

## DA, private sector craft strategies for greater '07 agri growth

The Department of Agriculture (DA) and the private sector have agreed on strategies and action plans that aim to enhance the growth of the agriculture and fisheries sectors for the rest of the year and beyond.

The agreement was forged during a one-day consultation workshop and roundtable discussion between Agriculture Secretary Arthur C. Yap and the private sector, specially the heads of the regional agricultural and fishery councils (RAFCs), chairpersons of the national sectoral committees, industry captains and commodity champions. They were joined by the heads of the DA's banner crop programs and key commodity agencies, notably the Philippine Coconut Authority and the Sugar Regulatory Administration, other support agencies and the NAFC.

The forum, which was organized by the NAFC, was held on 18 May at the SEAMEO Innotech, along Commonwealth Avenue in Diliman, Quezon City.



**CHARTING GROWTH PATH.** Government and private sector representatives harmonized their plans for continued growth in agriculture and fisheries. Sec. Yap (above left) committed government's support to private sector initiatives while NAFC Exec. Dir. Bernie Fondevilla assured opportunities for continuing dialogue. Below, the participants enthusiastically discussed and agreed on joint growth strategies and action plans in breakout sessions.

Dubbed the "Consultative Workshop and Roundtable Discussion of the Secretary of Agriculture with the Private Sector on Achieving 2007 Growth and Export Targets," the forum had the theme "Sharing Visions with the Private Sector for Greater Productivity".

Explaining the goal of the forum, NAFC Executive Director Bernie G. Fondevilla said that "by coming together, we can drum up and harmonize

government and private sector initiatives for us to achieve our sector's growth and export targets for the year and probably for the next couple of years."

DA aims to achieve a sustained growth of from five to six percent over the next 10 years, up from the three to four percent growth achieved from 2001 to 2005.

Elaborating the goal, NAFC ED Fondevilla laid down the objectives. He said the forum

"aims to: validate GMA and other DA Programs' 2007 targets and strategies; identify and recommend measures to address related problems, issues and concerns; and draw national commodity-based action plans consisting of strategies, targets and commitments from both private and government sectors."

Keynoting the forum, Secretary Yap stressed two key principles that need to play out to sustain the gains of the agriculture and fisheries sector: first, the private sector shall be the prime movers and the DA and government will provide support in terms of funds for public goods and enabling policies and programs; and second, all concerned, specially DA agencies, should coordinate their plans and programs toward a common and shared vision.

He also expressed the wish that the forum be institutionalized, preferably on a quarterly basis, as a mechanism for raising,

see *GROWTH STRATS*, p. 7



30<sup>th</sup> 2KR tranche

## NAFC sells fertilizer grant for over P123 M

NAFC has successfully bid out 15,607 MT of ammonium sulphate fertilizer which was granted the country under the 30<sup>th</sup> tranche of the Japan Grant Assistance for the Underprivileged Farmers or the 2KR Program. The bid generated some P123.09 Million in additional funds for development projects aimed at making agriculture and fisheries sustainably profitable.

The entire fertilizer grant was divided into three lots: two at 5000 MT and one at 5,607 MT. Three firms won one lot each. Ferex Agrochem Development,

Inc. bid successfully for the biggest lot, offering the price of P7,816 per MT. La Filipina Uygongco Corp. won one 5000-MT lot for the price of P7,488.88 per MT. Danat Fertilizer Corp. won the other 5000-MT lot, with the highest bid of P8,257 per MT. Bid floor price was set by the Bids and Awards Committee at P7,418 per MT.

The bid, conducted on 12 June, was participated in by five pre-qualified firms. The two other participating firms were AFC Fertilizer and Chemicals, Inc. and Soiltech Agricultural Products Corporation.

The fertilizer shipment, which shall be supplied by Japan's Mitsubishi Corp. will arrive from July to August this year.

The winning bidders were bound by agreement to distribute through sale the fertilizers among rice farmers in the agreed upon 2KR project areas, namely: for Lot 1 (5607 MT), Isabela, Cagayan and Nueva Ecija; lot 2, Nueva Ecija, Mindoro Occidental, Mindoro Oriental, and Camarines Sur; and lot 3, Albay, Iloilo, and Negros Occidental.

Earlier, in April, a team composed of the NAFC ED Bernie G. Fondevilla, Special Projects Division Chief Elgie L. Namia and SPD's Resource Management Section Chief Paz Magnaye traveled to Japan to negotiate and participate in the bidding for the supply of the 2KR grant. The international bidding was held in Tokyo and was managed by the Japan International Cooperation System (JICS), a service contractor of the 2KR fund manager, the Japan International Cooperation Agency (JICA).



2KR BIDDING IN TOKYO. NAFC ED Bernie G. Fondevilla signs documents for the supply of ammonium sulfate fertilizer under the 30th 2KR tranche with Utahiko Motoyama, project manager of the JICS project development management unit in Tokyo last April (left picture); documents are presented by prospective supplier during the bidding (middle); Paz Magnaye and Elgie Namia of the Special Projects Division assisted ED Fondevilla.

## Sen. Magsaysay's YFP stakeholders hold summit

The sponsor, managers, partners and participant-beneficiaries of Sen. Ramon Magsaysay's Young Farmer Program (YFP) met in a summit to review the implementation of the program and set its future course.

The summit also provided opportunity for the formation of the Young Farmers Entrepreneurs of the Philippines, Inc. (YFEPI) and recognizing outstanding achievements of some participant-beneficiaries.

The two-day summit was held from 29-30 May at the DA. It gathered 47 young farmer entrepreneurs (YFEs); program managers from the NAFC and the Congressional Oversight Committee for Agriculture and Fisheries Modernization (COCAFAM); representative from program partner agencies, specially Quedancor, National Food Authority, Rural Bankers Association of the Philippines and Small Business Guaranty Corp.; and guests, including

DA Assistant Secretary Salvador Salacup, program sponsor Senator Ramon Magsaysay Jr., NAFC ED Bernie G. Fondevilla, and Zac Sarian, noted veteran agriculture journalist and agriculture editor of the Manila Bulletin.

During the sessions, the participants raised issues regarding loan amortization, payment moratorium and credit access, among others. They also discussed and proposed

sustainability measures for the program.

On program operations relating to Quedancor, the participants pointed out the following issues: disparity of program guideline interpretation among the agency's district offices; shift from straight-line to diminishing mode for interest rate computation; strict five-year grace period for YFP and non-payment of principal during grace period; inclusion of loan moratorium, rescheduling and

## Region 1 AFC members meet in congress

Members and officers of the Agricultural and Fishery Council (AFC) in Ilocos Region recently met in the First Regional AFC Congress to discuss pressing concerns besetting the agriculture sector in the region.

Held at CONDORA Damortis, Rosario, La Union, the two-day congress gathered almost 250 regional, provincial and municipal council members who work closely with government agencies, especially in monitoring, validating and evaluating agricultural programs and projects implemented for the benefit of Ilokano farmers, livestock raisers and fisherfolks.

Co-sponsored by the Department of Agriculture-Regional Field Unit I (DA-RFU I) and the private sector, the first

Regional AFC Congress provided an avenue for the AFC members and officers to review and discuss with the major implementers of agricultural programs and projects in the region some major agricultural issues and concerns

Ret. Gen. Marcelo C. Blando, current Regional Agricultural and Fishery Council Chairperson, presented the AFCs thrusts and directions. He asked for the members' full commitment to realize the NAFCs priority agenda, that is, to bring real changes in the lives of the farmers and fisherfolks in the region.

Mr. Elmer Estiandan, Chief, Local Support and Coordination Division NAFC, representing NAFC ED Bernie

G. Fondevilla in said affair, stressed that the DA's top priority is to counter problems on irrigation, marketing, post harvest facilities, infrastructure and other major agriculture-related problems.

The five Regional Banner Program Coordinators of DA-RFU I discussed and presented their planned activities to provide the congress' participants awareness on the various programs and projects of DA.

After each presentation, a 20-minute open forum was conducted. It gave the participants more time to discuss the topics presented. They provided suggestions and recommendations to resolve the issues and concerns raised.

During the forum, a young farmer, Mr. Alexander Calucag of Solsona, Ilocos Norte, one of the AFC members from the youth sector, shared his success story through a testimonial during the program. A pride of Region 1, Mr. Calucag is now an inspiration to many of the congress' participants.

In like manner, Mrs. Teresita Allado, MAFC Chairperson of Currimao, Ilocos Norte also made her testimony on how DA and its attached agencies helped in her farming endeavor. Mrs. Allado is now one of the instruments of DA in its extension activities as she delivers testimony during gatherings such as this congress. *(Contributed by RAFID I)*



SCENES AT THE SUMMIT. NAFC ED Bernie F. Fondevilla and Sen. Ramon Magsaysay (left picture) field questions from the summit participants (right picture); Sen. Magsaysay hands over the citation to Mr. David Dumlao for paying his project loan ahead of maturity date while ED Fondevilla and DA Assistant Secretary Salvador Salacup look on.

restructuring provisions in the YFP guidelines; and streamlining of processing and fund release under the YFP.

On the continued operation of the YFP, the participants noted the need for institutionalizing the program processes in the DA and NAFC. This involves among others provision of funds for the program participation of the Agricultural and Fishery Councils (AFCs) and tapping other agencies, like the Agribusiness and Marketing Assistance Service, Bureau of

Posharvest Research and Extension, and Bureau of Fisheries and Aquaculture Resources, for technical assistance. Additionally, the participants urged the DA, NAFC and COCAFEM to look for additional funds for the YFPs' loan component.

YFEPI was organized to assist the YFEs, who have been trained under the program, continue pursuing program advocacies autonomously of the program. These advocacies include transforming farming as a business enterprise and

encouraging young citizens, specially agriculture and fisheries course graduates to engage in their profession. Vic Mendoza was elected as the founding president while Raffy Espiritu was the vice president. Regional coordinators were also chosen.

For paying their program loans with Quedancor on time, David Dumlao and Francis Brian Quirol were awarded certificates of recognition.

The summit was enriched by inspiring talks delivered by the guests. Asst. Secretary

Salacup urged the participants to produce export-quality products. RBAP Executive Director Emmanuel Guina discussed the role of rural banks (RBs) in microfinancing and encouraged the participants to touch base with the RBs in their areas. SBC Vice-President for Corporate Planning Melvin Abanto presented the various funding schemes of his organization, specially for processing businesses. Sarian shared farmer success stories.

## Assessing the Japan-Philippine Economic Partnership Agreement

By Josef T. Yap, Erlinda M. Mercado

*Reprinted with permission from Policy Notes No. 2006-10 (December 2006) of the Philippine Development Studies. The authors are President, Senior Researcher*

Signed on September 9, 2006, the Japan-Philippine Economic Partnership Agreement (JPEPA) represents a “new age in free trade area (FTA)” similar to the ones negotiated by Japan with other ASEAN countries like Singapore, Malaysia and Thailand. New age FTAs have been developed in response to the pressures arising from the growing trend in regionalism along with increasing globalization and technological progress. They entail efforts that go beyond traditional FTAs’ liberalization of trade in goods and services. They include measures toward the smooth movement of people, capital, and information and areas like investment and trade facilitation, as well as cooperation in science and technology (S&T), human resource development (HRD), small and medium enterprises (SMEs), and the environment.

### Potential gains and opportunities

Japan and the Philippine share strong economic ties, with Japan being the country’s second largest trading partner. In 2000, Japan accounted for 14.7 percent of our total exports and 19.1 percent of total imports. The Philippines remains an important potential market and potential export base for Japanese companies planning to operate in the Asian market.

Japan is currently also the largest source of foreign direct investment in the Philippines. In

2003, its cumulative flows amounted to US\$22.13 billion. Japan is also the country’s largest source of official development assistance, with 41.76 billion yen received in 2002.

Building on these current trade and investment ties, JPEPA will further bolster the existing close links and deepen cooperation between the two countries. The JPEPA rests on three key pillars: (i) liberalization, (ii) facilitation, and (iii) cooperation.

### On liberalization

#### Market opening in goods

Japan will immediately remove tariffs on products like shrimps and prawns, asparagus, leguminous vegetables, dried bananas, mangoes, mangosteens, and fresh papayas as well as manufactured goods like knitted and crocheted fabrics. Gradual tariff elimination toward zero tariff will be implemented in products like frozen yellow fin tunas, prepared and preserved tunas, fresh bananas, dried pineapples and articles of apparel and clothing accessories. The agriculture and fisheries sector remains a sensitive issue for Japan with certain products such as rice, wheat, milk, herings, sardines, mackerel and other fish being excluded from the JPEPA. Japan is in the process of adjusting its own domestic policy in these sectors.

To take advantage of these opportunities, Filipino exporters must always take into

the account the emphasis that the Japanese put on food quality and safety. To gain access to Japanese markets, there is a need to supply hormone-free, even-sized, properly packed and hygienic products. The JPEPA has provisions for mutual recognition and conformity assessment procedures which aim to help Philippine exporters meet Japan’s standards and requirements like sanitary and phytosanitary measures.

As part of the Philippines’ concessions, immediate tariff elimination will be implemented on products like fresh apples, pears and quinces. For Philippine industrial produces, most of them already have low tariffs with rates ranging from zero to 3 percent. However, for sensitive sectors such as the automotive industry, gradual tariff reduction will be pursued, and for certain products that are manufactured in the country, no tariff reductions will be implemented and will be subject to negotiations in 2009. For components, parts and/or accessories under the motor vehicle development program, the most favored nation (MFN) rate will apply and tariff elimination will be subject to negotiations in 2009. It is important to note that the Philippines is committed under the ASEAN Free Trade Areas (AFTA) to eliminate all tariffs on the automotive sector by 2010. This is consistent with the global nature of the industry

characterized by international production networks and vertical specialization.

Tariffs, meanwhile, will be eliminated in annual installments from base rate to free for items like washing machines and flat-rolled products of iron and non-alloy steel.

### Market access in services

In terms of movement of natural persons, Japan will allow Filipino nurses and careworkers to work in Japan on the condition that they pass Japan’s examination requirements along with IT workers and other professionals. This is important not only because of the expected increase in remittances of overseas contract workers (OCWs) but also because it provides a venue for technology transfer and cooperation which could facilitate improvements in the competitiveness of Filipino workers. To realize these, the JPEPA has set HRD cooperation programs covering language proficiency trainings, technical assistance in skills upgrading, mutual personnel exchange and fellowship programs, and research and development in S&T.

### On facilitation measures

Economic facilitation measures are important to ensure the efficient movement of goods, services, people, and capital. These cut across a wide range

# Economic Partnerships Agreement (JPEPA)

Medalla, and Rafaelita M. Aldaba

(September 2006), an on-line publication of the Philippine Institute for Development Studies, Research Fellow, and Research Associate, respectively, at the Institute.

of areas such as government regulations and controls, business efficiency, transportation, ICT, and the financial sector. These involve simplification and harmonization of customs procedures, use of ICT and paperless trading, along with measures to improve the business environment and competition policy framework to address anticompetitive business practices.

## On cooperation areas

Beyond market access, JPEPA emphasizes cooperation initiatives on HRD, financial services, ICT (next generation internet, broadband, and ubiquitous networks), energy and environment (management of hazardous and solid wastes), S&T, trade and investment promotion, SMEs, tourism, transportation, and road development. Given the Philippines' current level of development, it can benefit significantly from Japan's capital, technology, and expertise to strengthen its capacity to meet the challenges posed by the "new age."

## Provisions for improving the agreement and the Dispute Settlement Mechanism

An important element of the agreement is the creation of the various subcommittees to refine the various provisions and cooperation mechanisms. The role of the Dispute Settlement Mechanism cannot be overemphasized because even

by itself, it makes a partnership valuable.

## Addressing the environmental issues

The JPEPA binds the two countries to the general principles of *efficient utilization of energy, proper management of environment and sustainable development*, and the need to cooperate in the field of energy and environment (Article 34, Chapter 8 Implementing Agreement). The Joint Statement signed by the two heads of states explicitly indicated *cooperation in the management of hazardous and solid wastes* in the list of possible areas for cooperation. Under Article 102, the two countries mutually agree not to relax environmental measures to encourage investments by the other party.

Trade liberalization under JPEPA allows special exceptions for environmental protection. These exceptions are provided for under trade in goods (Article 23), mutual recognition (Article 66), trade in services (Article 83), investment (Chapter 8), and movement of natural persons (Article 114). These articles state that: "Nothing in this Chapter shall be construed to limit the authority of a Party to take measures it considers appropriate, for protecting health, safety or the environment or prevention of deceptive practices." Articles XX and XXI of the GATT 1994

also apply in the JPEPA. GATT Article XX contains provisions designed to allow WTO Members to determine their own policies on state interests including the environment (and its relationship with trade), their environmental objectives and the environmental legislation they enact and implement.

Thus, the JPEPA has sufficient provisions to protect the environment and prevent any illegal trade that may arise from the zero tariffs imposed on hazardous and toxic wastes. Trade liberalization under the JPEPA does not mean or imply that the ability of any of the two countries to take measures to control trade in hazardous and toxic wastes or, more generally, to protect the environment is at issue. It is important to note that in the economic partnership agreements signed by Japan with Singapore and Malaysia, tariffs on ash, residues, waste pharmaceuticals, municipal waste, sewage sludge, clinical wastes, and other waste products have also been eliminated.

At the same time, the JPEPA did not create new tariff classifications and tariff lines on wastes and scraps. Thus, the tariff lines on wastes and scraps under contention are not new. They have been in the tariff and customs codes from the start. These were created mainly for customs classification. Though the tariff rates on these goods were eliminated, this does not imply free trade since countries have trade regulations or

nontariff measures that are applied to restrict trade in these goods.

## Need for cooperation to improve technical and regulatory capacity

The Philippines and Japan are also both signatories to the Basel Convention on the Transboundary Movement of Hazardous Wastes. In the Philippines, hazardous wastes are regulated by the Department of Environment and Natural Resources under Republic Act 6969 or Toxic Substances and Hazardous and Nuclear Wastes Control Act. Since there are already existing import controls and regulations on trade in hazardous wastes, tariffs are already redundant. As such, one can reduce them without expanding market access or increasing imports because the more binding protection measures are import controls.

With or without the redundant tariffs, the more important issue is how to strengthen the Philippines' technical and regulatory capacity to manage hazardous wastes and effectively implement import controls. At the same time, there is a need for the Philippines to manage hazardous wastes. At present, in the absence of reliable recyclers in the Philippines, hazardous wastes like copper sludge and printed circuit boards that come from

## JPEPA ASSESSMENT, from page 5

Philippine-based Japanese firms are exported for recycling in Japan. Through JPEPA's environment cooperation initiatives, this practice can be addressed by designing technology transfer programs to manage these wastes and by setting up capability- building programs to improve the capacity of our regulators to implement environmental laws. With JPEPA, closer coordination among the customs and environment people between the two countries in order to effectively regulate and prevent illegal wastes trade could also be pursued.

### Overall impact on growth and poverty

Unlike traditional trade agreements, the JPEPA will go beyond tariff reductions or eliminations and will focus on cooperation areas such as technology transfer, training, and SME development that will allow Filipino manufacturers to become more competitive.

Research studies show that the proposed JPEPA would result in a small but positive impact on our gross domestic product (GDP) of around 0.09 percent due to better resource allocation and a positive poverty alleviation effect particularly in Metro Manila where most industries are located. The benefits, however, could be much higher, ranging from 1.7 to 3.3 percent,<sup>2</sup> if foreign direct investment inflows leading to capital accumulation as well as productivity gains can materialize.

The economies of the Philippines and Japan are complementary, with Japan specializing in high technology industrial products. On the whole, the costs associated with the implementation of JPEPA are perceived to be low. Based on trade-weighted tariffs using 2001 imports from Japan, a rough estimate of foregone tariff revenues amounted to around P3-5 billion. It should be noted, however, that this is

expected to be more than offset by tax revenue gain from increased economic activity resulting from the partnership.

Given the country's relatively low level of industrial tariffs, trade diversion effects may also be small. Trade regimes on the country's sensitive sectors such as automotive, steel, and cement have not yet been modified to provide time for these sectors to adjust. On the other hand, the costs of nonparticipation may be great in light of the changing international economic and political landscape.

To illustrate, simulation results show that the Philippines would lose around 0.04 percent of GDP if it does not forge an FTA with Japan while Thailand does. In addition, there is an emerging trend toward the integration of East Asian economies (ASEAN + China, Japan, and South Korea). Hence, forging a bilateral agreement with Japan at this time is a very strategic move.



**JPEPA WINNERS.** Early benefits will go to fresh vegetables and fruits.

### Notes:

<sup>1</sup>C. Cororaton. 2003. *Philippine-Japan bilateral agreement: analysis of possible effects on unemployment, distribution, and poverty in the Philippines using CGE microsimulation approach.*

<sup>2</sup>K. Kawasaki. 2003. *Impact of FTAs in Asia. RIETI Discussion Paper Series 03-E-018. Research Institute of Economy, Trade, and Industry.*

## Camiguin marks 5<sup>th</sup> AFC Day

The agriculture and fisheries sector in Camiguin Province celebrated AFC Day on 13 April, marking the fifth year since the event was institutionalized through an executive order by Governor Pedro Romualdo.

The declaration was one of the off-shoots of the community immersion component of the social mobilization training undergone by select NAFC staff and partners in select Mindanao LGUs under a grant from the Philippine-Australia Short-Term Training Facility.

In a speech read for him by his executive assistant Ms.

Estrella Tulay, NAFCED Bernie G. Fondevilla said the event is "not only a mere observance of a memorable event" that the province has pioneered, but also a celebration of "an important milestone in the annals of this province and a rallying point" for more activities in agriculture and fisheries.

More importantly, the AFC Day is a "manifestation of local good governance in action" which augurs well for Camiguin, specially its farmers and fisherfolk.

For the first time, the AFC Day ceremonies were

conducted outside the capital town of Mambajao and were held instead in Sagay. Organizers said this starts a planned practice whereby each of the island-province's municipalities will host the annual event.

With the theme "Kakugi ug Kooperasyon alang sa Malambo-ong Kaugmaon sa Agrikultura – AFC Day atong padayonan," the celebratory program was highlighted by the ceremonial turnover of two checks for projects under the NAFC's Livelihood Enhancement for Agricultural Development (LEAD) Program.

The projects were the farmers training center in Mahinog and the municipal nursery and farmers' training center in Catarman.

The MAFC chairperson of Don Carlos, Bukidnon that, like Camiguin, has also declared and observed an AFC Day at the municipal level since four years ago joined the locals in the celebration. Also in attendance were the RIC Coordinators and P4MP Presidents of Region 10.

The DA-RFU was represented by RTD Maghanoy.

## GROWTH STRATEGIES, from page 1

discussing and threshing out sectoral problems.

The consultative forum consisted of half-day workshops, which was followed by output presentations and discussions. There were six workshop groups organized around key commodity clusters that are the focus of intensified interventions by the DA. The commodity clusters were: rice; coconut; sugar; poultry, livestock, corn and cassava; fisheries and aquaculture; and fruits, vegetables, coffee and rubber.

The workshops started off with a presentation and discussion of the 2007 production and export targets and strategies for each commodity. Bureau of Agricultural Statistics Director Romeo Recide reported the 2006 performance of the sector, this year's first quarter output, as well as the year-end targets for key commodities namely: palay, coconut, sugar, poultry, livestock, corn, cassava, fruits, vegetables, coffee, rubber, fisheries and aquaculture.

The stakeholders, then, validated or gave comments on the presentations and recommended workable strategies or doable propositions to attain the production and export targets for 2007. Each of the strategy or recommendation was then broken down into required actions, which included commitments from various sectors. Responsible agencies or groups, as well as the timelines for the fulfillment of the actions needed were identified and set.

After the presentations, Secretary Yap assured the participants that he will personally take into

consideration the workshop outputs that were presented, and where and when possible, budgets for these will be mirrored in the DA budget being finalized for presentation to Congress.

He tasked the various DA units to include the programs/projects that can be implemented with the private sector and the impact of all of these in terms of growth and in terms of hunger mitigation in priority provinces as required by President Gloria Macapagal Arroyo.

He also instructed Undersecretary for Field Operations Emmanuel Paras to spearhead and ensure that all strategies and action plans are properly attended to.

The forum was attended by 79 representatives of the most active and committed groups in the agriculture and fisheries sectors. These include the: Philippine Association of Broiler Integrators, United Broiler Raisers Association, Confederation of Philippine Tuna Industries, Inc., Philippine Sugar Millers Association, United Coconut Association of the Philippines, Philippine Association of Hog Raisers, Inc., Philippine Mango Industry Foundation, Nestle Philippines, Inc., Swift Foods, Inc., Seaweed Industry Association of the Philippines, Veterinary Practitioners Association of the Philippines, National Onion Growers Cooperative Marketing Association, Cocoa Foundation of the Philippines, and Agricultural Machinery Manufacturers Dealers Association of the Philippines.

They were joined by the heads of all DA agencies, banner programs and special projects.

## Follow up to agri growth workshop

# NAFC calls gab on DA-AFC link

NAFC has gathered the regional AFC chairpersons and DA-Regional Field Unit directors in a workshop aimed at threshing out kinks in their working relationship. The forum was called by NAFC ED Bernie G. Fondevilla as a follow-through to the successful nationwide stakeholders workshop on sustaining agriculture and fisheries growth (see story on page 1).

The implementation of the growth workshop strategic outputs, which have been authorized by Secretary Arthur C. Yap and funded under the current DA budget, will depend to a great extent on the coordination between the DA and the private sector, represented by the AFCs. The AFC and DA RFU chiefs were joined by DA-RFU AFC coordinators and the concerned NAFC staff.

Specifically, the workshop sought to: identify specific roles and functions of the parties in relation to the DA's five-point agenda; strengthen DA-AFC partnership; plan out strategies where DA-AFC services can be rendered and create impact on the development of agriculture and fisheries; finalize the AFC work and financial plan for 2007 for inclusion in the DA-RFU's current-year plan and budget; and trace problems and formulate solutions to the continuing problems pertaining to the liquidation of AFC operational funds released to the DA-RFUs.

The other foci of review during the workshop were: joint planning between the AFC-DA RFUs; monitoring and evaluation, consultations, advocacy and other issues. Sectoral workshops, that is, breakout workshops among AFC coordinators only, and RAFC chiefs only were conducted. These were followed by regional workshops led by both the RAFC chiefs and the DA-RFU chiefs.



**IRONING KINKS IN DA-AFC LINK.** Sec. Arthur C. Yap and NAFC ED Bernie Fondevilla host the workshop called to thresh out coordination problems between the DA, on the one hand, and the AFCs, on the other. Participants exchange ideas in one of the workshop sessions.

## Mindanao AFCs assume tasks in MRDP2

Starting second semester this year, the Agricultural and Fishery Council (AFC) community in Mindanao will have a formal engagement with the second phase of the Mindanao Rural Development Program (MRDP2), a World Bank (WB)-funded anti-poverty initiative.

In an email response to questions asked by the NAFC Quarterly, Engr. Arnel de Mesa, MRDP's deputy program director, said the "AFCs will be part of the overall policy-making body of the program, the Project Advisory Board (PAB)."

They shall also be part of the Regional Project Advisory Board (RPAB) which would discuss and decide on local policies and review and approve infrastructure subprojects under the program, Engr. de Mesa added. RPAB is the regional institutional counterpart of the PAB.

The Vice Chairperson for Mindanao of the Association of Regional AFCs of the Philippines, Inc. shall sit as a member of the PAB. He joins other members that include the Secretary of Agriculture as chairperson, NEDA Director-General as co-chairperson,

secretaries of allied government agencies, and the chairperson of the Mindanao Economic Development Council (MEDCO).

Among other functions, the PAB will provide policy directions to guide the planning and implementation of program activities; harmonize functions of collaborating national agencies; encourage the support and participation of National Government Agencies, Local Government Units (LGUs) and Non-Government Institutions; review and endorse the annual budget of the MRDP2; and approve/disapprove infrastructure subprojects worth above US \$ 300T.

The regional AFC chairperson shall sit in the RPAB. Reflecting the functions of the PAB, the RPAB shall, among others, ensure that policy directions are carried out in the planning and implementation of regional activities; give overall direction toward the harmonization of project roles and responsibilities of collaborating regional offices; encourage the support and participation of LGUs, People's Organizations

and non-government organizations; and endorse annual regional work and financial plan to the DA's undersecretary for operations.

Engr. de Mesa said that while the MRDP's tasks may involve a new role for the AFCs, he thinks, "they are used to providing policy directions in other or similar activities."

"AFCs were not internally part of the MRDP's first phase, but in some respects, they were part of the consultation activities," he added.

Engr. de Mesa expressed the hope that the AFC members "will devote some of their time, talents and skills in their contribution for the effective implementation of the project and eventually help in the plight of our framers and fishers as well as the other marginalized sectors in Mindanao."

MRDP2 is the second phase of a four-phase program that seeks to improve incomes and food security in Mindanao. Funded by a WB loan to the tune of over US\$83 Million, it



**Engr. Arnel de Mesa**



seeks to improve livelihood opportunities of targeted communities in 225 municipalities in all of the 27 provinces of Mindanao. It will also institutionalize a decentralized system for agriculture and fisheries service delivery that will promote participation, transparency and accountability.

MRDP2 will also test a performance-based grant scheme which will provide additional grants to local government units (LGUs) for local/devolved development infrastructure projects.



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