Peace-Building in Mindanao: Major Donors’ Approaches for Reconstruction

ABSTRACT

This paper mapped out major donors’ approaches to peace-building in Mindanao and highlighted the following three points: (1) Most donors recognize “injustice” as a major root cause of the conflict; (2) Their approaches vary according to their policies and interests; (3) The majority of donors deal with peace-building as a secondary goal of their projects, rather than the primary objective. Although previously the whole picture of each donors’ activities and approaches in Mindanao was unknown, the paper presented such birds-eye view with the first-hand survey results from Mindanao and Manila.

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The authors are truly grateful for the invaluable support of donor staff and interviewees in both Manila and Mindanao.
I. Introduction

The challenges involved in Mindanao’s reconstruction, like those in any other post-conflict region, are partly related to traditional development and partly to peace-building. Regardless of the sociopolitical context, people in underdeveloped areas need development. On the other hand, every post-conflict setting requires a special approach, which is now often referred to as peace-building. This is because the context is totally different from a conventional development scenario.

This brief survey attempts to map out such special approaches of major donors in Mindanao. The ultimate goal of peace-building is conflict prevention and promotion of sustainable peace. As one of the major instruments, development assistance addresses this issue in various ways. Through an overview of the major donors’ efforts in Mindanao, this paper investigates both the similarities and dissimilarities of their approaches. Do they adopt a policy or strategy primarily focused on Mindanao’s reconstruction? Do they share a common view on the root causes of the conflict or local priorities? Is peace-building one of the objectives of their projects?

Although a considerable amount of literature has already addressed Mindanao’s reconstruction, few studies deal with donors’ approaches from the perspective of peace-building. Furthermore, these donors themselves are not necessarily fully aware of what other partners are doing. This is a part of the reason why this research was conducted to begin with, since we believe that this insufficient recognition can create confusion and form a barrier to more harmonized donors’ approaches in supporting Mindanao’s reconstruction.

The information this survey is based on has been collected from seven major donors in Mindanao: the Asian Development Bank (ADB), Canada, European Commission (EC), Japan, the United Nations Development Programme (UNDP), the United States of America (US), and World Bank (WB). The survey was conducted in March 2008, and included direct interviews with the representatives or field staff members of these donors.

II. Donors’ approaches

1. Overview

The survey deals with three major questions: (1) Mindanao policy – whether the donors have a policy document specifically designed for Mindanao’s reconstruction, (2) prioritization of operations in Mindanao – whether the donors have prioritized certain sectors/topics to support development, and (3) peace-building as an objective – whether the donors regard peace-building as a primary goal of their projects.

1) Policy

As you can see in the table attached in appendix II of this paper, none of the donors have a specific policy or strategy that primarily focuses on Mindanao. However, Mindanao’s reconstruction is covered in most donors’ overall policy or strategy for the Philippines.

2) Prioritization of operations in Mindanao

Although the prioritization of topics/sectors varies among donors, two features are noteworthy. First, all donors consider the peace process

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* 1 In this paper, peace-building is used as broader meaning which includes conflict prevention. About peace-building from a perspective of development assistance, see OECD DAC (2005).

* 2 Although Australia is also a key player in Mindanao, it has not been included in this survey because of time constraints.
between the Government of the Republic of the Philippines (GRP) and the Moro Islamic Liberation Front (MILF) is important and that it affects their development goals. Second, when it comes to support for the peace process, the approach is twofold. One is direct support: most donors, except Japan, address this issue through the Mindanao Trust Fund (MTF), as described in section 8 (World Bank’s part). Another is indirect support: many development partners consider that socioeconomic development of conflict-affected areas may contribute to peace-building or the peace process itself, and thus, economic growth or poverty reduction through conventional development assistance can be a potential contributing factor to peace.

3. Peace-building as an objective

Since peace-building per se is political in nature, the success of this objective primarily depends on the political situation. Therefore, most donors regard peace-building as a secondary objective at the project level, while presenting it as a goal or priority at the policy level.

For instance, a Canadian capacity development project, Local Governance Support Program in the Autonomous Region in Muslim Mindanao (LGSPA), includes a peace component as a sub-goal. When evaluating the project, the impact of capacity development is the main subject. Thus, we can avoid risks such as evaluating peace-building per se, whose success is dependent on various factors, including the political situation.

2. ADB

1. Policy

The ADB’s Country Strategy and Program 2005-2007 Philippine (CSP) and its extended version, Country Operations Business Plan (COBP) for 2008, acknowledge four priority objectives in supporting the Philippines’ development: a) Fiscal responsibility; b) Development of an enhanced investment climate; c) The Millennium Development Goals (MDGs); and d) Support of the government priorities, which includes Mindanao reconstruction (ADB 2005, pp.ii-v)*

In accordance with the government priorities, ADB has placed a special focus on Mindanao .

ADB has been involved in the development of Mindanao since the beginning of its Philippines operations in the 1960s. The $2.5 million loan for the Cotabato Irrigation Project approved in 1969 was among the very first loans approved by ADB for its developing member countries (DMCs).

Under the strategy for the ADB-Philippines partnership 2005-2007, ADB support for Mindanao rests on three pillars:

a) Sustainable peace is essential for development, and development is needed to underwrite peace.

b) Mindanao’s low absorptive capacity means institutional strengthening is as important as project investment.

c) The strategy positions ADB for a quick response to the MILF peace agreement.

There are several reasons why Mindanao remains a priority for ADB operations: it lags significantly behind the two other island regions (Luzon and Visayas) in terms of economic and social development indicators; it is home to nearly 24% of the country’s population; and it accounts for about 40% of people living in poverty. Five provinces in Mindanao are among the 10 poorest in the country, and ARMM is one of the poorest regions. Social surveys show that the conflict-affected areas of Mindanao are the poorest among the 79 provinces of the Philip-

* ADB is currently preparing the 2008-2009 version.
* According to the CSP, almost 10% of all loans to the Philippines have been exclusively for Mindanao (ADB 2005, p.5).
pines, the poorest in Mindanao, and have experienced recent declines in per capita income.

(2) **Prioritization of operations in Mindanao**

Recognizing that this region “lags the rest of the country significantly in most development indicators,” the Bank tries to address the geographic inequality (ADB 2005, p.4). Accordingly, poverty reduction, which is the ADB’s main objective in supporting the Philippines on the whole, is one of the priority targets.

Another focus is support of the peace process through the MTF, in which development assistance is used as leverage in the peace process. Under a joint effort with Development Partners, ADB has been fully involved in initiating work for establishing the Mindanao Trust Fund (MTF) as a “peace dividend” to communities affected by the Government-MILF conflict, and coordinating its implementation. As a first stage, a Joint Needs Assessment (JNA) assessed the needs of conflict-affected communities in Mindanao, to identify priority reconstruction, development activities and effective delivery mechanisms. However, the high level of ODA support to Mindanao is constrained by relatively low absorptive capacity and poor security. Both factors have affected the impact of development assistance.

(3) **Peace-building as an objective**

Peace-building is included as a project objective.

3. **Canada**

(1) **Policy**

Canada’s development cooperation program in the Philippines focuses on two areas: governance and private sector development (CIDA 2007). However, Canada has not developed a policy document for Mindanao’s reconstruction.

(2) **Prioritization of operations in Mindanao**

As with the other regions in the Philippines, Canada’s focus in supporting Mindanao is governance and private sector development. Peace-building is considered to be one component of governance assistance to the Philippines.

(3) **Peace building as an objective**

As a project objective, peace-building is a sub-goal. One illustration of this is the LGSPA project, which includes peace-building as a component, but only as a secondary goal**.

4. **EC**

(1) **Policy**

As with the other donors, the EC does not have a policy with a sole focus on Mindanao. However, the *EC*-*Philippines Strategy Paper 2007-2013* regards Mindanao as “the de facto geographical priority of EC assistance to the Philippines,” due to the existing poverty situation in Mindanao as compared to other parts of the Philippines. EC 2006: p.23) In fact, support for the Mindanao peace process is one of the non-focal sectors and remains a major priority (EC 2006, p.31).

(2) **Prioritization of operations in Mindanao**

The EC Strategy’s primary and over-arching objective is to help the Philippines meet its Millennium Development Goals (MDGs)**. Yet, when it comes to Mindanao, poverty reduction and support to the peace process are focused on, in accordance with the local needs. The EC

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* About the project, see CIDA 2007.
* Other than the projects which exclusively focused on Mindanao, the EC has several nation-wide projects which cover Mindanao. For instance, Health Sector Policy Support Programme (HSPSP) covers 16 provinces, with total EC assistance of 33 M EUR, of which 4 provinces are in Mindanao.
supports the peace process mainly through the MTF.

(3) Peace-building as an objective

Although the EC Strategy includes “Conflict Prevention” as one of the cross-cutting issues, basically, peace-building is regarded as the secondary objective in most of its projects.

5. Japan

(1) Policy

Although Japan does not have formal policy documents on Mindanao at the moment, there have been three developments regarding the policy on Mindanao as follows:

First, Japan developed “Support Package for Peace and Stability in Mindanao” in 2002, which specified three core areas: a) Support for policy formulation and implementation (targeted at the ARMM government); b) Support for improvement of basic human needs; c) Support which contributes directly toward peace-building and the fight against terrorism.

Second, the Japanese government has pledged to support the GRP-MILF peace process in 2006, through a socioeconomic development plan for the Bangsamoro people. Specifically, it launched the package of the project called the Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BIRD) on December 7 of the same year. This umbrella of initiatives includes the Grant Assistance for Grassroots and Human Security Projects, Japanese ODA loan projects, technical cooperation projects, a development study, and grant aid projects.

Third, the Mindanao Taskforce, which is spearheaded by the Embassy of Japan, Japan International Cooperation Agency (JICA), and Japan Bank for International Cooperation (JBIC), is currently developing the policy paper for Mindanao’s reconstruction, which highlights priority areas described below.

(2) Prioritization of operations in Mindanao

On the basis of local needs, Japan considers four factors to be important in its Mindanao program: a) Governance, b) Basic infrastructure, c) Economic development, and d) Peace process.

With regard to Japanese support for the peace process, three developments are noteworthy. First, although the ARMM was formerly the main focus area, the current scope of support is broadened and aimed at other areas and regions. Second, the primary approach of the Japanese support program to the peace process between the Philippines’ government and MILF is through socioeconomic development. As such, Japan adopts a different approach from other donors who use development assistance itself as a tool for leverage in the peace process, mainly through the MTF. Third, although Japan usually provides development assistance after signing a peace agreement between the conflicting parties in the targeted areas, in the case of Mindanao, it provides the assistance before the peace agreement. This is based on the recognition that socioeconomic projects may provide an incentive for the conflicting parties to conclude the peace agreement.

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*7 About the Support Package, see the speech of then Prime Minister, Junichiro Koizumi delivered on December 4, 2002. [http://www.kantei.go.jp/foreign/koizumispeech/2002/12/04packages_e.html] (accessed on June 20, 2008)

*8 Bangsamoro is the name for the ‘homeland’ of the Moro people. As a region, Bangsamoro covers the provinces of Basilan, Cotabato, Davao del Sur, Lanao del Norte, Lanao del Sur, Maguindanao, Palawan, Sarangani, Shariff Kabunsuan, South Cotabato, Sultan Kudarat, Sulu, Tawi-Tawi, Zamboanga del Sur, Zamboanga del Norte, and Zamboanga Sibugay.

*9 With regard to the ARMM, visit the official website [http://www.armm.gov.ph/] (accessed on June 7, 2008)
(3) Peace-building as an objective
Since peace-building is a political issue in nature, it is considered to be a secondary goal.

6. UNDP

(1) Policy
The UNDP has not developed a policy document for Mindanao. However, it has published several policy documents which direct UNDP’s assistance for the Philippines, including Mindanao.

First, the major policy document of the UNDP in Mindanao is found in the 1995 Philippine Human Development Report, which analyzes the root causes of the conflict, dissects the history of the secessionist as well as communist insurgencies, and recommends strategic actions to be taken towards achieving lasting solutions to the armed conflicts, using a Human Security lens. It examines the strengths and weaknesses of key Philippine institutions in terms of rights protection, peace-building and conflict prevention, while assessing the Human Development and economic costs of the protracted armed conflict in Mindanao. These include, among others, a) Establishing policy consistency and coherence, b) Legislating a national peace policy, c) Pursuing socioeconomic and political reform, d) Pursuing security sector reform, e) Building a national constituency for peace, and f) Pursuing a three-track approach to the Mindanao conflict (address gaps in the peace agreement between GRP and the Moro National Liberation Front (MNLF); give the highest priority to the GRP-MILF negotiations; delineate terrorism clearly and deal with it firmly without prejudicing the larger peace process).

Second, United Nations Development Assistance Framework (UNDAF) for the Republic of the Philippines 2005-2009, which targets conflict prevention and peace-building as one of its outcomes (outcome #5) and specifies that “by 2009, the level of violent conflict has been reduced, and Human Security and the Culture of Peace have been promoted nationwide.” The UNDAF prescribes three sub-outcomes for UN agencies to pursue: a) Strengthened policy environment for peace-building; b) Strengthened capacities of key actors for conflict prevention, peace-building and human security; and c) Improved access of individuals and communities affected by armed conflict to basic services, increased incomes and participation in governance.

Third, based on the UNDAF, it has also developed the UNDP Country Programme Action Plan (CPAP) which adopts the UNDAF Outcome #5 and its sub-outcomes and has a specific focus on Mindanao under sub-outcome 3. The UNDAF and CPAP documents provide the policy directions and main guidelines for the UNDP work in Mindanao.

In addition, UNDP has produced policy analysis papers on the Mindanao conflict since 1999, the latest of which is Peace-Building in Times of Institutional Crisis: Ten Years of the GRP-MNLF Peace Agreement (2006).

(2) Prioritization of operations in Mindanao
Capacity-building and community-based rebuilding of communities affected by armed con-


*11 According to the 2005 Philippines Human Development Report (adopted from the National Unification Report of the Philippine government), some of the major causes of the conflict in Mindanao are: a) economic marginalization; b) political domination; c) physical insecurity; d) threatened Moro and Islamic identity; e) poor governance; f) injustice and abuse of authority; g) structural inequities in the political system; h) poverty and inequitable distribution of resources; i) exploitation of indigenous cultural communities. The UNDP projects directly or indirectly address these issues.
Conflict is a main focus area for the UNDP. The UNDP provides its assistance through the Action for Conflict Transformation (ACT) for Peace Programme, which aims to support the GRP-MNLF peace agreement. This is the fourth and final phase of the Government of the Philippines-United Nations Multi-Donor Programme (GoP-UNMDP) that started in 1997.*

For instance, the UNDP attempts to facilitate the transformation of conflict-affected communities to Peace and Development Communities (PDCs), through strengthened Human Security including delivery of basic services, community economic development; enterprise development, capacity building for peace-building and conflict transformation and strengthening of partnerships towards an environment of trust, confidence and collaboration for peace and development. Specific interventions in the PDCs include: water and sanitation; maternal health care; enterprise development; strengthening of governance institutions for peace-building and conflict prevention; capacity-building for conflict transformation and peace-building; peace education; skills development for planning and implementation of Peace and Development Plans at barangay, municipal and provincial levels.

(3) Peace-building as an objective

Peace-building as an objective of the UNDP interventions in Mindanao (as well as outside Mindanao) is clearly articulated in Outcome #5 of the UNDAF 2005-2009; the UNDP Country Programme Action Plan (CPAP) for 2005-2009, and in the project document for ACT for Peace 2005-2010.

7. US

(1) Policy

Although the US has a strategy on Philippines support — the Embassy Mission Strategic Plan in Philippines — its focus is not limited to Mindanao’s reconstruction. However, Mindanao is one of the priority areas for US assistance.

(2) Prioritization of operations in Mindanao

With regard to peace-building in Mindanao, the US approach is twofold: a) Peace and prosperity and b) Counter-terrorism. These two issues are closely inter connected, as it is generally recognized that poverty leads to terrorism.

According to the United States Agency for International Development (USAID), approximately 60% of its annual funding is allocated to the conflict-affected areas of Mindanao (USAID 2008b), focusing on the following issues: a) Peace and security; b) Economic growth (including energy and environment); c) Governing justly and democratically; d) Family health and; e) Education.

(3) Peace-building as an objective

Conflict mitigation and support for the peace process in Mindanao are primary goals of U.S. assistance.

8. World Bank

(1) Policy

Although the WB does not have a specific policy document for Mindanao’s development, its position on Mindanao is well reflected in the WB-organized report “Joint Needs Assessment for Reconstruction and Development of Conflict-Affected Areas in Mindanao.”
Previously, poverty was considered to be the main cause of conflict, especially by the Western donors. However, the report emphasizes injustice as the fundamental root cause of the conflict in Mindanao, on the basis of the recognition and the historical fact that not all poor people resort to violence in order to solve their problems. In fact, “people tend to resort to violence when their rights are violated” *13.* As is evident in the table, this view is widely shared among the major donors in Mindanao.

(2) **Prioritization of operations in Mindanao**

In order to accomplish peace-building and development objectives, the report highlights four pillars: a) Protection of human rights and the promotion of security, b) Improvement in the delivery of basic services, c) Provision of economic opportunities, and d) Strengthening of social capital/social cohesion (JNA Team 2005, p.15). Special emphasis is placed on “Good Governance,” as it plays “a critical role in creating the enabling environment for these pillars” (JNA Team 2005, p.16).

To achieve these goals, the WB has adopted two main approaches. First, the WB has decided to support the peace process through development assistance: the World Bank–administered MTF is a specific instrument for this purpose. Within this framework, development assistance is used as a tool for leverage in the peace process: full-scale development assistance will only be provided if a peace agreement between the Philippine government and MILF can be concluded. Phase one (before the agreement) mainly provides technical assistance, while phase two (after the agreement) offers full-fledged assistance including financial and technical assistance.

Second, the WB adopts a Community Driven Development (CDD) approach. This is an approach that provides control over planning decisions and investment resources to community groups and local governments *11.

(3) **Peace building as an objective**

Basically, peace-building is not the primary objective of the WB’s agenda *15. However, when it comes to the MTF, the main goal, as described above, is the promotion of a positive environment for the peace process in Mindanao through the community-driven development approach.

### III. Conclusion

As mentioned in the introduction, the major objective of this survey is to obtain a bird’s-eye view of the approaches of the major donors in Mindanao and to identify the differences and similarities among them.

First, despite the fact that almost all the development partners share a common view regarding the root cause of the conflict – injustice, which includes poverty, land issues, and RIDO problem *16 – their priorities vary in accordance with their policy on Mindanao or their interests. In other words, they share the same fundamental objective but adopt different approaches to pursue this common goal.

Second, we should note that almost all the

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*13  Interview with the World Bank staff (March 25, 2008, Manila)
*14  For more detailed information, see the WB’s website on CDD. [http://web.worldbank.org/WEBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTCDD/0,,menuPK:430167~pagePK:149018~piPK:149093~theSitePK:430161,00.html] (accessed on June 7, 2008)
*15  World Bank is part of the United Nations Family. World Bank’s mandate is focused on development. Peace-building and peace-keeping is not part of its mandate but of the other UN units.
*16  About RIDO, see Wilfredo ed. (2007).
development partners regard or set peace-building as a secondary goal, and not a primary objective, at the project level. This position possibly has its own advantages and disadvantages. We can avoid the risk of evaluating this very sensitive and often political issue. On the other hand, this move may limit the opportunities for improving the impact of an individual peace-building project, as there is no serious impetus for the project to improve its impact on peace-building, if it is not a subject of evaluation.

Owing to space constraints, we are unable to examine all the issues related to peace-building in great detail. However, these issues will be dealt with in an upcoming paper.
Appendix I Bibliography
## Appendix II: Table: Major donors’ approaches toward Mindanao's reconstruction

<table>
<thead>
<tr>
<th>Topics</th>
<th>ADB</th>
<th>Canada (CIDA)</th>
<th>EC</th>
<th>Japan</th>
<th>UNDP</th>
<th>US (USAID)</th>
<th>World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritized topics/sectors in Mindanao projects</td>
<td>- Infrastructure - Economic development - Early childhood development - Agriculture and natural resource development</td>
<td>- Governance - Support to private sectors</td>
<td>- Poverty reduction - Support to Mindanao peace process</td>
<td>- Governance - Infrastructure - Economic development - Peace process</td>
<td>Transformation of conflict-affected communities to Peace and Development Communities (PDCs)</td>
<td>- Peace and security - Economic growth (including energy and environment) - Governing justly and democratically - Family health - Education</td>
<td>- Protection of human rights and the promotion of security - Improvement in the delivery of basic services - Provision of economic opportunities - Strengthening of social capital/social cohesion</td>
</tr>
<tr>
<td>Are peace building and/or conflict prevention included in the objectives?</td>
<td>Yes</td>
<td>Secondary objective</td>
<td>Conflict prevention is mentioned in the strategy</td>
<td>Secondary objective</td>
<td>Yes</td>
<td>Conflict mitigation and support for the peace process in Mindanao are primary goals of US assistance</td>
<td>Indirect</td>
</tr>
<tr>
<td>Major causes of conflict in Mindanao</td>
<td>- Land issues</td>
<td>- Injustice</td>
<td>- Land issues</td>
<td>- Injustice</td>
<td>- Land issues</td>
<td>- Injustice</td>
<td>- Poverty</td>
</tr>
<tr>
<td>* MTF: Mindanao Trust Fund</td>
<td>** LGSP: Local Governance Support Program</td>
<td>*** J-BiRD: Japan - Bangsamoro Initiative for Reconstruction and Development</td>
<td>**** MRDP: Mindanao Rural Development Program</td>
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</table>

Based on the survey conducted for major DAC donors in March, 2008.