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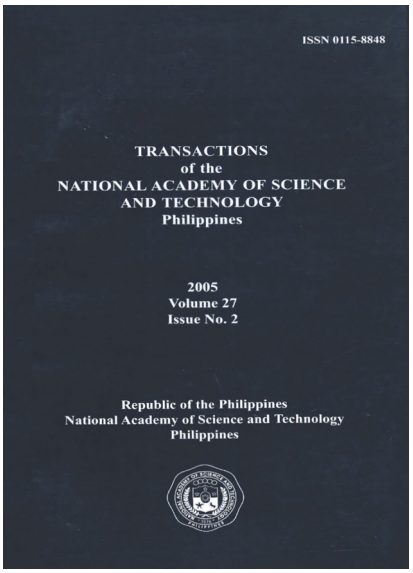

Asset and Policy Reform, Entrepreneurship, and Sustainable Development

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Philippine Agriculture 2020 and the Environment

ASSET AND POLICY REFORM, ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT

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General Comments

My small contribution to this "noble effort" focuses on the forestry/ natural resources sector and **implementing the sector/cluster strategic plans on the ground**, but I cannot help but take a potshot at the theme, specifically on **poverty alleviation**. As a strategic objective, poverty alleviation will always fall short, thus it is **tantamount to perpetuating poverty**. While it may not be possible to eradicate widespread poverty in the country by 2020, with the appropriate development/poverty eradication plans and aggressive/sustained implementation, it can be done in certain areas/SDUs (sustainable development units). Note that the manner in which a poverty alleviation plan/program is configured, supported, implemented, monitored and evaluated is quite different from that of a poverty eradication plan/ program. For more than 50 years now, our economic development plans have always included a poverty alleviation component. That is all they have achieved and will ever achieve, alleviate and perpetuate poverty.

I find the major recommendations to be **quite comprehensive and relevant**, although not as comprehensive as when the agriculture sector is integrated into the total development system at the SDU (local) and national levels. And, there is such a need to integrate the agriculture sector into the whole development system.

Asset Reform

Under asset reform, I can agree with the recommendation on titling of CBFM areas (forestlands) to deserving beneficiaries provided suitable land

use is strictly followed. If private ownership is not acceptable then the usufruct rights/development projects of CBFM stakeholders in these areas must be made bankable, at the very least. This was recommended by FDC in the early 80s – for bankability of social forestry projects areas!

In rational land use allocation to attain specified economic and environmental objectives, the type of ownership is a minor consideration; the major concern is suitable land use. At the very least, incentives and disincentives should be resorted to, to rationalize land use allocation.

Another alternative is communal ownership of land and natural resources where user rights are given for specific purposes.

Forest ownership. – For check and balance, for efficiency and effectiveness, and for local autonomy, the country's forests should further be classified into: national forests (NIPAS areas, about 25% of production forests, watershed reservations for major structures), provincial forests (about 25% of production forests, provincial forest parks, provincial watershed reservations), municipal/city forests (about 50% of production forests, municipal/city watershed reservations, municipal/city protected areas), CADT/C forests, private forests, and others. The DENR cannot manage the country's forests; it is not organized, manned nor funded to be able to do so.

- CADTs within the timberlands are private communal forests!?

Forest Policy Reform

Proposed Forestry Policy of 2001 – simplifies, consolidates and presents the Philippine forestry policies in one document as opposed to the current disarray/maze of policies.

Sustained/adequate forest production. – I see no real justification for the importation of wood/forest products! It is the result of misdirected policies. Even under present conditions, we can maintain a forest products exportation norm on a sustained basis. It all depends upon our policies. Consider the following:

- Total natural forest – 5.4 million ha

- Second/third growth dipterocarp forests – 2.7 million ha; these are the remaining natural production forests; some 2.0 to 2.2 million ha of these (after taking out the protection/conservation zones) can be managed to provide continuous log supply of 4.5 to 5.0 million cum/year, about twice our current requirements.

- Whatever projected deficits there are 20 years from now can be satisfied adequately by increased productivity of the natural production forests and forest/tree plantations that need to be developed in CBFM and other production areas.

- This and the critical need to reforest/revegetate degraded watersheds require a national strategic reforestation plan/program that is supported by appropriate incentives and policies. The strategic plan must consider realities on the ground, e.g. species-site suitability (including non-trees), quality/availability of planting materials, available labor and other inputs, maintenance and protection, ...

Agriculture as a Business and Means to Attain Social Equity

Proposed strategy: Capitalize on the success of the family-based corporation in pushing Philippine agriculture as a business to attain economies of scale and distribute more equitably the fruits of development to the less fortunate stakeholders.

- Community Forestry Development Corporation with Sister Watershed Conservation Foundation co-owned by interested family corporation(s), CADT/C holders, CBFMA Holders, LGUs, cooperatives, other investors, and other stakeholders

- Community Agri-Business Corporations with appropriate Sister Foundations, each co-owned by a family corporation, Land Reform Communities, Cooperatives, etc.

- Community Coastal Resources Development Corporation with Sister Coastal Resources Conservation Foundation co-owned by...

- Pasture Lease Agreement Holders. – Instead of simply family corporations, Community Cattle Industry Development Corporations should be formed. These leases involve as much as 2,000 hectares of land each and there are poor communities inside and adjacent to these areas.

Implementing Sustainable Development on the Ground (Relative to the sustainability dimension of the theme)

The Agriculture 2020 strategic plans for the different "clusters" are national in scope. These are first approximations, at best, and serve as guide for integrated development planning at the "local" level, desirably at the "sustainable development unit" (SDU) level. If national plans are not translated into SDU plans and component operational plans, and are not

vigorously implemented, then they do not serve any useful purpose. (**Example:** The Forestry Master Plan, revised 12 years later before it can be translated into local plans!)

It is not enough to package and implement strategic plans for the various major sectors/industry clusters if the real-world issues are to be addressed adequately: population crisis, carrying capacity, environmental degradation, interactions among the various sectors/clusters/ecosystems/watersheds, and the other intersectoral problems in transportation, communication, peace and order and related issues. There is an equally urgent need to integrate all of these components at the SDU level, otherwise, we will always be off-course relative to sustainable development.

The SDU concept. – Basically, sustainable development means sustainable environment and natural resources management, development and conservation (including sustainable forestry), sustainable agriculture, sustainable services, sustainable industries, sustainable businesses, sustainable economies, sustainable support systems, and sustainable human communities, all integrated in space and time at the **"sustainable development unit"** (SDU) and broader levels. True sustainable development requires that each integral component of the total development system must be sustainable. Thus the implementation of sustainable development on the ground requires the identification and establishment of SDUs.

The **SDU** is simply defined as **"the biophysical-socioeconomic setting for true sustainable development (SD) to have a good chance to succeed"**. Quite clearly, the inclusion of sustainable development in the SDU concept and what it takes to attain it, must be deliberate and not just coincidental! Similar concepts include: IAD, model forest and their variants.

A real-world SDU would likely be a set of watersheds/ecosystems from the mountains (divides) to the coastal areas and the intervening areas in between, e.g., a river basin or sub-river basin. It could also be a small island, a group of small islands, or, a mix of areas on both sides of a divide in the case of long narrow islands and similar areas. It could also be land-locked.

Dealing and working with multi-LGUs and multi-sectoral interests/ multistakeholders in the SDU is a common reality since sustainable development requires the unity, consensus, cooperation and convergence of multi-stakeholders and multi-interests. In other words, sustainable

development at the SDU level is, by its very nature, multisectoral and must be **locally driven**: local initiative/support/**collaboration** and based on local capacity/ resources/ needs/ priorities/ realities/ constraints.

The SD System Model (SDU level)

The **SDU development system** can be depicted in its simplest form as shown in **Figure 1**. This serves as basis for strategic planning and specifying the "collaborative framework" for the stakeholders to actively pursue sustainable development at the SDU level. As shown therein, the **core system** consists of the various interrelated major sectors/clusters of industries/services including:

- **watershed/forest management with downstream industries** such as: watershed/ forest products harvesting and the forest-based industries (lumber products, panel products, poles/piles, furniture/ handicraft, nonwood natural/forest products, pulp/paper, fuelwood); environmental services; ecotourism; water utilization systems
- **agriculture and the agri-based industry clusters** like: rice industry cluster, coconut/palm oil, sugarcane, export fruit crops, industrial crops (coffee, abaca), vegetables/legumes/root crops, ornamentals, corn/feeds and livestock, pasture/ruminants; or, any more relevant way of classifying/grouping them
- **fisheries/coastal resources/aquaculture and related industries**
- **other industries/sectors** like: mining, garments, housing, footware, etc.; where applicable; any industry cluster may take a more prominent place in the core system.
- **social services; utilities; trade and commerce**
- **market systems**
- **waste management system(s)**
- **MOTHER NATURE: THE ENVIRONMENT** whose integrity/ status is affected by all the above and other human activities/ interventions as well as natural processes/events

The other component systems of the SDU development system include the:

- **the foundation for development** (resources/factor endowment): human resources, natural endowments (land resources, biological

resources, water resources, minerals, climate/weather, environment), capital resources and financing, Technology and R & D capability, physical infrastructure, business and policy environment, and institutional systems

- **supplier industries/sub-sectors**
- **other related and allied services/industries**

Implementation System (SDU level)

The implementation system of sustainable development programs at the SDU levels has 5 major components as follows:

- Continuing IEC – for total transparency of agenda, plans, decisions, results, events, problems
- Stakeholder Collaborative Framework and Articles of Collaboration
- Integrated Sustainable Development Plan (SDU level): sectoral/ cluster plans are integrated to consider interactions, cross-cutting issues, priorities, constraints, externalities
- Action plans
- Implementation, Monitoring and Evaluation

Sustainable development at the SDU level is by nature multisectoral and must be locally driven: **local stakeholders' initiative/support and based on local capacity/ resources/needs/priorities/constraints**! It is the local stakeholders who bear the brunt of environmental disasters when these occur, hence, it is only fitting that they have the say on how to develop and conserve the environmental resources and be the primary beneficiaries of the fruits of development and conservation.

The local stakeholders may be grouped as follows:

- LGUs: Provincial government, Municipal governments, Barangays
- National Government Agencies
- Alliances/other clusters
- Forest Area Tenure Holders (TLAs, CBFMAs, IFMAs,)
- Farmers Associations/Federation
- Fishermen's Associations/Federation

- CADTs/CADCs, other IP organizations
- Cooperatives
- Trade/Business/Financial firms
- NGOs, POs, ...
- Professional Organizations, Academic Institutions
- Others (e.g. the Youth, the general public)

Organization and management. – Very briefly, the organization and management system for implementing sustainable development at the SDU level includes the following bodies/entities:

- SDU Council (sectoral representatives/signatories to the Articles of Collaboration)
- Council's Standing Committees
- SDU Board of Trustees and Officers
- Community Development Corporations with Sister Conservation Foundations

Other Comments:

It may not be a part of my assignment but I totally agree with total privatization of rice importation; even limit importation to the rice-deficient areas; why make rice sufficient/ surplus areas suffer from the costs/ externalities of importation!!?? In fact, I see no justification for rice importation at all! We only need to reduce our waste in harvest/post-harvest and in eatinghabits, limit our consumption to our calorie needs, or we can eat other carbo-foods!

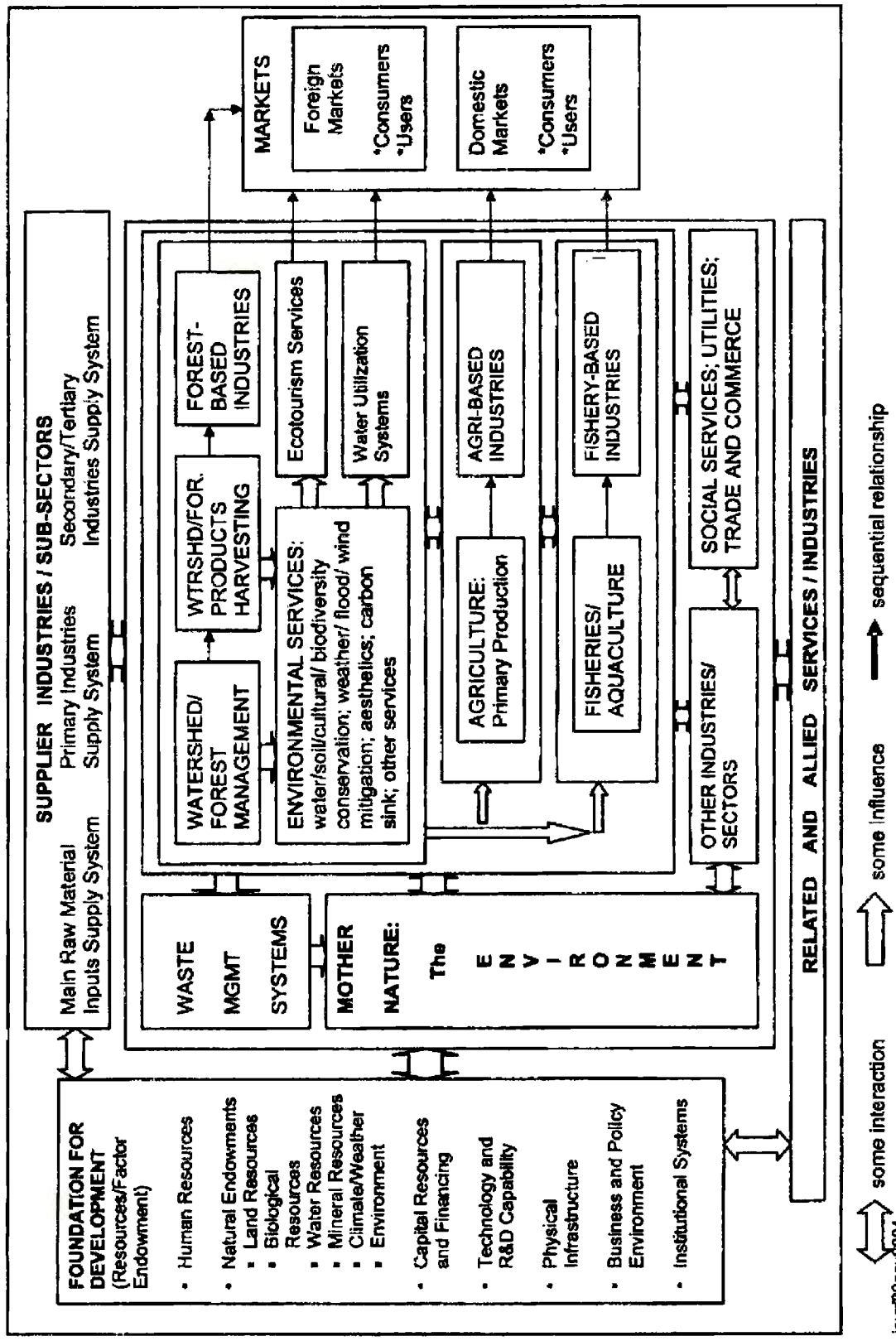
Subsidies. - Are subsidies really necessary? Subsidies must be economically justified Where subsidies are justified (small farmers' subsidy), the problem is where to get the money: importation tax/sin taxes, other sources. When necessary, subsidies should be managed to generate revenues as well as teach the beneficiaries to respect their responsibilities: provide subsidy coupons upon payment of taxes and fees.

Incentive system for reforestation, watershed rehabilitation, private forestry: tax exemption/rebate – tree farmers, oil companies, power companies, individuals who can afford.

Many existing wood processing are old and inefficient; on the other hand, veneer and plywood processing plants employing efficient technologies (70% recovery as opposed to the old 45 to 50%) already exist in Butuan, and Davao.

With respect to governance reforms, how about election reforms? This may be a wild idea but while doing "chacha", consider a form of democratic/ representative type of government that entails cheaper, more manageable elections.

- Limit general elections at the Barangay level where sectoral officials are elected by the people
- Barangay sectoral representatives then elect the Barangay Chairperson, ViceChair and the SB sectoral members
- Barangay Chairs and SB sectoral members elect the Mayor, Vice Mayor and the Provincial Board sectoral members
- Mayors and Provincial Board elect the Governor and Vice Governor
- Mayors and Governors elect the sectoral members of Parliament


FOUNDATION FOR DEVELOPMENT (Resources/Factor Endowment)
• Human Resources
• Natural Endowments
▪ Land Resources
▪ Biological Resources
▪ Water Resources
▪ Mineral Resources
▪ Climate/Weather
▪ Environment
• Capital Resources and Financing
• Technology and R&D Capability
• Physical Infrastructure
• Business and Policy Environment
• Institutional Systems
SUPPLIER INDUSTRIES / SUB-SECTORS
Main Raw Material Inputs Supply System
Primary Industries Supply System
Secondary/Tertiary Industries Supply System
WASTE MGMT SYSTEMS
MOTHER NATURE: The ENVIRONMENT
WATERSHED/ FOREST MANAGEMENT
WTRSHD/FOR. PRODUCTS HARVESTING
FOREST-BASED INDUSTRIES
ENVIRONMENTAL SERVICES: water/soil/cultural/ biodiversity conservation; weather/ flood/ wind mitigation; aesthetics; carbon sink; other services
Ecotourism Services
Water Utilization Systems
AGRICULTURE: Primary Production
AGRI-BASED INDUSTRIES
FISHERIES/ AQUACULTURE
FISHERY-BASED INDUSTRIES
OTHER INDUSTRIES/ SECTORS
SOCIAL SERVICES; UTILITIES; TRADE AND COMMERCE
MARKETS
Foreign Markets
•Consumers
•Users
Domestic Markets
•Consumers
•Users
RELATED AND ALLIED SERVICES / INDUSTRIES
some interaction
some influence
sequential relationship
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