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2011 was a year of both productivity and gradual evolution for the Mindanao Trust Fund-Reconstruction and Development Program (MTF-RDP). The program delivered benefits to over 31,000 households, expanding coverage from 62 to 162 barangays. The range of project activities was also augmented through the new community-driven reconstruction (CDR) component to include private goods – core shelters, agricultural inputs and livelihood assistance – to meet the urgent needs of communities most heavily affected by displacement and conflict. After a period of hiatus in 2010, we were pleased to see the program pick up speed once again.

Beyond delivery on the ground of basic services – school classrooms, health stations, access roads, water supply systems and community centers – 2011 was also characterized by reinvigorated leadership at the top of the Bangsamoro Development Agency. In June 2011, the BDA Board's fresh vision for the Agency was endorsed by both the Moro Islamic Liberation Front's Central Committee and the MTF-RDP Steering Committee. This vision sees BDA shifting from purely an implementer of community-driven development to a broader role as a development planner, monitor and coordinator in Bangsamoro communities.

This broad vision looks ahead to a more mature future for the BDA after what we hope will be the signing of a peace agreement between the Government of the Philippines and the MILF. And it reminds us of the dual purpose for which the MTF-RDP was established in the first place. Firstly, to deliver development to poor and conflict-affected communities in Mindanao. And secondly, as both a confidence-building measure between government, the MILF and communities and as a vehicle to build capacity among Bangsamoro groups that is needed now and will be even more important in a post-peace agreement scenario.

This is the unique character of the MTF-RDP. As Secretariat for the program, the World Bank is working closely with the BDA and program partners to improve the quality of implementation and support a shift in project capacity-building to align with BDA's new vision. Like the peace process itself, progress has experienced ups and downs, but we believe that the direction is sound.

As the new World Bank Country Director here in the Philippines, I am looking forward to working together with the MTF-RDP partners for what we trust will be a successful and productive 2012.

MOTOO KONISHI

Country Director, World Bank in the Philippines Co-Chair, MTF Interim Steering Committee

The Mindanao Trust Fund - Reconstruction and Development Program (MTF-RDP) has marked another year in service to communities in Mindanao amidst gains and challenges in the peace process between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF). The Program has expanded its coverage, which has allowed more communities to experience and learn about participatory approaches in addressing their development concerns. The Program has also helped capacitate local governments in conflict sensitive planning and programming.

Over the past year, the MTF-RDP has also strengthened the institutional capacity of the Bangsamoro Development Agency or BDA to lead in the implementation of reconstruction and rehabilitation projects.

A strengthened BDA is an important building block for a just and lasting peace in Mindanao. As we all work on addressing the legitimate grievances of the Bangsamoro, initiatives like the MTF-RDP ensure that communities begin to enjoy the dividends of development and peace. The gains from the Program show that partnerships among different stakeholders can bring about much good for the communities, whether this partnership happens on the ground, or on the negotiating table.

More and more, BDA is building itself, through the assistance of MTF, to take on more challenging roles. We encourage BDA to continue in its path, now much tempered by experience, but still driven by its vision to be of service to communities, and to strengthen the institutional competencies it will require to perform its role in the future.

Government will continue to undertake and support all initiatives that will bring about peace and development in Mindanao. War has brought about too much damage for too long. We must continue to work together to ensure that our collective futures will never again be marked by outbreak of hostilities that threaten our families and communities, and endangers the welfare of our children.

SECRETARY TERESITA QUINTOS DELES

Denseta Junto Deles

Presidential Adviser on the Peace Process Co-Chair, MTF Interim Steering Committee Notwithstanding difficult challenges encountered during the course of implementation, the completion of subprojects under the 3rd Program Partnership Agreement (PPA3) of the Mindanao Trust Fund Reconstruction and Development Program (MTF-RDP) by the Bangsamoro Development Agency (BDA) is one of the most rewarding and fulfilling among BDA's past engagements. This is due to the significant increase in the number of subprojects implemented at a time when a new BDA leadership was installed to address difficult organizational and partnership challenges that emerged during past program partnership agreements. Aside from the fact that the agency continues to collaborate with other international partners such as UNICEF, UNWFP and JICA, to mention a few, in implementing various projects in conflict-affected areas in Mindanao, the ups and downs in the on-going peace process between the Moro Islamic Liberation Front (MILF) and Government of the Philippines (GPH) continues to impact on BDA.

It is with a feeling of satisfaction and relief that we convey the message to our friends and partners especially the Multi-Donor Agencies involved in the MTF-RDP that BDA today emerged as an organization that is more forward-looking, stable, cohesive, determined and ready to face more challenges to maintain its relevance in serving its mandate and ensuring that the trust and confidence nurtured in the grassroots communities are sustained in order to provide a peaceful atmosphere conducive to the current peace negotiation.

It is now being internationally recognized that BDA, as the project implementing body of MILF, which was created in pursuance of the spirit and provisions of the Humanitarian, Rehabilitation and Development Aspects of the MILF and GPH Tripoli Agreement on Peace of June 22, 2001, is a unique organization - a first of its kind. The MILF, many claims, is the only revolutionary group in the whole world that agreed with its adversary to implement rehabilitation and development projects while a final resolution of the conflict is still being tackled in the negotiating table. Contemporary revolutionary groups hardly understand the wisdom of the MILF in participating in activities that most of them considers as counterinsurgency. For the MILF leaders, this underscores their strong resolve and genuine sincerity to find a lasting political settlement of the Bangsamoro problem through the peace process.

The leaders of BDA believe that projects and programs that will alleviate the suffering of the people in the conflict-affected communities in Mindanao must be implemented while both parties are earnestly engaged in the long and tedious process of peace negotiation. On the other hand, it will be wrong to presume that pouring huge amount of development funds will solve the problem in Mindanao if a negotiated political settlement is not given the top priority attention.

It is in this perspective that while BDA continues to work with local and international partners for small-scale reconstruction and development projects, the agency's leadership continues to appeal to the international community to exercise the necessary diplomatic, political and economic leverage towards the swift political resolution of the Mindanao conflict. Allowing the peace negotiation to drag too long is causing more and more desperation that provide pretexts for radical elements in Mindanao, in general, and the Bangsamoro communities, in particular, to mock the peace process and convince more adherents. Furthermore, it provides time and opportunities for the enemies of peace in Mindanao especially those with vested political and selfish interests in Philippine society to shoot and derail the peace process. This grim scenario does not augur well for the attainment of a lasting peace and sustained development in Mindanao.

The dividend for a lasting peace will never be a monopoly of the Bangsamoro communities as the entire Philippine archipelago will benefit from a dramatic reduction in government spending on the long and protracted war in Mindanao. Hence, billions in defense budget can be re-channeled for educational, health or poverty alleviation programs. In short, both the Bangsamoro and Filipino people will enjoy the blessings of a peaceful and prosperous Mindanao.

ÆR. SAFFRUL⊬AH M. DIPATUAN

Chairman, Bangsamoro Development Agency & Co-Chair, MTF Interim Steering Committee

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Acronyms & Abbreviations

AHJAG	Ad Hoc Joint Action Group	MILF	Moro Islamic Liberation Front
ARMM	Autonomous Region in Muslim Mindanao	MinLand	Mindanao Land Foundation, Inc.
AusAID	Australian Agency for International	MIS	Management Information System
	Development	MLGU	Municipal Local Government Unit
BDA	Bangsamoro Development Agency	MOA	Memorandum of Agreement
BIAF	Bangsamoro Islamic Armed Forces	MSC	Multi-Sectoral Committee
BIFF	Bangsamoro Islamic Freedom Fighters	MTF-RDP	Mindanao Trust Fund - Reconstruction
CBI	Community-Based Infrastructure		and Development Program
CCCH	Coordinating Committee on Cessation of	MTT	Municipal Technical Team
	Hostilities	NZAID	New Zealand Agency for International
CDD	Community-Driven Development		Development
CDR	Community-Driven Reconstruction	OPAPP	Office of the Presidential Adviser on the
CenMin	Central Mindanao region		Peace Process
CFSI	Community and Family Services	PAMANA	Payapa at Masaganang Pamayanan
	International		(Peaceful and Progressive Communities)
CIDA	Canadian International Development	POs	People's Organizations
	Agency	PPA	Program Partnership Agreement
CIP	Community Investment Plan	RCDO	Regional Community Development Officer
CMO	Central Management Office	RMEO	Regional Monitoring & Evaluation Officer
CRP	Community Reconstruction Plan	RMO	Regional Management Office
DED	German Development Service	ROM	Results-Oriented Monitoring
EU	European Union	SIDA	Swedish International Development
FIISCO	Federation of International Islamic Charity		Cooperation Agency
GPH	Organizations	SouthMin	Southern Mindanao region
IDPs	Government of the Philippines	TFR	Trust Fund Recipient
IMT	Internally Displaced Persons International Monitoring Team	Unicef	United Nations Children's Fund
ISM	Implementation Support Mission	USAID	United States Agency for International
JICA	Japan International Cooperation Agency		Development
CD-CAAM	Community Development–Conflict Affected	VTT	Values Transformation Training
02 0, 11 1111	Areas in Mindanao	WB	World Bank
LAUR	Livelihood Assistance Upon Return	WFP	World Food Programme
LGU	Local Government Unit	ZamBaSulTa	Zamboanga City, Basilan, Sulu, Tawi-tawi
M&E	Monitoring and Evaluation		region
	memoring and Evaluation	ZamboPen	Zamboanga Peninsula region
		I	

Executive Summary

2011 was a year of expansion, consolidation and detailed learning for the Mindanao Trust Fund-Reconstruction and Development Program (MTF-RDP). With positive developments in the peace process creating a mostly conducive environment for program implementation, the MTF-RDP has supported the Bangsamoro Development Agency (BDA) to expand into new municipalities and barangays, implement the new community-driven reconstruction subcomponent in areas affected by high levels of displacement and engage in future visioning that will place BDA and the MTF-RDP on a much stronger footing for 2012 and beyond. The challenges of working in conflict-affected areas continued to affect the Program. However, the sporadic armed confrontations that arose in some areas of Mindanao during 2011 were mostly able to be managed by the working mechanisms on the ground and the commitment to peace of the key actors of conflict. The MTF-RDP, as a confidence building measure between the Government of the Philippines and the Moro Islamic Liberation Front (MILF), was able to play its own role in supporting peace and development.

GainsweremadeagainsttheProgram'sthreeoutcomes: peace-promoting community empowerment and development; improved capacities of LGU partners; and enhanced management capacity of the BDA as the key Program partner. During 2011 the Program reached an additional 31,453 households across Mindanao. The number of communities adopting the community-driven development approach increased from 62 barangays as of last year to 162 this year. This includes 37 barangays that adopted the community-driven reconstruction approach to address early recovery and reconstruction needs. Program



barangays are now managing 240 subprojects that they collectively identified, prioritized and implemented. These subprojects include potable water systems, support to livelihood, core shelters, and community-based infrastructure. A number of People's Organizations (POs) now have the skills and knowledge to demand support from local government units to meet their development needs by helping in the implementation of subprojects. In addition, the majority of POs have successfully managed to mobilize community members to actively

participate in implementing subprojects designed for their common good. The participation of women in the Program is also noteworthy as almost 40 per cent of participants in key activities were women and some POs were led by women.

On LGU partnership, 16 new Memoranda of Agreement (MOA) were forged between the BDA and LGUs, with the great majority of LGUs providing technical assistance and/or financial counterpart (though not always to the extent agreed in the MOA). Technical assistance usually came from the offices of the Municipal Engineer and/or Municipal Agricultural Officer. Barangay LGUs proved themselves highly reliable partners, consistently providing the agreed counterpart funding and actively supporting Program activities in the field.

Through a combination of learning-by-doing, technical support from two Trust Fund Recipients (CFSI and MinLand) and training activities, the Program has continued to enhance BDA's knowledge and skills on inclusive community development. The BDA managed to supervise the implementation of 139 subprojects for the year across Mindanao, representing a significant expansion over previous years. Progress was also made on improving financial management controls through constant dialogue with the Trust Fund Recipients (TFRs)

about enhancing financial systems and records.

As a sign of increasing confidence and credibility, partnerships **BDA** expanded with development agencies. Under the Community-Driven Reconstruction (CDR) component, it worked with humanitarian organizations and government agencies to support reconstruction in areas affected by the 2008 conflict. Collaboration was undertaken with the World Food Programme and UNICEF, with formal partnerships under development. The Japan International Cooperation Agency (JICA) also developed a new program of support with BDA during 2011 with target implementation starting 2012.

The expanding partnerships are consistent with the fresh vision articulated by BDA in 2011. Formulated mid-way through the year, this vision sees BDA evolving from an implementer of community development to a broader role as a 'development overseer,' that engages in development planning program contract facilitation, administration, monitoring and evaluation, and training of partners in "values-laden" development. Endorsed by the MILF Central Committee and the MTF Interim Steering Committee, this fresh vision will drive the ongoing direction and evolution of the MTF-RDP for 2012 and beyond.



I. Program Implementation Context

The steady progress of the peace process, albeit at times punctuated by pockets of armed confrontations on the ground, boded well for the implementation of the Mindanao Trust Fund – Reconstruction and Development Program (MTF-RDP) under the 3rd Program Partnership Agreement (PPA3). The ongoing peace talks between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF), anchored on the pronounced commitment of both sides, provided an atmosphere of optimism on the ground that allowed for smooth implementation of MTF-RDP in most project areas.

At the policy level, the Government reiterated the importance of peace and security to national development as stipulated in Chapter 9 of the Philippine Development Plan 2011-2016, which states that "the government shall exert all efforts to win peace and ensure national security. The peace process shall center on the pursuit of negotiated



Box 1. Mindanao Trust Fund

The Mindanao Trust Fund (MTF) is a mechanism through which development partners pool and coordinate official development assistance in conflict-affected communities in Mindanao. Launched in March 2006, it is guided by the findings and recommendations of the multi-donor Joint Needs Assessment of 2005. The MTF finances the operations of the MTF-Reconstruction and Development

Program (MTF-RDP) which features intensive participation of Bangsamoro stakeholders in planning, management and implementation of reconstruction and development initiatives. To prepare the organization set-up for inclusive and participatory program management, the Program was designed to undertake capacity-building, networking and community development activities in conflict-affected communities.



Supported by the European Union, the Swedish International Development Cooperation Agency, the Canadian International Development Agency, the World Bank, USAID, AusAID, and the government of New Zealand, the Program is implemented by the Bangsamoro Development Agency (BDA) with the assistance of two Trust Fund Recipients, Community and Family Services International (CFSI) and Mindanao Land Acquisition, Housing & Development Foundation, Inc. (MinLand). The MTF Secretariat of the World Bank oversees the Program.

political settlement of all armed conflict and the implementation of complementary development tracks to address its causes." One of its key strategies is the promotion of the peace process that is seen as the "centerpiece of the internal security program."

The first panel-to-panel meeting in Kuala Lumpur, Malaysia in February 2011 signaled the resumption of formal negotiations that led to peace talks in April. The peace process was further bolstered with the historic meeting of President Benigno Simeon Aquino III and MILF Chair Al Haj Murad Ebrahim in Tokyo, Japan on August 4, 2011. Both agreed to fast-track the peace process to ensure the agreement forged by both panels would be implemented within the remaining years of the Aquino administration, which will end in July 2016.

The smooth progress of the peace process was, in fact, being attributed for an increase in investor confidence in the Autonomous Region in Muslim Mindanao (ARMM) with the record-breaking private investments exceeding the one billion-peso mark, the first ever, according to the ARMM Regional Board of Investments.

Another factor that positively influenced implementation of MTF-RDP under PPA3 was the institutional strengthening processes undertaken by BDA in 2010. A reinvigorated BDA Board has

Box 2. MTF-RDP Results Framework

Program Development Outcome

Communities of conflict-affected areas, internally-displaced people, and affected households benefit from visible restoration of some basic services of their choice and sustained by more accountable Local Government Units (LGUs).

Intermediate Outcomes

- Communities of conflict-affected areas have satisfactorily decided on, planned and implemented subprojects of their choice with no violent incident.
- LGU capacity is improved for project planning, resolving conflicts, project implementation and seeking resources for subprojects in conflict-affected communities among villagers.
- Local implementing partners, including the Bangsamoro Development Agency (BDA), have achieved sufficient management capacity to work with local government units (LGUs) and local development groups in reconstruction and development activities.

served as the guiding force of the organization, providing direction to BDA as it positions itself as a



key player in reconstruction and development work in Mindanao.

The other significant development in the region was the national government's reform initiative for the ARMM region. On June 30, President Aquino signed Republic Act 10153, postponing the scheduled August 8, 2011 ARMM election and synchronizing it with the mid-term elections in 2013. The law also authorized the President to appoint officers-incharge that would serve until June 30, 2013 with a mandate to bring about far-reaching reforms and implement a stimulus package of development funding. It is hoped that fundamental governance



and electoral reforms would have been installed before the 2013 elections. The appointment of officers-in-charge, however, suffered significant delays after the Supreme Court issued a Temporary Restraining Order against the implementation of RA 10153 in September after the constitutionality of the law was questioned before the court. The law was eventually declared constitutional in October, paving the way for the appointment of former Anak Mindanao partylist representative Mujiv Hataman as OIC Regional Governor and Hadja Bainon Karon as OIC Regional Vice Governor. The new set of officials assumed their respective posts on December 22.

The moves for and against the postponement of ARMM elections contributed to the volatility of peace



Box 3. MTF-RDP CDD Subcomponents

Regular CDD

Projects falling under the CDD subcomponent are identified and decided upon by the communities. Particularly, community members make key decisions about their development options, manage their resources, implement, operate and maintain subproject investments. This process is geared towards creating selfreliant communities.

CDR

Espousing a community-driven approach, the CDR subcomponent is designed to: a) provide immediate assistance to the newly returned IDPs in 30 communities in Ranaw Region and seven communities in Datu Piang, Maguindanao; b) build and strengthen peoples capacities in planning and managing projects designed to meet IDPs needs; c) efficiently and effectively implement the subprojects on: Shelter Assistance, Livelihood Assistance Upon Return (LAUR) and Community-Based Infrastructure (CBI); and d) ensure that IDPs, their families and communities benefit from various interventions in the CDR strategy.

and order conditions in some parts of Mindanao. Two bombs exploded in Cotabato City on the day a public forum was scheduled for the shortlisted OIC applicants for various ARMM positions.

In other parts of the island, skirmishes between MILF's Bangsamoro Islamic Armed Forces (BIAF)

and former MILF commander Ustadz Amiril Umbra Kato's Bangsamoro Islamic Freedom Fighters (BIFF) as well as armed confrontations between the government soldiers and MILF forces were reported. In August and September, sporadic clashes between a BIAF commander and BIFF occurred in Datu Piang, Maguindanao due to a land conflict that resulted in the displacement of around 3,600 persons.

On October 15, an encounter between the MILF and government soldiers erupted in Brgy. Labatan, Payao in Zamboanga Sibugay that resulted in a 13-day military operation in the area, causing the displacement of around 2,600 families in the municipality. The government armed forces claimed they were pursuing lawless elements in the area while the MILF maintained the assault was an attack to its 113th Base Command.

On October 18, another armed confrontation in barangays Kailih and Cambug in Al-Barka town of Basilan left 19 soldiers and five MILF guerillas dead and around 8,000 persons displaced. Two days after, soldiers and police officers who were returning from a joint security patrol were ambushed, four hours apart, in Brgy. Gulayon, Alicia town and Brgy. Simbol, Kabasalan municipality, both in Zamboanga Sibugay. The MILF owned up to the ambush as retaliation for previous military actions in Payao.

The twin ambushes were followed by another ambush along the national highway in Brgy. Paying, Sultan Naga Dimaporo in Lanao del Norte where two soldiers were killed and another four wounded.

These violent incidences prompted calls for an allout-war against the MILF from some segments of society that were responded by calls for sobriety from civil society organizations and other likeminded groups. President Aquino declared an "allout justice" policy in pursuing lawless elements in relation to the incidents.

Peace process mechanisms on the ground including the Malaysian-led International Monitoring Team (IMT), the GPH and MILF Coordinating Committee on Cessation of Hostilities (CCCH), Ad Hoc Joint Action Group (AHJAG), Bantay Ceasefire and Local Monitoring Teams, promptly took appropriate action according to their respective mandates. This contributed to the diffusion of tension in the affected communities and among key actors of conflict.

The sporadic skirmishes affected Program implementation in concerned communities both in terms of delivery of services and, in one case, securing the initial investments in the assisted barangays. In Datu Piang, for instance, BDA's Central Mindanao Regional Management Office

suspended activities in one of the three barangays being assisted due to the skirmishes between a BIAF and BIFF commanders. In Al-Barka, community learning center and tire path with three overflow structures were partially damaged following the clashes between the government and the MILF.



II. Highlights of Program Implementation

Communities of conflict-affected areas have satisfactorily decided on, planned and implemented subprojects of their choice with no violent incident

More communities adopting participatory approach in identifying and planning development initiatives

A significant increase of barangays covered by the MTF-RDP under PPA3 was achieved during 2011. From 62 barangays in 53 municipalities during PPA 2, it expanded to 162 (127 for CDD and 37 for CDR)¹ barangays in 75 municipalities across Mindanao. These communities adopted the community-driven development/reconstruction approach in the implementation of MTF-RDP. The CDD and CDR approaches emphasize participation of community members in the entire subproject cycle – from the identification of development needs, planning, implementation of initiatives which are the result of collective consensus and joint monitoring, to the maintenance of completed subprojects.

The table below shows the spread of these communities under the CDD subcomponent across the six regions as defined by the Program.

Table 1. Number of Barangays with Completed CDD Subprojects, Pilot to PPA3²

Region	Municipality	Barangay	Completed Subprojects
CenMin	15	24	38
Davao	9	15	23
Ranaw	17	23	28
SouthMin	8	20	30
Basilan	8	19	24
ZamboPen	11	19	26
Total	68	120	169

These communities employed thematic mapping which was introduced in PPA3 as a tool to facilitate community assessment of village poverty, local

resources, access to services and the peace and conflict situation. Using the tool, members of the community are able to identify their development needs and



ways to address them during barangay assemblies, which served as the venue to discuss issues that affect them and for meaningful dialogue between and among local leaders and the constituents. Development initiatives selected by communities are then reflected in Community Investment Plans (CIPs) in CDD areas or Community Reconstruction Plans (CRPs) in CDR areas. During the period in review, a total of 93 CIPs/CRPs were validated by the communities, 88 of which were adopted by the respective barangay councils through the passage of a resolution.

Table 2 shows the number of barangays adopting community-driven reconstruction under PPA3.

Table 2. Number of Barangays with Completed CDR Subprojects under PPA3²

Region	Municipality	Barangay	Completed Subprojects
Ranaw	5	31	37
CenMin	1	6	34
Total	6	36	71

A total of 60 People's Organizations (POs) and 64 Subproject Committees (formed under the CDR subcomponent) were organized and trained to manage people and projects. All POs have been registered with the Department of Labor and Employment. For 2011, a total of 139 subprojects were implemented under the CDD and CDR subcomponents in close collaboration between the POs, the BDA, through its six regional management offices, and the two TFRs.

^{1.} Combined MLGUs for CDR and CDD are 164 but two of which are under both components, hence, the total of 162.

^{2.} The figures in Tables 1 and 2 are different to the text as the tables capture completed subprojects. In selected municipalities and barangays that were covered by the Program, subprojects were not able to be completed due to various factors, such as security risk and failure of the LGUs to provide approval for subproject implementation, even though social preparation had been completed.



Box 4. Locals partner with LGU to end transport woes

For community welfare, going the extra mile is no sound bite for Cabagayan folk. It is shown in deed.

Just as the P686,000-overflow bridge was about to be completed, members of the Cabagayan Tri-People United Association (Catripua) in Cabagaya, Tarragona in Davao Oriental realized that the approach of the structure needed to be made concrete. Otherwise, not only the comfort and safety of users would be compromised but also the organization's credibility would be put in question being the implementer of the project.

"We would lose face," said PO treasurer Leo Matayab, adding that the members had been openly critical of the low quality projects in the community and would not want to be accused of the same.

But the PO had insufficient funds for the concreting as this component was not included in the subproject proposal.

Emboldened by the desire to provide a high quality standard project, the group approached the municipal government to provide additional sand and gravel for the project. The local government granted their request, increasing the LGU's counterpart to P186,000.

The completed project allowed the more than 200 families residing in the remote three sitios to transport their coconut, banana, rice and corn with ease, saving time and money as they no longer have to use horses to transport their agricultural products, which normally took them an hour to reach the national highway. The bridge made their sitios accessible all-year round.

To sustain the project, the group collects user's fees depending on the type of vehicle for operation and maintenance of the bridge. P5.00 is collected for motorcycles, P7.00 for tricycles, P10.00 for cars, and P15 for bigger vehicles. The PO is now managing the project based on the learning and the values reinforced during transformation training and inputs from their community organizer, chief of which is the importance of upholding their integrity as a group and as individuals by shying away from corrupt practices.

Now, the project serves as a reminder of the PO's grit and commitment to serve the community.



People empowered to work together for common good

In addition to the core training on project management that is provided by the BDA to people's organizations, one of the signature elements of community development as implemented by the BDA is Values Transformation Training (VTT). This training is rolled out for participating communities and encompasses Islamic and universal values. Most people who participated in the VTT have become more engaged in development work as the session encourages them to reflect on and define their role in relation to their growth as citizens and to the improvement of their community. In Brgy. Bunao, Tupi in South Cotabato, for instance, the 23 members of the PO that manage a water facility and a community learning center acknowledged that the VTT taught them unity and transparency in performing their role as active members of the community. The implementation of the two subprojects has boosted their self-confidence and





Box 5. Hopes for a better future

After the 2008 armed conflict that caused them to vacate their homes and farms and the recent flood that submerged almost all low-lying areas in Central Mindanao, Bapa Betoy Edza of Barangay Duaminanga in Datu Piang, Maguindanao has never lost hope for a brighter future.

He has continued to rise above successive predicaments his family and some 150 others had experienced. He and his fellow farmers have sustained their active participation in all Community-Driven Reconstruction (CDR) activities under the MTF-RDP.

Bapa led the community in all activities and helped the CDR Field Team to ensure proper utilization of the various forms of assistance given to them. When he learned the distribution schedule of agricultural inputs, he immediately prepared his farm to be planted with rice. As soon as he received the inputs, which include palay seeds and fertilizers, he prepared the seedbed. He happily informed the CDR Team that his rice seeds germinated very well. He even brought the Program staff to his rice field to show the seedbed and also his one-hectare farm that was ready for transplanting.

"This time, I am more than hopeful and will give my best effort because all my harvest will all be mine," said Bapa. "I don't have any debt to local capitalists/rice traders in Datu Piang to worry about," he added, referring to 'middlemen' who usually loan out money or inputs to farmers, who, in return would pay them with their harvest.

improved their facilitation skills. A manifestation of their confidence was their move to involve the local government unit in the repair of some damage to their water facility.

The people's new mindset of recognizing their stake in development came about after a series of training sessions on values formation and project management. With the new knowledge and values acquired from the training sessions, the POs and

community members facilitated the signing of land use agreements for 56 projects between them and land owners and provided their labor for free. This was observed in several communities, such as in Brgy. Panggao, Munai, in Lanao del Norte where residents helped in the construction of an intake box, reservoir and tap stands as well as the laying down of pipes for a potable water system project. The women in the barangay, on the other hand, volunteered in the preparation of the food for the workers for the

Box 6. A place called home

Norma Lakman, her husband Parido and their children, used to live in a small hut in Barangay Liong in Datu Piang, Maguindanao. The small hut was made of light materials, with dried coconut leaves and used cardboard boxes as walls and bamboo slits as flooring.

As the family's income relied mainly on Parido's meager earning as a massage therapist in the community, their dwelling had not received much attention compared to other more pressing needs such as food. With almost nil livelihood opportunities in the area, Norma and Parido were compelled to have one of their four children be adopted by the municipal doctor.

Norma's family is among those who fled their homes during the 2008 conflict between the Armed Forces of the Philippines and the Moro Islamic Liberation Front. Due to the relative peace in the area, families have gradually returned to their places of origin, striving to rebuild their lives.





Through the implementation of the MTF-RDP, Norma found many reasons to believe that rebuilding her family's life for the better was within her reach. Together with other residents, Norma actively participated in all project activities. She said that despite her limitations in reading and writing, she attended the community assemblies, small group meetings, assessments and planning workshops.

From among the community needs that were identified through several community discussions, the shelter construction subproject was prioritized. The community members were happy as their dream of a more liveable home would at last be realized, protecting them from the heat of the sun, from getting soaked from the rain, from getting cold during the night.

With a new house, Norma is now working on moving her father, who has been living with a relative, back home. Soon, she said, she would be preparing for the return of her child who had been separated from them.

duration of the work. The village was among the 37 conflict-affected barangays assisted under the CDR subcomponent.

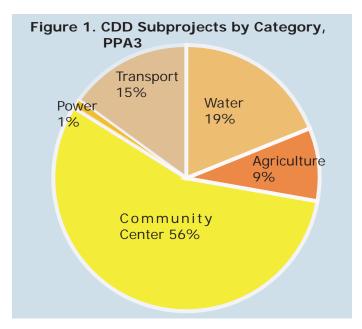
The meaningful participation of people in community development was also noted by the European Union monitor who conducted the Results Oriented Monitoring on the MTF-RDP in February 2011. In his report to the EU, he said: "In far from favorable circumstances, the project has shown what can be done to improve people's lives and give them a sense of empowerment. Development of People's Organizations has provided the opportunity to make people feel they are part of the society again. The enthusiasm generated at Barangay meetings was real and there is a tangible social impact from the project on the lives of the villages."

Improved access to basic services and economic opportunities

For 2011, 31,453 households have enjoyed improved access to basic services like potable water and better hygiene and sanitation conditions as well as more economic opportunities with the provision of agricultural and fisheries inputs for target communities. Specifically on water supply, a total of 24 communities, which had no access to clean water, are now enjoying potable, accessible and adequate supply for the community. In Brgy. Pantaon, Munai (Lanao del Norte), for instance, residents used to traverse the rugged terrain of this remote village for at least an hour daily to fetch drinking water. This was normally done by women and children before going to school. Since access to water has become easier and faster, beneficiaries are able to spend more time on productive activities. For women, household chores have become less of a burden. Some mothers are contemplating starting a backyard garden or going into livestock raising to augment the family income.

Livelihood support was also provided to selected

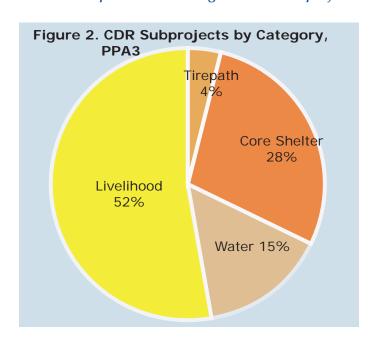
villages. The provision of agricultural inputs, farm animals and machineries as well as fishing tools provided hope to farmers and fishers who had suffered crop failures or loss of income due to floods or displacements. It also helped to shut out local traders and/or 'middlemen' who finance farm inputs in exchange for the harvest being sold to them at reduced prices. The Program has also helped farmers to save time especially during land preparation. Instead of tilling their farms in seven days using carabaos, they can now finish the work in one day using the farm machinery provided by the Program. Fishers also noted that their increased income allowed them to give more during Zakat collection, an important element of life in Muslim



Figures 1 and 2 show the categories of completed subprojects under the CDD and CDR components.

communities. With the seeds and other farm requirements provided by the Program, farmers and fishers now have better control over their harvest, can better decide the manner they sell their produce, and have generated higher incomes for their families. In selected barangays affected by recent armed conflicts, 206 core shelters were provided to families in 18 communities in Lanao de Sur, Lanao del Norte and Maguindanao under the CDR subcomponent. These returned internally-displaced persons (IDPs) were able to articulate their needs and participated in the planning and implementation of reconstruction efforts in their communities. Around 7,000 families are now directly benefitting from the core shelters, potable water system, community-based infrastructure and livelihood projects in the 37 CDR sites.

Enhanced capacities to manage and sustain projects



A total of 154 communities through their respective POs or subproject committees are now managing 240 subprojects, 120 of which are in CDD communities and 36 in CDR sites³. Sixty-eight of the 169 subprojects under CDD subcomponent were completed during PPA3.

They have put into practice the knowledge and skills gained from various training sessions on management, procurement, implementation and monitoring of subprojects conducted by BDA with the assistance of the two TFRs.



Box 7. Water unites Panggao residents

Since time immemorial, residents of Barangay Panggao have lacked accessible potable water. Aside from being a remote area, Panggao, one of the 26 villages of Munai in Lanao del Norte, was one of the barangays badly hit by several armed clashes between the military and rebel groups.

The 2008 conflict resulted in months-long displacement of residents from Panggao. The series of displacement and the conflict vulnerability of the area contributed to the inability of the community to plan their own development initiatives.

When Panggao was selected to be assisted through the CDR component of MTF-RDP, the residents unanimously proposed a potable water system as their priority subproject.

The Barangay Council members, traditional and religious leaders, and residents actively participated in planning activities, training sessions and implementation.

Residents rendered voluntary service to construct the intake box, reservoir and tap stands as well as in laying down the pipes. Women also volunteered in the preparation of food for the whole duration of the construction.

After various consultations, the residents agreed to make a fixed monthly contribution for the water system's operation and maintenance that is anchored on the O&M plan they had formulated. Leaders and residents alike are thankful that most of them are now enjoying clean and accessible water.

^{3.} Combined CDD and CDR communities with completed subprojects are 156; two of which are under both components, hence, the total of 154.

In Brgy. Cabagayan, Tarragona municipality, for example, the PO established a user fee system for the overflow bridge as part of the subproject's operation and maintenance. The organization collects P5.00 for motorcycle, P7.00 for tricycles, P10.00 for cars, and P15 for big vehicles. The PO also acknowledged the importance of veering away from corrupt practices, which was tackled during values transformation training session, to ensure the sustainability of its subproject.

The Aide Memoire of the 6th Implementation Support Mission (ISM) jointly undertaken by BDA, CFSI, MinLand, Office of the Presidential Adviser on the Peace Process (OPAPP), the European Union and the World Bank in May 2011 noted that all community infrastructure subprojects, such as water systems, livelihood centers and solar driers observed, were being used and well maintained. It also reported



that the technical quality of completed subprojects observed was rated high.

The Aide Memoire also noted that the POs displayed strong compliance with procurement and financial management policies across the sites visited. The team found that "cash books are being updated, accounting documents present, procurement and financial management committees organized and capacitated, and transparency of records practiced."

The team observed, however, a mixed picture on PO sustainability based on the subprojects visited. POs tend to become non-functional once funding from the project stops or income cannot be raised from the subproject. There were some exceptions though, most prominently the PO in Barangay Pangi, Maco,

Compostela Valley, which is generating over P20,000 per month in income from user fees for a Level 3 water system.

An internal assessment conducted by BDA and the two TFRs in late 2011 on subproject functionality and PO sustainability dating back to the beginning of the Program showed a high level of subproject functionality but confirmed a mixed picture on PO sustainability.

LGU capacity is improved for project planning, resolving conflicts, project implementation and seeking resources for subprojects

Enhanced appreciation by LGUs of the CDD approach

A total of 71 new Memoranda of Agreement (MOA) have been signed between the BDA and partner municipal LGUs, 16 of which are with new MLGU partners in 2011. As part of their commitments under the MOA, LGUs establish a Municipal Technical Team (MTT) and a Multi-Sectoral Committee (MSC) to assist the PO to develop, and in turn, appraise subproject proposals. MTTs, whose members come from MLGU planning, agriculture, social welfare, and engineering units, are trained by the Program on participatory community assessment and planning. They apply the knowledge and skills they gain from these training sessions as they provide technical assistance to POs to develop CIPs and subproject





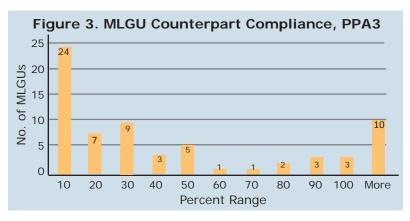
Box 8. LGU commits continued support to BDA

Vice Mayor Hajarah Ranain of Pantukan, Compostela Valley, noted the BDA's invaluable role in bringing development to the municipality's poor communities. By involving the community members in planning and prioritizing subprojects, the local government saw the value of the approach in addressing people's pressing needs.

The vice mayor expressed having known about BDA supported subprojects even before her election to the post. "BDA's manner of involving the communities is a good way of implementing (subprojects)," she said. She observed that aside from the subprojects, the Program (MTF-RDP) gives due priority to community's social health.

In view of further partnerships with the BDA, she gave her commitment that the local government will continue to provide its support to MTF-RDP. She alludes to the provision of counterpart fund for the subprojects which the local government did provide in the previous implementation. After all, this is to improve the living condition of the community folk particularly those disadvantaged.

proposals. MSCs, on the other hand, are trained to review and approve subproject proposals before they are submitted to BDA's Central Management Office.





Across project locations, local government support has been more pronounced at the barangay level. Barangay officials assist PO at various stages of subproject implementation and by providing counterpart funding. Barangay Councils participate in community meetings and training sessions, help mobilize residents during these activities, and provide security to Program staff during implementation monitoring.

In spite of the continuing challenge that BDA faces in engaging LGUs, it was still able to generate a total of P3,785,122 counterpart funding for 61 of the 68 subprojects from 60 MLGUs under the CDD subcomponent of PPA3.

Per PPA3 data, Figure 3 illustrates the extent to which MLGUs delivered on their committed counterpart, demonstrating a mixed picture.

A number of MLGUs have also been engaged by POs to provide additional assistance on top of the agreed commitments to the subprojects. For example, the municipal government of Tarragona provided additional construction materials for the overflow bridge when requested by the Cabagayan Tri-People United Association. This item was not accounted for in the subproject proposal but was seen as necessary to maximize the use of the bridge.

A similar case was also noted in Barangay Bunao, Tupi town in South Cotabato where the local government assisted to repair the community's water facility. MLGU partners in CDR areas also offered material and technical support by providing dump trucks to haul materials and making available technical services of their municipal agriculturists or engineers. These few collaborative efforts between the communities assisted by the Program through BDA and the LGUs are seen as significant as a number of local



governments are wary to partner with the BDA because of its affiliation with the MILF.

Despite these successes, securing partner-LGU support and ensuring they deliver on commitments has remained a challenge. In two instances, subproject implementation was suspended after a local chief executive and a barangay chair refused to sign the subproject agreement or even to meet with BDA representatives. The difficulty for BDA to engage some MLGUs appeared to be due to a misconception of the BDA's effort, being the development arm of the MILF. OPAPP has extended assistance to BDA especially in difficult cases. Some problems, however, were so complex that they remain unresolved despite OPAPP's intervention. More assistance is thus needed from other concerned agencies to improve BDA-LGU engagement, a critical aspect in confidence building and in building the capacity of BDA.

Local implementing partners, including the BDA, have achieved sufficient management capacity to work with LGUs and local development groups in reconstruction and development activities

Enhanced capacity to lead in subproject implementation

Five years after BDA piloted subproject implementation in one community in each of the six

BDA regional development divisions, the BDA has demonstrated ease in engaging the communities to articulate and address their development needs through participatory, inclusive and transparent In 2011, BDA supervised approaches. implementation of 139 subprojects (68 CDD and 71 CDR) in line with the Operations Manual. This was achieved amid the challenge of implementing a broader set of subproject under PPA3 compared to the past - from construction of core shelters and community-based infrastructure to providing agricultural/fisheries inputs and other incomegenerating projects. On top of that, each BDA staff handled multiple projects in a number of barangays that are not contiguous.

Improved organizational competencies

The period in review showed BDA's increasing organizational maturity as it honed its competencies in subproject planning, implementation and monitoring; strengthened its internal controls to improve Program operation on the ground; and redefined its role in the ever-changing peace and development context of Mindanao. The Central Management Office (CMO) continued to provide technical, financial and administrative guidance to the six Regional Management Offices (Ranao, Zamboanga Peninsula, Zamboanga-Basilan-Sulu-Tawi-Tawi, Central Mindanao, Davao and Southern Mindanao).

To achieve standardized subproject preparation, the BDA CMO and the Project Technical Team (of the TFRs) provided regular coaching to RMOs on the application of Thematic Mapping, a visual and graphical tool seen to improve analysis of the community's developmental needs, identification of ways to respond to them, and ranking of priorities. The TFRs also continued to involve the CMO and RMOs in the review of subproject proposals that



resulted in fewer data gaps found in the proposals and hastened approval and release of funds from the TFRs.

With the assistance of the M&E Consultant from the MTF Secretariat, BDA established an enhanced monitoring and evaluation format that is being adopted by the six RMOs. The regional M&E officers were oriented on the overall design of the management information system and the required processes to ensure efficient information flow between the regions and the CMO as well as with Program partners. However, compliance with the required data for MIS remains problematic as most Regional Monitoring and Evaluation Officers (RMEOs) are also doing the functions of the Regional Community Development Officers (RCDOs) in the preparation and submissions of subprojects, among other factors. Efforts to rationalize data capture and processing on the M&E side were also complemented by initiatives to improve the Program's eMindanao website (www.eMindanao.org) as a platform for knowledge sharing of Program's learning and good practices to wider audience.

Aside from the inroads on the technical component of the Program, BDA has also tightened financial controls through continuous and financial reviews with the TFRs. The 6th MTF Implementation Support Mission noted "strong compliance by POs with procurement and financial management policies" that could also be credited to the financial standards set forth by the BDA of its community partners. To facilitate transparency, BDA has also developed and established a Grievance Redress System with technical assistance from the MTF Secretariat. The system was introduced to communities during turnover activities for them to provide feedback to the BDA on any concerns related to the Program. The system taps existing local grievance and dispute mechanisms as well as information technologies such as the Internet and mobile telephones. More work is required to make the system fully functional, but its establishment is a strong sign of BDA's commitment to good governance and transparency.

Strengthening development role in the region

The BDA continued to coordinate with local and international non-governmental organizations, government agencies and other donor programs,



particularly in CDR areas, to harmonize efforts in reconstruction, prevent duplication and mobilize resources. In the Ranaw area, the BDA conducted inter-agency consultations with Non-Violent Peace Force, the World Food Programme (WFP) and DSWD representatives from Lanao del Sur and Lanao del Norte and local NGOs. Consultations in Central Mindanao were held with UNHCR, the CCCH of both the MILF and the government as well as local NGOs. These efforts resulted in having four CDR communities in Ranaw region provided with Foodfor-Work packages from WFP in the implementation of subprojects.

Building on these consultations, the BDA is working to establish a formal partnership with UNICEF and WFP. Through 2011 a new program of support with the Japan International Cooperation Agency (JICA) was also developed with BDA, the "Capacity Building for Community Development in Conflict-Affected Areas in Mindanao" program.

During 2011, the BDA has also worked to strengthen its position as a developmental organization not only in Southern Philippines but also internationally. In December 2011, BDA became a founding member of the Federation of International Islamic Charity Organizations (FIISCO), an independent international body of Muslim organizations involved in relief, charity, development and social works. The other members of FIISCO come from Turkey, Malaysia, Pakistan, Sudan and Indonesia.

These local and international partnerships and engagements are a tangible sign of the growing credibility and confidence of BDA as a development agency.



A fresh vision and a redefined role in Mindanao

As BDA sharpened its competencies to manage community development initiatives in 2011, it formulated a new vision for its role to respond to the evolving peace and conflict dynamics in Mindanao. The vision, which was approved by the MILF Central Committee in June, foresees BDA taking a broader role – evolving from an implementer of CDD programs to a development planner, program contract administrator, monitor and evaluator, and trainer of partners. These additional roles are seen to be anchored on BDA's values that resonate with universal values.

BDA also refined its articulation of its role in conflict-affected areas. It sees itself as 'development overseer,' which ensures that all proposed investments are socially and culturally acceptable to local stakeholders and these investments contribute to BDA's vision of economic vibrancy of communities. Aside from its oversight function, it also sees itself as 'standards setter and compliance monitor for development investments.' It will practice policies based on good governance principles that will serve as guidelines for agencies and/or organizations delivering services to Bangsamoro communities.

To align MTF technical support for BDA with this fresh vision, a comprehensive capacity assessment will be undertaken and a capacity-building plan developed in early 2012. This will define the nature and scope of capacity-building support for the coming period under the MTF-RDP.

Box 9. People laud a woman's role in bridge completion

In a barangay whose name Limot means "to forget," people remember a woman's triumph over the odds of leading an organization. Today, through her

leadership, a bridge subproject serves local residents.



Jocelyn Calitas, a mother of two, is president of Lumad, or Limot United Mandaya Association for Development in Tarragona, Davao Oriental. Consisting of 23 members—nine women and 14 men—the president was proud to note that people have no more worries transporting their agricultural produce to the

barangay center and thereafter to the town. Bananas, copra, corn, and cacao are some of the crops from the interior sitios being served by the bridge.

The most challenging situation she faced as a leader of the organization was being suspected to have pocketed subproject funds. Proudly she said: "Records are intact. I did not get a single centavo from the funds."

But this did not deter her from performing her role. Instead, the issue fuelled her determination to do her task even better. She remembered an instance when delivery of construction materials was delayed, arriving at night. She, along with other four PO officers, kept watch to ensure all materials were accounted for. They barely had time for sleep.

In another occasion, the initial layout of the bridge was damaged by a flood. The situation prompted the PO president to work overtime. Her actions prompted other PO members to notice her efforts. "Kuyawa nimo uy (You are amazing)," her member would tell her, alluding to her diligence.

And when it comes to dealing with the members, she treats them equally, regardless of their commitment to the organization. She observed that some members are "inactive" or barely participate in the group's activities but she continued to encourage them to join.

The completion of the subproject with funds all properly accounted for was a success in itself, according to Calitas. It was a proof, she said, that transparent implementation can be done. In the end, it was her work that silenced critics.

"When you lead, you need to take a stand," she said. While she weighs the views of others, in the end, it is for the good of the organization that she is foremost concerned. And when she knows she is right, she sticks to her decision.

During the turnover ceremony, the group was proud to shoulder all expenses without any help from the barangay government. "We need to be independent. *Mag-practice mi ug amoa* (We need to do things on our own)," Calitas said.

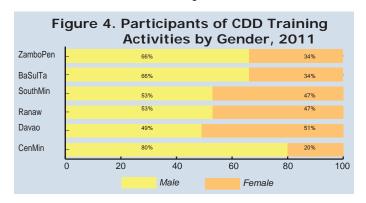




Gender

Recognizing the importance of gender responsiveness in developmental work, the Program made conscious efforts to promote gender equity in BDA and in subproject implementation in order to address both the different practical and strategic needs of women and men.

At the BDA level, it developed a Facilitator Manual

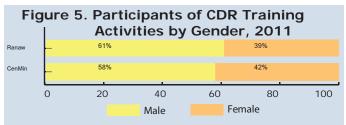


for Mainstreaming Gender in Development Activities and generated sex-disaggregated data for its reports.

At the community level, the Program continued to provide opportunities for women to actively participate in community development. In all training sessions conducted by the Program, 38.5 per cent of the participants were women (36 per cent in CDD, 41 per cent CDR as shown in Figures 4 and 5, respectively).

Seventeen out of 60 POs have at least 50 per cent female members. An internal assessment on PO and subproject sustainability indicated that functional POs and subprojects tend to have a larger average number of women. While this is from a small sample – and more studies will have to be undertaken to ascertain the impact of women's participation in reconstruction and development work – it is indicative of the value of inclusive gender participation in Program processes.

The capacities of women are also being enhanced with a total of 57 of 60 POs having at least one woman in a leadership position (which could be member of the Board of Directors, president, vice president, secretary or treasurer) and three of whom serve as president of their respective organizations. The improved female participation in decision-making roles helped address their strategic needs. Practical gender needs were also addressed with



improved access of men, women and children to social services, particularly the availability of clean water and sanitation facilities.

Environment

The Program continued to promote environmental concerns in all its efforts. Compliance with environmental safeguards is required for each subproject. In community-based infrastructure, for example, environmental concerns are incorporated in the detailed design, construction and waste management. The 6th Implementation Support Mission noted that all CLCs visited by the team were provided with adequate water supply and gendersensitive sanitation facilities. The mission, however, pointed out that environmental factors such as topography and natural drainage flow should be considered in the subproject site selection and development of alternatives. It also recommended the identification of threats to water quality (e.g. pesticide contamination from plantations or sewage from nearby houses) for the Program water system subprojects.

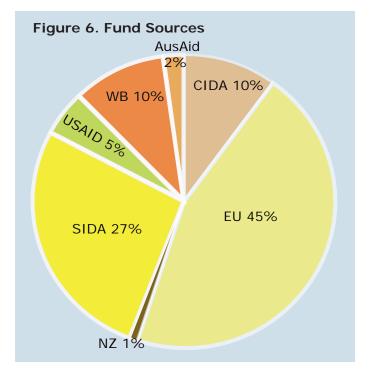
III. Financial Management

Total donor contributions deposited in the MTF Program account increased from USD 13.3 million in 2010 to USD 15.8 million as of the end 2011 from Australia, Canada, the European Union (EU), New Zealand, Sweden, United States and the World Bank. The tenure of the German Environmental Specialist funded by the German Development Service (DED) to assist on environmental matters ended in May 2011.

A significant growth in fund disbursement was noted in 2011. Total cumulative funds disbursed for block grants for communities increased from about PhP62 million at the end of 2010 to PhP131 million by end of 2011. Total cumulative funds used for training and workshops, consultants, goods and equipment, operational expenses, management costs, and monitoring and evaluation amounted to PhP188 million by end of 2011 from PhP155 million in 2010; and cumulative funds for program administration increased from a little over PhP20 million in 2010 to PhP21 million by end of 2011.

Sycip, Gorres, Velayo and Company (SGV&Co) and Valdes Abad and Associates (VAA) conducted the regular annual audit of financial management and use of funds for CFSI and MinLand, respectively. The implementing partners worked closely together in addressing audit findings and recommendations. The findings of audit indicated some areas for improvement which need review and evaluation by the management. These, however, were not





significant to affect fair presentation of the financial statement.

Three major results monitoring and review activities were also carried out, as follows: (i) the Third EU Results-Oriented Monitoring (ROM) in February 2011 which looked into the relevance and quality of the program design, efficiency, effectiveness, impact prospects and potential sustainability of the program; (ii) the Third Program Partnership Agreement (PPA) Mid-Term Assessment in March 2011; and (iii) the Sixth Implementation Support Mission by the World Bank together with partners in May 2011. These activities helped the implementing partners ascertain and aptly deal with major concerns to the achievement of the project objectives, i.e., LGU engagement, people organization sustainability, efficiency of the program, size of subproject investments and inclusiveness of the Program.

The PPA arrangement, which formalizes the operational arrangements on releases and uses of funds and other assets and the implementation and reporting requirements as well as clarifies the respective roles and responsibilities of each partner under the MTF-RDP, continued to guide project implementation. Thus far, the BDA has signed two PPAs with CFSI and one with MinLand which is set to close in March 2012. The BDA is expected to forge a new PPA with the Trust Fund Recipients by the second quarter of 2012.



IV. Challenges and Lessons Learned

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Sporadic violent confrontations and unpredictable weather patterns. The intermittent armed clashes between the government soldiers and MILF forces in or near Program-assisted communities not only posed security risks to Program staff but also affected the implementation of subprojects. Field visits to the affected areas were delayed and in one instance, subproject implementation was suspended.

The long period of rain in certain communities also prevented the timely implementation of subprojects, particularly the community-based infrastructure. As most of the communities are located in remote areas where access could be daunting, the hauling of construction materials could equally also be challenging.

Engagement of LGUs and provision of counterpart. The engagement of LGUs, particularly at the municipal level, remains a challenge to the Program. In some cases, LGUs failed to deliver their



commitments (i.e. providing less than the agreed counterpart as stipulated in the MOA). In 2011, subproject implementation in two target LGUs was suspended after the local leaders refused to sign the partnership agreement.

Although there were fears that cancellation of projects could diminish community confidence in the BDA as the frontliner of the MTF-RDP, the Program recognized the importance of LGUs in subproject sustainability and the importance of BDA-LGU cooperation as cornerstone of the Program. The Program saw this challenge as an opportunity for the BDA to build its position as a development organization at the same time to enhance the knowledge and skills of BDA personnel on local governance. The assistance of OPAPP in dealing with local governments also yielded positive results.

The approach of the Program thus far has been to reach out to a high level of municipalities in line with the confidence-building objective. Reflection during 2011 has led BDA to conclude that the MTF-RDP is spread too thin. In several towns, the Program has only covered one barangay, which could be one reason why local chief executives have not prioritized support for the Program. The MTF Secretariat's Implementation Support Mission noted that mayors might "see the Program as small and short-lived." Accordingly, for PPA4 onwards, the Program will pursue a clustering approach that will consolidate site selection in a smaller number of municipalities, to build longer and deeper relations with both the communities and the LGUs.

Program technical and operational hurdles. As the

Program implemented more types of subprojects, it correspondingly required new and improved technical expertise. During the year in review, the limited services provided by municipal engineers to the Program slowed the preparation of detailed engineering designs for community-based subprojects, delaying implementation.

To better capture the performance of PPA3, the BDA has been working to improve CMO and RMOs monitoring and evaluation capacity. Operational efficiency also needs to be enhanced, particularly in delivering assistance that is time-sensitive such as that in the CDR component. Delays in the implementation in some areas resulted in the provision of farm inputs after the planting season, leading farmers to sell the inputs in order to pay loans for inputs previously

used.

The Program also hit a snag with the delayed releases of funding for training activities in the first quarter of the year. This was remedied by the World Bank, through the MTF Secretariat, allowing the TFRs to increase its withdrawal applications. To reduce processing time for withdrawal applications, the Bank also allocated two grants to MinLand for 'Straight Through Processing,' an online processing system, which significantly expedited disbursement processing.

Performance measures and incentives. In order to address the technical and operational deficiencies evidentattimes in 2011, performance-based incentives built on clear standards will be incorporated into the funds flow for PPA4.



V. Looking Forward

The Program has continued to be aligned with the directions of both the government and BDA. In the Interim Steering Committee meeting in July, OPAPP and BDA expressed confidence in the MTF-RDP mechanism. The government sees MTF-RDP as a complementing vehicle for its peacebuilding program that emphasizes improving the lives of communities in conflict-affected areas regardless of the outcomes in the negotiating table. The MILF - BDA's principal - continues to support MTF-RDP, too, acknowledging the importance of the Program's current initiatives in conflictsmall-scale

affected communities. BDA expressed the hope that other partners would join the MTF, as dealing with multiple agencies stretches their capacity.

OPAPP believes that the MTF is well placed to meet larger challenges in a post-peace agreement scenario where development is expected to be scaled up. The World Development Report 2011 says coordination of development is critical to sustaining peace. MTF can become an important vehicle in this regard. The Program will call on other development partners who might be interested to join in the expansion.

The BDA Board of Directors conducted a visioning exercise in the middle of the year to identify BDA's role under an expansion of the MTF-RDP and postpeace agreement. This vision is closely aligned





with the BDA mandate and would see an evolution in the BDA's function from implementer of CDD programs to a broader role in planning, coordinating, monitoring and facilitating development Bangsamoro communities, based on BDA's values. The vision was endorsed to and approved by the MILF Central Committee in June. In its approval, the MILF CC emphasized that: (i) the BDA should exist with or without a peace agreement; and (ii) there will be a development agency in post-peace agreement; however (iii) BDA's institutional status will be determined by the GPH-MILF Final Agreement. BDA is working with the MTF Secretariat to align MTF-RDP capacity-building support with the new vision. A new capacity-building plan is being undertaken. The MTF Secretariat sees the importance of coordinating BDA capacity building with other development partners, such as the Japan International Cooperation Agency (JICA) who will also partner with BDA for its upcoming Community Development - Conflict Affected Areas in Mindanao (CD-CAAM) project.

Building on a year of expansion, consolidation and detailed learning in 2011, 2012 will see a major evolution in the operation of the MTF-RDP to build management systems and enhance operational efficiency in BDA; to improve the quality of implementation of the MTF-RDP; and to expand the scope of capacity-building for BDA to match its fresh vision and to help BDA to reach out to other Bangsamoro groups as a convener of capacity-building support for local development. Driving this effort will be the clear understanding that the dual purpose of the MTF is to both deliver quality development on the ground for needy communities and to help develop the necessary skills among Bangsamoro groups to effectively manage development resources in a post-peace agreement scenario.

Informed by the findings of the past assessments, the Program plans to carry out several improvements for the next implementation phase. These include:

- 1. Build a performance culture performance standards will be defined for the BDA as a whole, each RMO and individual BDA staff. Performance will be measured: good performance rewarded and poor performance sanctioned.
- 2. Capacity-building BDA capacity-building will be based on a clear plan and will align with the Agency's broader vision articulated in mid-2011.
- 3. Site selection A more objective and transparent system site selection process will be introduced with barangays to be ranked based on empirical data on poverty and conflict. Feedback from government through LGUs will be ensured. Clustering of sites will be undertaken to promote cost-efficiency, economies of scale and enhanced LGU engagement.
- 4. Duration of implementation The Program will go deeper into select communities rather than target new areas and stay longer to avoid one-





cycle investments which do not deliver maximum benefits.

- 5. Block grant calculation Based on analytical work undertaken on the amount of the block grant required to deliver economic impacts, the block grant calculation will be adjusted in PPA4.
- 6. Livelihood The Program will look to move beyond a pure CDD focus by supporting marketdriven community-based livelihood project. A proposal has been developed by ILO with BDA and is being reviewed by the Secretariat.
- 7. Community participation and inclusion Expand community participation and involvement in program decision-making and implementation.

Given this direction, the Program will prepare a Work and Financial plan for CDD operations for a three-year period (2012-2014).

Other plans for next year include: (a) Joint programming mission for unallocated funds and (b) joint work with BDA on post-agreement development programming.

Annex A. CDD Communities and Subprojects, PPA3

Region	Province	Municipality	Barangay	Subproject
Davao	Compostela Valley	Pantukan	Fuentes	Construction of Mini Public Market
	Compostela Valley	Pantukan	Bongbong	Water System Level II
	Compostela Valley	Pantukan	Bongbong	Water System Level II
	Compostela Valley	Pantukan	Napnapan	Water System (Spring Development)
	Davao Oriental	Tarragona	Limot	Reinforce Concrete Box Culvert
	Davao Oriental	Tarragona	Tomoaong	Water System Level II
	Davao Oriental	Tarragona	Cabagayan	Overflow Concrete
SouthMin	Sarangani	Kiamba	Datu Dani	Construction of Solar Drier with Multi-Purpose Warehouse
	Sarangani	Kiamba	Datu Dani	6 units Coco Grills
	Sarangani	Maitum	Maguling	Community Learning Center
	Sarangani	Malapatan	Tuyan	Community Learning Center
	Sarangani	Malapatan	Sapu Padidu	Community Learning Center
	Sarangani	Maasim	Lumatil	Multi-Purpose Center
	Sarangani	Maasim	Kanalo	Community Learning Center
	Sarangani	Glan	Taluya	Community Learning Center
	South Cotabato	Polomolok	Sumbakil	Community Learning Center
	South Cotabato	Tupi	Palian	Community Livelihood and Learning Center
	South Cotabato	Tupi	Palian	Solar Drier on Grade with Multi-Purpose Warehouse
	South Cotabato	Palimbang	Baliango	Community Learning and Livelihood Center
	South Cotabato	Palimbang	Lumitan	Solar Drier with Multi-Purpose Building
CenMin	Maguindanao	Sultan Kudarat	Narra	Construction of 7 Units Artesian Deep Well (Level II)
	Maguindanao	Datu Odin Sinsuat	Kurintem	Community Learning Center
	Maguindanao	Datu Odin Sinsuat		6 units of Artesian Deep Well
	Maguindanao	Matanog	Bugasan Sur	Community Learning Center
	Maguindanao	Shariff Saydona, Mustapha	Pusao	Community Learning Center
	Maguindanao	Pagalungan	Poblacion	Community Learning Center
	Maguindanao	GSKP	Sumakubay	Community Learning Center
	North Cotabato	Carmen	Pebpoloan	6 Units Artesian Deep Well (Level 2) Water Supply System
	North Cotabato	Kabacan	Pedtad	Community Learning Center
	Sultan Kudarat	Lambayong	Poblacion	Community Learning Center
Ranaw	Lanao del Sur	Butig	Coloyan	Concrete Pathway
	Lanao del Sur	Butig	Coloyan	Concrete Catwalk
	Lanao del Sur	Masiu	Buadiasa	Community Peace Center
	Lanao del Sur	Masiu	Unda Dayaw	Community Learning Center
	Lanao del Sur	Tugaya	Campong Talao	Community Learning Center
	Lanao del Sur	Lumbayanague	Wago	Community Learning Center
	Lanao del Sur	Binidayan	Poblacion	Community Learning Center
	Lanao del Sur	Madalum	Pagayawan	Community Learning Center
	Lanao del Sur	Marawi City	Poona Marantao	Community Learning Center
	Lanao del Sur	Maguing	Dilimbayan	Community Learning Center
	Lanao del Norte	Tangkal	Big Banisilon	Concrete Tire Path
	Lanao del Norte	Tangkal	Big Banisilon	Community Learning Center
	Lanao del Norte	Baloi	Bulao	Community Learning Center

Annex A. CDD Communities and Subprojects, PPA3

Region	Province	Municipality	Barangay	Subproject
BaSulTa	Basilan	Tipo-Tipo	Pekok, Badja	Overflow Structure and Tire Path
	Basilan	Tipo-Tipo	Pekok, Badja	Community Learning Center
	Basilan	Al-Barkah	Bakisung Cambug	Concrete Pavement
	Basilan	Al-Barkah	Bakisung	Multi-Purpose Building
	Basilan	Al-Barkah	Kailih	Overflow Structure and Tire Path
	Basilan	Al-Barkah	Kailih	Multi-Purpose Building
	Basilan	Al-Barkah	Linuan	Multi-Purpose Building
	Basilan	Sumisip	Lukbait	Water System (Deep Well)
	Basilan	Hji. Muhammad Ajul	Languyan	Water System
	Basilan	Ungkaya Pukan	Sungkayot	Community Learning Center
	Basilan	Akbar	Upper Bato-Bato	Public Market
	Basilan	Lamitan	Balagtasan	Water System Level II
ZamboPen	Zamboanga del Sur	Lapuyan	Pampang	Multi-Purpose Concrete Pavement
	Zamboanga del Sur	Lapuyan	Lenok Madalum	Water System Level II
	Zamboanga del Sur	Labangan	Upper Campo Islam	Water System Level II
	Zamboanga del Sur	San Pablo	Bubual	Community and Livelihood Center (Open Type)
	Zamboanga del Sur	Dinas	East Migpulao	Concrete Tire Path
	Zamboanga del Sur	Dinas	Benuatan	Community and Livelihood Center (Open Type)
	Zamboanga Sibugay	Titay	Poblacion Muslim	Community Learning Center
	Zamboanga Sibugay	Alicia	Naga-naga	Community Learning Center
	Zamboanga Sibugay	Alicia	Sitio Tantawan, Gulayon	Construction of DX Line Extension
	Zamboanga Sibugay	Kabasalan	Salipyasin	Community and Livelihood Center
	Zamboanga del Norte	Sirawai	Pulang Lupa	Community Learning Center
	Zamboanga del Norte	Siocon	S. Arabi	Community Learning Center
	Zamboanga del Norte	Salug	Mucas	Water System Level II

Annex B. CDR Communities and Subprojects, PPA3

Region	Province	Municipality	Barangay	Subproject
Ranaw	Lanao del Norte	Poona Piagapo	Lupitan	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Lupitan	2 units of Hand Pump
	Lanao del Norte	Poona Piagapo	Cormatan	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Tagoranao	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Pantaon	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Maliwanag	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Cabasaran	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Cadayonan	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Nunang	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Sulo	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Daramba	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Poblacion	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Pantao Raya	12 units of Core Shelter
	Lanao del Norte	Poona Piagapo	Kablangan	Draft Animals (cows)
	Lanao del Norte	Poona Piagapo	Tanglao	Draft Animals (carabaos)
	Lanao del Norte	Poona Piagapo	Nunungan	Draft Animals (cows)
	Lanao del Norte	Munai	Panggao	Potable Water System - Spring Development Level II
	Lanao del Norte	Munai	Tamparan	Potable Water System - Spring Development Level II
	Lanao del Norte	Munai	Pindolonan	Draft Animals (carabaos)
	Lanao del Norte	Munai	Pantaon	Potable Water System - Spring Development Level II
	Lanao del Sur	Piagapo	Udalo	Tire Path
	Lanao del Sur	Piagapo	Lininding	1 unit of Core Shelter
	Lanao del Sur	Piagapo	Lininding	Draft Animals (carabaos)
	Lanao del Sur	Piagapo	Taporug	2 units of Core Shelter
	Lanao del Sur	Piagapo	Taporug	Farm Inputs (fertilizers)
	Lanao del Sur	Piagapo	Kalungunan	5 units of Core Shelter
	Lanao del Sur	Piagapo	Kalungunan	Farm Inputs (fertilizers)
	Lanao del Sur	Piagapo	Palacat	Tire Path
	Lanao del Sur	Piagapo	Bansayan	Tire Path
	Lanao del Sur	Piagapo	Talao	26 units of Core Shelter
	Lanao del Sur	Calanogas	Panggao a Lupa	Farm Inputs (fertilizers)
	Lanao del Sur	Calanogas	Panggao a Lupa	1 unit of Public Toilet
	Lanao del Sur	Calanogas	Bubonga Ranaw	Draft Animals (cows)
	Lanao del Sur	Pualas	Dapao	Draft Animals (cows)
	Lanao del Sur	Pualas	Yaran	Draft Animals (cows)
CenMin	Maguindanao	Datu Piang	Balanaken	Farming Inputs (fertilizers, rice seeds)
	Maguindanao	Datu Piang	Balanaken	Fishing Tools (fish nets, poly nets and bancas)
	Maguindanao	Datu Piang	Balanaken	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps)
	Maguindanao	Datu Piang	Balanaken	11 units of Core Shelter
	Maguindanao	Datu Piang	Balanaken	CBI (latrines / hand pumps)
	Maguindanao	Datu Piang	Balanaken	IGP (sewing machines)
	-		Balanaken	IGP (Vegetable gardening)
	Maguindanao	Datu Piang	Balong	Farming Inputs
			Balong	Fishing Tools (fishnets and bancas)
	Maguindanao	Datu Piang	Balong	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps)
	Maguindanao	Datu Piang	Balong	CBI (latrines / hand pumps)

Annex B. CDR Communities and Subprojects, PPA3

Region	Province	Municipality	Barangay	Subproject
CenMin	Maguindanao	Datu Piang	Balong	IGP (Vegetable gardening)
	Maguindanao	Datu Piang	Duaminanga	Farming Inputs
	Maguindanao	Datu Piang	Duaminanga	Fishing Tools (poly nets and bancas)
	Maguindanao	Datu Piang	Duaminanga	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps
	Maguindanao	Datu Piang	Duaminanga	CBI (latrines / hand pumps)
	Maguindanao	Datu Piang	Duaminanga	IGP (Vegetable gardening)
	Maguindanao	Datu Piang	Liong	Farming Inputs
	Maguindanao	Datu Piang	Liong	Fishing Tools (fish nets, poly nets, talik and bancas)
	Maguindanao	Datu Piang	Liong	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps)
	Maguindanao	Datu Piang	Liong	17 units of Core Shelter
	Maguindanao	Datu Piang	Liong	CBI (latrines / hand pumps)
	Maguindanao	Datu Piang	Liong	IGP (mat weaving / handicraft materials)
	Maguindanao	Datu Piang	Liong	IGP (vegetable gardening)
	Maguindanao	Datu Piang	Masigay	Farming Inputs
	Maguindanao	Datu Piang	Masigay	Fishing Tools (fish nets and bancas)
	Maguindanao	Datu Piang	Masigay	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps)
	Maguindanao	Datu Piang	Masigay	CBI (latrines / hand pumps)
	Maguindanao	Datu Piang	Masigay	IGP (vegetable gardening)
	Maguindanao	Datu Piang	Montay	Farming Inputs
	Maguindanao	Datu Piang	Montay	Fishing Tools (poly nets and fish nets)
	Maguindanao	Datu Piang	Montay	Agri Machineries (power tillers or commonly called turtle / bao-bao and irrigation pumps)
	Maguindanao	Datu Piang	Montay	CBI (latrines / hand pumps)
	Maguindanao	Datu Piang	Montay	IGP (vegetable gardening)

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