

MINDANAO TRUST FUND

RECONSTRUCTION AND DEVELOPMENT PROGRAM

ANNUAL REPORT

2007



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Much of the information, stories, and pictures used in this report were drawn from progress reports, monitoring reports, project site monitoring visits and other documents prepared for the MTF-RDP. The pictures were taken by the MTF Secretariat. The Trust Fund Recipient, Community and Family Services International, provide important fiduciary and financial management services. The Implementation Service Provider, Associated Resources for Management and Development, provided valuable guidance and mentoring for the staff of the BDA that led to stronger organizational capacity and effective implementation of the different sub-projects in the community. Success on the ground owes much to the BDA Central and Regional Staff and the People's Organizations in the communities.


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 that facilitated LGU participation and cooperation and assisted in coordinating security for the partners' visit with the Joint Coordinating Committee on the Cessation of Hostilities and the Local Monitoring Teams.

FOREWORD

I have only recently joined the Country Office in Manila but I have already heard much about the Mindanao Trust Fund and the reconstruction and development program it funds. The MTF immediately struck me as an innovative way for Bank and our International Development Partners to engage with government and local partners in extending assistance to conflict-affected communities. This past year's performance is additional proof that the Program has the ability to operate relatively well in conditions that are quite challenging yet among the most deserving of attention and international support.

I am impressed with how the Bangsamoro Development Agency has taken the desirable features of community-driven development to push its own strategy for reconstruction and rehabilitation. I hope that through the MTF-RDP, they allow the strategy to continually evolve so that it incorporates their values and aspirations and become an even more effective approach for peace building and equitable development in Mindanao.

In the coming year, the International Development Partners and I look forward to expanding our partnership to jointly explore areas for knowledge building and sharing in post-conflict reconstruction, regional integration and sustainable rural development. In this manner the Program may be able to hasten the process of capacity development of local stakeholders for their future role in managing their social and economic growth during and after the peace process.



Bert Hofman
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) highlights both commitment and partnership between the Philippine Government and the Bangsamoro Development Agency (BDA), acting on behalf of the Moro Islamic Liberation Front (MILF), to pursue initiatives that usher in greater prospects for peace in Mindanao.

I commend the active role of the BDA for the successful implementation of many activities set forth under the MTF-RDP. This progress encourages all of us to continue to perform and deliver towards building 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 MILF is signed.

I thank the positive response of Local Government Units (LGUs) in supporting the Program, especially in providing counterparts during project implementation, as well as in ensuring ownership and sustainability of initiatives in their respective areas.

Laying the strong foundation for sustainable peace and development continues to be the main thrust of the Arroyo government for Mindanao, and we are pleased to note that the MTF-RDP moves well along this direction. This collaboration among donor partners and stakeholders has helped strengthen our effort towards furthering peace and development initiatives in Mindanao.

On behalf of the Government of the Philippines, I wish to express our profound gratitude for the continuing commitment of the donor community, specifically 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, the European Commission, and the United States Agency for International Development (USAID). Their assistance has indeed contributed in pursuing the effort to secure peace not merely as a temporary option, but as a permanent achievement and an enduring foundation.

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!

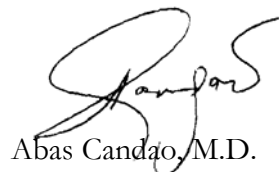
As the MTF-RDP entered its second year of operation, we started to gain confidence with it and its modest ability to rebuild not only broken structures but also the social bridges and networks that reflect as well as fortify the Bangsamoro people's culture, values and aspirations.

The year 2007 was the first real test of our ability to weather many internal and external factors that hindered the Program's expansion to other needy conflict-affected communities. Many of these factors, such as the impasse in the peace process and the local elections in May last year, were not within control of the BDA and we simply had to learn to be flexible and resourceful in dealing with the situation. Despite the volatile political conditions, the Program was able to make good progress in 2007 and it continues to get a good response from most communities and other local stakeholders in the peace process.

I would like to acknowledge with sincere gratitude the support from the Presidential Adviser on the Peace Process Secretary Jesus Dureza who personally intervened to help the MTF Reconstruction and Development Program. Through him, we were granted the use of a small government building in Cotabato City where we are now holding office. His role in getting the support of mayors of conflict-affected communities was a key strategy that facilitated the work of our teams on the ground during the expansion of sites.

Similarly, I am most sincerely grateful to the MILF Central Committee for giving us the green light to proceed with the MTF-RDP activities as planned.

On behalf of the beneficiaries of the MTF-RDP, I would like to thank the international development partners for their continuing commitment to support Bangsamoro development efforts through the Mindanao Trust Fund. Indeed their increased contributions and obvious interest in the achievements of the Program are now an important part of our confidence building work in conflict-affected areas, in support of the ongoing peace process.



Abas 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
BDA	Bangsamoro Development Agency
CDD	Community Driven Development
EC	European Commission
FA	Field Advisers
FLT	Functional Literacy Training
GRP	Government of the Republic of the Philippines
IMT	International Monitoring Team
JCCCH	Joint Coordinating Committee on the Cessation of Hostilities
JNA	Joint Needs Assessment
LGU	Local Government Unit
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MOA	Memorandum of Agreement
MDF	Municipal Development Facilitators (BDA volunteers)
MTF	Mindanao Trust Fund
MTF-RDP	MTF for Reconstruction and Development Program
MSC	Multi-sectoral Committee (municipal level)
MTT	Municipal Technical Team
OPAPP	Office of the Presidential Adviser on the Peace Process
OSY	Out-of-School Youth
PMO	Project Management Office
PO	People's Organization
PPA	Program Partnership Agreement
SIDA	Swedish International Development Cooperation Agency
TFR	Trust Fund Recipient
USAID	United States Agency for International Development
WB	World Bank

EXECUTIVE SUMMARY

In 2007, the ceasefire between the GRP and the MILF continues to hold despite the impasse over ancestral domain. This has boosted investor confidence in Mindanao but growth remains elusive for conflict affected regions in the Island, which languish among the poorest regions in the Philippines.

The on-going ceasefire provided space for capacity building of the Bangsamoro Development Agency (BDA) to continue and intensify. Enhanced capacity allowed BDA to expand the geographical scope of the program from 6 to 47 barangays in 43 municipalities and to supervise the implementation of the functional literacy and livelihood activities in addition to community-based infrastructure. The expansion meant developing partnerships with more LGUs and greater collaboration with the Office of the Presidential Adviser on the Peace Process (OPAPP) that facilitated the LGU consultation with the MTF Secretariat. BDA is also learning to network with civil society organizations in conflict-affected areas through the Program's Grant Facility on Peace and Development that awarded small grants to qualified proposals.

Donor members in the Mindanao Trust Fund increased with the addition of the European Commission and the United States Agency for International Development to the existing five partners—Australia, Canada, New Zealand, Sweden and the World Bank. Despite the impasse, donor support remains strong to the peace process and to the MTF-RDP.

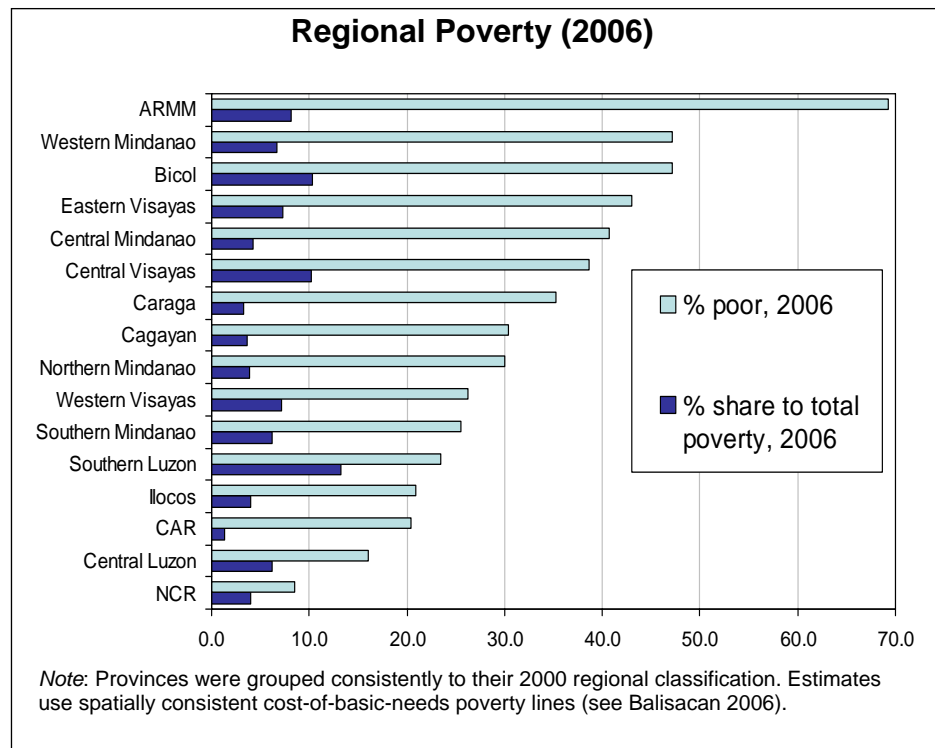
Lessons learned as well as challenges abound in the second year of the MTF. BDA has embraced the Community Driven Development approach as an effective approach towards Bangsamoro participation and empowerment, values training, and peace building. Through “learning by doing” and continuous practice, the BDA central and regional offices have grown in confidence in their ability to deal with and execute the program in various kinds of communities, LGUs, and even in volatile situations. It acknowledges that partnership with LGUs is essential in helping communities. As the program expands in more diverse communities, BDA is facing new learning challenges to adjust the CDD approach to account for local factors and new cultural groups.

In 2008, the MTF-RDP will continue to build capacity of BDA to enable it to expand to more sites, broaden partnerships, and engage more stakeholders. At the same time, it will expand the range of its assistance to address the unique needs of internally displaced persons, intensify LGU participation into the peace building, reconstruction and development effort, and to begin addressing the issue of re-integration for combatants in a post peace agreement scenario. This is made possible by continued support of the partners, and new opportunities for partnerships in health, education, gender, infrastructure, and peace monitoring and evaluation work.

MINDANAO SETTING

Investments in Mindanao increased in 2007 as compared to 2006. The increase in investments could partially be explained by the on-going ceasefire in the region and the small boost in investor confidence. However, it was concentrated in a few of the growth centers of the northern and southern part of the region, specifically in the energy and mining sectors. It had little effect on the conflict-affected municipalities in Mindanao, which for decades have suffered, either from armed conflict between the Government of the Republic of the Philippines (GRP) and Moro separatist groups, local clan and/or family feuds, or neglect by government.

Most of the conflict-affected municipalities, as listed by the GRP and the Moro Islamic Liberation Front (MILF) Peace Negotiating Panels (see next page for map), are also located in the poorest regions in Mindanao as indicated in the graph below. These regions are: the Autonomous Region in Muslim Mindanao (ARMM), Western Mindanao, and Central Mindanao. The graph also shows that ARMM and Western Mindanao have the highest percentage of poor among their population, with about 70% and a little under 50% respectively.

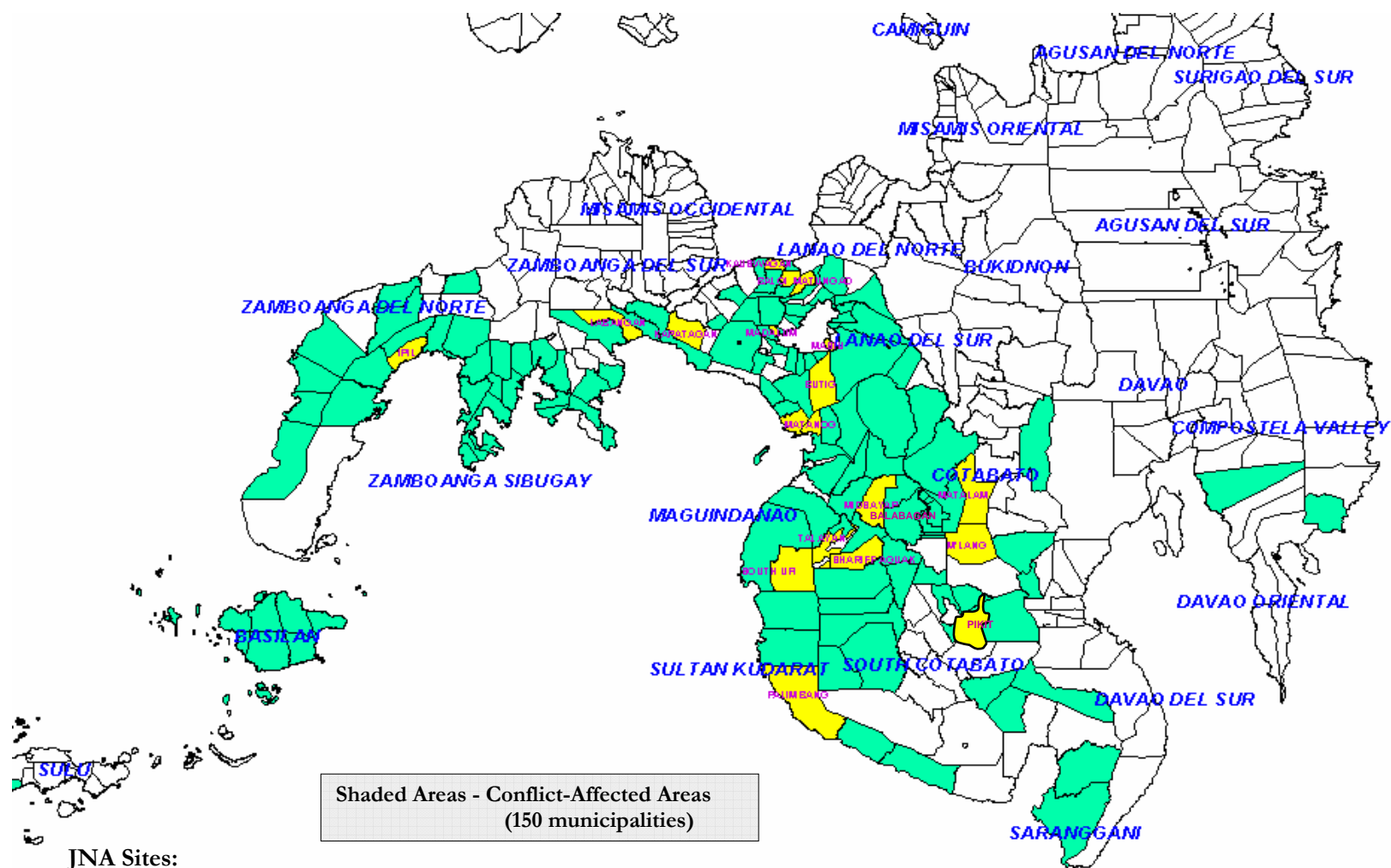


Mindanao's Potential

Mindanao possesses enormous growth potential that can provide development through employment and income if peace is established and sustained in the area:

- *The island is home to 20 million people, representing 25% of the country's population;*
- *It accounts for nearly 20% of the country's GDP, 35% of agriculture, and 25% of employment;*
- *Agriculture is a major source of livelihood as 38% (1.5 million bas.) of total farms (3.8 million bas.) is located in Mindanao;*
- *Main crops are coconut (more than 50% of the country's coconut are found in the island), corn (60% of the country's corn is planted in Mindanao); rice (20%), and the region also produces exports such as pineapple, banana and fishery products; and*
- *Mindanao is rich in various mineral resources such as copper, gold, nickel and chromite.*

Conflict-Affected Areas and Joint Needs Assessment Sites in Mindanao



JNA Sites:

Zamboanga del Sur: Labangan	North Cotabato: Matalam, Midsayap, M'lang, Pikit
Zamboanga Sibugay: Ipil	Maguindanao: Matanog, Shariff Aguak, Talayan, South Upi
Lanao del Norte: Baloi, Kauswagan, Matungao	Lanao del Sur: Balabagan, Butig, Kapatagan, Masiu, Madalum
Sultan Kudarat: Palimbang	

SOURCE: Joint Needs Assessment, 2005

The GRP and the MILF have been negotiating to end hostilities and delineate territory for a Bangsamoro homeland for several years now. A major impasse over the issue of ancestral domain was overcome in October 2007 raising expectations that a peace agreement is forthcoming.

The incidence of armed conflict has considerably diminished since the ceasefire declaration in mid-2003. Threats to the peace process, such as the military campaign that followed the July 2007 Basilan incident, were averted by the timely intercession of the GRP-MILF Joint Coordinating Committee on the Cessation of Hostilities (JCCCH), the International Monitoring Team (IMT), civil society organizations, and the international community. This situation has made it possible for donor and government-assisted rehabilitation and development programs to continue in most areas.

MINDANAO TRUST FUND: RECONSTRUCTION AND DEVELOPMENT PROGRAM

The Mindanao Trust Fund (MTF) is a mechanism through which development partners can pool and coordinate official development assistance to conflict-affected communities in Mindanao. Launched in March 2006, it is guided by the findings and recommendations of the multi-donor Joint Needs Assessment (JNA) of 2005.¹ The MTF finances the operations of the MTF Reconstruction and Development Program (MTF-RDP) which features intensive Bangsamoro participation in the planning, management and implementation of field activities. To prepare the organizational set-up for inclusive and participatory program management, the Program was designed to undertake capacity-building, net-working and start-up of activities in conflict-affected communities under Phase 1. Implementation of development projects in conflict-affected areas will be scaled up under Phase 2 after the signing of the peace agreement.

Phase 1 of the MTF-RDP started in April 2006 and focused on building the capacity of the Bangsamoro Development Agency (BDA) that was designated by the GRP-MILF February 2004 Joint Statement to lead and manage rehabilitation and development efforts in conflict-affected areas in Mindanao. Phase 1 also provided capacity-building to local government units (LGU) and People's Organizations (PO) at the community level.

¹ The JNA Reports of 2005 and the MTF Annual Report of 2006 have details on the armed conflict in Mindanao, expressed needs and priorities of conflict-affected communities, and the MTF. These are available online at eMindanao.org.ph.

*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.*

DEVELOPING PROGRAM MANAGEMENT AND IMPLEMENTATION CAPACITY

Community-building for 2007 centered around BDA's role in managing and providing assistance to more than one barangay in one municipality per each regional office. As stated in the previous annual report, capacity-building for 2006 was devoted to immersing BDA in the experiential learning of community-driven development (CDD) by assisting one barangay per region.

Organizational development support for the BDA was reinforced through management consultancies and training. To assist BDA build its capacity in program management, the MTF-RDP assigned professional help to the organization. The consultants addressed organizational needs in human resource management, financial control systems, corporate planning and budgeting and field operations monitoring and control. Outputs from the engagement in 2007 were the following: a draft strategic plan for BDA, work and financial plans, staffing plan, procurement and bidding documents, monitoring reports, and staff performance review. The BDA Program Manager and the Procurement Officer attended a two-week course on Project Management and Procurement at the Asian Institute of Management in Manila.

The BDA assumed greater responsibility for program implementation and proper financial management. Improved management capacity enabled The BDA Central Office to forge a Program Partnership Agreement (PPA) with the Trust Fund Recipient (TFR) on an annual basis. The PPA laid down performance benchmarks and triggers for monthly downloading of operational funds. The PPA performance will be reviewed and assessed among BDA, TFR and the MTF Secretariat in early 2008 before a second PPA will be prepared.

The BDA Central Office, in turn, made implementation agreements with its six BDA Regional Offices for managing their respective programs and finances. Regular liquidation of expenses accompanied by proper receipts and timely financial management reporting were adhered to at the expense of the following month's funding. The BDA Central Office with the help of consultants provided the appropriate training and refresher courses to the regional staff.

Field Advisers were deployed full time to provide technical guidance to regional program staff. The Program contracted the services of the Associated Resources for Development and Management to deploy experienced Field Advisers (FA) in each BDA Regional Office. These FAs mentor and guide the regional staff in managing at the regional level and to meet the targets in the Program Partnership Agreement.

Phase 1 Capacity-Building Activities for BDA:

- *Training, refresher courses and workshops all throughout the Program.*
- *2006: Experiential learning-by-doing of community development in pilot sites (Batch 1)*
- *2007: Learning to network and work with partners (Batch 2)*
- *2008-2009: Learning to manage scaled-up reconstruction and development program (Batch 3 onwards)*
- *Study tours and exchanges with other programs in Mindanao.*

COMMUNITY-DRIVEN DEVELOPMENT FOR SUB-PROJECT IMPLEMENTATION

CDD project implementation, in partnership with LGUs, expanded to 41 new barangays in 37 municipalities in the second half of 2007. The Program is now in 47 barangays in 43 municipalities. The BDA regional offices now have a range of 6 to 11 sites each as compared to one each in 2006. This is a challenge for BDA and, through many problem-solving sessions, it is meeting the challenge slowly but surely. The barangays are in various stages of implementation with many expecting completion in 2008. See Annex 1 for the list of new barangays and sub-projects.

LGU Consultation and Partnership

The Office of the Presidential Adviser on the Peace Process (OPAPP) and the MTF Secretariat facilitated the partnership between BDA and LGUs through regular LGU Consultation workshops. They were attended by the mayors and local officials of the municipalities. The LGUs formalized their support through a Memoranda of Agreement (MOA) with BDA. OPAPP, key representatives of the JCCCH and the IMT participated in the consultations.



*LGU Consultation at
Davao in August 2007*

The BDA regional staff, with the LGU-BDA MOA in hand, organized meetings and orientation for the LGU officials of the 2007 sites. BDA undertook the key activity of forming, or re-activating of existing groups, of the Municipal Technical Team (MTT) and the Municipal Multi-sectoral Committee (MSC) in each municipality.

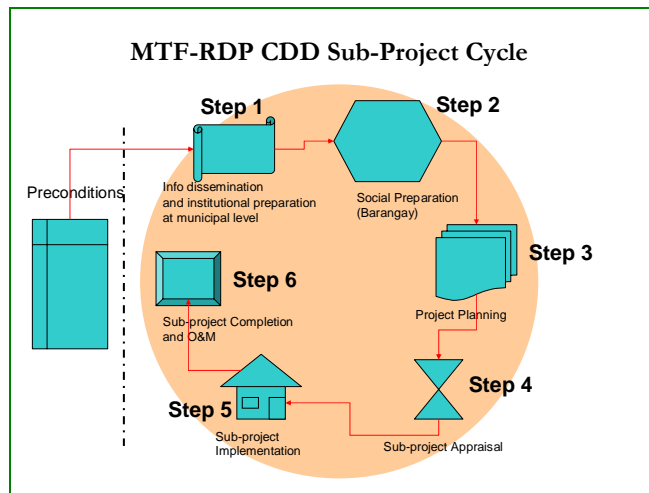
The MTT will provide technical support to the communities in designing and implementing their sub-projects and other related socio-economic

development endeavors. The MTT also provides a structure for coordination of implementation work and for facilitating solutions to problems that may arise in the course of sub-project implementation. The MSC will provide a mechanism for representatives of key sectors and civil society organizations in the municipality to provide advice and insights into the selection and ranking of sub-projects by the community.

In each municipality, the BDA designated a volunteer as Municipal Development Facilitator (MDF) to help as liaison between the LGU and the community and to guide the POs in their implementation work. The MDFs were trained by the BDA regional teams to undertake CDD activities and work under their guidance and supervision.

Community Activities

Community members were organized into grassroots People's Organization (PO). Then BDA provided training to the POs to undertake sub-projects using the CDD approach. All POs had to undergo a values training where they learned about good universal values and the meaning of being a good organization and their responsibility to their communities and to God. Under the guidance of the MDFs, the POs managed the block grants downloaded directly to their bank account and implemented sub-projects on behalf of the communities they represent.



The communities, besides implementing small community-based infrastructure, also implemented functional literacy and livelihood skills program. Under this program, thus far, 282 participants have completed functional literacy in the five 2006 Batch 1 sites and 234 of these beneficiaries are engaged in income generating activities. A “graduate” of the program from Barangay Palimbang, Malisbong, Sultan Kudarat emerged as champion in a Provincial Quiz Bee contest sponsored by the Department of Education-Alternative Learning System.

*An MTF-RDP Beneficiary
Won First Prize in Sultan
Kudarat’s Provincial Quiz Bee
Contest in 2007*



*Backyard Garden for Functional
Literacy Participants*

It should be noted that the MTF-RDP activities are not the only development activities in conflict-affected areas in Mindanao. Many other programs funded by other donors and government are also being implemented in these areas though not necessarily in the same locations. For example, the World Bank-funded ARMM Social Fund Project has provided assistance to and implemented over 1,200 sub-projects in more than 600 barangays in 110 municipalities in ARMM. This assistance, which covers mostly communities under the Moro National Liberation Front (MNLF), will continue until June 2009. Sub-project information for this project can be found online in eMindanao.org.ph. When the ARMM Social Fund Project ends in 2009, MTF-RDP will be able to assist the remaining unserved conflict-affected barangays in ARMM.

GRANT FACILITY FOR PEACE AND DEVELOPMENT IN MINDANAO

The MTF-RDP opened a Grant Facility in 2007 to help expand the network of BDA partners for peace and development in conflict-affected communities in Mindanao. The BDA awarded grants between Php300,000 to Php500,000 to qualified non-government organizations. Fourteen proposals were approved for funding in 2007 amounting to about Php7 million. The awards were given to outstanding proposals in the areas of knowledge management, gender in peace building, Muslims and indigenous youth vocational training, and educational facilities improvement. The BDA participated in the proposal review panel, and through its regional offices, is currently monitoring activities of the awardees. See Annex 2 for the list of awardees.

MTF PARTNERS

Donor members in the Mindanao Trust Fund increased. International development partners continued to support the Mindanao Trust Fund despite the impasse. In 2007, the MTF welcomed two new development partners: the European Commission and the United States Agency for International Development. This brought to seven the total number of MTF contributors, which previously included Canada, Sweden, Australia, New Zealand, and the World Bank.

The Interim Steering Committee composed of government, principal stakeholder representatives and the contributing donor representatives provided overall strategic guidance. MTF donors took an active part in overseeing the progress of the Program's activities and mapping future strategic directions through the MTF-RDP Interim Steering Committee.



European Commission signs Administrative Agreement for Contribution to the MTF Program (June 2007)



US signs Administrative Agreement for Contribution to the MTF Program (November 2007)



Donor Partners Visit to Project Site in Lanao del Norte (January 2007)

Two meetings were held in 2007, which were co-chaired by Secretary Jesus Dureza, Presidential Adviser on the Peace Process, Dr. Abas Candao, Board Chairman of the BDA, and Mr. Joachim von Amsberg, the World Bank Country Director for the Philippines who has since left for another assignment.

The MTF Secretariat and the BDA jointly facilitated the conduct of project site visits for international development partners. On January 26, representatives of SIDA, USAID, OPAPP, and the WB visited the Community Hall and Livelihood Training Center in Barangay Pacalundo, Municipality of Balo-i, Lanao del Norte. More partners had wanted to go on the site visit but a last minute security announcement from their respective embassies prevented them from traveling to Mindanao much to their disappointment.

On October 20-21, 2007 visits were made with a representative from SIDA Stockholm to Barangay Malisbong, Palimbang, Sultan Kudarat for interaction with the community to discuss the impact of the program and to a BDA workshop for regional staff in Cotabato.

The European Commission arranged cross-visits for BDA staff to other EC-funded rural development projects in Central Mindanao. It was also an opportunity for EC to observe the impact of the BDA CDD approach and its values enhancement activities in Muslim communities.

Coordination with the wider development community of international partners, government and local groups on Mindanao is achieved through the Mindanao Working Group and its series of technical meetings throughout the year. The MTF Secretariat participates actively in these meetings. Key issues from the Mindanao Working Group meetings are brought to the attention of key policy makers at the national government through the annual Philippine Development Forum—which is the most important donor-government meeting for ODA matters.

The MTF Secretariat facilitated and participated in various government-donor coordination meetings and workshops, such as the PMO Convergence for Peace and Development. The PMO Convergence is a group of project managers that are engaged in reconstruction, rehabilitation and social development activities in conflict-affected areas of Mindanao. Established with support from Mindanao Economic Development Council, the Canadian International Development Agency and the Australian Agency for International Development, it aims to develop a community of practice and distill lessons learned from working in conflict-affected communities.

The MTF-RDP's work with a mainly Muslim population in Mindanao has been sited as a possible model for reducing the conflict going on in



SIDA and WB Representatives with Mayor of Palimbang and Other Officials (October 2007)



Cross Visit for BDA to EC STARCM Site (September 2007)



Knowledge Management Meeting among ODA PMOs of Mindanao (January 2007)

Southern Thailand between the Muslim minority and the government's armed forces. When approached by the Thai organizers of a peace conference in Southern Thailand, the World Bank recommended BDA's Executive Director as a resource speaker at the conference. BDA shared information on its work in Mindanao and participated actively in discussions with civil society organizations.

FINANCIAL HIGHLIGHTS

Total donor contributions deposited in the MTF Program account as of December 31, 2007 amounted to about USD 6 million coming from Australia, Canada, the European Commission, New Zealand, Sweden, and the World Bank. Funds from USAID and the second contribution from EC will be included in next year's MTF account.

Funds disbursed for block grants for communities and the grant facility amounted to Php22 million by end of 2007. Funds committed for the remaining new sites of 2007 amount to about Php15 million. The first Program Partnership Agreement for BDA's annual operational funds for 2007 was over Php10 million. This supported BDA Central and the six Regional Offices. To date, total funds used for training and workshops, consultants, management costs, monitoring and evaluation, goods and equipment, operational expenses of municipal development facilitators and other municipal costs were about Php55 million. Funds for program administration were about Php8.5 million. The exchange rate for the year ranged from about Php49 to 40 to USD1.

OPAPP helped BDA obtain free office space in a government building in Cotabato. The MTF-RDP provided funds for payment of utilities, communication, furniture, equipment and supplies.

It is expected that the estimated budget for the 2008 work plan will be considerably higher. The second PPA will be larger than the first one as operational costs for BDA will increase due to the larger number of proposed activities and communities covered. Work will also begin with internally displaced persons in an urban setting. Pilot activities at the LGU level are also being considered.

LESSONS LEARNED

BDA and the Program are learning lessons continuously. Some of these lessons are as follows:



WB EAP Sector Director for Sustainable Development visits BDA in Cotabato City (November 2007)

1. Capacity-building using the “learning-by-doing” approach is effective and stays with the learner longer. Also “practice makes perfect” as the saying goes. BDA felt that they had learned a tremendous amount since they first came into contact with the MTF-RDP. They expressed more confidence in being able to help communities with rehabilitation and development activities.
2. BDA acknowledged that partnering with LGU was important if it wanted to help communities. Many LGUs provided access and counterpart for the work. It also allowed LGUs to be aware of BDA and the vision and mission of its organization.
3. Whence before, BDA was met with suspicion and even animosity by LGUs, the reception in the new sites for 2007 was generally positive and enthusiastic. BDA learned how to engage with LGUs and other local leaders, including local ceasefire committees. This allowed the teams to implement and monitor field activities even in difficult circumstances. However, obtaining the formal commitment from certain LGUs continued to be a major challenge, which BDA tried to overcome with the cooperation of OPAPP. Lobbying with the local legislators through the Sangguniang Bayan was also a new skill learned by the BDA regional staff. The challenge is sustaining LGU interest and support and expanding partnership after sub-project completion.
4. After the first project cycle, the POs continue to need organizational development assistance to keep members actively participating. Sustainability of the PO is equally as important as the sustainability of completed sub-projects. In conflict-affected areas where out-migration was common, POs lost a few of their members. Election into positions of authority in the barangay government thinned the roster of PO leaders further. Continuous planning and assessments were undertaken with these POs as they prepared for the next cycle of sub-projects under the Program. The more successful POs aggressively networked with larger organizations to source funds, expertise, and projects. BDA staff learned that leadership succession and membership recruitment and turnover must be built in at the early stages of community organizing and PO formation.
5. Community-Driven Development as a peace-building strategy is gaining acceptance from both the Bangsamoro people and the government. Activities have focused on local communities and the process of site selection allowed ample room for planning inputs from MILF and other local leaders. The capacity-building thrust of its Phase I is seen by analysts as contributing positively to the mutual trust and respect between government and MILF negotiators. The

MACDO--the PO in Barangay Malisbong, Palimbang Municipality, Sultan Kudarat Province--partnered with the Southeast Asian Research Center for Agriculture (SEARCA) to sustain the vegetable production activity of the Learning and Livelihood program beneficiaries. SEARCA funded the trip of MACDO members to Malaybalay, Bukidnon for training in farming techniques.

program has been cited as a key initiative under the rehabilitation and development aspect of the GRP-MILF peace discussions.

6. More challenges face the BDA as it gets increasingly involved with non-Muslim communities and stakeholders. As the number of sites for implementation increases, so does the frequency of interacting with communities where Muslims, Christian settlers, and indigenous peoples live together. The diversity is providing learning challenges for BDA as this means getting outside of its comfort zone. The implementing guidelines of the Program are flexible enough to allow the implementing teams to modify their approaches to account for local factors coming out of their social assessments. Several of BDA regional teams took the initiative of modifying their strategies to fit the new cultural groups and showed good results for their efforts but other teams needed closer guidance and took more time to adjust.

LOOKING AHEAD TO 2008

Prospects for a peace agreement improved in the last quarter of 2007 when a breakthrough was reached on the ancestral domain issue and an informal agreement on the scope of the proposed Bangsamoro homeland. At the end of the year, however, there was a temporary set-back to the talks, as disagreements arose about the use of constitutional process to determine inclusion into the Bangsamoro homeland. Efforts have been made by both GRP and MILF since December to go back to the exploratory talks and continue with the peace discussions.

Even as the situation remains uncertain, ceasefire mechanisms on the ground are working effectively to avert any escalation of violence. Operating conditions are stable enough to allow expansion to new areas.

The Program is poised for expansion into more sites in 2008. The existing Program Partnership Agreement with the BDA have put in place existing mechanisms to monitor deliverables and financial disbursements in the second batch of sites begun in 2007 and move to a third batch the following year. 2008 will be a mix of continuity and innovation for MTF-RDP:

- The fragility of the peace process has intensified the urgency for an information and education campaign to build constituencies for peace among the different sectors in Mindanao and among the decision makers in the national capital.
- Capacity building of BDA will continue to strengthen skills to manage and implement a scaled up program. Attention to

“There is a high degree of mutual trust and respect between and among the government and MILF negotiators. The ongoing capacity building planning for development assistance to conflict-affected areas is helping build trust. More importantly there is strong and unprecedented support and participation of civil society organizations in the peace process.”

*Atty. B. Bacani
Institute of Autonomy and
Governance
Cotabato City*

strengthen BDA's Board of Directors will also be given.

- With the help of the OPAPP, BDA will broaden partnerships and capacity building work with LGUs. This will be accomplished through the scaling up of existing initiatives and the development of assistance to LGU.
- The need exists to widen and deepen the range of assistance to cover the needs of internally displaced persons.
- The focus on Mindanao by other donors has opened opportunities for partnerships in health, education, gender, conflict resolution, infrastructure and peace monitoring and evaluation work.
- Knowledge sharing remains a priority to provide analytic support to these efforts, facilitate collaboration in the sector and facilitate the development of a community of practice among peace and development workers in Mindanao.



Representatives at a MTF Interim Steering Committee Meeting in 2007

ANNEXES

ANNEX 1

Mindanao Trust Fund-Reconstruction and Development Program Summary Matrix on Sites and Sub-projects As of December 31, 2007

Province	Municipality	Barangay	Batch (B) Cycle (C)	Sub-Project	People's Organization
Central Mindanao					
Shariff Kabunsuan	Matanog	Sapad	B1	13 Units Copra Dryer	Sapad Association for Peace & Development (R/D 07.04.06)
			C1		
			C2	LLFS	
		C3	Water System (Spring Development 2) with Communal Toilet/Bath		
Cotabato	Kabacan	Magatos	B2A C1	1 Unit Solar Dryer on Grade cum Warehouse	Magatos Organization for Peace & Development (R/D 11.28.07)
	Tulunán	Dungos	B2A C1	Community & Livelihood Center	
	Carmen	Manarapan	B2B		
Maguindanao	Salipada K. Pendatun	Badak (Pob)	B2A C1	Community & Livelihood Center	Badak Association for Development & Kalilintad (R/D 12.09.07)
	Pagalungan	Buliok	B2A C1	Community & Livelihood Center	United Home Owners Association (R/D 11.18.06)
	Mangudadatu	Daladagan	B2A C1	Community & Livelihood Center	
	Datu Saudi	Madia	B2B	Under discussion	
Shariff Kabunsuan	Datu Odin Sinsuat	Labungan	B2A C1	Under discussion	
	Sultan Kudarat	Pigcagan	B2B	Under discussion	
Sultan Kudarat	Isulan	Kamanga, Laguilayan	B2B	Under discussion	
Davao					
Davao Oriental	Tarragona	Lucatan	B1	Community Hall & Livelihood Training Center	Lucatan United Bangsamoro Peoples Organization (R/D 07.29.06)
			C1		
			C2	LLFS	
		C3	Reinforced Concrete Box Culvert		
Compostela Valley	Pantukan	Tambongon	B2A C1	135 M Concrete Tire Path with Drainage	Tambongon United Muslims, Christians Association (R/D 10.08.07)
	Maco	Pangi	B2B	Under discussion	

Province	Municipality	Barangay	Batch (B) Cycle (C)	Sub-Project	People's Organization
Davao del Sur	Sta. Cruz	Inawayan	B2A C1	Water System Development – Level 2	Inawayan United Muslims, Christians Organization (R/D 10.08.07)
	Malita	Fishing Village	B2B	Under discussion	
Davao del Norte	Tagum	Liboganon	B2B	Under discussion	
	Asuncion	Kanatan	B2B	Under discussion	
Ranao					
Lanao del Norte	Balo-i	Pacalundo	B1 C1	Community Hall & Livelihood Training Center	Momungan Organization for Development & Equality Living (R/D 08.07.06)
			C2	LLFS	
			C3	Tire Path	
	Poona Piagapo	Nunang/ Lupitan	B2A C1	Community & Livelihood Center	Kalilintad for Peace & Development (R/D – in process)
Lanao del Sur	Butig	Poctan	B2A C1	Community & Livelihood Center	Poctan Organization for Strong Commitment, Transparency & Accountability (R/D 12.09.07)
		Sandab (Dama)	B2B	Under discussion	
	Masiu	Sawer	B2A C1	Community & Livelihood Center	Sawer Association for the Welfare & Empowerment of the People & Social Reform (R/D 12.09.07)
	Calanugas	Panggawalupa	B2B	Under discussion	
	Balindong	Nusa	B2B	Under discussion	
	Ganasi	Macabao	B2B	Under discussion	
Southern Mindanao					
Sultan Kudarat	Palimbang	Malisbong	B1 C1	2 units Warehouse and Solar Dryer	Malisbong Community Development Organization (R/D 08.17.06)
			C2	LLFS	
			C3	Community Toilet with Level 1 Water System	
		Kraan	B2B	Under discussion	
Sarangani	Maasim	Pananag	B2A C1	Community & Livelihood Center	United Peace Builder Association (R/D 11.06.07)
	Malapatan	Sapu Masla	B2A C1	Level 2 Water System-Spring Development Scheme	Sapu Masla Association for Peace & Unity (R/D 10.22.07)
	Kiamba	Lagundi	B2B	Under discussion	
	Glan	Taluya	B2B	Under discussion	
South Cotabato	Polomolok	Koronadal Proper	B2A C1	Community & Livelihood Center	
	Tupi	Bonao	B2B	Under discussion	

Province	Municipality	Barangay	Batch (B) Cycle (C)	Sub-Project	People's Organization
ZamBaSulTa					
Basilan	Tipo-Tipo	Baguindan	B1	Livelihood Training Center	Kalukabanan, Kasambuhan Organization (R/D 07.27.06)
			C1	LLFS	
			C3	Under discussion	
	Sumisip	Pamatsaken	B2A C1	500 LM Concrete Tire Path	Pagtabangan si Kasabennalan Organization (R/D 12.05.07)
		Baiwas	B2B	Under discussion	
	Muhamad Ajul	Tuboran Proper	B2B	Under discussion	
	Maluso	Upper Garlayan	B2A C1	501 LM Concrete Tire Path & 200 LM Regravelling	Al-Nusra Organization (R/D 12.05.07)
Albarka	Guinanta	B2B	Under discussion		
ZamboPen					
Zamboanga del Sur	Dinas	Sungayan	B1	Concrete Tire Path	Association of Sungayan for Empowerment & Development (R/D 08.09.06)
			C1	LLFS	
			C3	Under discussion	
Dimataling	Bakayawan	B2B	Under discussion		
Zamboanga Sibugay	Naga	Mamagon	B2A C1	Community & Livelihood Center	Mamagon Bangsamoro Community Development Organization (R/D 09.21.07)
		Kaliantana	B2B	Under discussion	
	Kabasalan	Canacan	B2A C1	Community & Livelihood Center	Canacan Community Peace & Development Organization (R/D 10.02.07)
	Titay	Pob. Muslim	B2B	Under discussion	
Zamboanga del Norte	Sirawai	Sipakit	B2A C1	Warehouse with Solar Drier	Sipakit Association for Empowerment & Development (R/D 11.08.07)

Batch 1 = 6 barangays
Batch 2A = 19 barangays
Batch 2B = 22 barangays
Total = 47 barangays (43 municipalities)

Cycles: Each barangay will have two to three cycles of sub-projects depending on the availability of funds and the performance of the barangays

Abbrev:

R/D Registration Date

ANNEX 2

Grant Facility Awardees and Sub-projects

Name of Recipient Organization	Title of Project	Grant Amount
Round 1		
1. Alliance of Bangsamoro Peace and Sustainable Development	Harnessing the Youths for Rural Entrepreneurship in Conflict Affected Areas	PhpP 500,000
2. Community Resource Centre Inc.	Dawat Central Elementary School Facility Rehabilitation Project	PhP 500,000
3. Lanao Aquatic and Marine Fisheries Centre for Community Development, Inc.	Up Scaling Peace Building and Gender Mainstreaming In the Selected Communities in Sultan Naga Dimaporo, Lanao del Norte	PhP 484,000
4. Mindanao Land Acquisition, Housing and Development Foundation, Inc.	The 2 nd PO Festival of Best Practices	PhP 499,200
5. Nagdilaab Foundation, Inc.	Improving of Garments and Welding Training Facilities for the Self Employment of the Out of School Youth	PhP 500,000
6. United Youth for Peace and Development, Inc.	PEACE: Peace, Education, Advocacy, and Community Empowerment	PhP 500,000
7. Winrock International-Alliance for Mindanao Off-Grid Renewable Energy Program Phase 2	Makat Community Managed Level 2 Portable Water System Project	PhP 500,000
8. Mindanawan Community Organization and Development, Inc.	Training on Food Production and Food Processing Using Halal Concepts and Principles	PhP 283,800
9. Linguasun Youth Association for Sustainable Development	Preservation and Promotion of Moro Song	PhP 426,000
10. Isulanen Peace and Development Centre, Inc.	Peace Advocacy, Public Information and Dissemination in the Province of Sultan Kudarat	PhP 500,000
Round 2		
11. Central Mindanao Integrated Livelihood Assistance and Resource Development Foundation, Inc.	Creation of a Corporate Community in South Katuntalan, Shariff as a Mechanism for Peace and Development (A Participative Action Research for Development)	PhP 500,000
12. Kapagawida Development Services Association, Inc.	Renovation of School Building (One Storey with Two Classrooms)	PhP 408,555
13. Institute of Bangsamoro Studies	Publication of the Proceedings of the 2 nd International Bangsamoro Development Conference	PhP 498, 000
14. Ittihadun-Nisa Foundation, Inc.	Skills Training Project for Orphans in Shariff Kabunsuan and Cotabato City	PhP 499,410
15. Federation of United Mindanawan Bangsamoro Women Multi-purpose Cooperative	Skills Training Enterprise Development Project for Out of School Youth	PhP 500,000

ANNEX 3

A WIDOW'S TRIUMPH AND A COMMUNITY'S PRIDE

Ms. D., a widow, is one of 50 persons selected by the community to participate in the MTF-RDP's Learning, Livelihood, and Food Sufficiency sub-project (LLFS) in Barangay Malisbong, Municipality of Palimbang, Sultan Kudarat. The LLFS aims to provide the poorest and vulnerable groups in MTF-RDP sites with the opportunity to improve their social and economic well-being. It has a strong gender focus as its beneficiaries are mostly women and male out of school youths (OSY). LLFS emphasizes the literacy component as an instrument for enabling the women and OSYs to engage and manage their livelihood projects.

As a Functional Literacy Training (FLT) participant, Ms. D. attended three months of classes in reading, writing, and numeracy conducted by an instructional manager assigned by the Department of Education. She was among the 48 graduates who received their certificate of completion at a ceremony in Malisbong in August 2007.

Like many of her fellow graduates, participation in the FLT enabled Ms. D. to read and recognize numbers, improved her conversational skills and increased her confidence. The skills and new found confidence were put to the test when she and a delegation of FLT completers from Palimbang participated in the Provincial Quiz Bee Contest for Alternative Learning in Isulan, Sultan Kudarat last September 4 to 6, 2007.

The contest sponsor, DepEd's Alternative Learning System Division, provided the transportation while the Palimbang women brought food. The BDA Southern Mindanao regional office and the Field Adviser contributed some money for snacks.

In Isulan, their participation was almost cut short when their rice provision ran out on the second day of the contest. Compounding the problem was the loss of their snack money. Still the women bravely soldiered on entertaining the participants with their performance of the *kulintang*, a Maguindanao musical instrument. Help came in the form of half a sack of rice donated by the DepEd's Alternative Learning System Division Supervisor.

In the end, the women's tenacity triumphed over adversity. Ms. D. emerged as champion and first prize winner of the Provincial Quiz Bee Contest. She is now using her skills in income-generating activities to support her family.

Note: Ms. D.'s photo is on page 15.