

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Development partners extend overseas development assistance (ODA) in the agriculture, natural resources, and rural development (ANR) sector in the Philippines through grants and loans (table). The total ODA portfolio as of December 2018 in the ANR sector was estimated at \$1.94 billion, of which \$1.47 billion (90% of the total value) is provided by five primary development partners.¹ The World Bank has provided more than \$500 million in grants and loans in the areas of coastal and marine resources management, disaster management, climate change adaptation, land administration and management, and support for the national program on the environment and natural resources management. The International Fund for Agricultural Development has provided \$418 million in loans, aiming to improve access to markets, technology, and rural financial services; and management of natural resources and the environment. The Japan International Cooperation Agency has provided \$207 million in loans in the areas of forest management and agriculture and agribusiness development, with a focus on Mindanao. The Korea Economic Development Cooperation Fund has provided \$208 million in a loan for irrigation development. The Asian Development Bank (ADB) has provided \$138 million in a loan and grants in integrated and sustainable natural resources management and climate change mitigation. In total, the ANR sector has 20 ongoing loans and 115 grants, accounting for about 12% of the total active ODA portfolio.

Major Development Partners

Development Partner	Project Name	Duration	Amount (\$ million)
Agriculture, Natural Resources, and Rural Development			
ADB	Integrated Natural Resources and Environmental Management Project	2012–2020	138.10
Government of the People's Republic of China	Chico River Pump Irrigation Project	2018–2023	86.00
FAO	Dynamic Conservation and Sustainable use of Agro-Biodiversity in Traditional Agro-ecosystems of the Philippines	2016–2021	2.20
FAO	Support to Agriculture and Agribusiness Enterprises in Mindanao for Sustainable Development	2019–2021	5.80
IFAD	Integrated Natural Resources and Environmental Management Project	2012–2020	148.62
	Convergence on Value Chain Enhancement for Rural Growth and Empowerment Project	2015–2021	52.53
	Fisheries, Coastal Resources and Livelihood Project	2016–2021	43.04
	Second Cordillera Highland Agricultural Resource Management Project	2017–2020	79.58
	Rural Agro-Enterprise Partnership and Inclusive Development Project	2018–2025	95.12
Government of Australia	Philippines Disaster and Climate Risks Management Initiative	2006–2020	34.22
Government of Italy	Italian Assistance to the Agrarian Reform Community Development Support Program	2012–2021	35.48

¹ Government of the Philippines, National Economic and Development Authority (NEDA). 2019. [Official Development Assistance: Portfolio Review Report 2018](#). Manila.

Development Partner	Project Name	Duration	Amount (\$ million)
JICA	Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation	2017–2024	44.74
JICA	Mindanao Sustainable Agrarian and Agriculture Development Project	2012–2020	55.05
JICA	Forestland Management Project	2012–2022	107.00
KEDCF	Jalaur River Multipurpose Project, Phase II	2013–2021	207.88
USAID	Fish Right Program	2018–2023	24.95
World Bank	Philippine Rural Development Project	2014–2021	501.25

ADB = Asian Development Bank, FAO = Food and Agriculture Organization, IFAD = International Fund for Agricultural Development, JICA = Japan International Cooperation Agency, KEDCF = Korea Economic Development Cooperation Fund, USAID = United States Agency for International Development.

Source: Government of the Philippines, National Economic and Development Authority. 2019. [Official Development Assistance: Portfolio Review Report 2018](#). Manila.

B. Institutional Arrangements and Processes for Development Coordination

2. Within the Government of the Philippines, development coordination is carried out largely through the National Economic Development Authority (NEDA). As an oversight agency of ODA projects, NEDA coordinates national development plan formulation and programming, including ODA; reviews and appraises proposed ODA projects during programming; and conducts monitoring and evaluation of projects. Interagency and other committees as well as implementing and other oversight agencies, aside from NEDA, have also been tasked with specific roles in the programming, implementation, and monitoring and evaluation of ODA.

3. Three key interagency committees oversee ODA:

- (i) the Investment Coordination Committee evaluates the technical, financial, economic, social, environmental, and institutional development feasibility and/or viability of major capital projects, including ODA projects;
- (ii) the Development Budget Coordination Committee sets budget parameters based on available resources, conducts budget hearings, and submits the resulting consolidated budget to the House Committee on Appropriations; and
- (iii) the Philippine Harmonization Committee is charged with government procurement, public financial management, gender mainstreaming, land acquisition, and resettlement, as well as ensuring results orientation at various government levels and addressing gaps in project implementation.

4. In addition to NEDA, several oversight agencies are tasked with specific ODA roles. These include (i) the Department of Finance, which negotiates and processes loan applications during project preparation and approves changes in loan agreements during project implementation; (ii) the Department of Budget Management, which handles budget-related matters; (iii) the Commission on Audit, which conducts audits of ongoing and completed ODA projects and reports the results to Congress; (iv) the Department of Justice, which provides legal advice; and (v) the Central Bank of the Philippines, which ensures consistency of programs and projects with its monetary and foreign exchange policies.

5. It will be imperative for ADB to continue development partner coordination, as the proposed program covers a wide area of different policy interventions in the ANR sector.

Lessons learned from partner programs and projects will help improve the impact of the program.

C. Achievements and Issues

6. Prior to 2003, the ANR sector was one of the key areas of ADB's assistance to the Philippines. Together with other development partners, ADB's operations covered irrigation development, water resources management, agriculture, fisheries, livestock, rural water supply, and rural roads, many of which were in Mindanao. In 2003, following the government's decision to cancel the Grains Sector Development Program, ADB's operations in the ANR sector in the Philippines decreased significantly. At the time, the Grains Sector Development Program was highly relevant to the problems facing the grain sector and the solutions sought for these problems. However, the government could not fully advance on the reform agenda because of changes within the government and resistance from rice sector stakeholders. Lessons learned include the following: (i) limit sector reforms to a reasonable and manageable amount for a single program, (ii) include more flexible fund release conditions, and (iii) ensure that the government's counterpart commitment is within the capacity of the government.

7. During the preparation of ADB's country partnership strategy for the Philippines, 2018–2023, the government requested ADB to actively reengage in ANR sector operations. The new focus and scope of the Government of the Philippines around the ANR sector aligns with ADB's priorities to promote agriculture diversification, water resource management, and linkages to the private sector. The program is an integral part of ADB's past and future assistance. ADB is supporting the Philippines' agricultural trade policy and regulatory reforms and will work closely with other development partners to support the government in implementing the reform areas under this policy-based lending.

D. Summary and Recommendations

8. Strong development coordination and effective and efficient use of resources from development partners are imperative for the program, which gives an overarching framework for ADB's investment projects and technical assistance in the ANR sector. ADB, through this program, is committed to cooperating with the government on aid effectiveness. ADB will also continue program and policy dialogues with key development partners in the ANR sector.