

MINDANAO TRUST FUND

RECONSTRUCTION AND DEVELOPMENT PROGRAM

ANNUAL REPORT
2006



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TABLE OF CONTENTS

Acknowledgements	iv
Foreword	v
Messages	vi
Acronyms and Abbreviations	viii
Executive Summary	ix

Introduction	1
Development Assistance in Support of the Mindanao Peace Process	4
Developing Sustainable Management Arrangements	6
Development of Community Organizing Strategies	7
Community-Driven Sub-Project Implementation	9
Local Governments as Partners in Development	12
Knowledge Management for Peace and Development	12
Financial Highlights	15
Looking Ahead to 2007	17

Charts

Chart 1	Population of Mindanao by Groups	1
Chart 2	Barangays in Mindanao	1
Chart 3	Contribution to MTF in 2006	15

Diagrams

Diagram 1	Map of Mindanao	xi
Diagram 2	Causes of Conflict	4
Diagram 3	JNA Peace and Development Framework	5
Diagram 4	MTF-RDP CDD Sub-Project Cycle	9
Diagram 5	eMindanao Web Pages	14

Annexes

Annex 1	MTF Interim Steering Committee Members	21
Annex 2	Project Profile: Brgy. Baguindan, Tipo-Tipo	22
Annex 3	Project Profile: Brgy. Lucatan, Tarragona	23
Annex 4	Project Profile: Brgy. Malisbong, Palimbang	24
Annex 5	Project Profile: Brgy. Pacalundo, Balo-i	25
Annex 6	Project Profile: Brgy. Sapad, Matanog	26
Annex 7	Project Profile: Brgy. Sungayan, Dinas	27
Annex 8	Chronology of Events	28
Annex 9	MTF-RDP Training, Orientation & Workshop Activities	29

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Much of the information, stories and pictures used in this report were drawn from progress reports, monitoring reports and other documents prepared for the MTF-RDP. Additional pictures were from the Mindanao social assessment. The Trust Fund Recipient, Community and Family Services International, and the Implementation Service Provider, Associated Resources for Management and Development provided important guidance and mentoring for the staff of Bangsamoro Development Agency that led to success on the ground. In addition, the Bangsamoro Development Agency provided logistical support and coordinated field visits for the MTF Secretariat members and development partners when they traveled to the field for monitoring and consultations with local stakeholders.

Special thanks go to the contributing International Development Partners who believed in the effort on building peace and promoting development in Mindanao, and to the Office of the Presidential Adviser on the Peace Process who guided the effort and assisted in coordinating security on the ground with the Joint Coordinating Committee on the Cessation of Hostilities and the Local Monitoring Teams. Valuable assistance was provided by Consultant Mr. Bruce Gross in developing the outline and format for the annual report. The map of Mindanao was produced by the World Bank.

FOREWORD

Within less than one year of implementation, the Mindanao Trust Fund-Reconstruction and Development Program has given us a clearer understanding of the nature and magnitude of the cost of conflict to vulnerable communities in Mindanao. The more one learns about the situation at the local level, the more one is convinced that the usual forms and means of providing development assistance will have limited effects on social and economic recovery of these communities. That the MTF-RDP has been able to design and put into motion an innovative and responsive mechanism gives us, the development partners, much to be proud of. Results on the ground, albeit small in scale, have demonstrated that the MTF mechanism actually works.

President Gloria Macapagal-Arroyo led the way by appealing to development partners to extend assistance to Mindanao even before the peace agreement is signed. This effectively signaled government support for MTF development assistance that can work hand in hand with the ongoing peace process. The response of development partners has been very encouraging and their keen interest in the Program's progress as well as in lessons learned is a constant challenge to the MTF Secretariat to press on and test the limits of this new mechanism.

I wish to congratulate the Program's implementing partners, especially the Bangsamoro Development Agency whose dedication and commitment to community development and self-reliance accounts for much of what the Program has been able to accomplish in its first year. On behalf of the development partners, I would also like to thank Secretary Jesus Dureza, Presidential Adviser on the Peace Process for his guidance and support of the MTF-RDP. The International Monitoring Team for the GRP-MILF Peace Process and the Joint Coordinating Committee for the Cessation of Hostilities have also played key roles in acknowledging the efforts of the Program for extending assistance to conflict-affected communities as well as the opportunity that it offers communities that are searching for sustainable approaches for peace and development in Mindanao.

The work of the MTF-RDP truly enriches our knowledge of aid effectiveness issues in conflict settings where operating conditions are difficult but where the need is most urgent. Development assistance in the past operated mainly through fragmented and uncoordinated approaches. The challenge for us is to create an effective means for integrating resources and efforts to produce lasting social and economic opportunities that can serve as pathways of communities out of conflict. It is still work-in-progress but the positive response of the development partners, government and the Bangsamoro groups is a great source of optimism and much faith in the contributions that the Program can make to the peace process.

Joachim Von Amsberg
Country Director, World Bank Philippines
Co-Chair, MTF Interim Steering Committee

MESSAGE FROM THE OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS (OPAPP)

The implementation of the Mindanao Trust Fund–Reconstruction and Development Program (MTF-RDP) Phase 1 has provided a major contribution in our effort to build the capacities of the Bangsamoro people in Mindanao, in preparation for a more comprehensive development package once a peace agreement between the Philippine Government and the Moro Islamic Liberation Front (MILF) is signed.

On behalf of the Government of the Philippines, I thank the donor community whom we have built a strong partnership with on this endeavor, particularly the World Bank as the Fund Administrator of the Program, the Australian Agency for International Development (AusAID), the Canadian International Development Agency (CIDA), the New Zealand Agency for International Development (NZAID), the Embassy of Sweden, and the European Commission. These and several other international agencies have witnessed real situations of people and communities affected by armed conflict in Mindanao, including their struggle towards recovery and living a normal life.

I also commend the dedicated effort of the Bangsamoro Development Agency (BDA), in bringing into reality the objectives of the MTF-RDP and in strengthening its partnership with the government, involving key agencies, local government units, civil society organizations, and the community. The Office of the Presidential Adviser on the Peace Process (OPAPP) is extremely pleased to have served as the government partner in ensuring the effective implementation of this comprehensive reconstruction and development program for Mindanao.

The main thrust of the Arroyo government for Mindanao is to lay the strong foundation for sustainable peace and development, and we are very much pleased to see the progress of the MTF-RDP, moving along our desired direction. This collaboration established among our partners and beneficiaries, serves as a foundation in furthering peace and development initiatives in Mindanao.

The GRP-MILF peace process is among the government's top priorities for Mindanao, with focus on its three major aspects, namely: security (ceasefire); humanitarian, rehabilitation, and development; and ancestral domain. These are being pursued with the aim of reducing the level of violence, as well as assisting and healing social wounds across conflict-affected areas.

After over a year since its inception, it is encouraging to note that the gains achieved by this Program and the implementation of small projects in six pilot areas as part of the capacity building of the BDA, have added more meaning to our pursuit of the peace process. With the first cycle of activities carried out under this program, along with the progress in the talks between the GRP and the MILF, we believe that this endeavor will continue to benefit more Bangsamoro people in vulnerable areas of Mindanao.

Mabuhay!

Jesus G. Dureza
Presidential Adviser on the Peace Process
Office of the President
Co-Chair, MTF Interim Steering Committee

MESSAGE FROM THE BANGSAMORO DEVELOPMENT AGENCY (BDA)

Greetings of Peace!

The Bangsamoro Development Agency, being a new organization, is grateful for the opportunity to take part in development work for conflict-affected areas through the Mindanao Trust Fund–Reconstruction and Development Program, and thus contribute to confidence building and the advancement of the peace process. The first year of learning and pilot implementation was full of challenges and it seems fortuitous that we were allowed a period for guided learning before the Program goes into full-scale implementation.

Our success as development arm of the Bangsamoro people will ultimately be measured by the transformation of conflict-affected people into cohesive, values-driven and self-reliant communities. Under the Program's Phase 1 (capacity building), we are now gaining the knowledge and ability to accomplish this mission through community-driven development, whereby people's organizations play a pivotal role in the economic and social recovery of their communities.

We want to extend our sincere gratitude to the institutional development partners, the Philippine government and the International Monitoring Team and we pray for the success of our collective efforts in achieving permanent peace for Mindanao.

Abas A. Candao, M.D.
Chairperson, Board of Directors
Bangsamoro Development Agency
Co-Chair, MTF Interim Steering Committee

ACRONYMS AND ABBREVIATIONS

ARMM	Autonomous Region in Muslim Mindanao
AusAID	Australian Agency for International Development
BDA	Bangsamoro Development Agency
BPC	Barangay Project Committee
CDD	Community Driven Development
CIDA	Canadian International Development Agency
CPMO	Central Project Management Office
EC	European Commission
GRP	Government of the Republic of the Philippines
IDP	Internally Displaced Person
IMT	International Monitoring Team
ISP	Implementation Service Provider
JNA	Joint Needs Assessment
LGU	Local Government Unit
LMT	Local Monitoring Team
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MOA	Memorandum of Agreement
MTF	Mindanao Trust Fund
MTF-RDP	MTF for Reconstruction and Development Program
NZAID	New Zealand Agency for International Development
PCA	Philippine Coconut Authority
PMO	Project Management Office
PO	People's Organization
RPMO	Regional Project Management Office
SIDA	Swedish International Development Cooperation Agency
SOE	Statement of Expenditure
TACT	Trust Fund Accounting and Clearance Team
TFR	Trust Fund Recipient
USAID	United States Agency for International Development
WB	World Bank

EXECUTIVE SUMMARY

As prospects for peace in Mindanao between the Moro International Liberation Front (MILF) and the Government of the Republic of the Philippines (GRP) showed sustained improvement in 2003-2005, the Mindanao Trust Fund (MTF) was created as a mechanism for pooling and channeling resources from development partners to conflict-affected communities. By March 2006, it launched the MTF Reconstruction and Development Program (MTF-RDP) to focus initially on much needed capacity building of local stakeholder groups in the planning, implementation and management of their own development projects.

Capacity building of the Bangsamoro Development Agency (BDA) was among the main goals of Phase 1 in the first year of the Program to address the lack of skills and experience of Moro-based organizations in development administration. Through the technical assistance and guided learning (learning-by-doing) in the actual implementation of a community-driven development approach for conflict areas, the BDA has successfully experienced and completed one cycle of sub-projects in six pilot communities. The BDA field staff with the help of on-site coaches went into community organizing work which included the recruitment of Barangay Volunteers, training community members and guiding them in the process of putting up a people's organization (PO) that could be entrusted with responsibilities for the implementation and management of their projects. The next stage for BDA would involve learning to manage a cluster of sites in each region.

The MTF-RDP has been able to put into operation an effective funding mechanism that downloads community block grants for approved sub-project proposals directly to the designated bank accounts of the POs. All POs and their accountable officers generally followed transparent financial and procurement processes and have been able to complete their sub-projects that meet quality standards and authorized funding levels. The BDA field staff closely monitored all PO activities, validated all payment claims and facilitated release of subsequent tranches throughout the implementation period of the sub-projects. The MTF Secretariat supervised the MTF-RDP activities on a regular basis by reviewing all field monitoring reports, frequent interaction with implementing partners particularly in the early months of implementation and by mounting project implementation review missions.

Support from the local government units was obtained through the signing of a Memorandum of Agreement with municipal mayors for each of the pilot sites. In general, mayors acknowledged the strategic importance of working with the BDA in conflict-affected areas and agreed to provide the counterpart resources for the community block grants extended by the Program to fund the pilot sub-projects.

Valuable lessons have been gleaned from the first cycle of sub-project implementation from Batch 1 sites. Through joint monitoring missions and assessment workshops, the effectiveness of community-driven development for

conflict areas was affirmed. This resulted from strong adherence to processes that hasten the building of trust and relationships at the community level, intensive use of community volunteers and support of local chief executives, among others. Through program monitoring and implementation assessments, the MTF Secretariat consolidated lessons learned and good practices for future activities of the MTF-RDP. In the past year, the MTF Secretariat initiated knowledge sharing activities and established a web-based eMindanao portal to enable development partners to access information that could be useful for coordination of assistance to conflict areas in Mindanao.

The extended peace process has prolonged the preparation period for capacity building by which more communities can be reached by the Program and institutional foundations for Phase 2 implementation can be further strengthened. The Program envisions the need to continue support for capacity building of BDA but with increasing independence and operating efficiency to handle a bigger Program coverage. New barangays for Batch 2 sites will aim for greater participation of internally displaced persons and indigenous peoples and as well create more effective strategies for LGU engagement in peace-building initiatives.

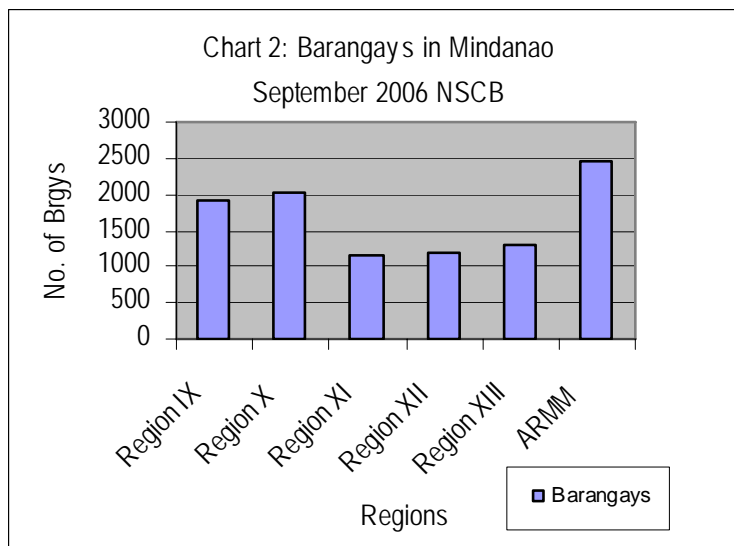
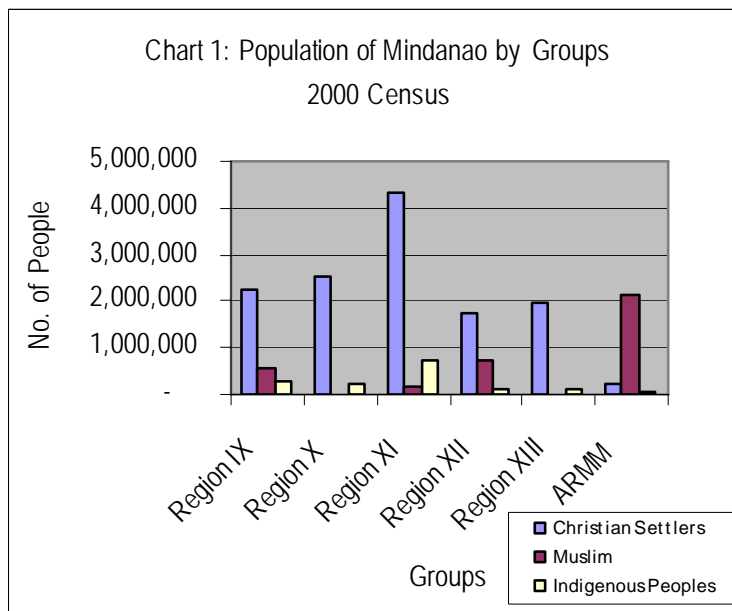


MTF Signing Ceremony on March 27, 2006 in Cotabato City. From Left: Jun Mantawil, MILF Central Committee; Steven Muncy, Community and Family Services International; Patricia Tan, New Zealand Agency for International Development; Ambassador Anthony Hely, Embassy of Australia; Joachim von Amsberg, World Bank Country Director for the Philippines; Secretary Jesus Dureza, Presidential Adviser on the Peace Process; Ambassador Peter Sutherland, Embassy of Canada; Abas Candao, Bangsamoro Development Agency; Maj. Gen. Dato Soheimi bin Abbas, International Monitoring Team; Assistant Secretary Ramon Santos, Office of the Presidential Adviser on the Peace Process.

Diagram 1: Map of Mindanao

INTRODUCTION

Mindanao is home to around 20 million people, a quarter of the population of the Philippines, and numerous barangays (see Charts 1 and 2). It accounts for about a fifth of the country's national output gross domestic product (GDP), over a third of the country's agriculture, and close to 15% each of the industry and service sectors. It also employs about a fourth of the total labor force of the country.



“Development aid is crucial to the early stages of a peace deal as it can provide the concrete examples to affected communities of the benefits of the peace. [It] should be quick in coming and focused on smaller-scale infrastructure programs that have short gestation periods and deliver visible improvements.”

- Malcolm Cook and Kit Collier, Mindanao: A Gamble Worth Taking!

¹ Mindanao: A Gamble Worth Taking. Malcolm Cook and Kit Collier, Lowy Institute for International Policy, 2006, New South Wales, Australia (pp. xi and 63).

Mindanao's development has not realized its potential because of a decades-long conflict between the government of the Philippines and Muslim separatist groups. The conflict stems largely from Moro resistance to the central government authority and competing interests in land and natural resources, but is partly shaped by religious differences between the country's majority Christians and the minority Muslims.

The Moro National Liberation Front (MNLF) was the face of the insurgency until the mid-1990s, when it signed a peace agreement with President Fidel Ramos' administration in September 1996. By 1998, when Joseph Estrada came into office, many of the former MNLF had entered the government. The insurgency, however, continued under the breakaway Moro Islamic Liberation Front (MILF), another Muslim-based separatist organization. President Estrada declared an all-out war against the MILF but war failed to crush the rebels, only driving them underground. President Gloria Macapagal-Arroyo tried peace instead, and after some recurrence of hostilities, reached a ceasefire with the MILF in mid-2003. The ceasefire has largely held and peace negotiations were launched that continue to the present day.

The conflict has resulted in destruction of infrastructure, population displacements, deferred development, and lack of trust among people at the local level as well as between them and government authorities. Given Mindanao's large population base and diverse economy, there are vast opportunities for social and economic growth. At present, however, Mindanao has two faces: the growth centers and the conflict-affected areas. The growth centers--Cagayan de Oro City, Davao City, General Santos City, Zamboanga City, and Iligan City--exhibit a relatively healthy economic performance and have become the island's centers of manufacturing, trade and commerce. The conflict-affected areas, on the other hand, which comprise about 150 municipalities with several thousand barangays, suffer from an undeveloped and stagnant economy caused largely by the persistent conflict.

The potential for growth of Mindanao will remain largely untapped for as long as stable and lasting peace is not attained.

As prospects for peace in Mindanao between the MILF and the Government of the Republic of the Philippines (GRP) improved, the GRP explored with the World Bank aid arrangements that could deliver rapid assistance to post-conflict communities. The Mindanao Trust Fund (MTF) and the MTF-assisted Reconstruction and Development Program (MTF-RDP) arose from these exploratory discussions.

*The **Mindanao Trust Fund** is a mechanism for development partners to pool resources, coordinate their support and provide funding for the **Mindanao Trust Fund for Reconstruction and Development Program** (MTF-RDP) which aims to assist economic and social recovery in the conflict-affected areas of Mindanao through inclusive and effective governance processes.*



Photo 1: Soldiers



Photo 2: Internally Displaced Persons



Photo 3: Destroyed School

DEVELOPMENT ASSISTANCE IN SUPPORT OF MINDANAO PEACE PROCESS

The Mindanao Trust Fund was formally launched on March 27, 2006 with initial contributions from Australia, Canada, New Zealand and the World Bank. It was in response to a government request for donor support for the needs of conflict-affected areas in Mindanao and guided by the findings and recommendations of the Joint Needs Assessment (JNA) of December 2005. The MTF-Reconstruction and Development Program (MTF-RDP) was subsequently launched and started implementation in April 2006.

It was jointly agreed by Government, donor partners and the Mindanao stakeholders that the bulk of the assistance from the Program will be realized only when there is a peace agreement between the Government and the Moro Islamic Liberation Front (MILF). To prepare the organizational set-up for inclusive and participatory program management, the Program was designed to undertake capacity-building and piloting activities under Phase 1. Full-scale implementation of development projects in conflict-affected areas will proceed under Phase 2 after the signing of the peace agreement.

Joint Needs Assessment

The results of the JNA (through consultations with various stakeholders, field visits, and review of published reports and books on the history of the conflict) indicate that the underlying cause of the Mindanao conflict is seen as injustice which is presented in Diagram 2:



Diagram 2: Causes of Conflict

Injustice is manifested in some of the following ways:

- *Social exclusion and marginalization of the Bangsamoro People and Lumads from the mainstream of political, economic and social life of the Philippines;*
- *Loss of access to land and other key resources and economic opportunities;*
- *Perceived suppression of Moro and Lumad traditions; customs and institutions;*
- *Extreme poverty;*
- *Deprivation of basic amenities for a decent human existence; and*
- *Ineffective or imposed institutions of governance, rule of law and service delivery.*

Effective conflict management necessitates addressing both the root causes and triggers of conflict to attain peace and sustainable development in Mindanao. It is along this line of helping reduce tension and conflict and promoting social cohesion within the conflict-affected areas that the Team made the recommendations contained in the JNA reports. These recommendations guide the program funded by the MTF. Diagram 3 shows the peace and development framework followed by the program.

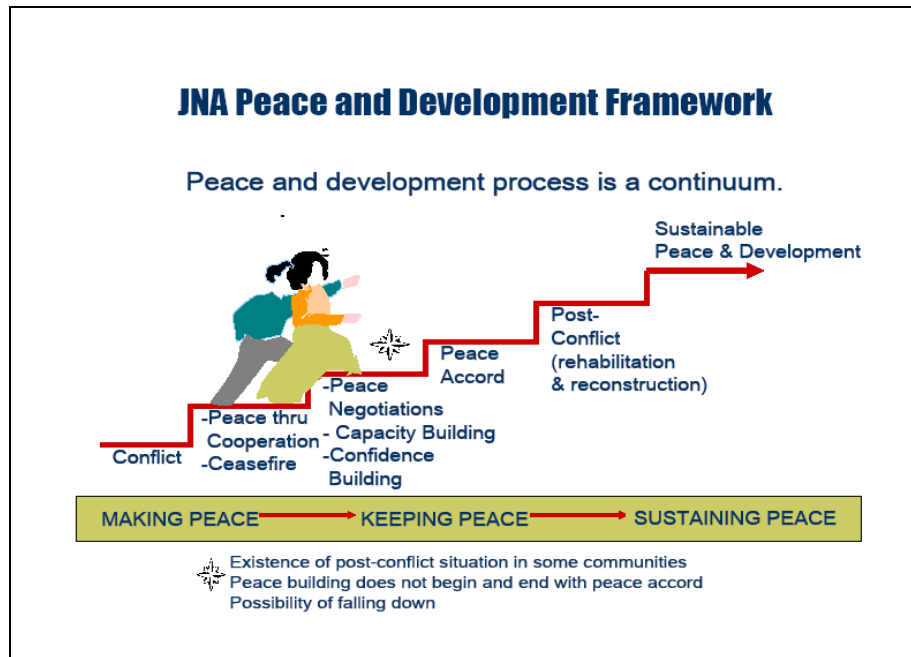


Diagram 3: Peace and Development Framework

Mindanao Trust Fund-Reconstruction and Development Program

The Mindanao Trust Fund-Reconstruction and Development Program aims to assist the economic and social recovery in the conflict affected areas of Mindanao through inclusive and effective governance processes. The program's major activities include:

Undertaking of economic and social recovery through the provision of grants to communities, internally displaced persons (IDPs), and municipalities for improvement of basic services and livelihood. Grants will also fund technical assistance and feasibility studies as identified in the JNA. Access to funding will be contingent on compliance with defined standards regarding socially inclusive planning, equitable access to benefits, contribution towards capital as well as operations and maintenance costs, and adherence to technical standards.

Some of the key triggers articulated by the stakeholders that force the conflict to flare up into armed confrontation are:

- Presence of armed groups or militarization of the communities;
- Declaration of "all-out war" against the MILF by the Estrada administration;
- Inter-tribal or inter-ethnic conflict;
- "Rido" (clan war and revenge killing);
- Crimes (e.g., cattle rustling, kidnapping);
- Land disputes;
- Competition for scarce natural and mineral resources; and,
- Local election disputes.

Promotion and practice of inclusive governance processes with the involvement of key Mindanao stakeholders at all levels of program management through participatory planning, implementation, and management of local development activities.

Promotion and practice of effective governance through the learning process of inclusive multi-stakeholder consultation in a timely and responsive manner to community needs. This is supplemented by capacity building at all levels of the Program.

DEVELOPING SUITABLE MANAGEMENT ARRANGEMENTS

Among the major implementation challenges for the MTF-RDP is the lack of the needed skills and experience among the Bangsamoro² stakeholders that could be readily tapped to run the program and administer resources. Technical assistance under the Program's Phase 1 activities is focusing on the establishment of appropriate institutional arrangements featuring the engagement of professional organizations to partner with the Bangsamoro Development Agency (BDA) to efficiently produce urgently needed services and outputs but as well build capacity of local stakeholders in the process.³

Program Implementation is handled by the BDA, an organization of Muslim peace and development advocates driven by a strong concern with the poor state of economic and social conditions in conflict-affected areas in various parts of Mindanao. It operates the Program Management Office (PMO) with structures at the central (CPMO) and regional (RPMO) levels so as to be accessible to assist communities. BDA staff are highly motivated but to address their lack of experience, the MTF-RDP contracted an Implementation Service Provider (ISP) to provide professional on-site coaches that could give them close guidance to the RPMO for Phase 1 of implementation.⁴

"The armed conflict and displacement of people have increased the threats to human security—specifically, the survival, well-being, and dignity of the already highly disadvantaged population in conflict-affected areas. Significant numbers of people are still displaced with many concerned about security and the presence of the military in their communities. Food insecurity is a prevailing condition in many areas, with risks of malnutrition and childhood-related developmental delays. Many homes, school buildings and other facilities damaged by the armed conflict are still awaiting repair work. Children and youth do not have access to basic education due to displacement, poverty, the distance between home and school, the need to work, and the insufficient number of classrooms, teachers and school supplies. Young people, particularly males, with little education and few marketable skills, are vulnerable to recruitment by armed elements and drug dealers. Human service providers are not often sensitive to vulnerability for displacement or socio-cultural and gender differences."

*Joint Needs Assessment for
Reconstruction and Development
of Conflict-Affected Areas in
Mindanao
December 2005*

² As explained in the JNA, the Muslims in Mindanao refer to themselves as the "Moro" people (or *Bangsamoro*) to describe themselves as a culturally distinct people who have struggled against successive foreign colonizers and the Christian government's attempt to assimilate them.

³ BDA is being mentored and supported by a Trust Fund Recipient (TFR). The TFR for Phase 1 is Community and Family Services International which is a humanitarian non-government organization, based in the Philippines but working internationally, with twenty-five years of experience with internally displaced persons, armed conflict, natural disaster, and other exceptionally difficult circumstances.

⁴ The ISP for the first batch of pilots is an organization called Associated Resources for Management and Development which has many years of proven experience in training and community organizing under various national and local development programs.

DEVELOPMENT OF COMMUNITY ORGANIZING STRATEGIES

The Joint Needs Assessment identified many needs that can be addressed through immediate- and short-term community-level projects, bringing quick benefits to communities when hostilities cease. Rapid implementation by itself, however, is not sufficient. The delivery process must ensure that communities receive the services they want through an equitable and inclusive process that builds trust among all those involved. The MTF-RDP design incorporates these elements.



Photo 4: Young Girl



Photo 5: Boy with Fish

In Phase 1, capacity building for BDA is combined with learning to work with communities. Starting in April 2006, BDA field workers together with ISP on-site coaches started field work to assist communities. They were guided by a simplified six-step sub-project cycle (see Diagram 4 below) in a highly participatory and inclusive process that accomplished the following in the first batch of six pilot communities⁵:

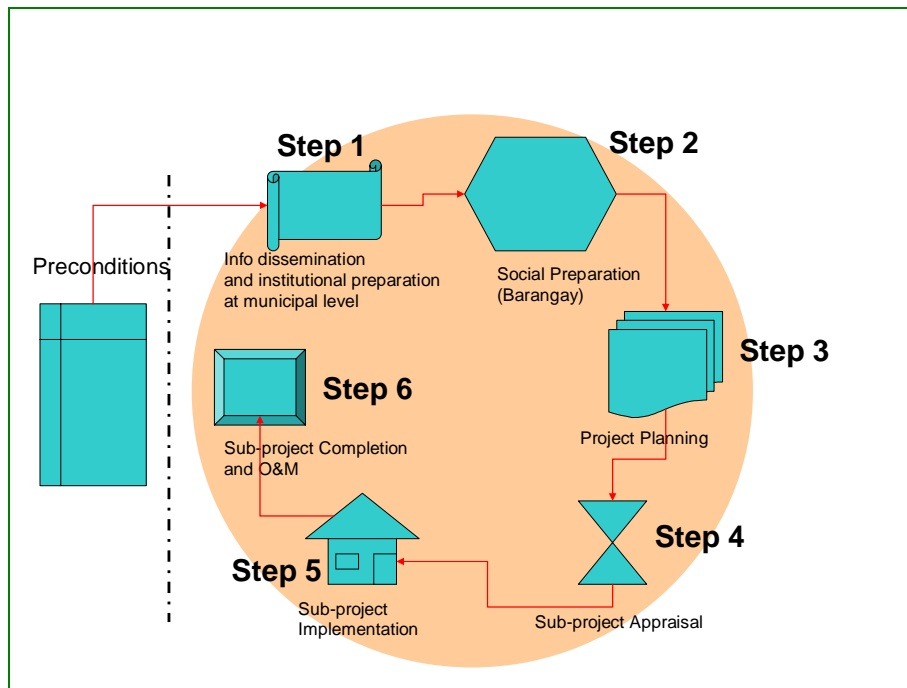
- 101 barangay volunteers (56 males, 45 females) were recruited and trained in values transformation, gender and peace impact assessment and good environmental practices. They were also trained in participatory data gathering methods, data consolidation and validation, and needs analysis.
- Community orientations, trainings and investment planning activities were conducted. The needs of the people were identified and prioritized. A highly consultative and transparent process led to the selection of their sub-project proposals for MTF-RDP assistance.
- Community members organized themselves into Barangay Project Committees (BPCs) and formally registered themselves as a people's organization (POs) with the legal and technical capacity for funds management and project undertakings.
- Female members of the communities participated actively in these activities, comprising 48% of BPCs. Women strongly advocated basic social services and livelihood support, and most community investment plans placed high priority on these services.
- During initial weeks of field implementation, community interest was low due to various reasons (e.g., previous bad experience with empty promises of development organizations); this was soon overcome by frequent house-to-house visits to different community members and by tapping informal contacts with key people in the community.
- In pilot sites where the LGU operations (particularly at the municipal level) have been partly or totally disrupted by security issues, field teams worked with barangay or provincial LGUs for support in implementation as alternative approaches.

Community Driven Development Sub- Project Cycle

Central to the success of the Program is the involvement of different sub-groups within a community in an inclusive, joint exercise where needs and priorities are defined, proposals developed, sub-projects implemented, and resources managed effectively and transparently. This process is expected to contribute to peace-building, since it will require different groups to collaborate in order to achieve objectives that they have defined jointly through consultation.

⁵ The six municipalities were part of the first batch of pilot sites selected to represent each of the BDA focus areas and prioritized on the basis of the following criteria: a) number of internally displaced persons, b) incidence of conflict, c) poverty incidence, d) accessibility and security, and e) coverage by other programs/projects.

Diagram 4: MTF-RDP CDD Sub-Project Cycle



COMMUNITY-DRIVEN SUB-PROJECT IMPLEMENTATION

Out of the priorities listed in their community investment plans, the pilot communities went into more detailed planning and selection of the first of three possible sub-projects each for implementation under the MTF-RDP. The Barangay Project Committees, that were created to lead the process, sought the technical advice of municipal engineers to examine the feasibility of the sub-project proposals, their cost implications, and possible alternatives. Community members, after considering the project alternatives, reached consensus on the type of sub-project, broad specifications, cost estimate and local counterpart contributions, and location of the facility.

BDA along with the ISP closely monitored and guided the processes until the POs complete the documentary and legal requirements to support the funding request. By early October 2006, all sub-project proposals for the six sites were endorsed by BDA to TFR-CFSI for evaluation and funding. Shortly thereafter the TFR-CFSI transferred the initial tranche of funds directly to the bank account that the PO set up to manage sub-project funds.

By the end of December 2006, construction in all six sites had gone into full swing for the approved sub-projects.

Approved Sub-Projects and Amount of Community Block Grants for First Batch of Pilot Communities under MTF-RDP:

Brgy. **Baguindan**, Tipo-Tipo, Basilan: Community Hall and Training Center

PhP926,639

Brgy. **Lucatan**, Tarragona, Davao Oriental: Community Hall and Training Center

PhP944,159

Brgy. **Malisbong**, Palimbang, Sultan Kudarat: Warehouse and Solar Dryer

PhP840,644

Brgy. **Pacalundo**, Balo-i, Lanao del Norte: Community Hall and Training Center

PhP984,674

Brgy. **Sapad**, Matanong, Maguindanao: Copra Dryers

PhP976,160

Brgy. **Sungayan**, Dinas, Zamboanga del Sur: Concrete Tire Path

PhP963,170

See Annexes 2 to 7 for details on each site.



Photo 6: Barangay Meeting



Photo 7: People's Organization



Photo 8: Community Training

The implementation experiences of the POs were as diverse as they were rich in learning opportunities. Some of the highlights of accomplishments as of end-December 2006 were as follows:

- Prior to ground-breaking, the POs held a pre-construction conference to inform the community of the work plan, approved design and funding, assignment of responsibilities and local counterpart contributions, and mechanisms for reporting and handling complaints and grievances;
- All POs established and maintained a simple financial management system that efficiently disbursed funds in accordance with construction schedules; any deviations and questionable transactions were readily spotted and corrected through close monitoring by BDA RPMO staff and community members;
- All POs observed good practices in local procurement in accordance with prescribed guidelines for open and competitive selection of suppliers; PO officers and BDA field staff were watchful of possible wrongdoing by their procurement officers and suppliers;
- In case of heightened military activity that could disrupt construction activities, contingency plans were prepared and rules for safekeeping of project resources agreed upon;
- Technical issues during construction were numerous and POs and BDA worked jointly to institute appropriate solutions with the available resources.



Photo 9: Signboard for a Sub-project

LOCAL GOVERNMENTS AS PARTNERS IN DEVELOPMENT

The Program strongly supports the partnering of BDA and local stakeholders with local government units (LGUs) in implementing sub-projects in conflict-affected communities. Step 1 in the sub-project cycle (refer to Diagram 4) has a series of activities involving BDA and the municipal LGUs.

For the pilot areas, support from the LGUs was formalized through a Memorandum of Agreement (MOA) signed with municipal mayors who acknowledged the strategic importance of working with the BDA in the conflict-affected areas, and committed counterpart resources in cash and in kind for the implementation of community sub-projects.

The level of LGU participation and support varied from area to area, but invariably had a positive effect on the communities' response to the program. The Program is perceived by LGUs to be a way to 1) gain confidence of the community, 2) provide public goods at a lower cost, and 3) as a source of economic assistance for communities that have been deeply affected by conflict.

LGU support needs to be sustained through timely updates on program developments, follow-up of LGU counterpart contribution, tapping LGU assistance for project management and proper acknowledgement during turn-over of completed facilities.

KNOWLEDGE MANAGEMENT FOR PEACE AND DEVELOPMENT

Monitoring and Learning. The initial community sub-projects are under implementation and soon to be completed. Already they have produced valuable lessons for the next round of sub-projects:

- Communities in conflict-affected areas respond just as positively to development initiatives as do other communities. Clearly setting out objectives and processes hastens the building of trust and relationships.
- The training of barangay volunteers proved crucial to success. Yet, the training required long hours away from families and livelihoods. Trainers must balance the training schedule with the needs of the trainees.
- Involvement and active support of municipal teams is critical to the success of the project, given the generally weak capacity of the barangay project committees.

- The support and commitment of local chief executives and municipal officials is critical to motivating the municipal teams and to securing their involvement in helping the BPCs. The extent to which local officials are committed to the effort needs to be assessed carefully and, if it is not present, the PMO needs to consider whether or not it should proceed.
- Much community-based infrastructure cannot be built properly without engineering or architectural assistance. Many of the conflicted-affected areas have no municipal engineers or architects. Where there are no municipal engineers present, BDA needs to be able to tap provincial or private skilled engineers to assist the PMO to design and implement sub-projects.
- The people's organizations responsible for the sub-project are new and for the first time must handle large amounts of money. They need to be assisted and monitored to ensure that financial management and procurement procedures are followed.
- Project and even many municipal team members had concerns about safety because of feuding families and the instability of the peace in some project communities. The relative absence of conflict over time must be a primary criterion for community selection as the MTF-RDP scales up.



Photo 10: Sharing Information

Knowledge Sharing and Networking. The MTF Secretariat has taken an active role in bringing together practitioners in post-conflict work to help integrate lessons learned and good practices from the field. In January 2007, it organized a roundtable meeting to map out sources of information and knowledge-holding institutions that can help to improve efficiency and outcomes of projects implemented in conflict areas of Mindanao. The Gender and Peacebuilding conference in Davao City helped to create awareness of Bangsamoro and Islamic values that enhance the role of women in mediation and in rebuilding communities affected by conflict. At the 2006 Social Development Network Week in World Bank Headquarters, the MTF-RDP made a presentation of its role in supporting the peace process.

Website Development and Operation. The MTF-RDP has a website that presents current information on the activities, projects and partners of the Program. It has the capacity to serve as a repository of development information on Mindanao. Under construction for most of the past year, the eMindanao portal is now available to the public. In addition to basic information on Mindanao, eMindanao at present covers mainly the MTF and World Bank-funded projects, though the intent is that other development partners active in Mindanao will enter data into the project database. The website's best feature is the online maps that show the location of sub-projects. It can also host team rooms where members can hold virtual meetings.

A *Welcome to eMindanao* brochure provides an overview of the site's functionalities and how to access and use them. As word of the website gets around, ideas for new and productive uses are coming up. For example, *eMindanao* has the capacity to provide a mechanism to upload and share current market prices for key commodities produced by Mindanao and thereby give the collectives the pricing comparisons they need to sell where the price is most favorable.

In addition to its being a source of development information, *eMindanao* has been set up to enable an internet-based management information system (MIS) for the MTF-RDP. Community and financial data will soon be uploaded periodically through *eMindanao* and will include monthly and quarterly reports on overall progress. See Diagram 5 for examples of web pages found in eMindanao portal.

Portal:
emindanao.org.ph

Diagram 5: eMindanao Web Pages



FINANCIAL HIGHLIGHTS

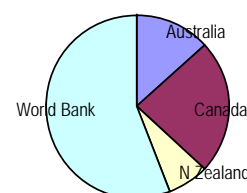
Total donor contributions deposited in the Mindanao Trust Fund account as of December 31, 2006 amounted to USD 2.74 million coming from Australia, Canada, New Zealand and the World Bank (see Chart 3). Sweden has signed an agreement with the MTF Administrator on December 14 to provide funds to the MTF in three annual tranches of about USD1 million each. New pledges from the European Commission and other donors are expected to infuse more resources in the months to come.

The financial management arrangements for the use of the funds are described briefly as follows:

- Funds from contributing partners are deposited into a parent account of the MTF in Washington DC and are supervised by the Trust Fund Accounting and Clearance Teams (TACT) of the World Bank in Washington DC.
- Overall uses of the funds are agreed with all contributing partners as indicated in the Administrative Agreement signed between each contributor and the World Bank as Administrator of the MTF. Changes will require agreement from all contributing partners.
- The MTF Secretariat in WB Manila requests TACT to open sub Trust Fund accounts for the various program components. TACT sends annual financial statements to the contributing partners on the MTF.
- A MTF Steering Committee provides overall policy and strategic guidance and regular oversight of the operations of the MTF.
- At the moment under Phase 1, while the BDA co-manages MTF-RDP, it does not hold funds from the MTF as no grant agreement can be signed between the World Bank and the BDA until such time the latter becomes a legal entity (which is expected in Phase 2).
- Funds for field activities and all operational costs for BDA in Phase 1 are channeled through the Trust Fund Recipient (TFR) who has a USD bank account for the purpose. The TFR provides an annual audit for the funds it manages.
- The MTF Secretariat supervises the MTF-RDP activities on a regular basis and monitors the performance of the TFR, BDA and ISP.

The Program provided financial assistance in 2006 in the form of block grants for the implementation of the approved sub-projects in the first

Chart 3: Contribution to MTF in 2006



batch of six pilot communities. The funds were released in tranches and deposited directly into the bank account of the community organization.

Out of total approved investment of Php 6.9 million for batch one sites, the community block grants amounting to Php 5.6 million covered about 80% of funding requirement. The communities raised part of the financing requirement from contributions from their local governments amounting to about Php 1.0 million and their own resources estimated at Php 0.3 million.

After a sub-project has been prioritized and selected by the community, designed with the help of municipal staff and project engineers, appraised, and approved by the municipal multi-sectoral committee, the fund flow arrangements for an approved community block grants are as follows:

- The PO opens a bank account at a local branch.
- The PO submits the approved sub-project proposal with all the required documentation, bank account number and a procurement plan to the BDA-RPMO who endorses it to the BDA-CPMO.
- The BDA-CPMO checks to see that the designs are appropriate and all required documents are in place and endorses the sub-project to the TFR.
- The TFR sends a check for the 1st tranche to the bank account of the PO.
- After utilizing 80% of the funds, the PO requests for the 2nd tranche with supporting documentation. The procedure will continue until all funds are disbursed. The number of tranches will be about two or three for each-sub-project.
- The Bank will conduct a post review of a sample of communities when it undertakes project implementation review. In addition, it will contract external consultants to undertake reviews of financial management and procurement procedures.

Financial assistance for capacity building was provided for the services of consultants, procurement of goods and conduct of trainings and workshops. This component started disbursing immediately to help the Bangsamoro Development Agency put up the Program Management Office to provide field support to the pilot communities.

Implementation support and training were provided under the program to support community organizing and social preparation activities to achieve program goals for improved local governance and participatory sub-project planning and implementation. The central and regional staff of BDA were provided allowances and travel costs for their participation and work in the Program.

LOOKING AHEAD TO 2007

The ceasefire agreed in 2003 is holding, but the extended peace process creates uncertainty with regard to the timing of Phase 2. There is therefore continuing opportunity for the Program to go into more pilot areas and test out a diverse range of development interventions. In the meanwhile, the Bangsamoro Development Agency and other implementing partners are allowed more time to hone their skills and build up their human resources for the more challenging tasks under full-scale implementation of the Program. See Annex 9 for information on training and workshop activities.

Donor support has been quite encouraging as manifested by the high level of attention they are giving the Mindanao conflict in their respective ODA plans as well as in their high-level policy dialogues with government. This should hopefully translate to a more positive policy environment whereby the additional contributions from at least two new donors to the MTF can more efficiently achieve short-term as well as strategic goals for peace and development in the region.

In the intervening period until a peace agreement is signed, the MTF-RDP will continue to strengthen the foundations upon which Phase 2 implementation will proceed:

- Continue support for capacity building of BDA but with increasing independence and operating efficiency of its field units to manage and handle activities in more communities;
- Enhance program strategies for achieving improved local governance through effective approaches for engaging local governments and other actors at the local and regional levels;
- Broaden piloting and capacity building at local level to communities of internally displaced persons and indigenous peoples, using the lessons from the initial six pilots;
- Enrich the range of assistance to respond to a wider range of needs of conflict-affected communities under the Program, i.e., internally displaced persons, gender-differentiated strategies, disaster management, dispute resolution, education and health; and
- Initiate the development of mechanisms for knowledge-sharing among development workers and program implementing agencies for conflict-affected communities in Mindanao.

There will be opportunities for collaborating with their other bilaterally assisted projects in Mindanao. The Program is also keen to learn from and incorporate successfully tested approaches from other donor-funded initiatives with conflict-affected areas.

The Interim Steering Committee concurred with these broad based strategic directives for future MTF-RDP activities.

SHUKRAN

**THANK
YOU**

ANNEXES

ANNEX 1
Mindanao Trust Fund
Interim Steering Committee Members
2006

Name	Designation/Agency
1. Hon. Jesus Dureza	Co-Chair, MTF Interim Steering Committee Secretary, Office of the Presidential Adviser on the Peace Process (OPAPP)
2. Dr. Abas Candao	Co-Chair, MTF Interim Steering Committee Chair, Board of Directors of the Bangsamoro Development Agency
3. Mr. Joachim von Amsberg	Co-Chair, MTF Interim Steering Committee Country Director, World Bank
4. Usec. Virgilio Leyretana	Chair, Mindanao Economic Development Council
5. Mr. Sam Zappia	Counsellor, Australian Agency for International Development (AusAID)
6. Mr. Tom Carroll	Head of Aid, Canadian International Development Agency (CIDA)
7. Ms. Patrice Tan	Manager, New Zealand Agency for International Development
8. Ms. Nileema Noble	United Nations Resident Coordinator, UN Philippines

ANNEX 2: Barangay Baguindan and its Community Hall and Livelihood Training Center Project

Tipo-Tipo is located in the island province of Basilan, which is among a cluster of small provinces in the Sulu Sea and is widely known as the stronghold of an armed group that sows terror in many parts of the country. This, along with long-standing military tension with the MILF, has brought about unstable peace and order conditions that have delayed recovery from a serious economic and fiscal crisis in 2001 and continued deterioration in living conditions for most of its residents.

Implementing the MTF-RDP in this pilot site was therefore very challenging. Even as the proposed project was a simple community hall, its implementation faced many issues that overwhelmed the community. The People's Organization (PO) was made up of very poor families that did not even have money to travel to the capital to transact with the bank and hardware stores. On top of this, procurement and start of construction was delayed by a few weeks upon advice of government and MILF officials who were concerned about military operations in nearby barangays. The Municipal government pledged resources for the access road but due to uncontrollable factors, it could not provide the needed equipment and materials on time.

To allow the project to catch up with its schedule the project team sought the help of other government offices. Quick response from the office of the Congressman and the Department of Public Works and Highways saw the project resuming construction upon the deployment of dump trucks that handled the hauling of materials into the site. As of the end of the year, the physical progress was satisfactory.

Notwithstanding the physical progress made by the sub-project, the community has yet to overcome social and political issues that have divided them for many years. The Bangsamoro Development Agency is well aware of these issues, and is always reminding its field people to pay attention to the healing and unification that has yet to take place among the members of the community. BDA Chairman Abas Candao explains that "the common facility is just a learning project not only for practicing good project management but, more importantly, as a step towards rebuilding self-reliant communities with strong Islamic values".



Project Proponent

Registered Name	Kalukbanan, Kasambuhan Organization (KAKO)
Location	
- Province	Basilan
- Municipality	Tipo-Tipo
- Barangay	Baguindan
Date Organized	July 27, 2006
Number of Members	Male: 10 Female: 5

Project Description

Name of Project	Community Hall and Livelihood Training Center
Project Description	The sub-project has a built-up area of 144 square meters; benefits 149 households of Yakans in eight sitios. The center is designed to have an open hall for big gatherings, a room, kitchen, and two (2) comfort rooms for men and women, solar powered lighting, rain collector, and demonstration areas/nursery.
Project Cost	
- Block Grant	PhP 926,639.01 85.29%
- LGU Counterpart	56,008.48 5.15%
- PO Share	103,870.72 9.56%
Total	PhP 1,086,518.21

Project Implementation

Start of Construction	November 23, 2006
Expected Completion	March 2007
Mode of Procurement	Local Shopping/Community Force Account

ANNEX 3: Barangay Lucatan and its Community Hall and Livelihood Training Center Project

This pilot area is a Muslim community of the Kalagan tribe, where both MNLF and MILF have strong presence and where past episodes of military assault, loss of lives, destruction and displacement have sown a culture of terror and mistrust. During the community organizer's first week of stay, she realized the similarity of the place and its people. *Lucatan is distant, isolated and mystifying as its people are aloof, detached and withdrawn.*

The project team, was made up of outsiders and a female non-Muslim community organizer, was initially not welcome by the community leaders. The key strategy to overcome this was through the recruitment of Barangay Volunteers from the community who took up the challenge of mobilizing a skeptical and guarded community to attend local planning activities. They used their kinship relationship to reach out to community members who had to set aside their political affiliations that would have normally inhibited them from participation. They proved to be effective advocates, community mobilizers and neutralizer of divisiveness as proven by the big jump in attendance and participation of both men and women, MNLF and MILF, in community meetings.

The community soon put up a formally registered organization and decided to build a community center as their first project. With a block grant provided by the MTF-RDP, the project is well underway with community members themselves putting in hours of labor to account as their local counterpart. The Treasurer of the organization maintains a daily time record and has been very accurate in recording the actual hours put in by community members as their counterpart—and this includes dealing with influential individuals who had a habit of coming in late for work. Despite her being a woman, she has gained admiration and respect from her neighbors for being fair and transparent in all transactions of the PO. Her latest financial report is prominently displayed in the project site, which practice is also a source of pride to the PO. Other anecdotes from this community continue to stock up as a rich source of good practices on transparency and accountability of PO officers to their members. While it is still work-in-progress, uniting this fractious community has been both a means and an end to Bangsamoro-driven development. Their proven capacity for good local planning and project implementation once their Community Hall is completed would surely be a major step towards more strategic engagements with Mindanao's social and economic mainstream.



Project Proponent			
Registered Name	Lucatan United Bangsamoro People's Organization (LUBPO)		
Location			
- Province	Davao Oriental		
- Municipality	Tarragona		
- Barangay	Lucatan		
Date Organized	July 29, 2006		
Number of Members	Male: 9 Female: 6		
Project Description			
Name of Project	Community Hall and Livelihood Training Center		
Project Description	The sub-project, which has a built-up area of 250 square meters, comprises a training hall, stage, office/library, sleeping quarters, kitchen, and two (2) comfort rooms for men and women.		
Project Cost			
- Block Grant	PhP	944,159.00	74.49%
- LGU Counterpart		270,188.40	21.31%
- PO Share		53,203.60	4.20%
Total	PhP	1,267,551.00	
Project Implementation			
Start of Construction	November 16, 2006		
Expected Completion	February 2007		
Mode of Procurement	Local Shopping/Community Force Account		

ANNEX 4: Barangay Malisbong and its Warehouse and Solar (Grain) Dryer

A typical Muslim village in rural Mindanao—squalid, neglected, depressed and oppressed—that was how the project team saw Malisbong when it first arrived in this village in April 2006. Later it found that lurking deep in the minds and hearts of everyone in Malisbong is the desire to rise above their unhealed wound brought about by their most painful experience—the massacre of more than a thousand men and the death of hundreds of children and women in 1974 when the country was under martial law.

Understandably, the people of Malisbong including its barangay captain remained skeptical about the objectives and promised assistance from the MTF-RDP throughout most of the early months of community organizing. They felt that their plight had been ignored by the outside world for many years and there were instances of unmet promises from other programs. Some community members however noticed the difference in how the MTF-RDP was being implemented in their community. An elderly member of the community shared that decision-making about the sub-project was very consultative and was not dominated by a few influential people. He noted that the Project Team from BDA and the Implementation Service Provider were quite knowledgeable in technical fields but they did not interfere in the decision-making and simply facilitated the process. They considered other needs but collectively decided that solar driers and warehouses would answer their utmost needs at present.

The community held a simple ground-breaking ceremony on November 5, 2006 followed immediately by a Pre-Construction Conference, where technical specifications, procurement plans and fund releases were presented to the community. With funds from the initial release of funds from the MTF-RDP block grant, the community has accomplished 50 percent of their sub-project. The Municipal Mayor, who is a respected revolutionary leader from MNLF, was won over by the project. He released the full amount of the local government counterpart within the first few weeks of implementation. The Barangay Captain was moved by the strong support both from political leaders as well as from the members of the community. At the ground-breaking ceremony, he made the following statement:

“This project is an opportunity long awaited. It is a product of the Bangsamoro struggle, and this must be implemented very well. The project should be taken care of because the coming generation will also benefit from this.”



Project Proponent

Registered Name	Malisbong Community Development Organization (MACDO)
Location	Sultan Kudarat Palimbang Malisbong
Date Organized	August 17, 2006
Number of Members	Male: 7 Female: 7

Project Description

Name of Project	Construction of Warehouse and Solar Dryer
Project Description	The sub-project provides for the construction of two warehouses (48 square meters) and solar dryers (240 square meters). These facilities will benefit two (2) sitios, i.e., Pusaka and Maligaya.
Project Cost	
- Block Grant	PhP 840,644.18 75.00%
- LGU Counterpart	224,171.80 20.00%
- PO Share	56,042.94 5.00%
Total	PhP 1,120,858.92

Project Implementation

Start of Construction	November 18, 2006
Expected Completion	March 2007
Mode of Procurement	Local Shopping/Community Force Account

ANNEX 5: Barangay Pacalundo and its Community Hall and Livelihood Training Center Project

Construction work on the community hall and training center of Barangay Pacalundo, Balo-i, Lanao del Norte has been able to proceed at a fast pace—within a period of only 12 weeks, the PO was able to complete the excavation, concrete foundation, columns and walls, and formation of enclosed function rooms and toilets. The reason for this is that some of the field people of the Bangsamoro Development Agency were engineers who had extensive experience in construction, including some overseas assignments. But this also meant putting a lot of pressure on the procurement processes of the PO.

In monitoring this sub-project, it was found that many short-cuts were taken in the procurement processes. Instead of buying materials in bulk and selecting the best of three suppliers, the PO made a lot of direct purchases from suppliers without the benefit of price comparisons. Sometimes materials bought were not included in the materials canvassed. Minor irregularities in the supporting documents were also noted. The attention of the Project Team was called more than once but no harsh sanctions were recommended because the physical inventory and the work-in-progress sufficiently matched the amount of disbursements. Instead, BDA took the positive approach through the help of the on-site coach from the Implementation Service Provider. She engaged the project team in a detailed review of procurement guidelines to teach the community the proper procedures.

There are indications that the community hall when finished will be even bigger than originally planned. The PO obviously takes pride in this facility and acknowledges that this is the first time that community members were consulted and directly involved in the planning and implementation of their own project. Notwithstanding this, the BDA continues to be concerned that the project team in Balo-i has a habit of circumventing prescribed rules and procedures for project implementation and procurement. The leaders of the BDA constantly remind their field people that the success of the program lies not entirely on the physical accomplishment of the sub-projects but in being able to inculcate responsible values in the community. The MTF-RDP calls on communities in conflict areas to be part of and feel the benefits from good local governance and uses this experience in sub-project implementation to test their temperance and consistent adherence to agreed policies and procedures.



Project Proponent

Registered Name	Momungan Organization for Development and Equality Living (MODEL)
Location	
- Province	Lanao del Norte
- Municipality	Balo-i
- Barangay	Pacalundo
Date Organized	August 7, 2006
Number of Members	Male: 12 Female: 24

Project Description

Name of Project	Community Hall and Livelihood Training Center
Project Description	The sub-project, which has a built-up area of 190 square meters, aims to provide a venue for training activities (e.g., baking classes, soap making, virgin coconut oil making, dress and bag making, farming technologies) beneficial to both men and women in the community, as well as for accessing health care and other services.

Project Cost	
- Block Grant	PhP 984,674.25 83.98%
- LGU Counterpart	165,130.00 14.08%
- PO Share	22,733.00 1.94%
Total	PhP 1,172,537.25

Project Implementation

Start of Construction	October 26, 2006
Expected Completion	February 2007
Mode of Procurement	Local Shopping/Community Force Account

ANNEX 6: Barangay Sapad and its Copra Dryer Project

According to the community members in Matanog, their “*Cocopugon*”⁶ project under the MTF-RDP was the first project that was planned and initiated with intensive involvement and consultation of the community. They were not familiar with the technology involved but knew quite well that the prices and quality of their produce suffered from the prevalent use of traditional methods of processing. The Implementation Service Provider linked them up with the Philippine Coconut Authority (PCA) who designed the *Cocopugon*. The PCA which had a research center in Davao City (more than 200 kilometers away) offered technical assistance to teach and supervise the community in the construction of these ovens. The community used the designs provided by PCA to make their funding proposal and proceed with construction under a block grant provided by the MTF-RDP to the people’s organization (PO).

This was a learning project and the first lesson had to do with community procurement. Officers were given training on competitive procurement processes that would help them get a good deal for their money. Shortly after receiving their funds in October, the PO ordered construction materials from a local hardware that offered good prices but later found that the delivered materials did not meet the specified standards. The field report gave a detailed account of how the PO handled the situation:

“The PO members did not accept the delivery. Instead they went with the delivery truck to the town of Parang and explained to the supplier what they found out. Embarrassed, the supplier advised the PO members to just take the delivery, and then bribed the latter with a 10% share from his possible gain. The PO members to the surprise of the supplier, calmly rejected the offer, requested for a refund and went to buy from another supplier.”

The community immediately got busy with the simultaneous construction of *Cocopugon* sheds while awaiting the arrival of the PCA people. The first three brick domes (ovens) started construction in late November and by mid-January, the PO had completed five of the 13 units that they are aiming to finish by March 15, 2007. Already, the PO is discussing plans of putting up a production cooperative in order to organize their processing and trading activities that would enable them to do business with competitive market outlets and take advantage of better market prices. In its last monitoring visit, the World Bank MTF Secretariat challenged the PO to set aside part of their revenues to put up more cocopugons to provide other sitios with similar opportunities for improved incomes from their coconut farms.



Project Proponent

Registered Name	Sapad Association for Peace and Development
Location	
- Province	Maguindanao
- Municipality	Matanog
- Barangay	Sapad
Date Organized	July 4, 2006
Number of Members	Male: 13 Female: 2

Project Description

Name of Project	Construction of 13 units of Copra Dryer
Project Description	The sub-project aims to benefit about 254 households comprising Iranuns and Maguindanaons in seven sitios.
Project Cost	
- Block Grant	PhP 976,160.39 85.18%
- LGU Counterpart	146,309.00 12.77%
- PO Share	23,550.00 2.05%
Total	PhP 1,146,019.39

Project Implementation

Start of Construction	November 2, 2006
Expected Completion	March 2007
Mode of Procurement	Local Shopping/Community Force Account

⁶ This is an oven to process copra meal before delivery to coconut mills. The PO received technical assistance from the Philippine Coconut Authority.

ANNEX 7: Barangay Sungayan and its Concrete Tire Path Project

Barangay Sungayan is widely known as the poorest community in the municipality of Dinas. Armed conflict between government forces and the MILF in the 1980s led to the displacement of all families for a long time. They have since returned gradually to the community, rebuilding their homes and their livelihoods with very little outside help. Over the past 20 years there had been no significant improvement in basic services in the community, with children having to travel to the next barangay for high school classes and for medical attention. The road connecting Sungayan to the municipal road had fallen into disrepair due to years of neglect and when the road is impassable, the community is cut off from the rest of the province.

With the ceasefire in place and the active role of the Local Monitoring Team, conflict between the military and the MILF is not seen as a threat by local stakeholders. However, security continues to be a major concern and it has to do with tension between two Muslim clans in nearby Barangay Sambolawan which controls the only major access of Sungayan to the highway. Hence on top of all the other development challenges that Sungayan faces, unresolved social issues in another barangay could seriously hamper the implementation of any pilot project of the MTF-RDP.

The MTF-RDP block grant for the construction of a 700-meter concrete tire path was approved in September 2006, it was to be the first development project in Barangay Sungayan over more than 20 years. Unsurprisingly, after the first release of funds in mid-October, the project could not start right away as no supplier was willing to deliver construction materials to the area. The PO soon realized that the paving of the road could not be scheduled until grading was completed with equipment and counterpart from the municipal government.

With constant pressure from the Project Team in Dinas, the municipal government deployed the needed earth-moving equipment to start grading the road in November 7. The Mayor also delivered on his promise to repair the culvert and gravel some parts of the connecting road in the next barangay to make it passable. In appreciation of this initiative from the Mayor, the Sungayan residents volunteered to fill in stones for the river detour while the work was ongoing. As the project team observed, *“the enthusiasm of the PO members and community residents could not be contained as many of them would gather almost daily in the road repair sites to monitor the work.”*

The PO is now completing the tire path sub-project with funds from the MTF-RDP. There are lingering security issues in the area and the full extent of the technical challenges facing the project have yet to unfold. But instead of being discouraged, the PO members seem to be responding to the challenges with a stronger resolve to do what they can to successfully complete their project. Perhaps in anticipation of a new development era for Sungayan, more families are returning to the community with 16 houses under construction and more are expected to follow suit.



Project Proponent			
Registered Name	Association of Sungayan for Empowerment & Development (ASED)		
Location			
- Province	Zamboanga del Sur		
- Municipality	Dinas		
- Barangay	Sungayan		
Date Organized	August 9, 2006		
Number of Members	Male: 6 Female: 9		
Project Description			
Name of Project	Construction of Concrete Tire Path		
Project Description	Sub-project benefits 125 households of Maguindanaons and Cebuanos in seven sitios in Brgy Sungayan, namely: Marang, Santol, Mahogany, Bayabas, Saging, Talisay, Mangga.		
Project Cost			
- Block Grant	PhP	963,170.00	85.59%
- LGU Counterpart		142,170.00	12.63%
- PO Share		19,925.00	1.77%
Total	PhP	1,125,265.00	
Start of Construction	November 1, 2006		
Expected Completion	March 2007		
Mode of Procurement	Local Shopping/Community Force Account		

ANNEX 8: Chronology of Events	
Events	Date
Signing of the GRP-MILF Tripoli Agreement of Peace of 2001	June 22, 2001
Government Request for World Bank Assistance for the Creation of the Mindanao Trust Fund	September 15, 2003
Government and MILF agree to Resume Peace Talks	February 2004
Joint Needs Assessment (JNA) for Reconstruction and Development of Conflict-Affected Areas in Mindanao (Consultations and Field Work)	March–December 2004
Deployment of GRP-MILF International Monitoring Team	October 9, 2004
Presentation of Results and Findings of the JNA	March 2005
First Interim Steering Committee Meeting endorsing Community and Family Services International (CFSI) as Trust Fund Recipient (TFR)	November 2005
Consultation with Local Government Units for the Pilot Implementation of the Program in six municipalities	December 12, 2005
Administrative Agreement signed between World Bank and MTF Donors	December 2005
Signing of Grant Agreement between World Bank and Trust Fund Recipient CFSI	December 15, 2005
Formal Launching of the Mindanao Trust Fund Reconstruction and Development Program	March 27, 2006
Contract signed with the first Implementation Service Provider (ISP)	March 2006
Start-Up Activities of Capacity Building of Bangsamoro Development Agency and Community Organizing work in first batch of pilot communities	April 13, 2006
Second Interim Steering Committee Meeting	August 24, 2006
Joint Project Implementation Review Mission of the Pilot Communities and Assessment Workshop	September 14-22, 2006
Release of First Tranche of Block Grants to and sub-project implementation by communities in pilot sites	October 2006
Organizational Assessment of MTF-RDP Implementation Partners	December 2006
Project Implementation Review Mission (second)	January 22-28, 2007
International Development Partners' and OPAPP's Visit to Pilot Site in Balo-i, Lanao del Norte	January 24-25, 2007



ANNEX 9: MTF-RDP Training, Orientation and Workshop Activities		
Activity	Date	Venue
Pre MTF Period		
Training of Development Catalysts	June to July 2004	Cotabato City
Gender and Peace Mainstreaming	September 2004	Davao City
Strategic Planning Workshops	February to June 2005	Davao City
Modules Development, Training of Trainers and Pilot Testing of Trainers	May to Sept 2005	Davao City, Marawi City, Iligan City
Financial Management and Procurement Training	September 2005	Manila
JNA Forum	October 2005	Davao City
JNA Consultations	Nov 2005 to January 2006	Cotabato City, Iligan City, Pagadian City, Manila
MTF-RDP Phase 1		
CPMO-RPMO Level		
BDA Orientation/Training Workshop on MTF-RDP	Nov 28 – Dec 3, 2005	Cotabato City
Orientation for Potential ISPs	December 13, 2005	Davao City
Implementation Partners Installation and Operations Manual Review Workshop	March 7-12, 2006	Cotabato City
BDA-ISP Orientation/Training and Planning Workshop	March 13-19, 2006	Cotabato City
Capability Assessment and Organizational Installation Program	April 13-19, 2006	Cotabato City
MTF-RDP 1 Institutional Partners Progress Assessment and Planning	May 22-24, 2006	Cotabato City
Computer Literacy Training	August 7-9, 2006	Cotabato City
BDA-ISP Review Workshop	September 21, 2006	Cotabato City
BDA Orientation/Training on the Management Information System developed for the MTF-RDP	December 26, 2006	Cotabato City
Organizational Assessment Meeting with BDA	December 27-28, 2006	Cotabato City
Community Level (Training for Communities and On-the Job Learning for BDA-RPMO)		
Values Transformation Training for Barangay Volunteers	May 1-2, 2006	Matanog, Maguindanao
	May 3-4, 2006	Palimbang, Sultan Kudarat
	May 5-6, 2006	Tipo-Tipo, Basilan
	May 8-9, 2006	Tarragona, Davao Oriental
	May 9-10, 2006	Pagadian City (for Dinas)
	May 11-12, 2006	Baloi, Lanao del Norte
Participatory Community Assessment Training for Barangay Volunteers - Part 1	May 2-3, 2006	Tipo-Tipo, Basilan
	May 4-6, 2006	Matanog, Maguindanao
	May 9-11, 2006	Dinas, Zamboanga del Sur
	May 10-12, 2006	Palimbang, Sultan Kudarat
	May 16-18, 2006	Tarragona, Davao Oriental
	May 18-19, 2006	Baloi, Lanao del Norte

Activity	Date	Venue
Participatory Community Assessment Training for Barangay Volunteers - Part 2	May 10-12, 2006	Tipo-Tipo, Basilan
	May 15-17, 2006	Tarragona, Davao Oriental
	May 16-18, 2006	Matanog, Maguindanao
	May 23-25, 2006	Palimbang, Sultan Kudarat
	May 23-25, 2006	Baloi, Lanao del Norte
	May 26-29, 2006	Dinas, Zamboanga del Sur
Training on Community Investment Plan Formulation	June 7-9, 2006	Matanog, Maguindanao
	June 7-9, 2006	Tarragona, Davao Oriental
	June 7-9, 2006	Tipo-Tipo, Basilan
	June 14-16, 2006	Baloi, Lanao del Norte
	June 14-16, 2006	Palimbang, Sultan Kudarat
	June 16-18, 2006	Dinas, Zamboanga del Sur
Training on Sub-Project Proposal Preparation	June 21-23, 2006	Tarragona, Davao Oriental
	June 21-23, 2006	Tipo-Tipo, Basilan
	June 21-23, 2006	Matanog, Maguindanao
	June 27-29, 2006	Baloi, Lanao del Norte
	June 27-29, 2006	Palimbang, Sultan Kudarat
	June 27-29, 2006	Dinas, Zamboanga del Sur
Series of Training on Project Management, Operations and Maintenance, Financial Management, Procurement, and Monitoring and Evaluation	August 11-12 & 27, 2006	Tipo-Tipo, Basilan
	August 18-20, 2006	Dinas, Zamboanga del Sur
	August 25-27, 2006	Baloi, Lanao del Norte
	September 8-10, 2006	Tarragona, Davao Oriental
	September 1-3, 2006	Matanog, Maguindanao
	September 15-17, 2006	Palimbang, Sultan Kudarat
Coaching and refresher sessions on above topics	October to December 2006	All Batch 1 sites

