustainable rural development.

On agrarian reform, DAR will work out the CARL extension with Congress and other stakeholders, accelerate land acquisition and distribution and formulate exit mechanisms in the event that no CARP extension is granted. To help DAR in evaluating and assessing the position to take with regards to the issue, GTZ in 2006 supported a study on CARP

Scenarios and Options for Future Development (up to 2008 and beyond) and currently, World Bank is supporting parallel studies on CARP Institutional Assessment and CARP LAD Balance Assessment.

On support structures and natural resources, DENR will prepare a proposal for a baseline/systems analysis study on watershed as a step towards operationalizing the DA-DAR-DENR and LGU convergence.

July 19 and August 23 Meetings of the WG were devoted to information sharing on follow up on issues, in particular, the CARP extension issue (DENR's proposal for baseline/systems analysis study is not yet ready).

DAR reported on its actions related to CARP extension, among them:

- Conducted consultations with Congress for consolidation of 3 bills on CARP extension to be re-filed in Congress,
- TWG was formed to develop a framework and implementation plan for CARP under an extension phase

No further support from the PDF Working was requested. The consolidated bill is presently pending for approval through the Congress. It foresees an extension of 10 years with considerable GoP funding levels to acquire and distribute land to over 1 m farm households including livelihood support for an initial period of time.

Upcoming Activity of the PDF WG on Sustainable Rural Development:

Workshop on Information Sharing and Exchange of Experiences on Results-Based Management (RBM) in the Rural Sector to be conducted Nov. 8-9, 2007.

This workshop will bring together representatives of DA, DAR, DENR, DBM, ADB, WB, AusAID, EC, JICA, FAO and UNDP to take stock of what has been achieved in introducing RBM in DA, DAR and DENR and to chart the way forward to extent RBM to lower administrative levels.

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