

## Supporting Agriculture and Related Projects in ASEAN for Sustainable Development<sup>1</sup>

### What is ASEAN?

The Association of Southeast Asian Nations or ASEAN was established on 8 August 1967 in Bangkok by the five original Member Countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. The region has a total area of 4.5 million square kilometers.



In 2006, the ASEAN region had a population of about 560 million, a combined gross domestic product of almost US\$ 1,100 billion, and a total trade of about US\$ 1,400 billion. The diversity of the region is apparent in the fact that the largest country in terms of land area is 2700 times larger than the smallest country; the country with the largest population has 580 times more people than the smallest country; and the richest country has a GDP per capita that is 145 times the poorest country.

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<sup>1</sup> Presented by Dr. Filemon A. Uriarte, Jr., Executive Director, ASEAN Foundation, during the IFAP Regional Consultation on the World Bank Report, Makati City, Philippines, 15-17 April 2008.

## Area and population

Country	Land (1000 Km <sup>2</sup> )	Population (million) 2006
Brunei Darussalam	5.8	0.383
Cambodia	181	14.2
Indonesia	1,891	222
Lao PDR	237	5.75
Malaysia	330	26.6
Myanmar	677	57.2
Philippines	300	87.1
Singapore	0.7	4.48
Thailand	513	62.8
Vietnam	329	84.2

## Economic Performance

Country	GDP per capita (in USD) 2006	GDP total (in billion USD) 2006
Brunei Darussalam	30,159	11.55
Cambodia	512	7.26
Indonesia	1,640	364
Lao PDR	613	3.52
Malaysia	5,890	156.9
Myanmar	208	11.95
Philippines	1,356	118.1
Singapore	29,500	132.3
Thailand	3,289	207
Vietnam	724	61

The ASEAN Declaration states that the aims and purposes of the Association are: (a) to accelerate economic growth, social progress and cultural development in the region and (b) to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.

The ASEAN Vision 2020, adopted by the ASEAN Leaders on the 30th Anniversary of ASEAN, agreed on a shared vision of ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.

In 2003, the ASEAN Leaders resolved that an ASEAN Community shall be established comprising three pillars, namely, ASEAN Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community.

### **What is the ASEAN Foundation?**

The governments of the ten ASEAN countries established the ASEAN Foundation on 15 December 1997 during the 30<sup>th</sup> ASEAN Commemorative Summit of ASEAN Leaders held in Kuala Lumpur, Malaysia. The Memorandum of Understanding on the establishment of the ASEAN Foundation was revised in July 2000 and ratified by all ten member countries in July 2007.

The Foundation has two objectives:

- Promote greater awareness of ASEAN and greater interaction among the peoples of ASEAN as well as their wider participation in ASEAN's activities inter alia through human resources development that will enable them to realize their full potential and capacity to contribute to progress of ASEAN Member States as productive and responsible members of society.
- Endeavor to contribute to the evolution of a development cooperation strategy that promotes mutual assistance, equitable economic development, and the alleviation of poverty.

The Foundation is mandated to support the following activities:

- Organize and support activities to promote education, training, health and cultural life.
- Provide assistance to uplift the social condition of the peoples in the ASEAN Member States.
- Provide fellowships to and support exchanges of ASEAN youths and students.
- Promote collaborative work among academics, professionals and scientists.
- Implement projects assigned by ASEAN Leaders or Ministers.
- Collaborate with the relevant ASEAN bodies.
- Organize its own projects and actively raise funds for the Foundation's activities.

Academic, cultural, economic, social and other relevant government institutions and bona fide non-governmental organizations of ASEAN member countries are eligible for assistance from the Foundation in conformity with its stated objectives.

As of March 2008, the ASEAN Foundation has supported 121 projects in the areas of social development, science and technology, environment and culture and information amounting to \$17.6 million. Of these, 91 projects have been completed amounting to \$11.36 million while 30 projects are on-going amounting to \$6.24 million.

### **AF Projects (March 2008)**

<b>Field</b>	<b>Number of projects</b>	<b>Amount USD (million)</b>
Social Development	94	14,336,844
Science & Technology	12	1,357,519
Environment	5	678,265
Culture & Information	10	1,210,467
<b>Total</b>	<b>121</b>	<b>17,583,095</b>

## Completed Projects

Field	Number of projects	Amount (USD Million)
Social Development	72	8,622,974
Science & Technology	8	998,735
Environment	4	577,793
Culture & Information	7	1,146,229
<b>Total</b>	<b>91</b>	<b>11,345,731</b>

## On-going Projects

Area	Number of projects	Amount USD (million)
Social Development	22	5,713,870
Science & Technology	4	358,784
Environment	1	100,472
Culture & Information	3	64,238
<b>Total</b>	<b>30</b>	<b>6,237,364</b>

## WDR 2008 and AF Projects

The World Development Report 2008 asks the question, “What can agriculture do for development?” The Report replies that agriculture contributes to development as an economic activity, as a livelihood, and as a provider of environmental services. These contributions differ in the three rural worlds: (a) agriculture-based countries, where agriculture accounts for 32 percent or more of GDP growth on average; (b) transforming countries, where agriculture contributes on average only 7 percent to GDP growth; and (c) urbanized countries, where the contribution of agriculture to GDP growth is only 5 percent or less on average.

In the ASEAN region, three countries, namely, Cambodia, Lao PDR, and Myanmar belong to the first category of agriculture-based countries where agriculture accounts for 33.1 percent, 50.2 percent, and 42.9 percent of GDP, respectively. Five countries, namely, Indonesia, Malaysia, Philippines, Thailand and Vietnam, belong to the second category of transforming countries where agriculture accounts for 15 percent, 7.7 percent, 19.1 percent, 9.3 percent, and 20.2 percent of GDP, respectively. Two countries, namely, Brunei Darussalam and Singapore belong to the third category of urbanized countries where agriculture accounts for 2.1 percent and 0.1 percent of GDP, respectively. Overall, agriculture remains a significant sector of the economy of the whole ASEAN region and continues to be an important factor for sustainable development and poverty reduction.

A total of 23 projects in agriculture (including agro-forestry and fisheries and aquaculture) have been funded by the ASEAN Foundation for a total amount of \$3.8 million or nearly 22 percent of the total amount of all the projects funded by the Foundation.<sup>2</sup> Of these, 18 projects have been completed amounting to \$2.41 million while 5 projects are still on-going with a total funding of \$1.39 million. All of these projects have been funded from the Japan-ASEAN Solidarity Fund, a contribution from the Government of Japan to the ASEAN Foundation amounting to \$20 million.

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<sup>2</sup> The financial support of the Government of Japan, through the Japan-ASEAN Solidarity Fund, to the twenty-three projects in agriculture and related areas listed in this paper, is gratefully acknowledged.

## Completed Agriculture and related Projects

Project Title	Project Fund (USD)
Regional Workshop on Drying Technology	219,103.15
Training Course on Diversified Farming Using Participatory Approach for Food Security in ASEAN	30,496.38
Asian's Farmers Exchange Learning , Network-building and Solidarity Program	250,232.92
Regional Volunteer Experts for Agricultural Modernization	68,209.16
Training Course for the Promotion of ASEAN National Agricultural Research System	82,750.10
ASEAN-SEAFDEC Conference on Sustainable Fisheries in the New Millennium: Food Security - Fish for the People	418,275.00
Training Project for Lecturer and Farmers from ASEAN Countries in the Area of Rural Development	61,255.49
The Promotion of Sustainable Fisheries through South-South Cooperation in the ASEAN Region	175,189.62
Training in Integrated Quality System Development For Agri-Food Processing Industries of ASEAN SMEs	94,284.14
Capacity Building for the Improvement of Fisheries Statistical System in the ASEAN Region	200,000.00
ASEAN ToT on Safety and Risk Assessment on Agricultural-related GMOs	83,554.99
ToT on Community Leadership and Entrepreneurship for Young Agri-Graduates	92,219.90
ToT on Community Leadership and Entrepreneurship for Young Agro-Graduates	29,703.51
Participation of ASEAN Scientists in the 8th ASEAN Food Conference: Cooperation and Integration for Development	49,569.62
Intensive Education and Training on Sustainable Farming Technique and Management	168,311.78
2nd and 3rd Training in Integrated Quality System Development for Agri-Food Processing Industries of ASEAN SMEs	114,704.33
Training on Community Leadership and Entrepreneurship for Small and Medium Agricultural Businesses in the GMS	29,307.46
HRD for Sustainable Development of Fisheries in BIMP-EAGA Region	241,201.00
<b>TOTAL</b>	<b>2,408,368.55</b>

## On-going Agriculture and related projects

Project Title	Project Fund (USD)
Promotion of One Village, One Fisheries Products (FOVOP) System to Improve the Livelihood	241,246.00
Human Resources Development on Poverty Alleviation and Food Security by Fisheries Intervention in the ASEAN Region	463,837.00
Strengthening Capacity of Small Holder ASEAN Aquaculture Farmers for Competitive and Sustainable Aquaculture	192,706.00
Linking Small Farmers to Market	439,725.00
Capacity Building on Supply Chain Management for Agribusiness SMEs in the Mekong Region	54,809.00
<b>Total</b>	<b>1,392,323.00</b>

The World Development Report lists three effective instruments in using agriculture for development: firstly, by increasing access to assets, namely, land, water, and human capital; secondly, by making smallholder farming more productive and sustainable; and thirdly, by moving beyond farming by creating a dynamic rural economy and developing the skills to participate in it.

*Increasing access to assets.* While land and water are assets essential for agricultural development, technical and business skills are often the most valuable assets for people working in the agricultural sector to enable them to pursue new opportunities. Farmers and other people working in the rural economy must be provided with relevant skills in order to raise productivity, enable them to start small agro-businesses, and even to migrate successfully into the non-farm economy.

The ASEAN Foundation recognizes that education is among the most valuable asset for the workers in the rural economy. For this reason, majority of the agriculture projects supported by the ASEAN Foundation – 14 out of 23 – involve human resources development, capacity building and skills training. The areas covered by these projects include the following:

- Drying technology for agricultural products
- Diversified farming using participatory approach
- National agricultural research system

- Rural development
- Integrated quality system for agri-food processing industries
- Improvement of fisheries statistical system
- Safety and risk assessment on GMOs
- Community leadership and entrepreneurship
- Sustainable farming technique and management
- Sustainable development of fisheries
- Poverty alleviation and food security
- Competitive and sustainable aquaculture
- Supply chain management for small agri-business

The agricultural production efficiency of farmers varies according to the environmental condition of their farms. This causes difficulties for extension officials in presenting the appropriate technologies to the farmers. One approach to overcome these difficulties is to encourage farmers to identify and analyze the problems with other farmers and then to share their opinions. This process does not come easily among farmers and training is required. This is the rationale of the *Training Course on Diversified Farming Using the Participatory Approach* supported by the ASEAN Foundation.

On the other hand, the series of *Training of Trainers on Community Leadership and Entrepreneurship* were aimed at expanding the knowledge of farmers and young agricultural workers in effectively leading their communities and developing new livelihood opportunities and strengthening their abilities for social networking and knowledge sharing.

Sustainable development and cultivation of the land requires understanding and love of nature. The *Training on Sustainable Farming Technique and Management* was aimed at providing technical competency at all stages of farming – from planning to construction of infrastructure to processing of products – and management skills to operate a productive farm and profitable agri-business.

***Making smallholder farming more productive and sustainable.*** To make smallholder farming more productive and sustainable, it is important to enhance the participation of smallholders in high-value markets, facilitate the access of farmers and rural entrepreneurs to affordable rural credit, and promote innovation through science and technology. Equally important for smallholders is participation in producer organizations that allow them to attain economy of scale and competitiveness. This is an area where donors and governments can play a crucial role. They can assist, for example, by facilitating the right of farm workers to organize, encouraging and training leaders, and empowering weaker members, in particular women and young farmers.

Through the Japan-ASEAN Solidarity Fund, the ASEAN Foundation has engaged the Asian Partnership for the Development of Human Resources in Rural Area (AsiaDHRRA) to implement two projects to organize small farmers in several ASEAN countries and to facilitate access of small farmers to suitable markets. The first is a three-

year project titled *Asian Farmers' Exchange Learning and Network Building and Solidarity Program*. The objectives of the project include: (a) sharing of experiences and insights on local productivity systems development, rural enterprise development, and farmers' network building; and (b) establishing linkages between and among farmers' organizations and cooperatives. A major accomplishment of this project is the establishment of the Asian Farmers Association (AFA) that now represents about 10 million farmers in the Southeast Asian region.

The second is a two-year project on *Linking Small Farmers to the Market*. The goals of the project are to: (a) establish an on-ground marketing link between small farmers' group and market players; and (b) collaborate with policy makers at national and regional levels to respond to agricultural marketing issues faced by the small farmers. The project aims to deliver the following outputs:

- Installed farmer-friendly database and information system focused on selected crops as tool for decision making and negotiation on market-related engagements of farmer organizations.
- Enhanced knowledge and skills of 168 NGO front-liners and farmer leaders on engaging small farmers with the market and managing on-ground marketing projects.
- Strengthened and established market intermediation mechanisms with direct involvement of farmer organizations.
- Established healthy partnership among various market players towards improved marketing arrangement benefiting small farmers.
- Enhanced mechanism for dialogue between farmer organizations and national and regional policy making bodies.

***Moving beyond farming.*** Finally, in order to move beyond farming it is necessary to create more jobs in both agriculture and the rural non-farm economy and assist the transition of the rural population into higher paying jobs by fostering skills and entrepreneurship.

To help create a dynamic rural economy and provide the rural workers the appropriate skills to effectively participate in it, the ASEAN Foundation has supported a number of relevant projects. The projects on the *Promotion of One Village, One Fisheries Products System to Improve Livelihood* and *Strengthening Capacity of Small Holder ASEAN Aquaculture Farmers for Competitive and Sustainable Aquaculture* are two examples of initiatives aimed at creating jobs by fostering skills, competitiveness and entrepreneurship.

The first project aims to build the capacity of women to develop small-scale economic activities and livelihood through the promotion of "one village one fisheries

product” (FOVOP) system; identify the regional mechanisms that would need to be set in place to support FOVOP; and facilitate exchange of experiences among ASEAN countries that could be adapted to each local situation.

The second project recognizes the need to raise the capacity of small-scale ASEAN aquaculture farmers to produce products that are competitive in the market. Accordingly, it aims to provide training materials and educational tools to help small-holder farmers organize and promote market access and competitiveness; build the capacity of supporting institutions and create a pool of capable trainers that can assist small farmers; and strengthen the capacity of farmers to organize and operate self-help groups that would foster entrepreneurship.

## **Conclusion**

Farmers and agricultural workers are important stakeholders in the region. To attain the vision of a caring and sharing ASEAN community, it is essential that farmer organizations and rural societies are provided the means to participate actively in shaping the future of the region. In addition, agricultural productivity is essential for the growth of the other sectors of the economy and the reduction of poverty. Rural poverty remains one of the important challenges to governments and the international community. For this reason, farmer organizations, agricultural workers, and rural communities will remain an important focus of the work of the ASEAN Foundation in promoting ASEAN identity and awareness and addressing socio-economic disparities and alleviating poverty in the region.