

**REPORT
ON
FOOD SECURITY
OF THE
REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE**

30 July 2004

Republic of the Philippines
DEPARTMENT OF AGRICULTURE

SECTION I:
BACKGROUND INFORMATION

(1) NAME OF THE COUNTRY: PHILIPPINES

(2) NAME OF THE REPORTING INSTITUTION:
DEPARTMENT OF AGRICULTURE

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(4) INSTITUTIONAL ARRANGEMENTS ESTABLISHED FOR THE
FOLLOW-UP OF THE IMPLEMENTATION OF WORLD FOOD
SUMMIT PLAN OF ACTION (WFSPA)

A. EXECUTIVE COMMITTEE ON FOOD SECURITY

An Executive Committee on Food Security was established by the President of the Republic of the Philippines (Executive Order No. 391) on 3 December 1996 at the Cabinet level with the Secretary of Agriculture as Chairperson, the Director-General of the National Economic and Development Authority (NEDA) as Vice Chairperson and the Secretaries of the Departments of Environment and Natural Resources (DENR), Agrarian Reform (DAR), the Interior and Local Government (DILG), Science and Technology (DOST), Trade and Industry (DTI), Social Welfare and Development (DSWD), Labor and Employment (DOLE), Technical Education and Skills Development Authority (TESDA), and representatives of farmers' organizations and non-government organizations as members.

Its terms of reference are: (1) to exert all efforts to make the contents of the Rome Declaration on World Food Security and Plan of Action known and understood by all concerned; (2) to make the appropriate adjustments in the Rome Declaration and Plan of Action to suit Philippine situations, conditions and requirements; and (3) to design and implement the appropriate policies, programs and projects to put into effect a holistic and unified approach and plan of action for food security and sustainable development.

B. WORKING GROUP ON FOOD SECURITY IN THE DEPARTMENT OF AGRICULTURE

A Working Group on Food Security in the Department of Agriculture was established in December 1996 by the Secretary of Agriculture with the Director of the Agricultural Training Institute (ATI) as Chair and other Bureau Directors as members. The function of the Working Group was to work under the direction of the Executive Committee for the objectives spelled out in Executive Order No. 381 quoted above.

The Working Group on Food Security was reconstituted on 24 July 1998. The Assistant Secretary for Policy and Planning was designated as Chair. It was again reconstituted on 9 August 2002, with the Assistant Secretary for Operations as Co-Chair of the Assistant Secretary for Policy and Planning, membership of which was expanded and composed of Department of Agriculture bureaus, attached agencies and units concerned, as well as directors of DA banner programs.

C. NATIONAL COUNCIL ON FOOD SECURITY AND PROVINCIAL AND CITY COUNCIL ON FOOD SECURITY

On 3 March 1999, the President of the Philippines established a National Council on Food Security chaired by the President himself with the Secretary of Agriculture as Vice Chair. The members are the Cabinet Secretaries, the Administrators of the National Irrigation Authority (NIA), of the National Food Authority (NFA), of Cooperative Development Authority (CDA), the Governor of the Autonomous Region of Muslim Mindanao (ARMM), the Presidents of the Leagues of Municipalities (LMP), and Barangays, as well as representatives of farmers, fisherfolk, business sector, and the consumers sector.

The Council acts as the overall coordinating body in the formulation and implementation of policy guidelines, plans and programs on food security. Councils were also established at the provincial and city levels. A National Secretariat on Food Security was attached to the Department of the Interior and Local Government (DILG).

SECTION II: PRIORITY FOOD SECURITY ISSUES AND THE IMPLEMENTATION OF THE WORLD FOOD SECURITY PLAN OF ACTION

Food availability in the country is more than enough to meet the food needs of the population. Average per person dietary supply available from 1996 to 2000 was between 2,226 and 2,445 kilocalories. This is more than the national recommended

dietary allowance (RDA)¹ of 2,000 kilocalories. The food production index shows a generally increasing trend except for the strong decline in 1998, which was caused by a severe drought. The food self-sufficiency ratio index between 99 and 100 indicates that relatively small amounts of food deficits have to be met by imports. The value of food imports however, is about 5 percent of export earnings and appears to be sustainable.

Since the country is located within the typhoon belt and the Pacific Rim of Fire, it is subject to natural calamities, like typhoons, earthquakes, volcano eruptions and droughts, which can disrupt food production patterns. The instability however is not that severe. The national food reserves particularly of rice are closely watched by the government. The rice reserves for the years 2002 and 2003 amounted to 25 percent of consumption and are more than the estimated minimum food safety reserve requirement.

The more serious problems are those related to access to food. Distribution of incomes and wealth in the country is highly unequal. The Gini index of income distribution of .48 indicates that close to one half of the population deviates from the hypothetical line of equality. The upper three deciles of the distribution of total family income (1988 to 2000) control 65 percent of incomes and the incomes of the highest decile is 22 times those of the lowest decile.

The percentage of the population living below the national poverty line constituted 33 percent of the population in 1997. The percentage deteriorated to 34 percent in 2001. The number of undernourished people was 13.2 million in 1996. The number increased to 15.2 million in 2002. The percentage of children under 5 years of age who are underweight and stunted decreased from 30.8 and 34.5 percent in 1996 to 30.6 and 31.4 percent respectively in 2001. The percentage of children under 5 however, who are wasted increased from 5.2 percent in 1996 to 6.3 percent in 2001.

On 6 July 2004, the Food and Nutrition Research Institute of the Philippines released the most recent data from its 6th National Nutrition Survey. The survey indicated that the percentages of children 0 to 5 years old who are underweight, stunted and wasted decreased and, therefore, improved the nutritional status from 2001 to 2003 to 27.6 percent, 30.4 percent and 5.5 percent, respectively. The data are indeed encouraging as they show a diminishing trend of malnutrition among children below 5 years old. The most important of the three aforementioned indicators is that of wasting or thinness which decreased by 0.8 percent in two years. To reach the World Food Summit Plan of Action (WFSPOA) goal of reducing malnourishment by half by the year 2015, however, the rate of reduction should be about 3.5 percent per year starting from the year 2001 ($50\%/14 \text{ yrs} = 3.5\%$). Some analysts say it may still be possible to reach the WFSPOA and Millennium Development Goals (MDG) if the country's GNP were to grow at 7 percent per year.

¹ Department of Science and Technology – Food and Nutrition Research Institute revised this in 2002 and is now called Recommended Energy and Nutrient Intakes (RENI)

From the foregoing, it appears that the prospects of achieving the objective of reducing the number of the malnourished by half by the year 2015, are not bright.

The priority issues and the main constraints to the achievement of food security and poverty alleviation are, in the view of the country's policy-makers and development planners, those which are addressed by the four point agenda embodying the governments' antipoverty and overall development framework in the Medium-Term Philippine Development Plan (MTPDP) 2001-2004, as follows:

(1) Inadequate and slow Economic Growth

"If the government is to win the war against poverty at the end of the decade," the MTPDP states, "the economy must grow on a sustained basis and across all sectors, while generating the greatest employment."² Contrary to popular perceptions, recent episodes of growth in the Philippines have not been anti-poor; the bulk of poverty reduction since the mid -1980s has come from the beneficial effects of growth on the poor. The main reason for the still relatively high poverty in the Philippines is mainly the short duration of growth and the slowness of this growth.³

(2) Inadequate Agricultural and Rural Development

Poverty incidence in the rural areas constituted about 39.9 percent of families in the rural areas in 1997 which increased to 41.4 percent in the year 2000 compared to 15 percent in the urban areas for the same years.⁴ "The majority of the poor," the MTPDP states, "are in the agricultural areas and are engaged in subsistence farming and fishing. To reduce poverty therein, the Macapagal-Arroyo Administration is committed to a comprehensive rural development based on productivity improvements, agrarian reform, rural industrialization and sustainable development"⁵ The inability of the country up to now, to modernize agriculture is one of the main constraints to progress in the fight against poverty and malnutrition.

(3) Inadequate access of the poor and the marginalized to resources and opportunities that will allow them to participate fully in the development process.

"It is crucial for the government efforts to carry a social bias (in favor of the poor and the vulnerable) as a balance to economic growth" the MTPDP again states. "Underlying this social bias are five core strategies: (a) asset reform program; (b) human development services; (c) social protection of the poorest and the vulnerable; (d) participation of the poor in governance and (e) security and protection against violence."⁶ Due to the high government fiscal deficits, resource allocations for these programs are limited.

² The Medium-Term Philippine Development Plan (MTPDP) 2001-2004: page 9.

³ Balisacan, Arsenio M. *Causes of Poverty: Myths, Facts and Policies*. University of the Philippines Press, 1999: Page 39.

⁴ National Statistical Coordination Board (NSCB). *Philippine Provincial Poverty Statistics*. January 2003: Page 4.

⁵ MTPDP 2001-2004: Page 147.

⁶ Ibid: Page 181.

(4) Lack of an appropriate political, social and economic environment conducive to the elimination of poverty, hunger and malnutrition.

Recognizing that foreign direct investments are deterred by unstable peace and order situation, as well as by unstable and unpredictable policies and rules governing trade and business transactions, the MTDP states that "the government is committed to simple, fair and predictable rules to reduce the cost of investing in the country... to reduce red tape in the national government... Regulatory reforms are instituted to safeguard and protect consumer welfare. Institutional reforms will heighten accountability and serve the public interest".⁷ Institutional and regulatory reforms however, take time to put in place, even given a strong political will to do so.

(5) Population Management

The Philippine Population Management program, an important component of the social sector agenda for national development, is a program of government that contributes poverty reduction. More meaningfully, the benefits of effective population management translate into an empowered population that is healthy, productive and sharing in the development process. It pursues improved human capacity and well-being measured in terms of the ability to move around in search of better opportunities, the ability to attain healthy and longer life, and the ability to achieve the desired number and spacing of children. To reduce poverty at the family level, therefore, Filipino couples should have access to the necessary information, resources and services that empower them and attain their desired family size.

Consistent with the constitutional mandate for the pursuit of Responsible Parenthood Sustainable Development, President Gloria Macapagal Arroyo has recently made explicit policy direction and target on population as "3-year birth spacing within the context of responsible parenthood". Responsible parenthood means the will and the ability to respond to the needs and aspirations of the family and the children within the parameters of informed choice and respect for life.

The basic tenet is that continuing high fertility level adversely affects the health of mothers and child. The main thrust of population management is based on the principle that the provision of family planning services can improve the health condition of mothers and children and allow women to pursue the reproductive and productive pursuits more meaningfully. The challenge is how to make people committed to the spacing of births, attaining a manageable family size, and improving the quality of life of the family.

⁷ MTPDP 2001-2004: page 253.

| INDICATORS | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | SOURCE |
|---|--------|--------|--------|--------|--------|--------|--------|-------|--------------|
| 4. Economic and Trade | | | | | | | | | |
| Average tariffs imposed on agricultural products and textiles and clothing from developing countries* | | | | | | | | | |
| Agricultural support estimates as percentage of GDP* | | | | | | | | | |
| Proportion of ODA provided to help build trade capacity* | | | | | | | | | |
| Share of primary exports (value) of total exports earnings | | | | 6.80 | 6.65 | 7.50 | | | BSP |
| Share of manufactured exports (value) of total exports earnings | | 85.79 | 88.53 | 90.58 | 90.24 | 89.06 | 89.06 | | NSO/ NSCB |
| Terms of trade | 100.95 | 102.80 | 108.18 | 127.27 | 124.94 | 123.25 | 114.93 | | BSP |
| External agricultural income terms of trade | 1.04 | 0.80 | 0.82 | 0.75 | 0.81 | | | | BSP |
| 5. Sustainability of Natural Resources | | | | | | | | | |
| Proportion of land area under forest cover (%) | | | | | | | | | |
| Proportion of area protected to maintain biological diversity (%) | 18.31 | 17.97 | 17.97 | 17.07 | 17.97 | 17.97 | 17.97 | | DENR |
| | 10.39 | 11.92 | 11.57 | 11.76 | 13.48 | 15.24 | 15.88 | 16.88 | DENR |

* Applicable to developed countries.

ACRONYMS:

BAS - Bureau of Agricultural Statistics
 BSP - Bangko Sentral ng Pilipinas
 (Central Bank of the Philippines)
 DENR - Dept. of Environment & Natural Resources
 DOH - Department of Health
 Eco. Accts. - Economic Accounts
 FAO Stat - Food & Agriculture Organizations of the United Nations Statistics
 FNRI - Food & Nutrition Research Institute
 NFA - National Food Authority
 NNC - National Nutrition Council
 NSCB - National Statistical Coordination Board
 NSO - National Statistics Office
 PSYB - Philippine Statistical Year Book
 WDI - World Development Index

SECTION III: RECOMMENDED ACTIONS FOR EACH COMMITMENT AND MEASURES TAKEN

COMMITMENT I

A. STRENGTHENING DEMOCRATIC POLITICAL SYSTEMS AND BROAD-BASED PARTICIPATION

(1) Decentralization and Devolution

By virtue RA 7160 otherwise known as Local Government Code (1991), the National Government transferred to local government units (provinces, cities, municipalities and their subunits denominated "barangays") the primary authority and responsibility of delivering basic social and support services together with the fiscal resources for use in the delivery of said social and support services. As the reader may be aware, the rationale of decentralization and devolution is the primordial importance of community participation in the decision making process in defining the needs and plans of the community as well as in the mobilization and disbursement of resources. According to the principle of subsidiarity, the decision on where to put public moneys should be made at the lowest possible level. The decentralized approach, according to the theory, would lead to better targeting of government interventions, lower transaction costs, speedier adoption of efficiency enhancing innovations and improved matching of resources with needs.

The transition from centralized delivery of services to a decentralized system has not been without problems. In some cases, responsibilities transferred were not adequately matched with resources. In the agriculture sector, in some cases the transfer of extension workers from national pay levels to lower compensation levels in poorer municipalities caused demoralization. In some other cases, some local government units were not ready to take over the responsibilities for research, development and extension, resulting in the disruption in the conduct of research and in the weakening of the links between and among research, extension and training. An FAO TCP project has been implemented to address the issue.

(2) Farming Systems Development Approach and Participatory Development in Agrarian Reform Communities

The Farming System Development (FSD) approach as applied in Philippine Agrarian Reform Communities (ARCs) by the FAO Project "Sustainable Agrarian Reform Communities-Technical Support to Agrarian Reform and Rural Development" (FAO/SARC/TSARRD), has developed into a multi-tiered planning process using bottom-up participatory approach covering the major FSD components and elements of integrated area development, training and planning exercises, agribusiness linkages and credit facilitation. There are now over a thousand ARCs in the country with several hundred thousand agrarian reform beneficiaries. Studies made by the FAO

and the World Bank have confirmed the positive correlation between the FSD application in the development of ARCs and beneficiaries' improved access to support services and increased productivity and incomes on a sustainable basis. Household incomes had a real average net increase of 61 percent in 76 percent of the ARCs studied.⁸

(3) Comprehensive and Integrated Delivery of Social Services

The Comprehensive and Integrated Delivery of Social Services (CIDSS) is a program that addresses the basic needs of the marginalized in poor communities using a five-pronged approach, to wit:

- *Convergence* - This approach pools together the resources and services of government, non-government organizations and peoples' organizations in addressing the minimum basic needs (MBNs) of marginalized families and communities. This also entails organizing and or strengthening an interagency structure to provide a venue for defining and resolving programs of cooperation. The approach was facilitated by devolution, which transferred the provision of services to local government units.
- *Focused Targeting* - The priority localities and families are identified as beneficiaries of services to be delivered through a participatory process using MBN indicators.
- *Community Organizing* - The community is mobilized by a CIDSS worker to steer the community to operate as an organized group for greater leverage in decision making processes of government and for a more effective identification of beneficiaries and delivery of services.
- *Total Family Approach* - The focus is on the needs and requirements of marginalized members of the community starting with the needs at the family level.
- *Minimum Basic Needs (MBNs) Approach* - This approach seeks to empower targeted families and communities by enabling them to meet their minimum basic needs, improve their quality of life and contribute to the reduction of poverty. The top ten unmet MBNs are: (1) family income above subsistence level; (2) employment for family members 18 years old and above; (3) access to potable water; (4) access to sanitary toilets; (5) employment for head of family; (6) family members involved in People Organizations/Associations, community development; (7) day care/pre-school for children 3-6 yrs old; (8) housing durable for 5 years; (9) high school attendance for children 13-16 years old; and (10) family planning practice in last 6 months.⁹

⁸ Menachem Lourie. *Participation of Stakeholders in Developing Agrarian Reform Communities in the Philippines. Land Reform*. FAO 2001, Vol. I.

⁹ Bautista, Victoria A. *Combating Poverty Thru Comprehensive and Integrated Delivery of Social Services (CIDSS)*. University of the Philippines, 1999.

As of end of year 2002, CIDSS had served 303,483 families. Of the top ten unmet MBNs, the following had the highest reduction recorded in percentage: Access to potable water - 63%; couples practicing family planning - 62%; and access to sanitary toilet - 59%. Family incomes below subsistence level, however, continue to persist and have even increased. Funding of this MBN activity is evidently a problem. More support could be channeled to this activity.¹⁰

B. IMPROVING HUMAN RIGHTS

To improve human rights, the Philippines has passed various laws and has undertaken a number of initiatives, strategies and programs, particularly in respect of vulnerable and disadvantaged groups and persons.

• Special Programs for Children

Several laws of fundamental importance for the protection of the rights of children have been passed, namely: (1) "Special Protection of Filipino Children against Child Abuse, Exploitation, and Discrimination" (Republic Act 7610); (2) "The Prohibition of Employment of Children Below 15 Years of Age" (Republic Act 7658); (3) "Early Childhood Care and Development (ECCD)" (Republic Act 8960), which institutionalizes ECCD; and (4) "The Solo Parents Welfare Act" (Republic Act 8972), which provides government support for single parents and their children.

Likewise, various programs have been launched to protect and help disadvantaged children. The Program for Street Children of the Department of Social Welfare and Development (DSWD), of the LGUs and of NGOs provides relief, rehabilitation, training on livelihood opportunities to help them return to their families and their communities and other participatory activities.

According to DSWD statistics, street children helped by DSWD, LGUs and NGOs in the year 2002 totaled 36,694. The DSWD "Child Help Intervention and Protection Services" (CHPS) for child abuse victims provides support and assistance to help victims of child abuse reintegrate into their families and communities. According to DSWD Statistics, 10,045 child abuse victims were provided assistance during 2002. To this figure must be added the number of children in conflict with the law and youth offenders who have been helped by the program totaling 10,086.¹¹

• Legislation in Favor of Vulnerable and Disadvantaged Groups

Several laws in favor of vulnerable and disadvantaged groups have been passed: Republic Act 7432, Senior Citizens Act, has been amended with the passage of Republic Act 9257, also known as "An Act Granting Additional Benefits and Privilege to Senior Citizens" amending for the purpose Republic Act 7432 or otherwise known as "An Act Maximizing Contribution of Senior Citizens to Nation

¹⁰ Department of Social Welfare and Development (DSWD). Compendium of DSWD and Selected SWD Statistics, CY 1998-2002, pages 7-8.

¹¹ Ibid, pages 13-15.

Building, Grant Benefits and Special Privileges and for Other Purposes” or the “Expanded Senior Citizens Act of 2003”.

C. ENHANCING GENDER EQUALITY AND WOMEN’S EMPOWERMENT

“The Philippine Plan for Women” adopted in 1989, undertook for the first time systematic efforts to analyze and surface women’s roles as agents and beneficiaries of development. Subsequently important structures and mechanisms were put in place like Women in Development/Gender and Development (WID/GAD) Focal Points, which together with the help of the National Commission on the Role of Filipino Women (NCRFW) set up the basic machinery in each government agency to for integrating gender concerns in government policies, programs and practices. The laws passed in favor of women’s rights include the following: (1) “Women in Development and Nation Building “(Republic Act 7192) which strengthens the government’s mandate to critically address the concerns of women; (2) “Prohibition of Discrimination Against Women Workers with respect to Terms and Conditions of Employment” (Republic Act 6955); (3) Republic Act 7877 which declares sexual harassment unlawful in the employment, education, and training environment. In 1995, the Philippine Plan for Gender-Responsive Development (1995-2005) was crafted to serve as blueprint for long-term gender and development initiative in the country.

A special program was launched to protect and help women in especially difficult circumstances (WEDC), i.e., victims of abuse and exploitation including HIV patients. A total of 5,252 women were served in the year 2002, of which 1,071 were accommodated in residential facilities or DSWD Substitute Homes (SWD Statistics CY 1998-2002),¹² where they were given temporary residence, health care, self-enhancement skills, legal assistance and counseling so they can be rehabilitated and reintegrated into their families and communities.

• Women Empowerment in Rural Areas

The Department of Agriculture (DA) implemented the following initiatives to enhance women’s access to resources and benefits of credit, technology and training: The DA: (i) provided working capital for start-up and expansion of agri-fishery projects for women. As of December 2003, around P779 million worth of credit were extended to 18,677 women borrowers; (ii) designed/developed women friendly processing equipment like the cashew kernel dehydrating equipment that would facilitate cashew processing. These are provided to techno-demo centers where skills training are conducted for women and men farmers; (iii) assisted in the establishment of income-generating projects for 136 Rural Improvement Clubs (RICs) benefiting 1,589 women through the provision of P6.7 million seed money using a roll-over scheme; (iv) implemented partnership projects with 16 rural-based women’s organizations through the provision of technical assistance and training to enable them to undertake agri-enterprises; and (v) conducted training programs for 5,110

¹² Ibid, page 16.

women on production, post production, enterprise development and organizational management to equip them with the necessary knowledge, skills and attitude.¹³

D. PREVENTING CONFLICTS AND CREATING A PEACEFUL ENVIRONMENT

The government follows a holistic approach to diffuse armed conflicts and insurgencies. The strategy has the following components: (1) pursuit of political, economic and social reforms aimed at addressing the root causes of internal armed conflicts and social unrest; (2) consensus building and empowerment for peace; (3) pursuit of peaceful and negotiated settlement with armed social movements; (4) implementation of reconciliation, programs to reintegrate former rebels, demobilized combatants and civilian victims of internal armed conflicts into the mainstream of society; (5) ensuring the welfare and protection of civilians and reducing the adverse impact of armed conflicts; and (6) confidence building between the government and rebel groups.

With respect to the local communist movement, the government aims to remove the root causes of insurgency through economic, socio-cultural and political reforms and development, while defeating the armed elements.

As for the Moro Islamic Liberation Front (MILF), the intention is to achieve peace through dialogue and negotiation, redress the legitimate grievances of Filipino Muslims, and direct government resources to develop depressed Muslim communities.

Against the Abu Sayaf and other lawless elements, the government will continue to pursue anti-terrorist operations and law enforcement actions.

To complement the peace negotiations, which are on-going, the government takes action to address the immediate needs of small farmers in relation to land and production, the problems of the small fisherfolk, the economic needs of the urban poor, upholding the rights of indigenous cultural communities, and respect for human rights.¹⁴

¹³ Department of Agriculture 2003 Annual Report, page 15.

¹⁴ MTPDP, 2001-2004, page 280.

COMMITMENT II

POLICIES PURSUED AND ACTIONS TAKEN TO ERADICATE POVERTY AND INEQUALITY AND TO IMPROVE PHYSICAL AND ECONOMIC ACCESS TO FOOD BY ALL

(A) SPECIFIC POLICIES AND TARGETED INTERVENTIONS TO GENERATE INCOME AND EMPLOYMENT FOR THE URBAN POOR

The dearth of employment opportunities appears a most pressing problem of the country's economy today. One out of ten people is unemployed, an additional 17 percent is under employed and there is no end in sight to the long queues of applicants seeking to work a broad. Agriculture has lost its ability to absorb more workers as many of the commodities produced have become uncompetitive in the world markets and even in the domestic market. For many years, the number of Filipino workers deployed overseas exceeded the increase in local employment, particularly in 1998 although the growth of overseas deployment has weakened since 1999.¹⁵ The challenge is to increase the ability of the domestic labor markets to absorb new entrants and increase the country's competitiveness in the globalized markets.

The Philippine employment strategy includes four major components: Employment Generation; Employment Preservation, Employment Enhancement and Employment Facilitation.¹⁶

• *Employment Generation*

To enhance employment in the domestic labor market, the country's national competitive edge in tourism and ICT capabilities shall be developed. Labor intensive activities in infrastructure development and mass housing shall be encouraged to generate more employment opportunities. Self-employment and small and medium industries shall be promoted. Micro-financing shall be made available every year for 300,000 women entrepreneurs.

• *Employment Preservation*

Proactive industrial peace interventions such as the establishment of labor-management councils and forging of social dialogues and accords to promote industrial harmony as well as productivity and competitiveness shall be encouraged. Policies to reduce the cost of doing business in the country shall be put in place. Multilateral and bilateral labor agreements for overseas employment shall be pursued.

¹⁵ NSCB, PSYB, page 34.

¹⁶ NSCB, PSYB, page 34.

- *Employment Enhancement*

The skills of workers, which will enable them to compete in the global economy will be enhanced by: (i) improving the quality of basic, primary, secondary, post-secondary and tertiary education, technical and skills training; (ii) improving access to education and training programs and; (iii) accelerating the implementation of equivalency and accreditation programs.

- *Employment Facilitation*

The employment facilitation strategy is focused on measures that: (i) develop and improve access to employment opportunities locally and abroad; (ii) provide accurate and up-to-date information to improve matching jobs and workers and; (iii) provide a level playing field for contractual negotiations. Some of the measures that can further these objectives are the Philippine Job Network (PhilJobnet), an internet-based system that matches vacancies and skills for local and overseas employment, job fairs and trade fairs that oriented workers and entrepreneurs in the informal sector.

(B) SPECIFIC POLICIES AND TARGETED INTERVENTIONS TO GENERATE ON-FARM AND OFF-FARM INCOME AND EMPLOYMENT FOR THE RURAL POOR, WOMEN AND MINORITY GROUPS, INCLUDING LAND REFORM, PROTECTION OF PROPERTY AND USE RIGHTS AND OTHER STRATEGIES TO ENSURE ACCESS TO LAND AND WATER RESOURCES

The Department of Agriculture generated jobs in the rural sector through the construction of irrigation projects/systems, post-harvest facilities, farm-to-market roads (FMRs) and other infrastructure projects, and provision of credit assistance to farmers/fisherfolk. In addition, the Office of the One Million Jobs Program generated jobs by adopting the total systems approach or “seed to shelf” paradigm. As a result of this collaborative effort, a total of 1.8 million jobs in agriculture, fishery and forestry sector (893,000 jobs) and agricultural services sector (978,000 jobs) was created from January 2001 to January 2004.¹⁷

The Comprehensive Agrarian Reform Law (Republic Act 6657) mandated the transfer of agricultural lands to farmers tilling the land and the provision of adequate support services to help them make the lands more productive and profitable. 6,114,717 hectares of agricultural land constituting 71 percent of land distribution scope of 8.06 million hectares were transferred to 3,751,607 beneficiaries. Support services in the form of farm-to-market roads, irrigation facilities, credit, post-harvest facilities, technology and skills enhancement trainings have also been amply provided to agrarian reform beneficiaries.

The Fisheries Code of 1998 (Republic Act 8550) defines the delineation of the country’s municipal waters ensuring and protecting the access of small fishers to marine resources. Also, the Code mandates the creation of Fisheries and Aquaculture

¹⁷ Office of the Million Jobs Program (based on January 2004 Labor Force Survey)

Resource Management Councils (FARMCs) to oversee the protection and proper utilization of the country's water resources.

COMMITMENT III

MEASURES TAKEN TO PURSUE PARTICIPATORY AND SUSTAINABLE FOOD, AGRICULTURE, FISHERIES, FORESTRY AND RURAL DEVELOPMENT POLICIES AND PRACTICES

A. PHILIPPINE AGRICULTURE PAST PERFORMANCE

Philippine Agriculture achieved major productivity gains during the green revolution from the mid-1960s and the 1970s. Agricultural growth declined from 5.1 percent in the period from 1960 to 1980 to 2.1 percent in the 1980s and to 2 percent in the 1990s. In the meanwhile, the high population growth of the country continued to put pressure on the country's food supplies. The census of 1960 indicated that there were then 27,087,685 Filipinos in the country. The population at present is estimated to be about 84 million and continues to grow at about 2.36 percent per year (NSCB). New sources of productivity have to be put in place to achieve an agricultural growth rate more conducive to fostering food security and nutritional adequacy.

Reasons for Decline in Productivity

Various reasons are given the decline in agricultural growth rates below the level of population growth. These include: (a) a decline in public investments in rural infrastructure and agricultural support services; (b) a slow down of private investments in agriculture due to diminishing profitability and disincentives from the slow implementation of agrarian reform; (c) shrinking farmlands as expanding urbanization and industrialization gobble up rich irrigated farmlands around towns and cities; and (d) policies unfavorable to agricultural growth, among others.

The Agriculture and Fisheries Modernization Act

The Agriculture and Fisheries Modernization Act (AFMA) enacted in 1997 is a comprehensive legislation designed to modernize the agriculture and fisheries sector. The legislation was prepared with the active collaboration and support of the country's most eminent experts in agricultural sciences and related disciplines, as well as of the National Economic and Development Authority, of the Departments of Agriculture, of Agrarian Reform, of Environment and Natural Resources, of Science and Technology, of Trade and Industry, of numerous private and farmers' organizations. AFMA defines the policies and principles to be followed in order to achieve its objectives and specifies in detail the mandated programs and the streams of public investments necessary.

On 30 March 2004, Republic Act 9281 was passed extending the effectivity of the AFMA to 2015 and thereby extending duty-free importation of agricultural inputs, equipment and machinery as well as the level of budgetary funding support.

The main provisions of AFMA focus on:

- 1) ***Reforms in Public Investments and Services for Agricultural Production and Marketing:***
 - Concentration of public investments in “Strategic Agricultural and Fisheries Development Zones”(SAFDZ), which are defined as areas with competitiveness and comparative advantage based on biophysical and socio-economic endowments;
 - Crafting of medium and long-term Agricultural and Fisheries Development Plans (AFMPs) using the integrated area approach focused on SAFDZs in consultation with stakeholders;
 - Consolidation of directed credit for agriculture into the Agro-Industry Modernization Credit and Financing Program (AMCFP);
 - Specific Guidelines for irrigation and watershed development providing for cost recovery, devolution of communal system to LGUs and promotion of private sector-led small irrigation units like shallow tube wells;
 - Establishment of a National Marketing Assistance Program (NMAP) and a National Information Network (NIN); and
 - DA-DPWH-LGU coordination in the formulation and implementation of AFMPs.
- 2) ***Human Resource Development.*** Rationalized and strengthened National Agriculture and Fisheries Education System (NAFES) that provides quality agriculture and fisheries education and training at all levels.
- 3) ***Research and Development.*** A dynamic, client- responsive and rationalized National Research and Development System in Agriculture and Fisheries (NARDSAF) under the coordination of the Department of Agriculture.
- 4) ***Extension.*** An integrated, strengthened, rationalized and client-responsive National Extension System for Agriculture and Fisheries (NESAF) built on partnership among NGAS, LGUs, civil society and the private sector.
- 5) ***Rural Non-Farm Employment.*** Policies and programs designed to efficiently employ workers in rural areas through a basic needs approach and the promotion of rural industrialization.
- 6) ***Trade and Fiscal Incentives.*** Exemption of agricultural and fisheries enterprises from tariffs on importation of certain types of inputs.
- 7) ***Budgetary Provisions.*** An initial funding of 20 billion pesos (US\$357 million at present exchange rate of \$1= Ph. Pesos 56) for funding AFMA for the first year and 17 billion pesos for the following 6 years.

Production and Marketing Support Programs for Strategic Commodities

Within the framework of AFMA, the Department of Agriculture implements the priority interventions mandated by AFMA under the programs for strategic commodities denominated Golden Harvests (Ginintuang Masaganang Ani-GMA) covering rice, corn, high value commercial crops, livestock and fisheries.

GMA Rice includes massive promotion of certified and hybrid seeds, rehabilitation of communal irrigation systems and promotion of small farmer controlled irrigation systems, farmer field schools using knowledge-intensive modalities in technology promotion and extension, post harvest reduction and hybrid rice technology. Hybrid rice average yield was recorded at 6.20 metric tons per ha. with net returns of P31,559.00 per hectare. This yield level is almost double the national average yield of 3.5 metric tons per ha. for irrigated rice.

GMA Corn includes joint venture arrangements between and among farmers' cooperatives and agribusiness, demonstration projects, mechanization, post harvest activities and corn based farming systems.

GMA High Value Commercial Crops (HVCC) includes development and promotion of high quality planting materials, harmonized production standards, cold chain system and post harvest loss reduction. Quality seeds and planting materials were provided to farmers to increase productivity.

GMA Livestock includes improvement and conservation of genetic pool, control of major livestock pests and diseases, promotion of modern production and post production technology geared towards domestic and foreign markets. Quality breed animals were provide to farmers to increase productivity.

GMA Fisheries which operationalizes AFMA and the Fisheries Code includes intensification of productivity of aquaculture, rejuvenation of municipal fisheries, expansion of marine fishing grounds in the adjacent high seas, promotion of captive fisheries, improvement of fisheries port infrastructure, post harvest and processing facilities including Hazard Analysis Control Point (HACCP) to improve quality assurance and food safety in fish and fisheries products. Quality fingerlings were provided to fisherfolk to increase their productivity.

The Fisheries Resource Management Project (FRMP) implemented by Bureau of Fisheries and Aquatic Resources (BFAR) with support from Asian Development Bank and Japan aims to address the issues of fisheries resource depletion and poverty among fisherfolk through fisheries resource management and income diversification, e.g., mariculture development and micro-enterprises in 100 municipalities, and in 18 bays and gulfs all over the country.

Extension Support for the GMA Programs

The Department of Agriculture, through the Agricultural Training Institute (ATI) implemented various training courses on grains (rice and corn), high value crops

(vegetables, fruit crops and ornamentals), livestock and poultry, fisheries, including season-long farmers' field schools on integrated pest management (IPM). From 1996-2003, a total of 649,361 farmers, fisherfolk, extension workers, youth and representatives from numerous organizations participated in the various training courses. ATI conducted School-on-the-Air (SOA) Program and Season-Long Farmers' Field Schools for the aforementioned commodities. It also established model demonstration projects showcasing updated technologies on the strategies commodities including hybrid rice production, mango, swine production, biogas operation, and piggery outreach centers. ATI also provided support to activities of the Farmers' Associations, Rural Improvement Clubs, 4-H Clubs of the Philippines, devolved agricultural extension workers, and other service providers. It also provided support to community development activities and income generating projects including mangrove rehabilitation, nursery establishment, organization of cooperatives, ubi processing, water resource development, among others.

Demonstration farms showcasing the balanced fertilization strategy have been established by the Bureau of Soils and Water Management (BSWM).

Internal Market and Transport Systems

As part of the Department of Agriculture's initiative to link production areas to markets to facilitate the transport of produce, the construction of 1,045 farm-to-market road projects covering 1,148 kms. was completed. For fisheries, other rural infrastructure constructed include eight (8) municipal fish ports (MFPs), and nine (9) ice plant and cold storages (IPCS). In addition, five (5) regional fish ports (RFPs), and four (4) MFPs were rehabilitated/improved expanded. The roll-on roll-off shipment of commodities explained elsewhere in this report is helping to reduce cost of transporting agricultural commodities in the archipelagic Philippines.

Expected Results

What the proponents of AFMA expected the law to achieve are spelled out in Act's statement of objectives (Sec.3, letters a-j): (a) "to modernize the agriculture and fisheries by transforming these sectors ... to a technology based industry"; (b) "to enhance profits in the agriculture and fisheries sectors, particularly of the small farmers and fisherfolk, by ensuring equitable access to assets, resources and services from higher-value crops, value-added processing, agribusiness activities and agro-industrialization;" (c) "to ensure the accessibility, availability and stable supply of food at all times;" (d) "to encourage horizontal and vertical integration, consolidation and expansion of agriculture and fisheries activities, groups, functions, and other services ... to enable to pursue more focused efficient and appropriate ... development efforts ...; (e) to promote people empowerment by strengthening peoples' organizations, cooperatives, and NGOs and by establishing and improving mechanisms and processes for their participation in government decision making and implementation;" (f) to pursue a market driven approach to enhance the comparative advantage of our agriculture and fisheries sectors in the world market; (g) to induce the agriculture and fisheries sectors to ascend continuously the value-added ladder by subjecting their traditional or new products to further processing in order to minimize the marketing of raw ,unfinished or unprocessed products; (h) to adopt policies that

will promote industry dispersal and rural industrialization by providing incentives to local and foreign investors to establish industries that have backward linkages to the country's agriculture and fisheries resource base; (i) to provide social and economic measures that increase productivity and improve market efficiency while ensuring the protection and preservation of the environment and equity for small farmers and fisherfolk; and (j) to improve the quality of life of all sectors .

B. PRESENT AGRICULTURE PERFORMANCE

The agriculture and fisheries sectors performed quite well over the last three years with an average annual growth rate of 3.82 percent. This rate of increase is almost double the average growth rate of the previous two decades. According to the 2003 Annual Report of the Department of Agriculture, the good performance was due among other things to good management, good seeds including hybrid seeds, good weather and sufficient water. The relatively good performance of agriculture referred to above has helped advance the objectives of increasing agricultural productivity and food availability [AFMA objectives (c) and (h)].

Due to the high fiscal deficit of the government however, the budgetary allocation at the levels mandated by AFMA has not been forthcoming. Many of the investments stipulated by AFMA in the Strategic Agriculture and Fisheries Development Zones (SAFDZ), like those in rural infrastructure, research, development and extension and others have been quite limited. The SAFDZ nonetheless, serves the purpose of ensuring that prime agricultural lands are retained for agricultural purposes and provides a basis for regulating land use conversion.

From past experiences in convergence programs like those of the Social Reform Agenda (SRA) and other programs involving various agencies, it is known that there are inherent difficulties in implementing the bottom-up planning and implementation of the integrated area approach focused on SAFDZs under the leadership of the local government units with the involvement of stakeholders in the context of the AFMA and the Local Government Code.

COMMITMENT IV:

MEASURES TAKEN AT NATIONAL LEVEL TO ENSURE THAT FOOD AND AGRICULTURAL TRADE POLICIES ARE CONDUCTIVE TO FOSTERING FOOD SECURITY

The trend towards global trade liberalization fostered by WTO, APEC and the ASEAN CEPT is moving the domestic market towards increasing integration with world markets. Notwithstanding the potential benefits, there is uneasiness about how open trade will affect production where the country is perceived not to be competitive, e.g., rice, corn, sugar, poultry and swine.

Globalization can be a boon or a bane. For consumers, it can be a boon as they will have access to a greater and quality variety of goods at more affordable prices. For efficient producers, it is also a boon as they may have greater access to more markets. For inefficient producers, however, it poses great challenges and hazards as they will have to compete with more efficient producers.

Under WTO, quantitative restrictions were lifted except for rice and were replaced by tariffs. The end tariffs remain in the high range of 65 to 40 percent for corn, sugar, pork, poultry, garlic, onion, potatoes and cabbage.¹⁸ The final tariff for rice will have to be negotiated when the quantitative restriction is finally lifted.

These tariffs provide protection for the millions of local farmers producing rice, corn, sugar, pork, poultry, garlic, onions and cabbage. They account for 49.78 percent of agricultural gross value added (GVA) for the first semester of 2001. In the meanwhile, all efforts are being undertaken to modernize Philippine agriculture and improve its competitiveness and productivity.

The protection for local producers are, however, not without cost. It results in high prices of food in the local markets, which negatively affect food security, as the great majority of the urban and rural poor are net buyers of food. The average family spends 53.93 percent of income on food.¹⁹ Expensive food also exerts an upward pressure on wages, which negatively affect the competitiveness of labor-intensive industries. The high cost of corn hurts the competitiveness of poultry and hog industries. The high price of sugar is a burden not only to consumers but to food processors as well who exports 25 percent of their produce.

The Philippine Commitment in the Common Effective Preferential Tariff (CEPT) scheme of the ASEAN Free Trade Agreement (AFTA) is to reduce tariff on all unprocessed agricultural products to a range of 0.5 percent by the year 2003, except for "sensitive products" (swine, poultry, corn, sweet potatoes, sugar) which in turn, shall have an enduring tariff of 0-5 percent by the year 2010. For rice, the country has to eliminate the quantitative restriction by 2010 but has the flexibility to negotiate the ending tariff rate.

The great challenge is to enable the agriculture sector to compete domestically and abroad. The major agricultural commodities of the Philippines are losing their competitiveness in the international market and also domestically. The domestic wholesale price of corn is definitely higher than the landed costs of imports at in quota MAV tariffs of 35 percent. Rice is still under quantitative restriction, which will have to be eventually dismantled. It may not be competitive at a MAV 50 percent duty. Sugar is also not competitive. World prices of this commodity are usually below our production costs, as there is a chronically over supply of sugar due to high subsidies in developed countries. Even coconut oil is losing its competitiveness as its productivity is very low compared to palm oil which competes with its food uses and to palm kernel oil for special uses as lauric oil. Disinvestment is on-going in the coconut industry, which has become a price-taker. Rice, corn sugar, and coconuts

¹⁸ *Modernizing Agriculture*. Congress of the Philippines, 1998.

¹⁹ *National Accounts*, May 2001. NSCB.

account for 84.8 percent of total cultivated area and 65.8 percent of total value of agricultural GVA.

The current policy of the government is to improve the competitiveness of the above-mentioned commodities. There are now available promising varieties and management techniques, which together with a shift from commodity orientation to a resource-based approach together with adequate rural infrastructure and support services may still improve the productivity and competitiveness of the agriculture sector. The complementary strategy is diversification in a resource-based production system.

The time to implement these policies to ensure that overall food and agricultural trade policies are conducive to fostering food security is not unlimited. Philippine trade policy is now being designed in the context of ASEAN wherein our commitments are with a definite time.

Most members of the WTO have complied with the letter of the Uruguay Round Agreement (URA), but the results of the aggregate measure of support reduction under the current URA provisions remain at least doubtful because: (1) the reduction is at the aggregate level and is not mandatory for all commodities, hence, major traded commodities continue to enjoy high levels of support; (2) there are many exemptions, the most important of which are the direct payments on a per hectare basis. Thus, the OECD countries paid out \$360 billions for agricultural subsidies in 1998 alone.

The ASEAN submission to the Committee on Agriculture is asking for a reduction at a disaggregated level, leading to their elimination, of the remaining aggregate measure of support (AMS) and of the blue box category of support. It is likewise, asking for a review of the criteria of green box measures of support so that they meet the fundamental requirement of minimal or no trade distorting effects. These measures, if accepted and implemented, will go a long way to level the playing field in agricultural trade, particularly for developing countries.

Liberalizing the market is a step towards sustainable growth in agriculture but farmers/producers have to be first equipped to take advantage of the opportunity by making them highly productive and competitive.

COMMITMENT V

MEASURES TAKEN TO PREVENT AND TO BE PREPARED FOR NATURAL AND MAN-MADE DISASTERS

The country is prone to natural disasters as it lies in the typhoon belt and in the Pacific rim of fire. The country is visited every year by as many typhoons as the letters of the alphabet with varying intensity and destructiveness. It has a dozen active volcanoes that now and then cause havoc and destruction. It is also rocked at times by earthquakes originating from the movement of the many faults.

The country is also subject to man-made disasters arising from the Muslim separatist movement, the leftist insurgency and conflicts with organized bandit groups.

In response to the many natural and man-made disasters that visit the country, the Philippines has developed over the years a system of disaster management and preparedness.

A National Disaster Coordinating Council (NDCC) establishes policy guidelines on emergency preparedness and disaster operations and coordinates the activities and functions of the national government, private institutions and civic organizations relative to disaster management and preparedness. Coordinating Councils are also established at the regional, provincial, city, municipal and barangay levels.

The law mandates that five (5) percent of the annual budgets of provinces, cities and municipalities be allocated for disaster preparedness and emergency operations.

Disaster preparedness includes planning, the setting-up of an organizational structure with appropriate staffing with defined functions and responsibilities, the allocation of budget, maintenance of equipment and training of personnel.

Emergency operations comprehend relief operations or the provision of transitory food requirements, shelter and health care for the duration of the emergency. It also entails rehabilitation and integration after the disaster to rebuild the capacity of the disaster victims to satisfy their future needs.

A recent assessment was made of the disaster preparedness in the Metro Manila area comprising ten cities and seven towns with a total population of ten and a half (10.5) million people. The study is not yet complete but the initial findings show that preparedness plans and organizational set-up including staffing, budget, equipment and communications network are in place. Some plans, however, are not geared to meet all emergencies, e.g., earthquakes. Some of the budgets are also a fraction of one percent lower than the five percent mandated by law (*Dr. Pilar, National Defense College of the Philippines 2000*).

Reports of the NDCC show that the system of disaster management and preparedness in the country has generally been able to provide the transitory requirements of food, shelter and health care during the relief and rescue operations.

Post disaster rehabilitation for people displaced by disasters like the Mt. Pinatubo volcano eruption is more complicated due to the inherent difficulty of finding employment or livelihood in a place where there is no longer any uncultivated land and where unemployment and underemployment are high and hundreds of thousands are forced to go abroad to find jobs. Reports on the Mt. Pinatubo relief operations indicate that post disaster rehabilitation efforts continue a decade after the disaster.

In the case of agriculture, mitigation measures are put in place for weather aberrations like the EL NINO or EL NINA to cushion the negative impact of this phenomenon on

the sector. Rehabilitation measures are also undertaken for damages caused by typhoons, floods and other disasters.

COMMITMENT VI

MEASURES TAKEN TO PROMOTE OPTIMAL ALLOCATION AND USE OF PUBLIC AND PRIVATE INVESTMENTS TO FOSTER HUMAN RESOURCES, SUSTAINABLE FOOD, AGRICULTURE, FISHERY AND FORESTRY SYSTEMS

One of the reasons given for the slowdown of agricultural productivity was the decline of public and private investments in agriculture.

PUBLIC INVESTMENTS

Public expenditures for agriculture increased rapidly in the 1970s to maximize gains from the Green Revolution. With the macro economic imbalance in the early 80s, public investments fell precipitously. Public investments in agriculture recovered in 1986. By then, however, priorities had changed. Land distribution operations under the Department of Agrarian Reform (DAR), marketing under the National Food Authority (NFA), and environmental and forestry conservation under the Department of Environment and Natural Resources (DENR) were claiming a substantial portion of the budget. These expenditures were made at the expense of productivity enhancing investments in agriculture. Now, studies indicate that support services provided by DAR are increasing incomes of beneficiaries. The government realizes the need for increased investments in agriculture. The budgetary deficits at this stage make such investments difficult to achieve.

- (a) **Share of national budget allocated for human resource development indicating its impact in terms of primary and secondary school and higher education development;**

The Philippine Constitution, Article XIV, Sec. 5 stipulates that "the State shall assign the highest budgetary priority to education. Hence, education gets the biggest share of the yearly budget of the Philippine Government. The share of the budget allotted for education for the year 2003 was Php.129.9 billion equivalent to US\$2.43 billion at the then prevailing exchange rate of US\$1 – P53.50. The amount was equivalent to 24.82 percent of the total government budget. For the years 2000, 2001 and 2002 education's share of the national budget was 31.2 percent, 27.3 percent and 27.8 percent, respectively.²⁰ Raising the country's human capital through investments in education is important in at least two ways: (1) it supports economic growth over the long term; and (2) it helps break the transmission of poverty from one generation to another.²¹

²⁰ PSYB, 2003, NSCB.

²¹ MTPDP, 2001-2003, page 183.

The government provides free elementary education to all its citizens in public schools. To increase the participation rate at secondary level programs on education contracting and tuition fee supplement were implemented benefiting 400,000 high school students. The government provides socialized tuition fees in state universities, i.e., tuition fees for poorer deserving students are subsidized by the government. The simple literacy rate in the country is 92.3 percent.

(b) Share of the national budget allocated to agriculture and fisheries and food security programmes;

The share of the national budget allocated to agriculture, agrarian reform and natural resources and environment was 6.4 percent of total budget or equivalent Ph. Pesos 40.22 billion or US\$779.26 million for the year 2002 at \$1= P hp. 51.6.²² For the years 2000 and 2001, the share in the national budgets of fisheries was 5.1 percent and 6.7 percent, respectively.²³

(c) Nature and extent of investment in infrastructure aimed at improving access to markets and food;

For CY 2001 to 2003, 1,045 farm-to-market roads were built. In addition, eight (8) MFP and nine (9) ice plants and cold storages were constructed. Likewise, five (5) regional and four (4) municipal fish port were rehabilitated/improved/expanded.

(d) Initiatives undertaken and resources allocated to promote technology development and transfers for improved production; and

The national government expenditures for research and development for agricultural sciences including those spent for the purpose by state colleges and universities amounted to P hp. 1.103 billion equivalent to US\$42 million at \$1 = P hp. 26.216 for the year 1996.²⁴

(e) Strategies and measures taken for watershed management, control of deforestation, and enhancement of national forest cover

The economic value of the country's forest resources is on a downward trend due to high deforestation, continuing depreciation of upland soils, and decline of biodiversity. Sustainable management of natural resources, including forestlands and watersheds is based on four (4) key strategies: (1) environmental sustainability within the framework of Philippine Agenda 21; (2) broader participation of stakeholders; (3) equitable access to productive resources and services; and (4) technology-based production in forestry, particularly through linkages among technology users, private sector, the local government units, the state universities and colleges, Department of Science and Technology (DOST) and DENR. (MTPDP 2001-2004)

²² PSYB, NSCB.

²³ Ibid.

²⁴ Ibid.

The DENR has been mandated as the primary government agency responsible for the management, conservation and development of forestlands and watershed areas, with a budget of P1,530 billion for the purpose for the year 2002.

Accomplishments for the year 2002 consisted of the following: watershed area rehabilitated 2,558 hectares; forests rehabilitated through community-based forest management: 346 hectares; area planted through the private sector: 7,276 hectares; plant seedlings provided: 332,165.

PRIVATE INVESTMENTS

The importance of private investments in agriculture is well recognized as they bring in to agriculture not just money inflows but management, marketing savvy and technology as well. Indeed, investments have been made in the dynamic areas of agriculture like poultry, livestock, aquaculture, cavendish bananas, pineapple and mangoes. Yet, private investments in agriculture as measured by component gross domestic capital formation accounts for about 1.54 percent of total expenditure during 1987 to 1997.²⁵ Bank loans to agriculture constitute only 0.9 percent of total bank loan average for 1995 to 1999.²⁶ Foreign direct investment (FDI) in agriculture amounts to 1.24 percent of total foreign FDI to the country for the year 2001.²⁷

The strategies to reverse the dearth of private investments in agriculture are not easy to implement as these involve fundamental changes in rural institutions such as enhancing the credit system, developing profitable products and by products, and developing infrastructure in rural areas, to attract investments.

However, in recent years (2000-2003), share of agricultural loans to total loan portfolio ranged from 5.8 to 7.3% with an average growth rate of 12.7%.

COMMITMENT VII

STEPS TAKEN TO FACILITATE THE IMPLEMENTATION OF THE WFS PLAN OF ACTION

(A) INSTITUTIONAL ARRANGEMENTS AT NATIONAL AND LOCAL LEVELS TO IMPLEMENT PLAN OF ACTION AND MONITOR THE PROGRESS OF IMPLEMENTATION

Almost immediately after the World Food Security Summit in Rome, the Philippine Government established on 3 December 1996 an Executive Committee on Food

²⁵ Roland Dy, *Private Investments in Agriculture*, RD NRM, Philippines.

²⁶ *Development Indicators for the Philippine Agriculture*: Bureau of Agricultural Statistics.

²⁷ Registered FDI by Industry for Year 2001: *Foreign Direct Investment in the Philippines*, 4th Quarter 2001. Memo for the President, NSCB.

Security at the Cabinet level with the Secretary of Agriculture as Chair or Chairperson. A Working Group in the Department of Agriculture at the level of bureau directors was also established. The objectives of both the Executive Committee and of the Working Group in the Department of Agriculture were to make the Rome Declaration and the Plan of Action known to and understood by all and to promote the implementation of the Plan of Action.

In 1998, Food Security Coordinating Councils at the Cabinet level, at the provincial, city and municipal levels were established.

The work of the various committees has succeeded in making policy and decision makers aware of the concept of food security and the various actions required to achieve it.

(B) FOOD FOR ALL CAMPAIGNS TO MOBILIZE STAKEHOLDERS AND THEIR RESOURCES AT ALL LEVELS OF SOCIETY IN THE IMPLEMENTATION OF THE WFS PLAN OF ACTION

Philippine Plan of Action for Nutrition (PPAN)

The implementation of the impact programs of the Philippine Plan of Action for Nutrition (PPAN) as the systematic integration of efforts of the government and private agencies and institutions was designed to address malnutrition in the country continues.

The PPAN promoted the establishment of vegetable gardens in homes and communities thru the combined efforts of the local government units, the Department of Education (DepEd), Department of Social Welfare and Development (DSWD), Department of Agriculture (DA), the Rural Improvement Clubs (RICs), community-based organizations and other non-governmental organizations to help eliminate calorie and micro-nutrient deficiency. The response was positive. Several million vegetable gardens were established in home backyards.

PPAN also promoted the establishment of vegetable gardens at public elementary schools with the help of DepEd and the local government units. Vegetable gardens established in communities exceeded the target.

In line with the PPAN impact program on Food Fortification, the Department of Health (DOH) spearheaded the implementation of the National Salt Iodization Program in cooperation with the National Nutrition Council and partner agencies. The program promotes the use and consumption of iodized salt as provided by Republic Act 8172 known as "Act of Salt Iodization Nationwide". Salt iodization machines were distributed to qualified salt producers with the assistance/support from UNICEF. Through the program, utilization of iodized salt has increased from 24.8% in 1998 to 47.9% in 2003, based on the 5th and 6th National Nutrition Surveys, respectively, conducted by the Food and Nutrition Research Institutes of DOST.

Likewise, with the enactment of Republic Act 8976 or Philippine Food Participation Act of 2000, it provides for the mandatory fortification of staple foods based on

standards set by the Department of Health, and the voluntary participation of all processed foods and food products under the Sangkap Pinoy Seal Program. Under the law, rice should be fortified with iron, wheat flour with vitamin A and iron and refined sugar and cooking oil with vitamin A. To date, 7 out of 12 flour millers have fortified their flour with vitamin A and iron, while 27 companies and 62 products have been awarded the Sanghap Pinoy Seal. All staples are expected to be fortified by 7 Nov. 2004, as provided for by the Law.

Monitoring and evaluation of PPAN implementation has been an institutionalized function of the local nutrition committees since 1979, especially with the formulation of its guidelines as a working document for field implementers in conducting the activity. As an activity, monitoring is done quarterly through field visits, reporting and conduct of meetings. Regular monitoring is supported by the annual evaluation of local implementation through the Monitoring and Evaluation of Local Level Planning Implementation (MELLPI) strategy. As a management tool, monitoring and evaluation of PPAN: (a) assesses progress of plan implementation; (b) identifies strengths and weaknesses in implementing the local nutrition program; (c) institutes appropriate corrective measures; and (d) facilitates achievement of the plan's objectives.

Targeted Rice Distribution Program

The National Food Authority (NFA), in its commitment to ensure continuous, affordable and accessible supply of rice to the sector who needs it the most, i.e., the poorest sector of the society, has conceptualized and has been implementing pro-poor programs.

The Targeted Rice Distribution Program (TRDP) ensures low-priced good quality rice that directly benefits the poorer section of the society. TRDP outlets sell rice at NFA accredited Tindahan ni Gloria Labandera Rolling Store at Pts14.00/kg. to targeted beneficiaries identified by DSWD as the poorest of the poor in 3 mega cities (NCR, Cebu and Davao) and 20 provinces belonging to club 20.²⁸ Rice is also sold at DSWD Tindahan Bigay Buhay. To date, 2,970 store outlets were setup in 897 municipalities. A total of nine (9) million bags of rice were sold to 452,101 families under the program.

(C) MECHANISMS TO ENSURE FOOD SECURITY FOR EVERY PERSON IN THE COUNTRY

As one of the commitments of FAO-member nations during the World Food Summit, the establishment of the Food Insecurity and Vulnerability Information Mapping Systems (FIVIMS) in the Philippines started in 1998 with the designation of the National Nutrition Council as the national focal agency. Establishment of FIVIMS will aid locating and targeting people and areas most at-risk to hunger and malnutrition.

²⁸ NFA, Highlights of NFA Accomplishments for 2002.

FIVIMS is any system on network of systems that assembles, analyses and disseminates information about people who are food insecure or at risk; who they are, what they are suffering from, how many they are, where they are located, and why they are food insecure or vulnerable.²⁹

Following-up on actions taken on the establishment of the system, the structure of FIVIMS implementation was finalized, the final 12 FIVIMS indicators for initial implementation were identified and the draft Manual of Operations was finalized with the assistance from a national consultant. Financial and technical assistance from FAO-Rome and Asia FIVIMS Project provided means to access needed consultancies, capacity-building, and acquisition of hardware and software requirements.

Using the knowledge gained from the training on multi-variate analysis and the use of ADDATT software, NNC conducted a series of workshop to test sensitivity of identified indicators in identifying areas that are food insecure and vulnerable to hunger and malnutrition. This will be a valuable contribution to on-going efforts of the government in this direction.

SECTION IV: A REVIEW OF BEST PRACTICES OR CONSTRAINTS ENCOUNTERED IN REDUCING HUNGER

COMMITMENT ONE

1. POPULATION GROWTH, ACCESS TO FOOD AND AGRICULTURAL DEVELOPMENT

The population of the country will reach 108.5 million by the year 2015 from the present level of 80.12 million, if the present growth rate of 2.36 percent per year remains unchanged. Farmlands can be extended only to marginal lands and the average growth rate over the past decade of the agricultural gross value added of 2.15 percent is below the population growth rate. This means either (1) an increase in agricultural imports, or (2) a decrease in agricultural exports, or (3) an increase of incidence of poverty in the rural sector, if there is no transfer of excess labor to the secondary or tertiary sectors, as more and more people will share a proportionally smaller pie.

²⁹ NNC (2004), FIVIMS Manual of Operations, Makati City.

Lesson Learned:

There is a need to address the problem of population management. Likewise, it is imperative to accelerate economic growth particularly agricultural development growth to a level much higher than the population growth.

The high rate of population growth is not officially addressed as a constraint to growth in the MTPDP. Nevertheless, access to family planning is included in the 10 most important minimum basic needs that need to be met in CIDSS, which deserves to be further strengthened. This access to family planning by the poorer population may eventually help reduce the population growth.

2. THE PEACE PROCESS

The peace process started with the administration of former President Fidel V. Ramos 1992-1998. The peace agreement with the Moro National Liberation Front (MNLF) did not include the other factions of the Muslim secessionist movement, i.e., the Moro Islamic Liberation Front (MILF) and the Abu Sayyaf.

Peace is a conditio sine qua non for development. Mindanao, because of its vast and fertile lands, has been considered as the potential provider of food for the food deficit regions of the Philippines. This has not been realized because of the unstable peace and order conditions and many parts of Mindanao are economically depressed areas, particularly Sulu.

Lesson Learned:

The Muslim cause for autonomy is born of the ethnic activism of a minority group exerting its sociological and economic claims for self-determination. It requires responses and solutions that must balance ethnic rights and cultural diversity with national integration.³⁰ No solutions can be forced or rushed without taking into account these imperatives.

3. ECONOMIC GROWTH AND POVERTY REDUCTION

As a result of good economic performance from 1994 to 1997, poverty incidence was reduced from 35.5 percent of families in 1994 to 28.1 percent in 1997. This was a 7.4 percent overall reduction but in the urban areas the reduction of poverty incidence was 9 percent compared to only 5.6 percent reduction in rural areas. With the fall in economic performance due to the Asian financial crisis in 1997, poverty incidence again increased from 28.1 percent in 1997 to 28.4 percent in the year 2000. Though the overall increase in poverty incidence was only 0.3 percent, poverty in the urban areas remained unchanged while poverty incidence in the rural areas deteriorated by 1.5 percent from 39.9 percent to 41.1 percent.³¹ This shows the greater responsiveness of urban areas to rural areas to changes in economic growth rates.

³⁰ *Social Development in the Philippines: Vision, Challenges and Imperatives*, NEDA. March 1995.

³¹ NSCB, *Philippine Provincial Poverty Statistics*, January 2003.

Lesson Learned:

There is an inverse relationship between economic performance and the poverty index in the Philippines. Sustained economic growth resulted in the fall of poverty incidence. On the contrary, lackluster economic performance increased the incidence of poverty. The objective therefore is to achieve sustained economic growth. The government's four-point national agenda to fight poverty has to be pursued vigorously with particular emphasis on agriculture and good governance.

The Philippines has identified six critical strategies, which have already been indicated above (see page 8 of this report).

4. HOUSEHOLD FOOD SECURITY

The establishment of FAITH (Food Always in the Home) gardens by different communities and LGUs will ensure availability of commonly eaten vegetables and other additional food for the family. With the Department of Interior and Local Government (DILG) taking the lead in its adoption, it is expected that the campaign will help more marginalized families have more food on their tables.

The efforts under PAPAN impact program in Home, School and Community Food Production to establish gardens in the home, school and community; distribution of seeds/seedling and distribution of small animals gained positive response toward the improvement of nutritional status in the rural and urban areas. Big outlays are not required to implement the program but it can go a long way to improve the present diets of people.

Lesson Learned:

The program deserves the support of all - the local government units, the community leaders, Departments of Agriculture, Education, Social Welfare and Development, the Interior and Local Government, the research systems, and extension workers.

5. EDUCATION

The country has a high adult basic literacy of 94.6 percent exceeding that of Singapore, Hong Kong, and Malaysia. The quality, however, of education has suffered a set back in the last decades. Due to ever increasing enrollment rates and inadequate funding, school administrators began cutting corners ultimately eroding quality. Filipino students ranked among the lowest in international examinations on science and mathematics. Thirty three percent of students drop out of elementary school after the fourth year and about the same percentage drop out from high school before graduating. At stake is the future competitiveness of the country in a globalized world.

Lesson Learned:

It is imperative to improve access to and the quality of education suitable and responsive to the globalized economy.

6. FOREIGN DIRECT INVESTMENT

Foreign direct investment (FDI) has been an important factor since the mid 1980s in the growth of Southeast Asian countries. FDI brought in not just new capital but also technology, management and markets.

The Philippines, because of its relatively low rate of savings, is in dire need of the injection of FDI. But in spite of its strategic geographic location and its large trainable labor force, the country has received a relatively slower flow of FDI than its neighboring countries.

This has been attributed to political instability, unstable peace and order conditions, and weak legal and administrative institutions, which add to the cost of doing business.

The Asian financial crisis slowed down further the FDI flows into the country, while portfolio investments evaporated.

According to the NSCB Report of 23 March 2004, the total approved FDI dropped by 26 percent from P46 billion in 2002 to P34 billion in 2003. Total FDI has been decreasing from P262 billion in 1997, to P171 billion in 1998, to P106 billion in 1999, to P80 billion in 2000, and to P58.4 billion in 2001.

More than half of the total FDI to Asia has been moving into China, which is now the pre-eminent producer of labor-intensive manufacturing goods in the world. From 1995 to 2000, \$231 billion poured into China compared to \$112 billion to the whole of ASEAN (*Newsweek Report*). But Asian countries are not only losing manufacturing capacity to China; they also have to compete with inexpensive goods from China.

Lesson Learned:

The country has to find a niche as China swamps the world with her cheap products. Moving up the high tech ladder would require upgrading human resources and the educational system particularly in science and mathematics. Labor productivity efficiency of government bureaucracy and infrastructure has to be upgraded. In view of the decline of China's comparative advantage in agriculture and mineral products, the country may explore the possibilities in this regard.

COMMITMENTS II AND III

1. AGRARIAN REFORM

The Comprehensive Agrarian Reform Program (CARP) is in place. The program has provided positive effects for the farmer-beneficiaries. The land distribution program is jointly implemented by the Department of Agrarian Reform (DAR) and the Department of Environment and Natural Resources (DENR) started in 1988 and was supposed to have been completed in 1998. However, per Republic Act 8532, which amends Republic Act 6657, a new target date for completion has been set for 2008. CARP has provided access to land to its beneficiaries. Reports confirm that beneficiaries have improved their productivity, income and consumption, among others, because of the support services provided to agrarian reform communities.

The slow implementation of land reform however, has given rise to some problems: (1) lands awarded have lost their collateral value since by law these cannot be foreclosed by banks. This exacerbates the problem of access to formal credit for small farmers; and (2) prospective agrarian reform areas have been placed in a limbo of uncertainty. Owners have no incentive to put investments into such lands, which may be expropriated in the future. The slow implementation also encourages premature land conversion.

The Medium-Term Philippine Development Plan (2001-2004) aims to reduce poverty in the rural areas, improve the distribution of income and transform the agricultural sector from subsistence producers to entrepreneurs. To this end, the CARP implementing agencies, specifically DAR and the DENR endeavor to fast-track land acquisition and distribution, as well as intensify leasehold operations with due regard to rights of landowners to just compensation and to the ecological needs of the country. About 781,122 hectares were targeted for distribution for the period 2001-2004 under the revised MTPDP at the rate of 195,280 hectares per year. However, due to further deterioration of the government's financial difficulties, DAR and DENR were only able to jointly distribute lands at the current rate of 187,174 hectares per year, which is 8,106 hectares less per year than the MTPDP, or 4 percent lower than what was originally desired.

Lesson Learned:

To achieve the land distribution target, the government will have to find new and innovative ways of financing the program. Some policy experts suggest additional measures to reinforce the present program, e.g. progressive land tax measures,²³ fast-tracking the recovery of all Marcos-ill-gotten wealth, sale of agrarian reform bonds, and foreign loan.

²³ Anson, Richard. *Philippines Rural Development and Natural Resource Management: Trends, Strategy Implementation, and Framework Performance Indicator System*. GOP World Bank. May 2000.

2. THE MEDIUM-TERM PHILIPPINE DEVELOPMENT PLAN 2001-04 (MTPDP) AND THE AGRICULTURE AND FISHERIES MODERNIZATION ACT

The Agriculture and Fisheries Modernization Act (AFMA) aims at a rapid increase of agricultural production through an aggressive application of modern science to agriculture, an effective delivery of support services, rural infrastructure, and an appropriate policy framework. Based on initial assessment conducted by NEDA, the agriculture sector posted better than expected gains in raising production during the past 3 years (2001-2003) despite unusual weather-related stresses.

The Medium-Term Philippine Development Plan (MTPDP) 2001-2004 targets higher productivity growth and the creation of one million jobs in agriculture and agri-related industries by 2004 through the implementation of AFMA and the Fisheries Code of 1998. Based on the initial assessment conducted by NEDA, the agriculture sector posted better than expected gains in raising production during the past three years (2001-2003) despite unusual weather-related stresses.

The public investments shall be prioritized in Strategic Agricultural and Fisheries Development Zones (SAFDZs), Agrarian Reform Communities (ARCs) and watershed areas. These investments shall be focused on public good services like irrigation, research, development and extension, credit and marketing support that would increase and support farmers productivity, competitiveness, greater access to market and diversification into high value commercial crops.

The AFMA, Section 111 allocates P20 billion for the first year of implementation and P17 billion per year for the next six years. The actual budget allocation for agriculture from 1998 to 2004 (1998: P15.7 billion; 1999: P14.96 billion; 2000: P20.8 billion; 2001: P16.1 billion; 2002: P20.059 billion; 2003: P16.82 billion; and 2004: 15.43 billion)²⁵ does not show any substantial increases²⁴. In any case, the present budget of the DA does give priority to items that increase productivity and income to the farmers and fisherfolk.

(a) ONE MILLION JOBS

One million jobs will be generated in agriculture and fisheries by the implementation of the programs mandated by AFMA and the MTPDP 2001-2004.

The generation of jobs will come from the expenditure components of the Agricultural and Fisheries Modernization Program, e.g. irrigation, post-harvest system, rural infrastructure. It is estimated that roughly 250,000 jobs will be generated through public investments. As a result of this collaborative effort, a total of 1.8

²⁴Source of Data: Planning Service, Department of Agriculture.

²⁵President's Budget.

million jobs in agriculture, fishery and forestry sector (893,000 jobs) and agricultural services sector (978,000 jobs) was created from January 2001 to January 2004.³²

(b) IRRIGATION

Irrigation has received the highest priority with an average allocation of P5 billion from 1999 to 2001, which was raised to P7 billion for 2002. Irrigation allotment was reduced to Php. 4.1 billion that resulted to the adjustment of the work plans of all on-going foreign funded projects. Likewise, pipeline projects scheduled for 2004 implementation are reprogrammed to 2005.

The MTPDP 2001-2004 targets 172,391 hectares from construction of new irrigation systems and 301,361 hectares from rehabilitation of existing but degraded systems. The importance of small irrigation systems, like small water impounding units, small diversion dams, and shallow tube wells have proven to be more cost-effective than the traditional gravity irrigation system. The Bureau of Soils and Water Management, in collaboration with DA Regional Offices and local government units and farmers' groups have set-up small irrigation units providing additional production areas of 176,438 hectares.

Given the harvest differential of one (1) metric ton between rainfed and irrigated rice land (DA Planning) the increase in new and rehabilitated areas (at 50 percent of differential) when fully implemented would allow an increase in production of 323,071 tons per year. This equivalent to 64 percent of our present average import of about 500,000 tons per year or P2.965 billion per year (at landed cost of \$180 per ton at P50 = \$1). In spite of the low international prices for rice, these investments appear to be justifiable.

Aside from budget, the other related problems have to be addressed, e.g., the collection of operation and maintenance fees from users and irrigators' (NIA) associations, the streamlining of bidding processes, research and development problems related to irrigation, facilities construction, operation and maintenance (*Horizon 2010*).

(c) RESEARCH AND DEVELOPMENT

Research is clearly under-funded at the average budget level of P1.1 billion per year from 1999 to 2002. The one percent of agriculture gross value added (GVA) (P574 billion for year 2000) mandated by AFMA requires P5.7 billion per year appropriation. The estimate of .7445 percent of GVA arrived at by Dr. C. B. Cororaton to fill-up the research and development gap in the country would require P4.27 billion. Aside from budget requirements, the need to reform the institutional set-up has to be addressed. There is also need to reinforce the linkage between research and development on one hand and on the other hard extension and feedback from the field regarding problems encountered.

³² Office of the Million Jobs Program (based on January 2004 Labor Force Survey)

(d) POST-HARVEST LOSSES

According to a survey by the Food and Nutrition Research Institute, every Filipino wastes about 16 grams of rice per day at the dining table³³. This is equivalent to about 460,000 MT of rice per year, which is close to the average amount of rice imports of the country. A successful campaign to reduce such wastage can drastically reduce the amount of rice imported by the country.

(e) RURAL NON-FARM EMPLOYMENT

Rural non-farm employment training is not yet funded but clearly, DA has to be involved in this enterprise and should not leave it entirely to the Department of Social Welfare and Development (DSWD) and the local government units. ATI has been involved in micro enterprise development in the rural areas for a long time, even if the recent thrusts have become concentrated on the various commodities of interest to DA. Opportunities must be provided to farmers to supplement their income from non-farm sources since the ever-decreasing farm lots can no longer give enough income to meet their basic needs.

(f) NATIONAL INFORMATION NETWORK

The National Information Network (NIN) also appears to be under-funded. It aims to establish an information highway through Internet that will link the research network with the extension network as well as the DA central office with its bureaus and attached agencies, the state universities and colleges, the research system, and the extension workers.

The usefulness of the information network will, of course, depend upon the quality of information and how well it is packaged for the end users. The need, therefore, is not only for policy makers who decide on policy, and for scientists who generate technology but also for mass communication specialists who will package the information in usable form for inputting into the Internet.²⁵

(g) STRONG REPUBLIC NAUTICAL HIGHWAY (RORO FOOD HIGHWAY)

With the inauguration of the RORO Food Highway last year, shipments are no longer off-loaded from cargo trucks, thus, minimizing losses due to handling, and reducing travel time and transport costs. Three essential components were put in place, namely: The Main Route which uses the main nautical highway from Manila to the important cities of the southernmost islands of the archipelago (Dapitan/Dipolog/Iligan); the Grains Highway from Northern Mindanao (Cagayan de Oro) to Southern Luzon (Batangas) which involves the use of bulk handling ships and facilities in transporting grains, principally corn; and the Northern Mindanao (Cagayan de Oro) to Central Visayas (Dumaguete) to Southern Luzon (Batangas) to Manila Long Haul Route which involves the use of Super Ferries with roll-on, roll-off

³³4th National Nutrition Survey, PFNRI, DOST, Philippines, 1993

²⁵ *Horizon 2010*. FAO and the Department of Agriculture. 2000.

cargo facilities that can transport other agricultural and fishery commodities from Mindanao to Luzon. The feasibility of establishing other routes are being studied now.

Lesson Learned:

Productivity and profitability enhancing expenditures have to be increased. At the same time, concerns related to the need to increase efficiency of operations have to be addressed.

A recent World Bank/Philippine Government Study²⁶ concluded that the "Philippine agricultural development strategies are generally sound for addressing the challenges of rural development and poverty alleviation . . . The great challenge, however, lies in operationalizing and effectively implementing prioritized strategies and supporting programs based on available resources."

COMMITMENT IV

The present strategy of the country regarding trade is a balance between the need to protect farmers while they adjust to a more liberalized trade regime and the need to provide consumers with food at affordable prices and the need for cheap inputs e.g. cheaper feed for hog and chicken growers.

Lesson Learned:

The task of balancing the concerns of various groups is not an easy one. In any case, the country's commitments to ASEAN and to APEC are more stringent than commitment to WTO. These have to be reviewed in the future in consultation with the concerned groups. Resistance on the part of the farmers to further liberation may diminish to the measure that the farmers become more productive and more competitive.

COMMITMENT V

The most difficult task of disaster management appears to be that of rehabilitating persons displaced by disasters. Some of the people displaced by the Mount Pinatubo eruptions ten years ago are still unable to return to their devastated farms and villages in the path of lahar flows and to find gainful employment elsewhere. There is also a need to further strengthen disaster preparedness at the local government level.

²⁶ *Philippines-Rural Development and Natural Resources Management: Trends, Strategy Implementation and Work Performance Indicator System*. May 2000.

Lesson Learned:

New creative and innovative ways of rehabilitating, capability building, and finding new means of livelihood and employment for the displaced persons have to be developed.

COMMITMENT VI

To reverse the trend of low investments in agriculture, we need strategies that would make investments in agriculture profitable. New crops that can make money for the farmers have to be developed through research and development and made available to farmers. The diversification program does not take off, because the difficulty to find viable location specific "profitable high value crops" to diversify into. Mangoes, poultry, livestock, hog raising, aquaculture, bananas and onions still attract investments because there is money to be made in these ventures. Infrastructures, stable peace and order condition, and access to credit are also pre-requisites to attracting investments into agriculture.

Lessons Learned:

- R & D at the regional level have to be upgraded to develop profitable crops, technologies and processes that have to be made available to farmers.
- The other prerequisites to investments are: rural infrastructure, stable peace and order condition, and access to credit.

COMMITMENT VII

Several new projects³⁴ are now being implemented to improve the monitoring and indicator system for anti-poverty programs as well as for rural development and natural resources management, in addition to the system of indicators now currently in use, e.g., those developed by BAR and NSCB. There is a felt need to put in place soonest an integrated system of monitoring, indicators, and of reporting. This need has become more urgent now that strong fears have been expressed that the World Food Summit pledge may not be achieved.

Provincial Governors and City Mayors have to take the lead in reactivating and revitalizing the Provincial and City Food Security Councils to implement their food

³⁴ The projects referred to in this Report include: (a) "Strengthening Institutional Mechanisms for the Convergence of Poverty Alleviation Effects", July 2001, (b) "The Rural Development and Natural Resource Management Project" (NEDA) October 2001, and (c) The World Bank Study entitled "Philippines: Rural Development and Natural Resource Management: Trends, Strategy, Implementation".

security action plans in close coordination the DA, DENR, DAR DILG and other National Government Agencies.

Lesson Learned:

The present set-up of committees for the follow-up implementation and monitoring of World Food Summit Plan of Action (WFSPOA) has to be reviewed with the end in view of making them as far as possible more achievement oriented, and of putting in place an institutionalized and integrated system of targets and benchmark indicators, and reporting. Likewise, a system for evaluating accomplishments and revising strategies has to be put in place soonest.

Establishment of FIVIMS in the country was slow mainly because of the lack of model to pattern it. However, with the recent assistance from FAO, it is expected that the country will soon be able to pilot test the system, initially at the national level. The continued technical assistance from FAO and cooperation of the member agencies will be necessary to ensure the fast-tracking of FIVIMS establishment in the country.

* * *

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