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**EMERGING ISSUES AND DEVELOPMENTS AT THE REGIONAL LEVEL:
REGIONAL ECONOMIC COOPERATION**

(Item 6 (a) of the provisional agenda)

REPORT ON THE REGIONAL NETWORK FOR AGRICULTURAL MACHINERY

Note by the secretariat

SUMMARY

The Regional Network for Agricultural Machinery (RNAM), established in 1977, has been providing very effective assistance to the participating member countries, and those beneficiary countries have been reiterating the usefulness of such activities and have requested increased assistance from RNAM in the area of agricultural mechanization and the related institutional build-ups for that purpose. At its eighteenth session, the Governing Body of RNAM further emphasized that the good work done by RNAM should be continued and strengthened. While the beneficiary member countries have pledged to pay their committed share of the minimum requirements of RNAM, the Governing Body requested donors and organizations to provide all possible assistance to RNAM, so that the priority needs of member countries in agricultural mechanization could be met.

The report of the Governing Body of RNAM on its eighteenth session appears in the annex to the present document.

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Introduction

1. The Regional Network for Agricultural Machinery (RNAM) was established based on the studies conducted by the former Asian Industrial Development Council under the aegis of ESCAP, which felt a need for regional institutional support for agricultural mechanization in Asia and the Pacific. In 1975 the Commission, by resolution 156 (XXXI), approved the establishment of a Regional Network for Agricultural Machinery, and the Government of the Philippines offered to host the Network and provide host facilities. Initially India, Indonesia, the Islamic Republic of Iran, Pakistan, the Philippines, the Republic of Korea, Sri Lanka and Thailand participated, and the project was joined by other countries such as Bangladesh and Nepal in 1987, China in 1990 and Viet Nam in 1994, bringing the total to 12 participating countries. Subsequent Commission sessions and other intergovernmental forums have appreciated the work undertaken by the Network and have directed the secretariat to continue the very useful work in that regard. The RNAM office was located at Los Baños, Philippines, until 1990. Since 1991 the Network's office has been located at ESCAP headquarters in Bangkok. The United Nations Development Programme (UNDP) had been providing programme and institutional support until 1987, but only programme support was provided until 1991. Participating member countries have been regularly providing institutional support to the Network. The Government of Japan had provided generous financial institutional and programme support to the Network. The Governments of Australia, Belgium, the Netherlands and the Republic of Korea had also provided assistance to the Network. The United Nations Industrial Development Organization (UNIDO) also has been implementing projects together with RNAM.

2. Furthermore, agencies and organizations such as UNIDO, the Food and Agriculture Organization of the United Nations (FAO), the Asian Institute of Technology (AIT) and the International Rice Research Institute (IRRI) have been regularly providing technical inputs and expertise through their active participation in the Technical Advisory Committee (TAC) and the Governing Body meetings of the Network. The Network is now at a critical juncture and it is necessary to review seriously the status and future of RNAM. The last meetings of TAC and the Governing Body were held at Los Baños, Philippines, in December 1998.

3. Through the years 1977 to the mid-1990s, the Network provided assistance in areas such as development of infrastructural mechanism for agricultural mechanization, human resources development assistance in exchange of information, design, prototype of tested machines for commercialization and establishment of joint ventures. In the later years one of the major activities undertaken by the Network has been to identify and exchange information and develop agricultural machinery which could be used by women, with a view to promoting women's involvement in agriculture at the national level. The Network also implemented a project on developing the agro-based metal industries financed by UNIDO in which non-RNAM participating countries such as Bhutan, Cambodia, the Lao People's Democratic Republic, Myanmar, Samoa and Solomon Islands have also

I. RECENT ACTIVITIES OF THE REGIONAL NETWORK FOR AGRICULTURAL MACHINERY

4. The Network was very active during 1996 and 1997. However, in 1998 it was unable to contribute as before, primarily because of insufficient institutional funding for the Network from its participating countries.

5. The project has been managed and backstopped by the ESCAP secretariat since the end of July 1998. In the first half of 1998, missions were undertaken to a few countries to ascertain their views on the activities and the future direction of RNAM. Such missions were undertaken to India, Pakistan, the Philippines and the Islamic Republic of Iran. Those countries had recommended the continuation of RNAM and possible expansion through the involvement of the private sector organizations and representatives as associate members. For the years 1999 and 2000, it was suggested that the focus of RNAM work be in the following areas:

(a) Study tour of national experts from selected Commonwealth of Independent States (CIS) to India, the Republic of Korea and Thailand;

(b) RNAM regional technical cooperation among developing countries (TCDC) workshop on food-processing machinery in China;

(c) Agrimach'99 (Agricultural Machinery Exhibition and Symposium);

(d) Adaptation of small-scale rice transplanting machinery for village-level farming systems;

(e) Dissemination of successful technologies for rural women;

(f) Development of appropriate machinery for soil and water conservation in RNAM countries;

(g) Publication of an RNAM newsletter.

6. It may be noted that as part of the ongoing activity in the area of agro- and agro-allied industries development, ESCAP organized the Regional Workshop on Human Resources Development for the Food Industries in Asia and the Pacific in collaboration with the Asia-Pacific Economic Cooperation (APEC) secretariat in July 1998. Participation was from countries and areas like Australia, Bhutan, India, Indonesia, the Lao People's Democratic Republic, Malaysia, Nepal, Taiwan Province of China and the United States of America. RNAM was also represented at the Workshop.

7. The Workshop was of the view that the establishment of a regional network for close collaboration on human resources development activities in the food sector was necessary, and decided to explore the possibilities of expanding the scope of activities of RNAM to include such activities. It was suggested that details of the Network's goals, objectives and functions be developed by a planning

committee as part of the follow-up activities. The results of the deliberations of the committee could take into account the general principles of collaboration among international organizations, industry, educational institutions and consumer organizations. These findings would also be made available to member countries of RNAM.

8. The Network is now going through a critical phase and its status and future had to be ascertained from the participating member countries. It was imperative that member countries should discuss and reassess the work of RNAM and provide the Regional Office and ESCAP with their assessment for future actions. The Governing Body, the principal policy organ for the Network, met at the University of the Philippines at Los Baños in 1998 and discussed the issues thoroughly. It was apprised of the critical phase and the shortage of programme as well as institutional funds, and was informed that the Industry and Technology Division had temporarily taken over the functions of the Network's Regional Office. The Governing Body deliberated the issues in detail and had drafted its recommendations for the Commission to consider. It may be noted that the member countries of RNAM unanimously declared that RNAM activities had benefited the member countries, and they wished to see the Network continue to function and even expand in scope. They reiterated their commitments to make payments at the minimal level of contribution and to cooperate in the substantive areas.

9. The Governing Body strongly recommended to the Commission the continuation of RNAM activities and urged donors and other organizations to provide the needed programme support for activities, as indicated in paragraph 5 above.

II. ISSUES FOR CONSIDERATION

10. The Commission may wish to note that member countries have reiterated their commitments for the continuation of the activities of RNAM and have requested the continuation of the exchange of information and advisory services. In view of the shortage of institutional funds, such assistance should be provided by hiring short-term consultants. In this context, the possibilities should also be explored of securing the services of experts for short-term/long-term on a non-reimbursable loan basis.

11. In view of the continued discussions and dialogue with the Government of the Philippines for hosting a workable and efficient regional office in Los Baños, the full implications of hosting a United Nations regional project should be discussed with that Government. The present functions of RNAM should be carried out from ESCAP headquarters until other permanent arrangements are made.

12. The participating member countries have in principle agreed to provide the required minimum level of institutional cost of the Regional Office. However, actual disbursement of funds has not been in the full amount of the pledge and on time. It was, therefore, essential to stress the importance of full and timely payment for the functioning of the Regional Office.

13. The donors and other organizations, such as UNDP, have been urged by member countries to provide the needed programme resources to carry out the activities as approved by the Governing Body. In that context it may also be noted that the Governing Body has recommended that the possibility be explored of expanding the scope of RNAM in the area of human resources development for the post-harvest and food-processing sectors, for which resources will be sought from various traditional and new donors as well.

14. The Governing Body had requested the secretariat to continue publication of RNAM newsletters, in collaboration with organizations like AIT, IRRI and any other interested organizations.

III. RECOMMENDATIONS

15. The Commission, while taking into consideration the past successes achieved in RNAM activities and the resolve of the member countries, expressed during the most recently held meeting of the Governing Body,¹ to cooperate fully in those activities, may endorse the report of the Governing Body and decide to continue and strengthen the functioning of the RNAM Regional Office and, through its efforts, provide the needed assistance to member countries.

16. The Commission may also wish to decide that the expansion of the scope of RNAM activities be worked out in consultation with the national focal points for purposes of cooperation and coordination and contributions towards the institutional cost of the Regional Office as the post-harvest and food-processing sectors may be handled by different organizations in different countries other than the focal point for RNAM activities. The RNAM focal point should assist the Network in this endeavour.

17. The Commission may wish to consider the financial difficulty faced, especially with regard to institutional costs, and suggest measures to alleviate the difficulty. It may also wish to urge the participating member countries to pay in full and on time the minimum contribution required for the Regional Office. It may also like to impress upon the more advanced countries of the region the need to provide the services of long-term and short-term experts to RNAM.

18. The Commission may wish to note the offer of the Philippines to consider hosting the Regional Office and direct the secretariat to conduct discussions on all implications for hosting a United Nations regional project.

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¹ The report of the Governing Body appears in the annex to the present document.

19. The secretariat should explore the possibilities of assisting member countries to prepare projects, in related areas to be financed from UNDP indicative planning figures (IPFs) for TCDC activities/projects and from the Technical Cooperation Programme (TCP) funds of FAO. Programme funds for human resources development purposes may be negotiated with UNDP, as it was one of the major areas of concern of UNDP.

20. The Commission may wish to express its appreciation for contributions and assistance provided by donors such as China, Japan, the Netherlands and the Republic of Korea in the implementation of the programme activities of RNAM.

21. The Commission may consider the above issues and recommendations and advise the secretariat on the activities to be undertaken.

**REPORT OF THE GOVERNING BODY OF THE REGIONAL NETWORK
FOR AGRICULTURAL MACHINERY ON ITS
EIGHTEENTH SESSION**

Los Baños, Philippines, 3 and 4 December 1998

**I. RECOMMENDATIONS OF THE GOVERNING BODY FOR CONSIDERATION
AND ADOPTION BY THE COMMISSION**

The Governing Body recommended that the Regional Network for Agricultural Machinery (RNAM) should:

- Continue providing catalytic assistance to member countries.
- Expand the scope of activities of RNAM in the area of human resources development for post-harvest and food-processing technologies, without affecting the original purpose and objectives of the Network. It should be carefully executed in coordination with the national focal points of RNAM.
- Undertake the following activities for the years 1999-2000:
 - (a) Study tour of national experts from selected Commonwealth of Independent States (CIS) to India, the Republic of Korea and Thailand;
 - (b) RNAM regional technical cooperation among developing countries (TCDC) workshop on food-processing machinery in China;
 - (c) Agrimach'99 (Agricultural Machinery Exhibition and Symposium);
 - (d) Adaptation of small-scale rice transplanting machinery for village-level farming systems;
 - (e) Dissemination of successful technologies for rural women;
 - (f) Development of appropriate machinery for soil and water conservation in RNAM countries.

The Governing Body further:

- Recommended that participating countries should explore the possibilities of proposed national level/regional level TCDC activities/projects to be financed by the country indicative planning figure (IPF) of the United Nations Development Programme (UNDP) and the Technical Cooperation Programme (TCP) funds of the Food and Agriculture Organization of the United Nations (FAO).

- Emphasized the need for timely payment of contributions for the proper functioning of the Regional Office.
- Noted that the member countries unanimously pledged to provide the required minimum cost of the Regional Office, but only after the economic conditions in the participating member countries had improved.
- Noted that participating member countries considered providing expertise to the Regional Office on a non-reimbursable loan basis.
- Announced that the Government of the Philippines had offered to consider hosting the RNAM Regional Office, and the secretariat was now in the process of negotiating the host facilities. The Commission may wish to take a decision on this issue and consider the request of the Governing Body for continuation of the Regional Office within ESCAP until more permanent arrangements are made.

II. SUMMARY OF DELIBERATIONS (Agenda items 4 and 5)

1. The Governing Body had before it the following documents: (a) Review of activities of RNAM (ITD/RNAM/GB(XVIII)/L.3); (b) Status and future of RNAM (ITD/RNAM/GB(XVIII)/L.4); and (c) Recommendations of the nineteenth session of the Technical Advisory Committee (TAC) of RNAM, held on 2 December 1998 at the University of the Philippines, Los Baños.
2. The Director of the Industry and Technology Division welcomed the members of the Governing Body and the representatives of the Asian Institute of Technology (AIT), FAO, the International Rice Research Institute (IRRI) and the United Nations Industrial Development Organization (UNIDO) to the meeting.
3. The Governing Body took note that the meeting was taking place at a very crucial time to consider the status and future of RNAM. The Governing Body took note of the message of the Executive Secretary and agreed that it was a unique project where meaningful cooperation was based on an extremely useful exchange of information where even designs and prototypes of agricultural machinery were exchanged without costs for patent and royalties, and so on. The Governing Body was pleased to note that at various meetings the Commission had appreciated the work undertaken by the Regional Network and the need to continue the activities undertaken by it.
4. The Governing Body took note of the recommendations of TAC and approved its recommendation for implementation in the future. It especially appreciated the activities undertaken at the national level and the firm commitment of the participating countries to cooperate further.

5. The Governing Body endorsed the following as objectives of RNAM in providing assistance to participating member countries:

(a) Extension of agricultural machinery and post-harvest and food-processing technologies through demonstrations for their eventual commercialization and market expansion;

(b) Local manufacture of identified machinery through sharing of technologies;

(c) Development of agricultural and agro-related machinery through exchange of information and hardware (prototypes, designs and drawings);

(d) Improvement of the working conditions of women farm workers through their integration in mechanization and production activities;

(e) Formulation of strategies for appropriate agricultural mechanization, and skills development/programmes related to agri-business.

6. The Governing Body took note of the serious shortage of institutional and programme funds for RNAM and shared the unanimous view that participating member countries should provide the minimum required level of contribution for the institutional cost and also request donors and other organizations to consider providing programme funds for the very useful activities being carried out by the Regional Network. In this context, it also requested countries in a position to do so to provide expertise on a non-reimbursable loan basis either on short term or long term to the Network. Other avenues such as TCDC should also be further explored.

7. The Governing Body deliberated extensively on the usefulness of the project activities and concluded that all the participating member countries had benefited from the programme initiated by the Network and should continue those activities. RNAM should also expand activities in the areas of post-harvest and food-processing technologies. Discussions at the national level should be held with various focal points dealing with those areas and plan a workable arrangement for the Network to coordinate activities in those areas as well as the originally planned activities.

8. The national institutes should expand their activities in soliciting the cooperation of the private sector organizations and individuals in participating and promoting RNAM-related activities, especially in areas of commercialization of modified and proven prototype or other machinery and implements. Participation of the private sector in RNAM activities through the Regional Network should be initiated and coordinated by the national institutes to derive better results at the local level.

9. The Governing Body thanked TAC for its useful work and its recommendations, which had made it easy for the Governing Body to reach its own decision and make recommendations for the Commission to consider and decide upon.

10. The Governing Body took note of the recommendation for the formulation of an agricultural mechanization board, in member countries where it does not exist, to oversee and suggest cooperative and other associated activities, at the working level with the active participation of the representatives of the private sector research and development institutes and the industry and public (selected senior-level policy makers) sector to make it effective.

11. The Governing Body decided to make the following recommendations:

(a) The Governing Body, after a careful review of the progress of the work of RNAM and its participating countries and the recommendations of TAC, endorsed them, suggested certain modifications and recommended the course of action indicated below.

(b) The Governing Body was of the unanimous view that the cooperative activities generated with catalytic assistance from RNAM had been very beneficial to the participating countries, as was apparent from the report of the associated experts in TAC. It also agreed with TAC that the good work accomplished by RNAM should not be lost and therefore decided that RNAM should continue to provide catalytic assistance to member countries.

(c) The Governing Body also agreed with TAC that the scope of activities of RNAM should be expanded. However, the original purpose and objective of the Regional Network should not be neglected. The plan to expand the scope of activities to include the area of human resources development for post-harvest and food-processing technologies should be carefully executed after detailed discussion with the national institutes with regard to coordination and institutional support.

(d) The Governing Body also further agreed and pledged to explore all possibilities to provide the institutional cost at the minimum level suggested by ESCAP. However, it cautioned that the recent economic upheaval might compel some countries to postpone the payment of their pledges. The Governing Body emphasized the need for timely payment of the contributions for the proper functioning of the Regional Office. In that context, it applauded the pledge of the Government of the Philippines to provide US\$ 12,000 for RNAM institutional cost.

(e) The Governing Body expressed its appreciation to ESCAP for providing temporarily the host facilities for the Regional Office and recognized that more permanent arrangements had to be made. It heartily welcomed the offer of the Government of the Philippines, through the University of the Philippines at Los Baños, to explore the possibility of hosting the regional office. The generous offer would lead to a very successful reinvigorating of RNAM to serve its membership.

(f) The Governing Body approved the revised objectives of RNAM as contained in the report of TAC on its nineteenth session and also approved the specific activities proposed for the years 1999-2000. It also urged donor countries, UNDP, FAO and UNIDO to provide the programme funds necessary for the implementation of the proposed activities. The Governing Body further endorsed the recommendations contained in the report of TAC and requested ESCAP to continue to provide the

(g) The Governing Body considered the suggestion that member countries should explore the possibility of proposed national level/regional level TCDC activities/projects to be financed by the country IPF of UNDP and TCP funds from FAO. Such cooperative activities would be implemented for the benefit of all RNAM countries. It urged all members to consider that proposal positively and to draw up projects to be funded from those sources.

(h) The Governing Body requested countries in a position to do so to consider providing expert services for RNAM on a non-reimbursable loan basis.

(i) The Governing Body welcomed the participation of AIT, IRRI, FAO and UNIDO, and expressed appreciation for their constructive inputs to the work programme of RNAM and their pledge to cooperate as much as possible in implementing the activities of RNAM. The Governing Body urged that further discussion with those organizations be initiated by RNAM and the Industry and Technology Division.

(j) The Governing Body thanked the Honorable Angelito M. Sarmiento, Congressman and Chair, House of Representatives Committee on Agriculture and Food, for taking time to open the meeting and for his keynote address, which set the tone of the meetings. It also expressed its gratitude for the excellent host facilities and other logistic arrangements provided by the Government of the Philippines, the University of the Philippines at Los Baños and the Director of the National Institute, Dr Virgilio G. Gayanilo, and his team.

12. The Governing Body applauded the offer of the Government of the Philippines to consider hosting the RNAM Regional Office at Los Baños. It requested the secretariat to discuss the matter further with the authorities of the Philippines, in order to establish a functional regional office of the Network. The secretariat announced that a detailed plan would be discussed before any other action was undertaken.

13. The Governing Body expressed its appreciation for the offer of the National Institute of Nepal to explore the possibility of hosting the next session of the Governing Body around November/December 1999 in Kathmandu. If that should not be possible or should any other National Institute also not be in a position to act as host, the Governing Body's session might be held in Bangkok.

14. The Governing Body adopted its report on 4 December 1998.

III. ORGANIZATION OF THE SESSION

A. Opening of the session

15. The eighteenth session of the Governing Body of RNAM was held on 3 and 4 December 1998 at the University of the Philippines at Los Baños.

16. The inaugural session was opened on 3 December with welcoming remarks by Dr Ernesto P. Lozada, Vice-Chancellor for Research and Extension, University of the Philippines at Los Baños, in which he welcomed the participants and stated that RNAM was facing a crossroads. Discussion at the TAC meeting showed that RNAM activities had benefited many of the member countries and that continuance was desired. The Chancellor of the University of the Philippines at Los Baños, Dr Ruben L. Villareal, the host for the session, stated in his opening remarks that the University was proud to cooperate and witness the cooperation of 12 participating countries and various international organizations involved in the promotion of agricultural machinery. In order to meet future demands, continued efforts would have to be made in the modification of designs and in agricultural mechanization technology packages to suit local conditions, for which assistance through RNAM was required.

17. In his message to the session, the Executive Secretary of ESCAP stated that RNAM was a unique project in which meaningful cooperation was based on exchanges of information and on designs and prototypes of agricultural machinery without any payment of royalty fees. He stated that while the formative years of RNAM had been comfortable because UNDP and donors like Japan had provided the needed programme and institutional support, since 1987 that had not been the case, as UNDP had stopped providing institutional support. In 1991 UNDP had also stopped making programme support available. Nevertheless, Japan had been providing programme support but now it had stopped financing the much-needed institutional support. The annual contributions from the participating countries had not been adequate to sustain the Regional Office formerly operating out of Los Baños. Therefore the Office had been shifted to ESCAP headquarters in Bangkok in 1991. Realizing the importance of the project and the wishes of the member countries, ESCAP had been able somehow to provide for the continuation of the project manager until the end of July 1998. Now the Industry and Technology Division of ESCAP had temporarily taken over the functions of the Network's Regional Office.

18. Furthermore, the Regional Network was now at a crossroads and concrete decisions on the vital issues were essential for ESCAP to maintain or strengthen the effective functioning of the Network. The Executive Secretary made a strong plea to all to consider the issues seriously and advise on the matter.

19. In his keynote address, the Honorable Angelito M. Sarmiento stated that modernization of agriculture would pave the way to global competitiveness, but that could not be done by countries independently. Therefore collaboration was necessary with various countries to strengthen regional competitiveness. He appealed for a continuous search for technological advances in agriculture, especially to face the food security challenge. He reminded the Governing Body that the basic efforts and endeavours should be the major objectives of attaining a better and improved quality of life of the farmers. In those endeavours modernization and adaptation of tools should be made appropriate and affordable.

B. Attendance

20. The session was attended by representatives of China, India, Indonesia, the Islamic Republic of Iran, Nepal, the Philippines, the Republic of Korea, Sri Lanka, Thailand and Viet Nam. Representatives of AIT, FAO, IRRI and UNIDO also attended.

C. Election of officers

21. The Governing Body elected Mr Edmund Sana (Philippines) Chairman and Mr Anwar Alam (India) Vice-Chairman of the session.

D. Agenda

22. The Governing Body adopted the following agenda:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Progress report on activities of the Regional Network for Agricultural Machinery.
5. Status and future of the Regional Network.
6. Progress report on activities at the national level and the recruitment of associate members (machinery manufacturers for the Regional Network).
7. Other matters.
8. Adoption of the report.