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SUMMARY

Annual Action Programme 2019 part 1 in favour of the Philippines for Inclusive Growth through Job Creation and Peace-building in Mindanao to be financed from the general budget of the Union

1. Identification

Budget heading	21 020 200020200
Total cost	EUR 55 million of EU budget contribution This action is co-financed in joint co-financing by: UN, Australia, Member States for an amount of EUR 10 million This action is co-financed in parallel co-financing by: GIZ for an amount of EUR 4 million World Bank for an amount of USD 130 million The action is co-financed by potential grants beneficiaries for an indicative amount of EUR 0.6 million.
Basic act	Regulation (EU) No 233/2014 of 11 March 2014 Regulation (EU) No 236/2014 of 11 March 2014

2. Country/thematic background

The Philippines is ranked as a lower Middle-Income Country with **high inequality of wealth distribution as growth was not inclusive in the past which the current administration attempts to change**. While the Philippines is not a poor country, it is nevertheless a country with a large proportion of poor people: as of 2017, about 21 % of its total population are considered poor and income distribution is very uneven. The country has not achieved sufficient economic progress over the past decades to substantially reduce poverty, due mainly to a rather inefficient economy with lacking infrastructure and slow employment creation, corruption and weak rule of law, high population growth, and insurgencies. The Philippines is also one of the countries most affected by climate change and suffering from electricity shortages especially in Mindanao, depriving the poor from access to energy and access to social services, limiting the growth potential and affecting their livelihoods.

Mindanao, the second biggest island of the Philippines, is home to about 23 million people, almost a quarter of the total population of the Philippines, and has a multi-ethnic and multi-religious society, including Muslims, Christians and indigenous peoples (IPs). Muslims make

up 5-7% of the total population of the Philippines and approximately 21% of Mindanao's population. Though in general there have been improvements recorded, 7 out of 10 of the poorest provinces with high poverty incidence among households are located in Mindanao. Not surprisingly, most of these provinces are conflict-affected. The closely intertwined factors of poverty; lack of access to secure land tenure; minimal delivery or absence of public goods and basic services, including security; ineffective/imposed institutions of governance; and perceived suppression of Islamic and indigenous practices and customs combine, among others, to deepen a sense of injustice and fuel the armed conflict. This situation is exacerbated further by the effects of natural disasters (worsening floods, environmental degradation, landslides, droughts, typhoons etc.) which have hit many provinces of Mindanao in recent years. Lack of banking services, lack of investment in social and public infrastructures (access roads, small ports, irrigation) and land right issues are contributing factors to the conflicts in Mindanao. Contributing to this high poverty incidence is Mindanao's enormous challenge relative to employment and underemployment.

3. Summary of the Action Programme

1) Background:

Following the mid-term review of the Multiannual Indicative Programme (MIP) for Philippines, in accordance with Article 11 of the Instrument for Development Cooperation (DCI) and taking into consideration that the Peace Processes in Mindanao have acquired a renewed importance under the current administration, there is gathering momentum for supporting Mindanao peace road map and governance framework and contributing to the delivery of peace dividends at a grass root level. The significance of these developments calls for a more sustained approach from the EU and justifies the inclusion of a new priority sector under the MIP: "Peacebuilding in Mindanao".

The main challenge for the Philippines to accomplish its development plan is to make growth more inclusive and to accelerate job creation by increasing investments particularly in infrastructure, better governance and by improving the business environment including better business services.

EU cooperation for the period 2014-2020 will focus on **three priority sectors**, which should have significant impact on inclusive and sustainable growth, good governance, investments and job creation:

- a) Inclusive growth through access to sustainable energy and job creation** (DAC 230, 310, 410 and 430),
- b) Rule of law** (DAC 15130, 15160 and 15210), and
- c) Peacebuilding in Mindanao** (DAC 15220).

The current action covers focal sectors (a) and (c).

2) Cooperation/Neighbourhood related policy of beneficiary country

The framework document of the Government development policy is the Philippine Development Plan (PDP). **The PDPs 2011-2016 and 2017-2022 share the vision to achieve inclusive growth, create employment opportunities and reduce poverty.** "Good governance and anti-corruption" are overarching themes emphasised in the programming documents.

3) Coherence with the programming documents:

The revised MIP adheres to the fundamental Development Cooperation Instrument (DCI) objective of eradicating poverty and supports the 2 successive Government development plans PDPs 2011-2016 and 2017-2022 in its efforts to achieve inclusive growth within the framework of 2030 Sustainable Development Goals and the New European Consensus for Development.

The current action directly link to the 2 priorities and objectives of the revised MIP 2014-2020, namely: **a) Inclusive growth through access to sustainable energy and job creation; and b) Peacebuilding in Mindanao** which supports the 6-point agenda for peace and development of the Government and guides all peace-building and development interventions in poor, conflict-affected and conflict-vulnerable areas in Mindanao.

The engagement of the EU in these 2 closely-linked and intertwined sectors is consistent with the EU Global Strategy and the New European Consensus for Development which calls for an integrated approach to conflicts and aims at supporting state and societal resilience. One of the major challenges will consist in building resilience and sustainability to address complex global challenges such as extreme poverty, inequality and chronic fragility.

4) Identified actions

The **overall objective** of the action is to contribute to a peaceful, cohesive, secure and inclusively developed Mindanao.

The **specific objective** is: Improved social cohesion and resiliency of communities and increased economic opportunities in Mindanao.

The action builds on, consolidates and strengthens EU's political and development cooperation support to Mindanao through i) contribution to a multi-donor facility focused on building consensus for peace and effective governance; ii) support to civil society; iii) promoting poverty alleviation and economic development through job creation by enabling farmers and small entrepreneurs, including women and indigenous peoples (IPs) to unlock the productive; iv) strengthening agricultural cooperatives and similar farmers' organisations; v) rehabilitating rural infrastructures and vi) improving the enabling environment for private sector development.

5) Expected results

Result (output) 1 Improved capacities and confidence of diverse groups to participate in the peace process mechanisms

Result (output) 2 Strengthened capacities of agriculture cooperatives for better service delivery and creation of an enabling environment for the private sector.

Result (output) 3 Improved community based socio-economic infrastructure providing basic economic and social services to communities

This programme is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of SDGs 1 (No Poverty), 2 (No Hunger) and 10 (Reduction of Inequalities), but also promotes progress towards SDGs 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production) and 16 (Peace, Justice and Strong Institutions). This does not imply a commitment by the country benefiting from this programme.

Cross cutting issues include good governance and gender responsiveness which are core pillars of these actions.

6) Past EU assistance and lessons learnt

Based on the long EU experience in working in Mindanao:

- (1) Investments and support to conflict affected areas where the presence of the Government is not fully accepted or is weak, should be increased to have more impact;
- (2) Provision of livelihood support and service delivery is essential through community-driven development (CDD) for engaging citizens and in particular women in the process for social cohesion, peace-building and promotion of inclusive growth;
- (3) Flexibility is important: donors and implementing agencies alike must ensure that projects can be easily adapted to changing political circumstances and situations in the ground as the security environment is extremely volatile;
- (4) The lack of jobs contributes to insecurity, promotes radicalisation and needs to be quickly addressed. Based on the Mindanao Jobs Report, it is clear that Mindanao has an enormous jobs challenge (4.3 million jobs needed in the next 7 years) and creating jobs is a daunting challenge given the large share of informal workers and migration in the region;
- (5) The gender perspective is key and the programme will seek to build complementarities with the partner organisations.

Finally, there is a need to increase the visibility of the EU by adopting a comprehensive and coordinated approach to Mindanao and maximising opportunities for jointly working with EU Member States and other donors.

7) Complementary actions/donor coordination

The overall forum for dialogue between the Government and the donors is the Philippine Development Forum (PDF), with the aim of facilitating policy dialogue among stakeholders on the country's development agenda. The PDF involves continuous dialogue on thematic areas, including on complementarity through its working groups which hold meetings in between the formal PDF meetings. The action is will be covered in the Mindanao Working Group and the PDF Working Group on Sustainable Rural Development. The EU is actively involved and participating in these working groups.

4. Communication and visibility

In general, the EU visibility guidelines will apply for all actions. In addition, information, communication and visibility plans will be developed for each component.

5. Cost and financing

Inclusive Growth through Job Creation	EUR 35 million
Mindanao Peace Building	EUR 15 million
Communication and Visibility	EUR 0.2 million
Evaluation and Audit	EUR 0.55 million
Contingency	EUR 4.25 million
TOTAL	EUR 55 million



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This action is funded by the European Union

ANNEX

of the Commission Implementing Decision on the financing of the Annual Action Programme
in favour of the Philippines for 2019 part 1

Action Document for

Mindanao Peace and Development Programme (MINPAD), Phase 1

<p style="text-align: center;"><u>ANNUAL PROGRAMME</u></p> <p>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N 236/2014.</p>	
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1. Title/basic act/ CRIS number	Mindanao Peace and Development Programme (MINPAD), Phase 1 ACA/2019/039-903 Financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Republic of the Philippines The action shall be carried out at the following location: Mindanao	
3. Programming document	Multiannual Indicative Programme (MIP) 2014-2020 for the Philippines	
4. Sector of concentration/ thematic area	Inclusive Growth through access to sustainable energy and Job creation (EUR 40 million) Peacebuilding in Mindanao (EUR 15 million)	DEV. Aid: YES
5. Amounts concerned	<p>Total estimated cost: Indicatively EUR 179.6 million</p> <p>Total amount of EU budget contribution: EUR 55 million</p> <p>This action is co-financed in joint co-financing by:</p> <ul style="list-style-type: none"> - United Nations (UN), Australia, Member States for an indicative amount of EUR 10 million; - Germany for an indicative amount of EUR 4 million; - World Bank for an indicative amount of USD 130 million. <p>This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 0.6 million.</p>	
6. Aid modality(ies) and	Project Modality Direct management – grants – call for proposals – procurement of	

implementation modality(ies)	services (EUR 11 million) Indirect management with UNDP (EUR 4 million) Indirect management with GIZ (EUR 15 million) Indirect management with WB (EUR 20 million)			
7 a) DAC code(s)	Main DAC code: 311 - Agriculture Sub-codes: 43040 – Rural development (40%); 31194 – Agricultural cooperatives (20%); 32130 – SME development (10%); 15220 – Civilian peace-building, conflict prevention and resolution (35%)			
b) Main Delivery Channel	41000 UN Agency or fund 13000 Delegated cooperation			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	✓
	Aid to environment	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	✓	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	✓	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	✓	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	✓	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	EU initiative on pro-poor land governance			
10. Sustainable Development Goals (SDGs)	SDG 1 – No poverty SDG 2 – Zero hunger SDG 8 – Decent work and economic growth SDG 10 – Reduce inequalities SDG 12 – Responsible consumption and production SDG 16 – Peace, justice and strong institutions			

SUMMARY

Over the past 25 years, the European Union (EU) has been a key actor in Mindanao, working with the Government of the Philippines and civil society organisations in promoting peace, human security and development, including in the most vulnerable and conflict-affected communities. However, the effectiveness, impact and sustainability of these interventions have been hampered by the lack of an overall framework for a holistic, converged and integrated approach.

The current leadership of the Office of the Presidential Adviser on the Peace Process (OPAPP) has shown strong resolve and determination to overcome the fragmented and diffused implementation of programmes and projects by many donors in Mindanao through a Strategic Framework for Mindanao Peace and Development, which guides all development and peace-building interventions in Mindanao under a shared framework with clearly defined focus areas and mechanisms for coordination, sharing of technology, innovation and complementarity of efforts. In response to this approach, the EU has decided to align its development cooperation strategy to Mindanao. The action also responds to a wider and more inclusive Peace and Development Roadmap (August 2016) towards the pursuit of lasting peace and sustainable development in Mindanao.

The action builds on, consolidates and strengthens the EU's political and development cooperation support to Mindanao through i) a contribution to a multi-donor facility focused on building consensus for peace and effective governance; ii) support to civil society; iii) promoting poverty alleviation and economic development through job creation by enabling farmers and small entrepreneurs, including women and Indigenous People (IPs), to unlock their productive capacities; iv) strengthening agricultural cooperatives and similar farmers' organisations; v) rehabilitating rural infrastructures and vi) improving the enabling environment for private sector development.

Cooperatives can be a key driver to agricultural development and inclusive growth by providing services, training, technologies and access to markets. Small infrastructure developments can contribute to unlock the high agricultural potential of Mindanao and create direct and indirect decent jobs. Some of the structural root causes of economic underdevelopment in Mindanao like lack of access to secure land tenure will be addressed through policy advice and institutional strengthening.

The MINPAD programme will be implemented through different Development Partners (UNDP, GIZ, WB) and Civil Society Organisations.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Mindanao, the second biggest island of the Philippines, is home to about 23 million people, almost a quarter of the total population of the Philippines, and has a multi-ethnic and multi-religious society, including Muslims, Christians and indigenous peoples (IPs). Muslims make up 5-7% of the total population of the Philippines and approximately 21% of Mindanao's population. Mindanao consists of 6 administrative regions, one of which is the Autonomous Region in Muslim Mindanao (ARMM). ARMM comprises the provinces of Lanao del Sur, Maguindanao, Basilan, Sulu and Tawi-Tawi, which are the territories predominantly populated by Muslims. Though in general there have been improvements recorded, 7 out of 10 of the poorest provinces with high poverty incidence among households are located in Mindanao. Not surprisingly, most of these provinces are conflict-affected. The closely intertwined factors of poverty; lack of access to secure land tenure; minimal delivery or absence of public goods and basic services, including security; ineffective/imposed institutions of governance; and perceived suppression of Islamic and indigenous practices and customs combine, among others, to deepen a sense of injustice and fuel the armed conflict.

Adding to the vulnerability and insecurity in these areas is the proliferation of various armed groups, firearms and weapons. The ARMM and CARAGA¹ regions, homes respectively to Muslim separatist and communist armed rebellion, have persistently been among the 10 poorest regions of the country. This situation is exacerbated further by the effects of natural disasters (worsening floods, environmental degradation, landslides, droughts, typhoons etc.) which have hit many provinces of Mindanao in recent years. Lack of banking services, lack of investment in social and public infrastructures (access roads, small ports, irrigation) and land right issues are contributing factors to the conflicts in Mindanao.

Contributing to this high poverty incidence is Mindanao's enormous challenge relative to employment and underemployment. Some 4.3 million jobs are needed in the region in the next 7 years. In 2015, there were 2.5 million job seekers, of which 2 million underemployed and 0.5 million unemployed. In the poorest provinces of Mindanao, only 60% of the population and 32% of the employable women are considered to be in active employment. In 2010, the Philippine government adopted the National Action Plan on Women, Peace and Security (NAP-WPS 2010-2016), being the first country in Asia with a NAP to implement UN Security Council Regulations (UNSCR) 1325 and 1820, that required parties in a conflict to prevent violations of women's rights, to support women's participation in peace negotiations and in post-conflict reconstruction, and to protect women and girls from sexual and gender-based violence.

Agriculture is the main source of livelihood of the people and represents up to 63.5% of the regional GDP, while industry only 5.1%. A large part of the economy is informal or even shadow economy. The informal economy, in particular in the island provinces of Basilan, Sulu and Tawi-Tawi, is linked to trade with its closest neighbour Sabah (Malaysia) and to some extent Indonesia. Most of the agricultural goods are produced in small mixed family farms (average size 1.2 hectares) that are often very dependent on traders for both the inputs (seeds, fertilisers, capital) and the marketing of their products. This dependency, the small size of farms and the low level of investments keeps many of these farmers in poverty while value is usually added elsewhere. Cooperatives play an important role in the area. They provide sources of micro-finance, inputs and value addition for their members or they are actively involved in the marketing of their members' produce.

The Peace Processes with the Moros²

The history of conflict in Mindanao can be traced back to Spanish colonization in the 16th century. By then, Islam had already taken root in Mindanao since its introduction in the 14th century by Arab traders. The contemporary armed conflict between the Christian government in Manila and the Moros was triggered by the Jabidah massacre in 1968, which led to the establishment of the first Moro separatist groups, with the founding of the Moro Independence Movement (MIM), and eventually the Moro National Liberation Front (MNLF). The MNLF and the Philippine Government signed a Final Peace Agreement on September 1996, which led to the creation of the Autonomous Region in Muslim Mindanao. Despite the creation of the ARMM, the conflict continued and the Moro Islamic Liberation Front (MILF) gained prominence after the promised peace and development have remained unfulfilled.

¹ CARAGA: administrative region in the northeast of Mindanao

² Moro: a member of any of several Muslim peoples of the southern Philippines

The peace talks between the Government of the Philippines (GPH) and the MILF restarted shortly after the election of former President Aquino to office in 2010. After several years of negotiations between the two peace panels in Kuala Lumpur, facilitated by Malaysia and assisted by members of the International Contact Group (ICG), GPH and MILF signed on 27 March 2014 the Comprehensive Agreement on Bangsamoro³ (CAB), replacing the temporary ceasefire in Mindanao with a permanent one and moving the peace process from negotiation to implementation of the agreements. CAB called for the adoption of a Bangsamoro Basic Law (BBL) that would make the political agreement between the MILF and the executive branch of government a legal reality.

The House and Senate Committees suspended deliberations on the draft BBL after the Mamapasano incident in January 2015 in which MILF and the police antagonised one another. This suspension has been repeatedly extended, leading in the end to the non-adoption by the previous Congress.

The newly established Administration of President Duterte decided in July 2016 to try to put the process back on track, calling for a convergence of all Moro factions. A new draft law has been drafted by the Bangsamoro Transition Commission, which includes representatives of MILF and MNLF. Recent events (siege of Marawi and declaration of martial law in Mindanao) may have consequences yet to be assessed.

In parallel to the political process of establishing a new institutional framework for governing the Bangsamoro, a normalization process shall be implemented through which communities affected by decades of armed conflict in Mindanao can return to a peaceful life free from fear of violence and crime (human security). This includes the decommissioning of MILF/MNLF forces, the redeployment of units of the Armed Forces of the Philippines and a complete policing reform.

Measures towards justice and reconciliation during the transition period, as well as comprehensive socio-economic programs, will allow communities to “achieve their desired quality of life, which includes the pursuit of sustainable livelihoods and political participation within a peaceful deliberative society”. The Moro Fronts (MILF and MNLF firstly) would need to complete a transition from a revolutionary movement to civil movements through a "normalisation process" identified in the peace agreements.

The Peace Process with the communists

During his campaign, then candidate Rodrigo Duterte said that one of the first things he would do if he won, was to declare a ceasefire with the Communists and pursue anew the peace negotiations, release political prisoners and bring back Jose Maria Sison, founder and leader of the Communist Party of the Philippines (CPP) and the National Democratic Front (NDF). In an unprecedented political move, president-elect Duterte invited the Left to nominate persons to be included in his Cabinet. He appointed University of the Philippines professor Judy Taguiwalo to the Department of Social Welfare and Development (DSWD), former Anakpawis Representative Rafael Mariano to Department of Agrarian Reform (DAR) and former Gabriela Representative Liza Maza to the National Anti-Poverty Commission (NAPC) although the appointment of these cabinet secretaries was rejected by Congress.

The peace process was quickly renewed in June 2016. Negotiating panels for GPH and NDF held exploratory talks in Oslo, Norway with the Government of Norway as international facilitator. Three rounds of talks have taken place and have produced varied results, including

³ Bangsamoro: Muslim nation

positive developments, and there seems to be a willingness in the Government to continue the engagement. However, a number of difficult issues remain on the table, including a set of socio-economic reforms pushed by NDF, political prisoners, 'revolutionary tax' and a certain disconnect between the NPA negotiators and the people they represent. Until those issues are resolved, a bilateral ceasefire will not be agreed upon, according to the Norwegian facilitator. The process is still in its "early days" and the outcome as yet difficult to predict.

1.1.1 Public Policy Assessment and EU Policy Framework

The action will support the implementation of the Strategic Framework for Mindanao Peace and Development through a two-pronged approach, namely:

- (1) contribution to the new multi-donor facility focused on building consensus for peace and development and complementary direct support to NGOs and civil society organisations for (a) early recovery, relief, reconstruction and rehabilitation of conflict-affected areas towards building sustainable foundations for community resilience for longer-term development; (b) improvement of intercommunity, inter religious and community-local government's dialogue and partnership including actions that will counter radicalization and violent extremism; and (c) support peace process mechanisms related to monitoring the implementation of the agreements, maintaining the ceasefire at grassroots level and civilian protection; undertake the decommissioning of combatants towards normalisation to contribute to an enabling environment for long-term peace and inclusive development in conflict-affected areas; and
- (2) job creation through strengthening of agricultural cooperatives, rehabilitation of rural infrastructures and improvement of the enabling environment for private sector development.

The Strategic Framework for Mindanao Peace and Development for 2017-2022 supports the 6-point agenda for peace and development and guides all peace-building and development interventions in poor, conflict-affected and conflict-vulnerable areas in Mindanao. Conflict covers not only conflict between Government and ideology-based armed groups but also other forms of conflict such as horizontal, resource-based hostilities, political violence, shadow economy aggression, terrorism and extremism. The framework addresses conditions that make communities vulnerable to these types of conflicts that often result in human harm, loss of lives and destruction of environment and property.

The Strategic Framework is aligned with the 2030 Agenda for Sustainable Development, in particular in achieving SDG 16 on Peace, justice and strong Institutions. It is guided by the vision and objectives set forth in the Philippines Development Plan 2017-2022 Chapter 17 on Peace and Development, the President's 6-point Peace and Development Roadmap, and the vision for accelerated development envisioned under the Mindanao Development Corridors initiative of the Mindanao Development Authority (MinDA).

The action is consistent with the EU Global Strategy and the New European Consensus for Development, which calls for an integrated approach to conflicts and aims at supporting state and societal resilience. The action places high importance on building resilience and sustainability to address complex global challenges such as extreme poverty, inequality and chronic fragility.

The Philippines MIP 2014-2020, after its Mid-Term Review, comprises support to inclusive growth, rule of law, and peace building in Mindanao, with a particular focus on poverty alleviation. With this action, the EU contributes to an integrated approach to the resolution of

conflict and achievement of sustainable development in Mindanao, taking into account the findings of the PRISM⁴ missions of January and June 2018. It also contributes to a meaningful support to the National Action Plan on Women, Peace and Security⁵ in line with the EU Gender Action Plan (GAP) 2016-2020⁶ and the implementation of the UNSCR 1325 and 1820 and notably Objective 9 (Protection for all women and men of all age from sexual and gender based violence in crisis situation) and Objective 11 (Promoted, protected and fulfilled right of every individual to have full control over and decide freely and responsibly on their sexuality and reproductive health free from discrimination, coercion, and violence). Following the peace and development focus of the action, it will strongly adhere to the fulfilment of EU GAP objectives of ensuring that girls and women participate as equals in the economic life and have access to all economic resources and social services and that, they participate equally in decision-making at all levels. Specifically, these would apply to EU Gap indicators on equal access to quality basic and vocational education, decent work, sustainable energy sources and participation in public life. The action supports the Joint Memorandum Circular between the Office of the Presidential Adviser on the Peace Process (OPAPP) and the Philippine Commission on Women (PCW) regarding the integration of women, peace and security issues in the respective mandates of concerned government agencies. The Mindanao peace process, which has been based on the global standards and norms set by UNSCR 1325 and recognises the importance of women's meaningful participation at all levels has been reflected in the CAB.

The EU remains one the biggest foreign development partners to provide support to Mindanao and the Peace Process through a comprehensive approach supporting directly the political settlement with the Instrument contributing to Stability and Peace (IcSP) and supporting longer term development mainly through the Development Cooperation Instrument (DCI). The EU has also been a major humanitarian donor for the relief assistance to the civilians affected by the armed conflict in Zamboanga City and recently in Maguindanao.

1.1.2 Stakeholder analysis

The main stakeholders are the impoverished, conflict-affected and conflict-vulnerable populations in Mindanao. The Government has a clear policy of ending all armed conflicts through political settlement and implementation of the commitments under signed peace agreements. It is committed to fast-track development in underdeveloped and lagging areas in the country, especially in Mindanao. The poor and vulnerable communities have a clear stake in the intervention, having suffered from years of social strife and economic hardship. Main recruits of the communist insurgency are found to be youth members of poor Indigenous Peoples (IP). Out-of-school youth are also observed to be vulnerable to criminal activities and extremism. Women have increasingly found themselves victims of violence at home, in evacuation centres, and in their conflict-affected communities. The vulnerability of women to violence and trafficking increases wherever there is a high number of Internally Displaced People (IDPs). The latest surveys on malnutrition reveal also that women in those communities are the most malnourished in the country. The beneficiaries of the action will be populations of the conflict affected/conflict-vulnerable provinces and in particular employable people, and ex-combatants. These communities are trapped in poverty resulting from the

⁴ PRISM: Prevention of conflicts, Rule of Law / Security Sector Reform, Integrated approach, Stabilisation and Mediation

⁵ Notably the Republic Act 9710 and the Magna Carta on women

⁶ GAP II 2016-2020 stresses the need for the full realisation of women and equal enjoyment of all human rights

vicious cycle of violence and displacements and have limited access to basic services, with low level of education and limited economic opportunities. The beneficiaries also include specific vulnerable groups such as IDPs, unemployed youth, women and children. In ARMM, the estimated population in the 31 camps is around 1 million people, while the overall ex-combatants population is estimated at 11,000 for MILF and 25,000 for MNLF. Some target groups of the job-creation programme are smallholder farmers and fishermen associated with groups and cooperatives (an estimated 500,000 are members of cooperatives).

The IPs are among the most deprived and vulnerable groups in the conflict affected areas of Mindanao. Their ancestral lands are constantly shrinking due to the pressure of mining, logging, population growth, installation of agro industries and new farm settlers. Many IPs continue to be hunter-gatherers although some have started cultivating their farms with crops such as upland rice, corn, cassava, coconut, coffee and other fruit trees in an average of less than one hectare of land. Many of their wives are involved in handicraft weaving with materials harvested in the surrounding forests.

Women are particularly exposed and vulnerable in the conflict affected areas in Mindanao. They are mostly the ones left behind by combatants and constitute the bulk of the population in IDP camps. Despite their multiple roles and contribution in their communities, women and girls in the region commonly experience violence and physical abuse. ARMM has five Women Peace Centres hosted in each of the provincial governments with strong support from the DSWD and many humanitarian organizations. Within ARMM, a dedicated unit called the Regional Commission on Bangsamoro Women (RCBW) aims to increase among Local Government Units (LGUs) gender-responsive governance in sustainable development. A regional federation of women in cooperatives is operational, acting as an advocacy organization on the plight of women especially in economic development and providing gender sensitivity sessions and skills training especially in handicrafts. These organisations have mixed capacities on gender and some have been closely associated with the preparation and the design of this action. Some of the stronger organisations will be further solicited through involvement in Steering Committees and in the monitoring and evaluation process of the programme while some of the weaker organisations (LGUs and CSOs) will be included in further trainings and capacity-building in order to enhance the promotion of a gender sensitive culture for peace. Further and more detailed assessment of the gender competence of the key stakeholders will be made in the second phase of the MINPAD formulation in early 2019. The implementing organisations (UNDP, World Bank and GIZ) are particularly active in promoting gender rights in conflict affected areas through numerous projects in Mindanao.

There are tens of thousands of working children in Mindanao⁷ who are highly vulnerable to child trafficking and child labour due to the absence of proper birth certificates and the prevalence of on farm family work.

1.1.3 Priority areas for support/problem analysis

The development indicators in many parts of Mindanao have not substantially improved unlike the rest of the country. Poverty remains high (50% of the population) as a result of limited access to basic services, limited economic opportunities and the disruption or uncertainty caused by the conflicts with Muslims in western Mindanao or communist groups in eastern Mindanao. Poverty incidence data for Mindanao for 2015 from the Philippine

⁷ Philippine Statistics Authority Website, 2016

Statistics Authority (PSA) show that poverty incidence among families is at 28.8% relative to Luzon at 9.6% and the Visayas at 22.5%. Most LGUs in Mindanao are ineffective and not able to deliver inclusive services to its populations. There is a high level of absenteeism among elected government officials who in general have poor governance skills.

Apart from conflicts, there are other natural and man-made factors that compromise people's security, safety and wellbeing. Foremost is the impact of climate change on the exposure of people to health and safety risks such as droughts, floods, and landslides compounded by the destruction of forests and natural resources leading to further population displacements and, destruction of property and physical infrastructure.

The action is articulated around 2 complementary components which are aligned to the Strategic Framework for Mindanao Peace and Development. The proposed action will benefit the most vulnerable people in Mindanao, especially internally displaced peoples (IDPs), indigenous peoples (IPs), people most affected by recurrent conflict and those that do not have access to lands and resources, generally speaking, women, youth and children.

Component 1: Support for Peace and Development

This component will focus on contributing to achieving lasting peace and community resilience through early recovery, relief and rehabilitation, the implementation of peace settlements, civilian protection, ceasefire and monitoring mechanisms, promotion of inclusive participation of stakeholders in peace-building and providing platforms for dialogue and mediation including expansion of networks that will promote the culture of peace, prevent radicalisation and counter violent extremism in the whole of Mindanao.

It will support the peace process mechanisms set out by the Government and MILF/MNLF in order to monitor the implementation of the agreements and the ceasefire, to support the normalisation process, which includes the decommissioning of combatants. It will assist in improving the ability of government institutions to fulfil the social contract through inclusive, transparent and conflict-sensitive delivery of services and governance, especially at the local government level. In achieving this, efforts shall be geared towards building and strengthening social cohesion, both vertically and horizontally, and ensuring the resilience of social and political systems such as local traditional structures and cultural knowledge and practices while promoting the role and the place of youth and women in society.

Mindanao as a whole is also confronted with the emerging threat of violent extremism and the risk of youth radicalization. Efforts to tackle this issue are very recent and mostly undertaken at the fringe by a few CSOs. Such related actions can be supported under this component, including activities supporting multi-convergence that will address drivers of conflict, marginalisation and deprivation; develop improved leadership and participation of women and youth in public spaces and in the mainstreaming of culture of peace in the homes and communities and strengthen strategies in cyberspace and social media to counter messages of hate and intolerance. NGOs and civil society organisations, being a key pillar in building and sustaining peace will be supported especially in areas where the Government is weak or in some cases, not present at all. NGOs, CSOs and peoples' organisations will be supported to provide platforms for dialogue and partnership, peace advocacy and constituency-building and citizens' participation.

This component will also offer the opportunity to upscale and provide a longer term and sustainable perspective to some activities that the EU is currently supporting through IcSP. Emergency efforts related to the Marawi and other conflict-affected areas will be continued through early recovery, relief and rehabilitation to affected population.

The outcomes of this component are aligned with Strategic Outcomes 1 (Resilient Communities Built), 2 (Effective Governance Promoted) and 5 (Building Consensus for Peace) of the Strategic Framework for Mindanao Peace and Development.

Component 2: Support to Inclusive Economic Growth and Job Creation

The challenge for the Government is to reduce poverty in Mindanao by creating more and better jobs and to have a broad based growth including in rural areas where 80% of the poor live. Agriculture is the primary and often the only source of income for rural people, who depend on subsistence farming and fishing for their livelihood. The causes of poverty in rural areas are manifold and primarily linked to the low productivity and profitability of the farm, which is often too small⁸ to generate a sufficient and reliable income at the current low investment levels. This is compounded by unsustainable practices that have led to deforestation and depletion of fishing areas. In rural areas of Mindanao, people have limited access to productive assets, business opportunities and non-farm income generating activities. This situation is particularly exacerbated in the conflict affected regions where the security situation has prevented the development of economic opportunities. Given the limited employment opportunities in both formal and informal sector, previous studies⁹ have suggested that a key solution in improving productivity is through programs and activities that increase the capacity of people to engage in livelihood activities such as agriculture, fisheries, and forestry, three areas that are resource-based and have the potential to provide sustainable livelihoods.

With 63.5% of Gross Regional Domestic Product, agriculture represents 68% of the jobs in Mindanao and is an important sector contributing to job creation. However, the rural populations of Mindanao are facing critical barriers to accessing resources, technology, inputs, finance, knowledge and markets. As a result, they do not have the capacity to take advantage of emerging opportunities in nearby markets. The action will help rural communities to organize themselves better and improve reliability of access to land, technologies, finance and markets. Inclusive rural transformation can be promoted through people-centred development in which beneficiaries become agents of their own development, while participating in decision-making. 1,748 cooperatives are registered in ARMM and the most efficient ones could be used as a way to increase farmers' capacity to organise themselves. These cooperatives may invest in agricultural processing and post-harvest facilities, which could create higher value addition and employment by processing raw materials locally. As the cost of servicing individual smallholder farmers is very high, going through organised producers may be a more efficient approach. Community organisations, farmers associations and cooperatives, as well as the better run LGUs provide ample opportunities to service small farmers and address some of the gaps in small rural infrastructure. Due to the importance of the role of women in the agriculture sector in the

⁸ The average farm size is 1.2 ha

⁹ (BEAM-ARMM) Program - WB current job creation study 2017.

Labour Market Research for Youth TVET Skills Demands in ARMM – March 2014, annual WB reports on the Mindanao Trust Fund

conflict affected areas, the programme will particularly target women groups to become a vector of development.

The outcomes of this component are aligned with Strategic Outcome 3 (inclusive economic growth and jobs ensured) of the Strategic Framework for Mindanao Peace and Development.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Deterioration of the security situation in Mindanao (e.g. martial law in Mindanao)	H	The administration is giving high priority to peace and security and is looking for more inclusiveness with other revolutionary groups. GPH security forces control lawless elements and ensure peace and order. GPH aims to rapidly deliver peace dividends and economic development.
Resumption of conflict	M	Ceasefire mechanisms are in place among 3 major conflict lines (MILF, MNLF and CPP-NPA-NDF). Implementation panel comprising GPH and MILF representatives is fully functional. MILF, MNLF and CPP/NPA/NDF leadership continue to exercise authority over their respective constituencies. Design actions of reconciliation leveraged on a strategy of social and cultural reactivation, which can be done through the multi-partner trust fund facility.
Corruption	H	Participatory and transparent planning and budgeting, audit, strong internal control mechanisms
Land tenure issues and poor management may affect the construction and sustainability of rural infrastructures, MILF/MNLF might be reluctant to allow road network construction	H	Participatory and bottom up approach to ensure ownership by communities and sustainability of the infrastructures
Extreme weather event or disasters may impact the programme through the destruction of crops or infrastructures	M	Measures will be taken to encourage sustainable agricultural practices (varieties tolerant to floods, drought, soil conservation techniques). Technical specifications for infrastructure construction.
Weak capacity of local groups	M	Careful selection of implementing partners

including Government, civil society organisations, women groups and poor sustainability of cooperatives		and flexibility in funding modalities. Building the capacities of the communities, national and local institutions focussing on women groups, cooperatives and farmers groups, including on sustainability aspects.
The Government's constructive cooperation with development partners deteriorates because they are seen as interfering in domestic affairs	M	Government led leadership and coordination in all policy-making mechanisms and structures will be emphasized at all times
Assumptions <ul style="list-style-type: none"> • Political and economic situation allows for the implementation of the activities in a flexible way. • Sufficient flexibility to adapt to emerging needs and mitigate emerging risks. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Based on the long EU experience in working in Mindanao, the lessons learnt are as follows:

(1) Investments and support to conflict affected areas where the presence of the Government is not fully accepted or is weak, should be increased to have more impact: International experience suggests that breaking cycles of violence in areas affected by conflict requires legitimate institutions that can deliver security for citizens, justice and jobs. Achieving this will take a massive investment over an extended period to help conflict-affected and underdeveloped areas bridge the development gap and catch-up with the rest of the country.

(2) Provision of livelihood support and service delivery is essential: The community-driven development (CDD) approach applied by the World Bank in the Mindanao Trust Fund has proven to be a successful model for delivering community development and for engaging citizens and in particular women in the process for social cohesion, peace-building and promotion of inclusive growth. The CDD approach promotes community participation and empowerment where communities themselves identify the problems and the corresponding solutions.

(3) Flexibility is important: donors and implementing agencies alike must ensure that projects can be easily adapted to changing political circumstances and situations on the ground as the security environment is extremely volatile. They must be able to respond quickly at key political moments to fill spaces while other structures are negotiated and to revise objectives and methodologies as the situation evolve.

(4) The lack of jobs contributes to insecurity, promotes radicalisation and needs to be quickly addressed. Based on the Mindanao Jobs Report, it is clear that Mindanao has an enormous jobs challenge (4.3 million jobs needed in the next 7 years) and creating jobs is a daunting challenge given the large share of informal workers and migration in the region. Since Mindanao's economy is driven by the agriculture value chain, the focus on jobs should be particularly in the agriculture sector. While cities are the engine of growth and can pull up the rest of Mindanao, there is a lack of opportunity in these areas due to jobs and skills mismatch and discrimination among Moros and indigenous peoples in urban jobs.

(5) The gender perspective is key and the programme will seek to build complementarities with the partner organisations. The EU funded project entitled "Enhancing the resilience of internally displaced persons in central Mindanao by strengthening livelihoods", implemented from 2012 to 2014, has shown that women can benefit a great deal from intensification of small mixed farming, organic production and fish farming. They have experienced a 60 to 70% increase in revenue per household, children have been encouraged to go to school and the unity within communities has improved.

Finally, there is a need to increase the visibility of the EU by adopting a comprehensive and coordinated approach to Mindanao and maximising opportunities for jointly working with EU Member States and other donors.

3.2 Complementarity, synergy and donor coordination

Mindanao is a priority area for numerous donors and development actors. The wide range of projects/programmes implemented or planned by other development partners includes the following:

Japan, through the Japan International Cooperation Agency (JICA), is very active in the region and the only donor with its own Project Management Unit based in Cotabato City. JICA presence is clearly identifiable with numerous programmes on poverty reduction, sustainable economic growth aimed at creating employment opportunities and peace and stability. The flagship programme of JICA on peace and stability is the Comprehensive Capacity Development Programme for the Bangsamoro and ARMM, which is meant to capacitate Bangsamoro stakeholders towards establishment of the Bangsamoro Transition Authority.

The Asian Development Bank (ADB) will continue to be active in Mindanao with a USD 100 million programme for regional development in South and Central Mindanao. The programme, coordinated with MinDA/ARMM/BDA¹⁰, aims at increasing local revenue generation, building financial and management capacities and ensuring better land use planning of the local administrations (LGUs, BDA, ARMM, MinDA) and should be approved in 2019. In addition, ADB's on-going programmes include a USD 380 million loan for the Mindanao Road Sector Programme and a loan for an infrastructure preparation facility. Finally, the ADB has provided a grant of USD 8 million for support in Marawi and is studying the possibility of an additional loan for the rehabilitation of Marawi.

The World Bank is negotiating a USD 250 million loan for the HARVEST Programme, co-financed by JICA. The purpose is to give agribusiness (SMEs and larger companies) access to cheaper credit through bank guarantee to the Land Bank of the Philippines. The loan is not yet signed as the Department of Finance (DoF) wants to review the design. The World Bank is also designing the Inclusive Partnerships for Agricultural Competitiveness (IPAC, USD 231 million), which has a nationwide coverage, but a strong focus on Mindanao. The loan is under negotiation, and could have a strong synergy with this action. The World Bank is active nationwide with a particular focus on Mindanao also through the Philippines Rural Development Programme. PRDP constitutes of USD 671.3 million loan financing from the World Bank, amounting to around 75% of total project costs along with a GEF¹¹ grant of USD 7 million. Counterpart funding of USD 163.34 million is financed by the Government

¹⁰ BDA: Bangsamoro Development Authority

¹¹ GEF: Global Environment Facility

through the Department of Agriculture, LGUs, and the private sector. PRDP provides a major engagement in supporting institutional reform and promoting growth in the rural economy. The project has a strong component on cooperatives, farmers' associations and a provision for small infrastructures in rural areas. Given the success of this programme, and the need for more small rural infrastructures. PRDP is very effective in delivering small rural infrastructure nationwide through a strong institutional set up, but it is lagging behind for Mindanao where 30% of the funds should be spent. The main issues are linked to the insufficient local capacities of the LGUs in conflict affected areas. PRDP shows real complementarity with the intended EU programme and synergies¹² could be established notably where additional support would be needed in conflict affected areas. Furthermore, following its mid-term review exercise, World Bank is committed to continue promoting private sector development and job creation and to scaling-up support in Mindanao, with a specific programme. The World Bank is also implementing several other nationwide projects with activities in Mindanao, and preparing a comprehensive programme for regional development in Mindanao, which should include an inclusive agriculture development project, a teacher effectiveness and competencies enhancement project and a customs modernisation and trade facilitation project, for a total amount of USD 450 million.

The Australia funded Basic Education Assistance for Muslim Mindanao (BEAM-ARMM) programme contributes to the alleviation of poverty in ARMM and, in the longer term, to the emergence of sustainable peace in the region through closely targeted investments in basic education and skills training of Out-of-School Youth (OSY) and senior high school students that prepare ARMM to engage productively with economic opportunities as they arise. The programme's strategic objectives are to increase access, participation, and completion rates in basic education and develop employment related skills for senior levels of secondary school and for out-of-school youth. This action should develop synergies and complementarities with BEAM-ARMM, in particular in assisting the youth to be trained.

The UN System in the Philippines is providing humanitarian and development assistance in many parts of Mindanao. With regard to the GPH-MILF peace process, the UN and the World Bank worked together under the Facility for Advisory Support for Transition Capacities (FASTRAC), which provided on-demand access to a pool of experts, training, capacity-building, policy advice, research and international exchanges. UNDP has implemented a number of EU projects in Mindanao related to the rehabilitation of IDPs and in support of the development of MNLF communities.

Due to the presence of many donors in Mindanao, the Government has instituted a government-led donor coordination mechanism called the Mindanao Working Group which is chaired by MinDA and the World Bank. The significant roles played by MinDA and the World Bank in the action will ensure synergy and coordination with other programmes and projects implemented by other organisations in Mindanao. Specific gender issues are tackled in the ODA-GAD network¹³ where EU is a member and Government regularly participates.

EU support to the peace process (2017-2018)

¹² Notably by using WB well established procedures to gender sensitive approach to communities, in designing infrastructures.

¹³ ODA-GAD network: a forum of gender and development (GAD) program officers in official development assistance (ODA) agencies (multi-lateral, bilateral and international NGOs) in the Philippines

Over the last 8 years, the EU has been a key actor in support of the peace process in Mindanao, particularly through the Instrument for Stability (IfS) and the Instrument contributing to Stability and Peace (IcSP). The current IcSP programme “Supporting the resilience of the Mindanao Peace Process” (EUR 7.1 million) was approved in June 2018, with an implementation period of 24 months. Its overall objective is to foster a more resilient Mindanao peace process that can withstand the continuous and diverse challenges, with a view of re-establishing the essential conditions necessary for the effective implementation of the Union’s external cooperation policies. Its specific objectives are: 1) Conflicts prevented, diffused tensions and reduction of casualties in Bangsamoro, and 2) Enhanced participatory mechanisms, mutual confidence and social cohesion with Mindanao’s diverse population. In 2018, PRISM has carried out two Bangsamoro peace process support design missions.

EU support to development in Mindanao

The main mechanism used by the EU to support long-term development in Mindanao is the World Bank administered multi-donor Mindanao Trust Fund (MTF), which focuses on assisting the socio-economic recovery of conflict-affected areas in the Bangsamoro core territories. The EU, together with Sweden, is the biggest contributor to the trust fund by providing almost 80%. The MTF was established in 2005. By mid-2017, nearly 690,000 people in 316 conflict-affected areas have benefited from 573 community infrastructure and livelihood sub-projects. Many beneficiaries reported increased economic opportunities, improved access to basic services, enhanced capacities to manage development actions and stronger social unity among diverse groups. The fund is scheduled to run until 30 June 2019.¹⁴

Additionally, the EU is also supporting various projects in Mindanao implemented by civil society organisations related to health, local governance, social enterprises and human rights.

Three EU Member States have bilateral development cooperation targeting Mindanao. The Italian Cooperation is financing a EUR 25 million project in ARMM on agrarian reform and sustainable land use. The project is experiencing some operational and institutional difficulties. Germany is financing a successful programme called COSERAM (Conflict Sensitive Resource Management), implemented by GIZ, which has developed innovative approaches on development planning, land management and conflict resolution¹⁵ in Mindanao that may be replicated. Spain is involved in the justice and human rights sector in coordination with the EU justice and policy programmes. The on-going EU regional support to farmers organisations (EUR 15 million) implemented by the International Fund for Agricultural Development (IFAD) provides also a platform to work with ASEAN and EU agricultural cooperatives.

Mindanao has been identified as a potential area for joint programming initiatives with EU Member States as well as improved coordination for policy dialogue with GPH through the reactivation of the Mindanao Working Group involving all stakeholders and development partners. The strengths and comparative advantages of the different partners will be used to maximise synergies and avoid duplications.

¹⁴ This will allow a bridging period between MTF and MINPAD which should gradually take over without overlapping on the activities.

¹⁵ Using gender sensitive approaches

3.3 Cross-cutting issues

The action will focus on the factors of exclusion such as economic and political rights as well as access to ancestral land and recognition of cultural heritage. IDPs represent the most vulnerable group in the conflict-affected areas as they were already poverty-stricken prior to the occurrence of the conflict. The action will prioritise support for IDPs who have either returned or resettled by targeting communities that have a high number of IDPs. Recognizing the importance of gender responsiveness, the action will make a conscious effort to include women in conflict mediation and community resilience, development planning, identification of community priority needs and as beneficiaries, especially by providing economic opportunities for women. For instance, women will be particularly targeted as key resource person in knowledge farming for disseminating sustainable agriculture and agro-processing practices. They will be entrusted with the treatment of seeds, the management of nurseries, community gardening and animal husbandry. Women groups will be specifically targeted through the cooperatives capacity building component. The Programme will ensure that infrastructures and the creation of an enabling environment on land tenure include gender sensitive approaches. A regional federation of women in cooperatives is acting as an advocacy organisation on the situation of women in economic development and is providing gender sensitivity sessions and skills training in handicraft. In terms of peace-building, women participation will be ensured in social mobilisation, building trust and confidence among various groups and greater involvement in peace dialogues and consultations.

The concerns, rights and welfare of indigenous peoples will be promoted through inclusive and culture-sensitive participatory planning at all levels. Disaster risk reduction (DRR) and management is necessary, as many communities in Mindanao have been affected by both natural and man-made calamities. The occurrence of destructive typhoons and droughts has increased over the past years leaving thousands of families affected. The action builds on lessons learnt on cross-cutting issues from the Mindanao Trust Fund as well as other development partner programmes implemented in Mindanao and it will mainstream specific support for vulnerable populations (women, IPs, IDPs, ex-combatants), ensuring that these groups have a meaningful participation in the decision making process and receive tangible benefits. The action will apply DRR management principles and guidelines on climate change principles and approaches in order to increase the resilience of these groups with respect to agriculture practices, value chain approaches, and infrastructure design. Public-Private Partnerships will be promoted following the adoption of corporate social responsibility values by private sector stakeholders who decide to assist cooperatives in accessing markets and acquiring services. Sound environmental management practices, green growth through the adoption of renewable energy technologies, techniques for adapting to climate change¹⁶ will be followed with regards to farming and fishing practices, which will include soil and water management techniques or appropriate regulations on fishing techniques. Cross-cutting issues could be addressed through the support to civil society, which can play a major role in improving governance in the region by being able to act as a watchdog. This support could be reinforced to ensure that Corporate Social Responsibility regulations on fair labour, rights of minorities, empowerment of women, ban of child labour, environmental friendly practices are adhered to by cooperatives, plantations and cash-for work programmes.

¹⁶ Notably introduction of crop varieties tolerant to long drought, as it is the long term weather pattern in Mindanao, and crop rotation techniques to diversify the risks.

4. DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the action is to contribute to a peaceful, cohesive, secure and inclusively developed Mindanao.

The specific objective is: Improved social cohesion and resiliency of communities and increased economic opportunities in Mindanao.

The expected results are:

- Result (output) 1: Improved capacities and confidence of diverse groups to participate in the peace process mechanisms and confidence-building among diverse groups, including expansion of networks for dialogue and mediation, as well as early recovery, relief and rehabilitation from immediate effects of conflict;
- Result (output) 2: Strengthened capacities of agriculture cooperatives for better service delivery and creation of an enabling environment for the private sector;
- Result (output) 3: Improved community based socio-economic infrastructure providing basic economic and social services to communities.

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDGs 1 (No Poverty), 2 (No Hunger) and 10 (Reduction of Inequalities), but also promotes progress towards SDGs 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production) and 16 (Peace, Justice and Strong Institutions). This does not imply a commitment by the country benefiting from this programme.

4.2 Main activities

The indicative activities are¹⁷:

Result 1: Improved capacities and confidence of diverse groups to participate in the peace process mechanisms and confidence-building among diverse groups, including expansion of networks for dialogue and mediation, as well as early recovery, relief and rehabilitation from immediate effects of conflict

(1) Assistance to prepare Transformation Plans for the acknowledged MILF Camps. The Transformation Plan would help to scale up the community-based assistance provided so far in the Camps, aiming towards genuine transformation of the Camps into zones of peace and productivity; this will include conduct of community meetings, joint participatory planning among various groups and identification of priority needs across sector;

(2) Support to the transition to the Bangsamoro by building capacity in the ranks of the MILF/MNLF and other rebel groups on development planning, budgeting and delivery of basic services for the poor. Skills and knowledge acquired by senior MILF/MNLF personnel is expected to equip them for anticipated roles in the Bangsamoro Transition Authority and Bangsamoro government thereafter;

(3) Enhance community resilience and early recovery through delivery of basic services, livelihood support and civilian protection as to offer quick and tangible peace dividends in conflict affected areas;

¹⁷ Result 1 is aligned with component 1, while Results 2 and 3 are aligned with component 2 as per chapter 1.1.3

(4) Support to Peace Process mechanisms foreseen in the Peace Agreements deputised to the monitoring of the ceasefire, of the implementation of the peace accords, to the implementation of the demobilisation of combatants and the transitioning of the Moros and other rebel groups from revolutionary to civilian movements; strengthening of functional local mechanisms for conflict-prevention, management and resolution; strengthening capacities and competence in mediating conflict; monitoring of the implementation of the CAB through means agreed by the 2 parties;

(5) Improve mediation and multi-convergence approach through inter-community, inter religious and community-local government's dialogue and mediation in order to counter violent extremism and youth radicalisation.

Result 2: Strengthened capacities of agricultural cooperatives for better service delivery and creation of an enabling environment for the private sector.

By setting up a programme to support cooperatives in their development and in the diversification of the services to their members, many jobs will be created by opening new market outlets. Support will include:

1) Institutional Strengthening of the Cooperative Development Authority and of selected cooperatives

A training programme will be provided to cooperatives with the assistance from federations, local consultants, the private sector¹⁸, civil society or universities from the region and beyond. The cooperatives that will benefit from the programme will be identified through a clear set of criteria including gender sensitive issues, with the help of the regional Cooperative Development Authority and the Philippines Federation of Cooperatives. The training programme will build on ongoing coop training programmes and include improved management systems, planning, marketing, risk mitigation strategies and business plan to access bank credits or identify possible co-investors or government grants¹⁹. In this way, sustainable self-help organisations will be reinforced and SMEs that are market respondent will be encouraged through concrete linkages with buyers.

2) Promoting investment and partnership for value addition and increased productivity

The action will contribute to optimise productive investments such as irrigation, planting and post-harvest facilities. Cooperatives are in an ideal position to provide mechanisms for credit guarantee or collateral to farmers. The support will take the form of capacity building, and will assist cooperatives in acquiring the needed equipment for adding value projects. Stronger cooperatives with well-trained members are in an ideal position to partner with buyers and investors willing to do business in Mindanao, for improving quality, ensuring traceability and quality management, as well as procuring volumes. Information should be made available to ensure that mutually beneficial linkages between cooperatives and buyers or investors are made. This will include linking with industrial buyers, institutional buyers, or other forms of markets and support in quality management and marketing, in particular for niche marketing, potential Geographical Indications²⁰, and other voluntary standards, such as fair-trade, organic or halal.

¹⁸ Important locally implanted private stakeholders have already shown a marked interest

¹⁹ Government has already pledged 45 billion pesos investment for Mindanao. An Islamic Investment fund is going to be channelled for cooperatives investment into the Cooperative Development Authority of ARMM

²⁰ Such as Sulu Coffee, Bajao mats, Yakan woven products

3) Promote climate change adaptation

The capacity building programme will include smart agriculture topics in order to better prepare communities to cope with the frequency of extreme weather events and the associated losses of crops. In particular, best farming practices (crop rotation, agro-forestry, soil protection and sloping agricultural land technology, direct sowing, crop diversification) will be disseminated to mitigate the risks. Technology transfer will be promoted through the International Rice Research Institute (IRRI) available models to increase the resilience of farmers in rice farming but also associated crops for staple food. Fish farming communities will be taught how to protect their farms with mangroves plantation techniques. The action will contribute to the Nationally Determined Contribution targets of the Philippines.

4) Improvement of governance on land tenure

The action will strive to create an enabling environment for private sector development through policies advice at a local and national level. The insecurity of land tenure is a major obstacle to investments and growth. There is a need for proper mapping and technical support to clarify land tenure issues and resolve conflicts in line with the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forest in the context of national food security (FAO) which is now adopted by the EU. This will require strong political will to resolve issues through a legal lens, capacity building of local government, alternative dispute resolution mechanisms, public awareness raising and transparency mechanisms. Cooperatives may also play a role in assisting farmers securing their land titles. The programme will improve the cadastral database management system and will conduct capacity building of LGUs, DENR, DA and other agencies concerned and will undertake policy studies essential in the formulation of regulatory frameworks for efficient land administration systems. The programme will ensure that the role of women is taken into account in the decision making process for land conflict resolution as traditionally women are denied to land ownership in the ARMM. The various cultural minorities and IPs will be supported to develop their ancestral lands into integrated and ecosystems economic activities.

Result 3: Improved community-based socio-economic infrastructure providing basic economic and social services to communities

The action will support the improvement of social and public small infrastructures that will improve market access and encourage investments. The programme will concentrate its efforts on irrigation, trading posts and markets, access roads, fish landing and storage facilities, and access to basic social services and clean water and sanitation for communities and in particular for women. It will prioritise infrastructures that have undergone a value chain analysis and gender sensitive approaches undertaken with the involvement of selected cooperatives. The participatory approach to public infrastructures will include community based planning and budgeting with technical advice from experts; community contracting through cash for work procedures and local procurement undertaken by LGUs, cooperatives or community associations; and the involvement of the communities for monitoring, following up on transparency and accountability measures and ensuring the proper maintenance of the infrastructures. The LGUs will have a major role in the planning, budgeting, procurement and contract work oversight to provide check and balance. Local authorities have recommended cash for work programmes particularly among the youth, in the maintenance of public facilities, including roads, canals, irrigation facilities, school buildings and premises, health centres and premises. Upscaling the implementation of the participative approach in delivering basic infrastructure facilities to the community will

provide hundreds if not thousands of jobs to youth and to ex-combatants. Climate proofing interventions in line with the Philippines standards for Public Procurement will be applied to the design and construction of infrastructures. Infrastructure must be designed to be resistant to damage like severe water runoff. Roads can be adapted to climate change through good drainage structures, while irrigation schemes must be equipped with headworks canals and control structures.

The indicative activities include the following:

- Infrastructure identification, prioritisation and validation under participatory approaches;
- Infrastructure design, review and approval, under environment and gender safeguards;
- Infrastructure procurement and implementation
- Infrastructure delivery and maintenance schemes

4.3 Intervention logic

The action will support the Strategic Framework for Mindanao Peace and Development through: i) enhancing the communities and local authorities' resilience and recovery from immediate after effects of conflict and supporting peace through the normalisation process including implementation of signed peace agreements; and ii) concrete interventions in agriculture and social service delivery that will help to promote the living conditions and livelihoods of communities and in particular of women. The action is an integrated and strategic intervention, which should foster the political buy in of the Government as well as foster good coordination among Development Partners, the private sector and civil society, while ensuring high visibility for the EU. A mix of implementation modalities (indirect management with international organisations, call for proposals and procurement of services) will allow for coherent and effective aid to the emerging needs of the peace process plus rapid and flexible delivery, while promoting good coordination with other funding flows.

5. IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a Financing Agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Grants: call for proposals (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The objectives will be to implement the activities of the programme under result 1 Improved capacities and confidence of diverse groups to participate in the peace process mechanisms

(b) Eligibility conditions

In order to be eligible for a grant, the applicant must:

- be a legal person,
- be non-profit-making;
- be a specific type of organisation such as: non-governmental organisation, public sector operator, local authority, international (inter-governmental) organisation;
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary.

Participation shall be open to the above mentioned entities, which are established in an eligible country for funding under the DCI Regulation, as stipulated in Article 9 of the Common Implementing Regulation (CIR).

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant will range from EUR 1 million to EUR 4.5 million and the grants may be awarded to sole beneficiaries (mono-beneficiaries) and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grants (their implementation period) is 48 months.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution for the call is EUR 11 million.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 95% of the eligible costs of the action.

If full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

The call shall indicatively be launched within the first year (4th quarter) of implementation.

5.3.2 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical assistance, procurement ²¹	Services,		

²¹ In case it should not prove possible to work in indirect management with the entrusted entities specified in 5.3.3, 5.3.4 and 5.3.5. Number of contracts cannot be estimated at this stage.

	Supplies		
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5.3.3 Indirect management with an international organisation

A part of this action may be implemented in **indirect management with UNDP**. This implementation entails support to the achievement of Result 1 for an amount of EUR 4 million. This implementation is justified because a financing facility is planned to be established by the Government with UNDP as funds administrator. UNDP has been selected by Government to be the funds administrator given its known expertise in implementing peace agreements and ability to receive and implement funds from Government. The facility includes two tiers of governance structure and a financial architecture with multiple trust funds and implementation modalities as foreseen in the Peace Agreements. While directly aimed at implementing the Peace Agreements clause on establishing a Normalisation Trust Fund (BNTF) and a Development Assistance Trust Fund (BDAF), the facility intends to more broadly promote integrated, cross-cutting initiatives tightly linked to the national frameworks and plans. The facility is a Philippine led mechanism able to receive and blend government and development partners' contributions to foster coherence and alignment of national and international support. The indicative co-financing portion from the Development Partners is valued at EUR 10 million.

The facility considers 4 modalities of implementation: 1. United Nations agencies; 2. National entities; 3. Non-government entities (civil society among others); and 4. World Bank. This architecture allows the implementing entities to operate under a common structure of governance, but based on their distinct policies and procedures.

The entrusted entity would carry out the following tasks: procurement and grant award procedures, and awarding, signing and executing the resulting procurement contracts and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in sections 5.3.1. and 5.3.2.

5.3.4 Indirect management with an international organisation

A part of this action may be implemented in **indirect management with the World Bank**. This implementation entails support to the achievement of Result 3 for a total amount of EUR 20 million as recommended by the project formulation study. This implementation is justified as the World Bank has extensive experience covering Mindanao with some current or future operations (MTF, PRDP, HARVEST, IPAC and a larger Mindanao wide approach planned for 2019). The World Bank Group will scale up its support for peace-building and development in Mindanao as part of the midterm adjustment of its country partnership strategy. This scaled-up programme for the entire Mindanao will focus on supporting the government's programme to raise agricultural productivity and improve connectivity from farm to market; boost education, skills, and employability of the youth; and help build resilient communities. Discussions have shown a deep interest of the World Bank to be associated with this action. The EU support portion will complement the PRDP programme for its small infrastructure component operating in Mindanao. The EU funding will assist in building the local capacities to design and deliver small infrastructures and will allow to leverage considerable funding from the World Bank loan. Some USD 40 million will be leveraged out of the PRDP loan (USD 170 million) and be used specifically for Mindanao to cover the needs in infrastructure on conflict-affected areas. Two additional top up loans for a total of USD 300 million have been requested by the GPH and should be negotiated in the

next two years. MINPAD will enable to attract 30% (USD 90 million) of this top up exclusively for Mindanao. When this materialises, the total amounts leveraged specifically for Mindanao will then be USD 130 million.

The entrusted entity would carry out the following tasks: infrastructure identification, design review and approval, procurement, implementation and delivery.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in sections 5.3.1. and 5.3.2.

5.3.5 Indirect management with an EU Member State Agency

A part of this action (under result 2) may be implemented in **indirect management with GIZ**. This implementation entails support to the achievement of Result 2 for a total amount of EUR 15 million as recommended by the project formulation study. This implementation is justified because GIZ is actively involved in peace and development as well as poverty reduction programmes in the Philippines with a focus on Mindanao and has developed a considerable degree of expertise in the fields of support to cooperatives, institutional supports in the fields of land use planning and mapping, improvement and sustainability of value chains. The EU support will be co-financed by GIZ (EUR 4 million).

The entrusted entity would carry out the following tasks: procurement and grant award procedures, and awarding, signing and executing the resulting procurement contracts and grant contracts, notably accepting deliverables, carrying out payments and recovering the funds unduly paid.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management in accordance with the implementation modalities identified in sections 5.3.1. and 5.3.2.

5.3.6 Changes from indirect to direct management mode due to exceptional circumstances

In case it should not prove possible to work in indirect management with the entrusted entities specified in 5.3.3, 5.3.4 and 5.3.5, due to circumstances outside of the Commission's control, those parts of this action may be implemented in direct management in accordance with implementation modalities identified in sections 5.3.1. and 5.3.2 (calls for proposals and procurement of services or supplies).

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in	Indicative third party

	EUR)	contribution, in currency identified
5.3.1 Grants: Call for proposals in support of peace processes and early recovery, relief and rehabilitation (direct management)	11 000 000	600 000
5.3.2 Procurement (direct management) ²²		
5.3.3 Indirect Management with UNDP (Mindanao Peace and Development Multi-Donor Financing Facility)	4 000 000	10 000 000
5.3.4 Indirect Management with World Bank	20 000 000	110 000 000 ²³
5.3.5 Indirect Management with GIZ	15 000 000	4 000 000
5.8 Evaluation and 5.9 Audit	550 000	
Communication and visibility	200 000	
Contingencies ²⁴	4 250 000	
Totals	55 000 000	124 600 000

5.6 Organisational set-up and responsibilities

5.6.1 Component 1: Support for Peace and Development through the Mindanao Peace and Development Multi-Donor Financing Facility

The establishment of umbrella multi-donor facility provides a direct and harmonised support to the BNTF, BDAF and a comprehensive peace-building programme. The facility intends to reduce fragmentation and improve effectiveness by acting as a centre of gravity for alignment of national and international investment in the peace processes in Mindanao. The establishment of the new mechanism shall guarantee that external support will eventually develop the financial and management capacity and increase accountability. The mechanism will be light and efficiently administered by a single Fund Manager with a transparent fee structure, a clear definition of functions avoiding overlap or duplication in decision processes, flexibility to earmark contributions and full transparency on fund allocation and execution.

²² Please refer to footnote 17

²³ USD 130 million converted in EUR

²⁴ 7.7% contingencies are set aside to keep flexibility between the budget line allocations and allow for unforeseen events in the difficult context of Mindanao

5.6.2 Component 2: Support to Inclusive Economic Growth and Job Creation

A Programme Steering Committee where the EU will be a full member shall be set up to oversee and validate the direction and policy of the project. The PSC shall meet twice a year at a minimum. Furthermore, separate Steering Committees will monitor and steer the execution of the two components of the Programme.

5.7 Performance monitoring and reporting

Due to the different institutional set up of the component 1 and 2, a separate performance monitoring and reporting is to be maintained.

5.7.1 Mindanao Peace and Development Multi-donor Financing Facility

Continuous monitoring, evaluation is coordinated by the Secretariat. The Secretariat consolidates the information received from implementers through a results-based management system. The CSO/NGOs involved and UNDP will adjust their performance monitoring tools to allow for accountability on the programme activities aiming to achieve gender equality. This system gathers performance data at the level of outcomes and outputs, linking program-related and financial result indicators to enable the evaluation of both efficiency and effectiveness of the fund. All implementing entities will carry out annual and final reports on activities and expenditures according to a common format designed for the facility. OPAPP as Chair and MinDA as member of the facility board are closely associated in performance monitoring and reporting. MinDA as the Chair of the Mindanao Working Group will ensure that performance of activities under the facility will promote synergy with other actions in Mindanao.

5.7.2 Support to Inclusive Economic Growth and Job Creation

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities (GIZ, WB). To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using sex disaggregated data and the logframe matrix (for project modality). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to launching a second phase of the programme.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action is responding to a comprehensive framework for Mindanao peace and development.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 2020 and 2022.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services shall be concluded under a framework contract in 2020 (mid-term) and 2022 (final audit).

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, under the modalities described in section 5.3. to be elaborated at the start of implementation. It is foreseen that a contract for communication and visibility for a maximum amount of 200 000 EUR may be contracted in 2020.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines ²⁵ (incl. reference year)	Targets ²⁶ (By 2022)	Sources and means of verification	Assumptions & risks
Overall objective: Impact	To contribute to a peaceful, cohesive, secure and inclusively developed Mindanao	Number of people living in poverty Number of violent incidents involving insurgent armed groups (muslim Mindanao) Number of land disputes and occurrences of <i>Rido</i> (Muslim Mindanao)	48% (2015) Mindanao 4304 incidents (2016) 350 (2016)	40% 0 incidents Reduction of 50%	PSA Conflict Alert (NGO) PNP reports	
Specific Objective: Outcome(s)	Improved social cohesion and resiliency of communities and increased economic opportunities in Mindanao	Number of farming family incomes; number of income share held by women Number of cultivated area for farming Number of people	Lowest recorded annual income PHP 35,000 (Maguindanao) 533,410 ha (2012) 840,000 (2013)	Doubling of lowest income to PHP 70,000 600,000 ha 950,000 in total	Annex 1 to the Identification report PSA PSA	Approval of the programme by OPAPP, NEDA and regional ARMM authorities Land tenure and poor management may affect the increase of cultivated lands

²⁵ The baseline data will be updated by the different Implementing Organisations once the project starts

²⁶ The mid term and final evaluations will collate all the data through the indicators and check the level of targets achievement as compared to the baseline data.

	Results chain	Indicators	Baselines ²⁵ (incl. reference year)	Targets ²⁶ (By 2022)	Sources and means of verification	Assumptions & risks
		employed in productive activities in agriculture, fisheries and forestry.	employed in agriculture, fisheries and forestry of which 190,000 women	250,000 women		and the good construction of infrastructure. Corruption may impact on the availability of land and on the sustainability of the infrastructures.
		Number of people employed in the construction and O&M of infrastructure	TBD (to be decided)	10,000 employed during construction and 1,500 during O&M	Project Completion and O&M monitoring Reports	Acceptance of participating groups
		Number of incidence of family violence against women	TBD		Project reports	Availability and willingness of community members to work on construction and O&M
		Number of marriage of child girl	TBD			
		Number of women employed and provided with economic opportunities	TBD	At least 50% of beneficiaries of economic opportunities are women		

Result 1

Improve capacities and confidence of diverse groups to participate in the peace process mechanisms	Number of communities with enhanced capacities to plan, implement and sustain initiatives on peace-building, conflict-transformation and conflict-prevention	65 ²⁷	At least 50% of communities covered have improved capacities	Project reports; Government records	
	Number of women participating in community meetings	TBD	At least 50% of attendees in community meetings are women	Project reports	
	Number of communities with functional local mechanisms for conflict-prevention, management and resolution	TBD	At least 75% of communities have functional local mechanisms	Project reports	
	Evidence of increased social cohesion among community members through number of community meetings conducted	206	At least 75% of communities covered have conducted at least 1 meeting and dialogue per year	Project reports	
	Evidence of increased competence in mediating conflict	TBD	At least 50% of communities covered have not experienced	Project reports	

Ending December 2015, MTF-RDP

		Number of IDPs due to armed conflict rehabilitated and returned to their communities (disaggregated by sex, gender, ethnicity, etc)	TBD	violent conflict in 1 year At least 75% of IDPs have been rehabilitated and returned to their communities	Project reports	
		Proportion individuals/households expressing satisfaction with government programs and services (by age, gender, ethnicity and other identity groups)	TBD	At least 75% of households/individuals have expressed satisfaction in government programs	Government records- e.g. DSWD	
		Proportion of women, youth, elderly people with special needs, religious groups, indigenous people and former combatants participating in conflict-resolution, culture of peace trainings, dialogues and interfaces	TBD	At least 75% of organised community groups are women, youth, indigenous peoples, elderly and other marginalised groups	Project reports; satisfaction survey	

<p>Strengthened capacities of agriculture cooperatives for better service delivery and creation of an enabling environment for the private sector.</p>	<p>A fully functional CDA-ARMM and municipal cooperative councils (MCC) with improved staffing and a complete, reliable and open database of cooperatives</p>	<p>25 permanent staff, 3 active MCCs, lack of information on 90% of the 5,400 registered cooperatives</p>	<p>At least 50 CDA-ARMM staff; 10 active MCCs; comprehensive information available on 100% of registered cooperatives</p>	<p>CDA reports CDA figures Cooperatives annual reports Cooperatives financial reports ARMM government annual report</p>	<p>Prevalence of strong political support to the cooperative movement</p>
	<p>Number of viable cooperatives and enterprises actively participating in value chains</p>	<p>162 large and medium enterprises</p>	<p>300 fully operational cooperatives</p>		
	<p>Number of cooperative members</p>	<p>191,650</p>	<p>+10% annually</p>		<p>Establishment of a legal framework for Islamic microfinance</p>
	<p>Number of investment and improved business portfolios of cooperatives in agricultural, forestry and fishery value chains</p>	<p>To be determined (out of the selected cooperatives)</p>	<p>+10% annually</p>		<p>Presence of clear funding mechanisms and guidelines to institute fast flow of funds</p>
	<p>Number of socio-economic programmes being implemented by and through collective organisations of ex-combatants, IPs, women and children</p>	<p>To be determined (out of the selected cooperatives)</p>	<p>1 per selected cooperative</p>		
	<p>% of seats held by</p>	<p>To be</p>	<p>At least to double</p>		

		women on Board of Cooperatives	determined (out of the selected cooperatives)	the % by the end of the programme		Acceptance by regional government of policy recommendations
		No. of Women and men who have secure tenure of land thank to EU support	TBD	+ 50%		
		Number of Farmers adopting climate smart agriculture techniques	10% of the farmers	50%		
Result 3	Improved community based socio-economic infrastructure providing basic economic and social services to communities	Number of quality project proposals developed and funds accessed by LGUs	ARMM Regional Medium-Term Plan Baseline on Infrastructure	238 quality project proposals prepared and submitted and EUR 33 million accessed by LGUs from various funding institutions	ARMM government annual report	Maintenance of peace and order
		Length of concrete farm-to-market roads (FMRs)	0	90 kilometres	WB PRDP report	Completion of infrastructure planning by the ARMM authorities
		No. of people with access to all seasons roads with EU support	To be determined at the project start	+ 50%	WB PRDP report	Enforcement of public procurement law to allow special consideration of community-based organisations and local employment
		Number of community-based potable water systems (Levels 1 and 2) constructed and sanitary systems established	0	50 units 75 sets	WB PRDP report	Presence of clear funding mechanisms and guidelines to institute fast flow of funds
						Availability of required LGU and community contributions
						Strict compliance of LGUs and communities with the

	Number of collective pre-and post- harvest facilities constructed (solar dryers and warehouses)	0	1,600 hectares	WB PRDP report	commitments agreed in the O&M arrangement
	Number of small-scale irrigation schemes restored and rehabilitated	0	50%	WB PRDP report	
	Proportion of population using an improved drinking water source and safely managed sanitation services (% of women)	37% have access to drinking water (2015, Muslim Mindanao) 22.5% have access to sanitary toilets	50%		