Peacebuilding and Human Security

A Compilation of Policy Assessment Papers on Peace and Development in Southern Philippines

UNDP
Philippines

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by
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INTRODUCTION

This publication contains a set of policy assessment papers produced by the United Nations Development Programme (UNDP) from 1999 to 2006, authored by Dr Paul Oquist, then the UNDP Senior Governance Advisor for Asia. Intended to provide independent policy advise towards strengthening Government's follow-through action and enhancing the UN response to Mindanao following the signing of the Peace Agreement between the Government of the Philippines and the Moro National Liberation Front (MNLF) in 1996, these papers examined key issues of peace, governance and development as the peace and development process evolved in the region, and influenced academic discourse and policy discussions on these critical issues.

From early assessments in 1999 and 2000 on the prospects and challenges for peace (Policy Papers 1 and 2), the papers went on to propose "win-win" solutions (Policy Paper 3) towards sustainable peace and development through the construction of effective autonomous institutions and an inclusive peace process with participatory interfaces among all key actors, including civil society and communities in areas of armed conflict. The fourth policy paper (September 2001) examines the window of opportunity for advancing the Southern Philippines peace process owing to the confluence of national and international factors (i.e, a new national government administration and growing international terrorism) at the time, warning that the critical policy inflection point then present could either lead to opportunities for long-term peace or to prolonged conflict with increasing political violence.

Dr. Oquist's independent papers provided well-received analyses of the peace and development situation in Mindanao, but it was the 5th policy assessment paper (October 2002) that established key conclusions on the peace and conflict dynamics in the Philippines, and continues to influence the national discourse on peace, governance and development. In this paper, Dr Oquist examines three competing policy positions that have led to the extreme protraction of the Philippine peace process: the "pacification position" (making political concessions to end armed hostilities); the "military position" (the use of military force to address the conflict), and the "institutional position" (adoption and implementation of policies necessary to achieve sustainable, long-term peace). In Dr Oquist's analysis, the dynamics among these positions have led to a situation of continuing peace processes with various non-state groups for over a quarter of a century, with none resulting in successful conclusion. In this same paper, Dr Oquist puts forward the need to move beyond a national security framework to a Human Security approach towards achieving a just and sustainable peace, and examines the critical role of civil society,

communities as well as the private sector towards broadening the social base and support necessary to construct long-term peace.

The 6th policy assessment paper (November 2006), co-authored by Dr Oquist with Ms Alma Evangelista of UNDP-Philippines, examines the state of peace, governance and development in Southern Philippines ten years after the signing of the 1996 GRP-MNLF Peace Agreement. Acknowledging the pitfalls and setbacks of the autonomy that was established following the Peace Agreement, the paper examines institutional platforms for peace and development, suggesting federalism as a major platform over the longer-term, even as autonomy as an existing institutional mechanism for peace is strengthened in the immediate term. The paper also examines the national peace-building context, and proposes actions that may be taken by a range of critical actors from grassroots peacebuilding to top-level policy making, to advance institutional transformation and peacebuilding in the face a perceived institutional crisis in the Philippines at the time of writing.

Given that peace and human security are the underlying theme in the policy assessment papers, included in this compilation is an undated paper by Dr Oquist on "Human Security Issues and Policy Options for the 21st Century", which expounds on the concept of Human Security and examines its critical interface with governance, peace and development.

The issues surfaced in the policy assessment paper series remain vital to the achievement of a just and durable peace for the Philippines, and the solutions advanced by Dr Oquist remain relevant to the current context of peace and development in the Philippines. As well, human security continues to be an important and central element in the overall configuration for peacebuilding in the Philippines.

It is hoped that this publication will help to inform continuing efforts to shape peace policy, serve as reference in academic discussions, and likewise inform individual and community initiatives towards peace and human security. UNDP-Philippines acknowledges with deep appreciation the contribution of Dr Paul Oquist, who now serves as Minister of National Policy in the government of Nicaragua, to the policy discourse and critical thinking on peace, development and human security in the Philippines.

PEACEBUILDING IN TIMES OF INSTITUTIONAL CRISIS
Ten Years of the GRP-MNLF Peace Agreement

(This paper was co-authored by Dr. Paul Oquist and Ms. Alma Evangelista of the Peace and Development Portfolio, UNDP Philippines)

BACKGROUND

Thirty years after the Tripoli Peace Agreement in 1976 and ten years after the Final Peace Agreement (FPA) signed between the Moro National Liberation Front (MNLF) and the Government of the Philippines (GRP) in 1996, the search for peace in the Southern Philippines remains inconclusive and complex. Indeed, the national conditions for advancing peace appear to have deteriorated considerably since 1996 when the FPA was signed. This has reached the point where there is general recognition in the Philippines of an institutional crisis. The credibility and stability of the most critical institutions in the land – the Presidency; the Supreme Court, the Legislature, the defense establishment, the justice system – have increasingly been put to test in the last few years, magnified in the continuing national discord and debate over the issue of constitutional change. That the basic law of the land itself is at the center of political uncertainty points to an institutional crisis, the solutions to which require vision and selflessness among national leaders; an informed, involved and vigilant citizenry, and credible consensus-building processes.

While this crisis dominates national politics, it is likewise manifest on the ground in insurgencies that have lasted over three decades, and in equally protracted peace processes to address them[2]. The inability of Filipino society and successive governments to achieve effective peace over such a protracted period of time is both conditioned by, and an indicator of, the institutional crisis that increasingly affects the nation. Even the spate of unexplained killings that beset the nation on an alarming basis is seen to reflect both institutional crisis and the inertia of the national peacebuilding process.

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[1] This paper was previously printed and circulated in November 2006, inadvertently identified as Policy Paper 7. It is correctly referred to as Policy Paper 6 in this publication.

[2] The Fifth Policy Assessment (October 2002) attributes the extreme protraction of the peace process to, among others, three competing policy positions: the "pacification position" (concessions to end open hostilities); the "military position" (the use of military force to address the conflict), and the "institutional position" (adoption and implementation of policies necessary to achieve sustainable, long-term peace). The dynamics among these positions have led to a situation of continuing peace processes with various rebel groups for over a quarter of a century, with none resulting in successful conclusion.

Effective peacebuilding at this time will require political will, broad consensus-building, flexibility and considerable resources on a sustained basis, all of which cannot be taken for granted in times of institutional crisis. At the same time, the search for solutions to the crisis, high on the national agenda at this point in time, represents the significant internal opportunity for reinvigorating the peace process. This is particularly true for the Southern Philippines peace process.

The most important external opportunity for the GRP-MNLF peace process represents renewed interest and signals of increasing commitment from the Organization of the Islamic Conference (OIC) in its role as observer of the 1996 FPA. This is reflected in the pertinent resolution of the Thirty-third Session of the Islamic Conference of Foreign Ministers held in Baku, Republic of Azerbaijan (19-21 June, 2006).[3] Article 5 of that resolution:

> "**Calls** for an urgent high level tripartite meeting between the OIC, the Government of the Republic of the Philippines (GRP) and the MNLF to be held in Jeddah as soon as practicable during 2006 to review the implementation of the 1996 Peace Agreement and make its assessment of the progress made and the obstacles facing its full implementation. The tripartite meeting is also mandated to draw up modalities for a new Joint Monitoring Committee to observe the implementation of the peace treaty and verify complaints in this regard and facilitate agreed solutions to such complaints."

The Baku meeting reviewed and endorsed (Article 3) the report of an OIC Fact Finding Mission to Southern Philippines led by Ambassador Sayed Kassem El-Masry, Advisor to the Secretary General, which he undertook together with the Ambassadors of the Member Countries of the Committee of 8 stationed in Manila. Informed by that report, Article 2 of the resolution:

> "**Calls** on both the Government of the Republic of the Philippines and the Moro National Liberation Front to preserve gains achieved since the signing of the Peace Agreement and **expresses** its concern over the stalled implementation of the commitments enshrined in the 1996 Agreement and the gap between the stands of the two concerned parties, the Government of the Republic of the Philippines and the Moro National Liberation Front, on the results achieved as to the Agreement's implementation."

Within this overall context, UNDP has produced this policy assessment paper as part of its continuing assessment series on the overall peace and development situation in Mindanao, with particular focus on the 1996 GRP-MNLF FPA which

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3 Resolution No. 2/33- MM On Question of Muslims in Southern Philippines.

marked its tenth anniversary on 2 September 2006. This paper is the seventh policy assessment on peace and development that UNDP has provided since 1999 through its Senior Governance Adviser for Asia. It is co-authored by the Assistant Resident Representative of UNDP Philippines in charge of the Peace and Development Portfolio. It is intended to complement a broader UN/UNDP study on 10 years of the FPA expected to be completed by end-December 2006, which can help inform the discussion among key actors and stakeholders of the peace process, as they assess ways by which to move forward towards full implementation of the Peace Agreement.

I. Ten Years of the Peace Process

This policy assessment prioritizes seven critical areas for the way forward and analyzes ten years of the Southern Philippines peace process in relation to them. These critical areas are:

1. GRP-MNLF Peace Process: Assessment at 10 years
2. GRP-MILF Peace Process
3. Combination of Peace Processes
4. Institutional Platforms for Peace
5. Charter Change and Peace
6. Resources for Peace: The Donors and Oil for Peace
7. Peacebuilding in Times of Institutional Crisis

Each of these 7 critical areas is now analyzed.

A. GRP-MNLF Peace Process

This section addresses expectations and perspectives as well as general appreciations and specific issues with regard to implementation of both the spirit and the letter of the 1996 FPA.

When the MNLF signed the FPA in 1996, perhaps farthest from its expectations was that in 10 years there would have been sporadic and at times acute encounters over the previous 5 years between the MNLF and the Armed Forces of the Philippines (AFP) in Jolo; that its top leader Nur Misuari would be under arrest facing charges; that its leaders and commanders would have been divided and have tense relations amongst themselves; that the GRP and MNLF would have different positions on FPA implementation; that formal GRP-MNLF mechanisms for negotiating and monitoring the full implementation of the FPA would have been rendered irrelevant, and that the main focus of the Southern Philippines peace process would be the negotiations between the GRP and the Moro Islamic Liberation Front (MILF). These are the surrealistic outcomes

of 10 years of the FPA for the MNLF rank and file who in varying degrees of demoralization are still waiting to live the full benefits of peace.

This state of affairs for the MNLF was partially brought upon itself, partially influenced by Manila, and partially the result of dynamics between the two that no one controlled.

The MNLF did not organizationally adapt to peace. It remained basically the same politico-military organization that it had been in the insurrection. It did not re-invent itself as a political party, non-governmental organization, or cooperative, or all of the above. There were two successive MNLF ARMM governors, Nur Misuari and Parouk Hussin, but they went through the ARMM leadership selection process generally perceived to be controlled or orchestrated from Manila, and thus did not go through regular competitive electoral politics.[4] During the Hussin administration the MNLF had only 1 of 27 seats in the Regional Legislative Assembly, that of MNLF Vice-Chair Hatimil Hassan. There are Peace and Development Communities (PDCs) of ex-combatants, support structures, and their families, some of which have eventually included their neighbors as well. These groups have received donor support, and many have been quite successful. The PDCs themselves are not articulated as a civil society organization or movement. The underlying structure remains the MNLF State Command.

There was a lack of political insertion of the MNLF as such. When MNLF members run for office they do so not as MNLF but as members of national political parties such as Lakas.[5] The political insertion of MNLF has depended on Manila, and that is a risky proposition in that governments come and go, policies change, and at any given moment in Manila there are different positions in the power structure on the Mindanao conflict and the peace process, ranging from peacebuilding doves to victory- position hawks. Neither the government nor the AFP is monolithic. High-level government officials in charge of negotiations point out that it is far easier to negotiate with the MNLF and the MILF than to return to Manila and get approvals from the full range of essential actors. A hawk alliance in sectors of government, Congress, AFP, and elected LGU officials in Mindanao can mobilize rapidly when a major decision is pending. It can also count on resonance

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[4] It is widely known that in a bid to consolidate peace with the MNLF following the signing of the FPA in 1996, Malacanang made sure that Misuari would run unopposed for the ARMM governorship. In the run-up to the plebiscite of 2001 to determine the coverage of the expanded ARMM, President Arroyo had anointed Cotabato City mayor and MNLF Secretary-General Muslimin Sema as Manila's candidate for the ARMM governorship. However, following a negative vote from Cotabato City to join the expanded ARMM, Sema was replaced by Parouk Hussin as Malacanang's candidate for ARMM governor.

[5] Other national liberations fronts have reinvented themselves as political parties in peacetime. This is the case of the Frente Farabundo Marti para la Liberación Nacional (FMLN) in El Salvador and the Frente Sandinista de Liberación Nacional (FSLN) in Nicaragua. Both are currently the principal opposition force in the legislatures of their respective countries and both have controlled the municipal governments of their capital cities.

in the national media and in public opinion, especially if there have been recent bombings or other atrocities.[6]

In a very real sense, the MNLF is a paradox: it has led the struggle for self-determination, yet it is in many ways politically dependent on Manila. Rightly or otherwise, Malacañang's hand continues to be seen as an insidious influence on the ongoing realignments within the organization. This may be seen as a function of the exclusive manner by which the 1996 FPA was negotiated and crafted. By not engaging a wider range of stakeholders in the peace process and by being dependent on the government for efforts at political mainstreaming, the MNLF – and the GRP – failed to create a wider constituency in support of the FPA. The consequences of this were evident in the minimal number of provinces that chose to be part of the ARMM, and in the eventual "easing out" of the MNLF from the leadership of the ARMM. The lack of a wider constituency in support of the GRP-MNLF peace process left the implementation of the agreement, including its monitoring, exclusively in the hands of the GRP and the MNLF and the OIC, and eventually served to deepen the rifts within the MNLF. In this light, healing and reconciliation processes within the organization remain vulnerable to the influence or political agenda of Malacañang.

The vulnerability of the MNLF depending on Manila for its political insertion was demonstrated early on, when the MNLF led by Misuari rejected RA9054, the plebiscite to approve it and expand the ARMM, as well as the subsequent ARMM elections. Misuari who had been put into ARMM by Manila was taken out by Manila. When the latter event was also accompanied by recognition by Manila of the Council of 15 as the leadership of the MNLF, a crisis situation was produced.[7]

The Fourth Policy Assessment analyzed the September, 2001 crisis as follows:

> "Management and leadership capacity should not be confused. After 30 years of a leadership role the Governor of ARMM certainly conserves some support and could find niche power positions from which to make himself heard."

The attempt to completely marginalize and exclude Misuari led to a violent reaction. The armed events of November, 2001 in Jolo and Zamboanga City by Misuari supporters, concurrent with ARMM elections opposed by Misuari, led to the incarceration of Misuari and initiated five years of sporadic MNLF-AFP

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[6] There is a low level of differentiation in public opinion between the different forces in Mindanao with "Moro Problem" summarizing everything that happens.

[7] This had a ripple effect on the MNLF command structure, such that in many cases, based on affiliation with Misuari or the Council of 15, there were, and continue to be, two or three state chairmen claiming leadership over a single jurisdiction.

encounters in Jolo. The Fifth Policy Assessment in March, 2002 analyzed that situation as follows:

> "What is known universally is that a stint in jail does not damage revolutionary leaders who frequently grow in stature under these circumstances[8]. Some observers think that the Nur Misuari faction is at the strongest at the grassroots and has the largest number of combatants. The prevailing frustrations in the MNLF at 'premature closure' of the peace process and the perceived marginalization of their organization could further strengthen the confrontationist, opposition position of the Misuari faction. Some observers affiliated with the MILF refer to the Nur Misuari faction as "the mainstream MNLF" (as the MNLF website controlled by Misuari is quick to point out).

The Council of 15 continued the dialogue with the GRP but did not accept RA9054 as the finalization of the Peace Agreement. It did continue to expect that the ARMM could serve as vehicle to implement the FPA, and that its leadership would continue to be in the hands of the MNLF. In the ARMM elections of August 2005, Manila initially declared ARMM a "free zone" where no candidate could claim to be the administration's choice. But it soon embarked on a screening process for the administration's candidate for the ARMM governorship based on a set of criteria that appeared to favor the MNLF.[9] A number of MNLF leaders are known to have sought anointment from Malacanang, but in the end, the selection committee, headed by then Presidential Adviser on the Peace Process Teresita Quintos-Deles with Moro political leaders as members, recommended Datu Zaldy Ampatuan of the political clan that also holds the governorship of Maguindanao province, as administration candidate for ARMM governor. In the August 2005 ARMM elections, Ampatuan was elected Governor by a 10 x 1 margin. This marked the return of traditional leadership over the ARMM, after two successive administrations under the MNLF. The Ampatuan clan is perceived to be close to the AFP and a valuable political ally of the President, and is seen to represent, along with other political clans, a counterweight to the MILF in its heartland province.

By February, 2006, the Council of 15 self-liquidated and recognized Nur Misuari as the undisputed leader of the MNLF. Mayor Muslimin Sema of Cotabato City said on the occasion:

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[8] The only thing better is martyrdom but the price of that is prohibitively high.

[9] The screening committee's criteria included: familiarity with the peace process; ability to work with national government's Congress and the Executive; ability to maintain peace and order in the ARMM; acceptability to the Organization of Islamic Conference; and leadership and managerial skills.

"Nur Misuari is indispensable in the search for peace in Mindanao and it is also the clamor of the Muslim people that Nur Misuari lead the MNLF again."

"All MNLF elemnts are one in saying that the implementation of the 1996 Peace Agreement is a farce and far from what was envisioned of it. It is now up to government whether to recognize the new MNLF and work together to bring peace and harmony, and development in Mindanao. We will work gradually again for peace and development."

"The first thing we will do now is to put the MNLF as one organization and remove all the problems that beset the MNLF organization, and get our act together and search for peace. We decided finally to bring back the MNLF again as one organization under one leadership."[10]

The repair of fissures, strained relationships and broken trust within the MNLF power structure will take some time and healing, particularly in relation to the reintegration of the Council of 15 into the mainstream MNLF power structure that had remained loyal to Nur Misuari in his incarceration. And while the loyalists must be assuaged, the healing process will require a leadership with the gargantuan will to overcome hurts and animosities, driven by the objective of unifying the organization and steering it towards a wider, more inclusive peace and development process, including significant MNLF participation in the strategic peacebuilding for Mindanao over the long term. Under current organizational circumstances, leadership in the MNLF will require the selfless attributes of statesmanship.

The MNLF also needs to define and consolidate its positions and policies on the peace process, with a time constraint being the GRP-MNLF-OIC Tripartite Review meeting scheduled to be held in late 2006 or early 2007. There is also a need to build on more formal relations with the GRP, taking off from the productive channel already established by Secretary Jesus Dureza of OPAPP, who is at the helm of a "catch-up" plan to fully implement the FPA. All of the above require one significant element: the release of Misuari from detention. At this juncture, the GRP-MNLF peace process cannot significantly advance without Misuari regaining his freedom.

A confluence of significant factors indicate the imperative for the GRP to free Misuari: the combined effect of the self-liquidation of the Council of 15; the reunification of the MNLF with Nur Misuari as the undisputed leader; OIC support for Misuari's release; OIC recognition of a "gap" between the parties and "stalled implementation", and the impending Jeddah Tripartite Meeting. If

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[10]Zamboanga City, SUN STAR, "Misuari Retakes MNLF Top Post", 28 February, 2006

Misuari was extradited from Malaysia and jailed due to national security interests of the GRP, it is now a national security interest of the GRP that he be released. No significant peace process with the MNLF is possible without his release, and relations with all of the foregoing supporters of his release would sour if it does not occur, including the OIC. Judicial procedures need to be expedited to the maximum to assure release as soon as possible. Even delayed release would have a cost in the run-up to Jeddah.

Short of a renegotiation of the FPA, the GRP also needs to reengage the MNLF in a renewed peace process. The position that Phase One of 1996 FPA has been completed is no longer viable. The non- acceptance of the other party, the MNLF, and the concerns of the observer, the OIC, as well as the 10-year review to be undertaken at the upcoming Tripartite Meeting make it imperative that these issues be addressed. In the end peace processes are political processes that have legal implications, not legal processes devoid of politics. The 1996 FPA cannot unilaterally be reduced to RA9054 passed by the Philippine Congress. Certainly the GRP must work within the framework of the Constitution and the laws, but where a specific law doesn't comply with the obligations assumed within the 1996 FPA, another solution should be found. At stake is the capacity to conclude peace, a human security issue of the first priority for the entire society. Also, a failed GRP-MNLF peace process would eventually lead to the failure of the MILF process as well.

The move by the GRP to introduce a "catch-up" implementation plan for the implementation of the FPA, and the reactivation of the Southern Philippines Development Authority (SPDA) to expedite this, could be an important step towards addressing long-standing issues in the implementation of the socio-economic aspects of the Agreement. Malacañang has publicly announced that the SPDA would serve as the vehicle through which the implementation of the 1996 FPA may finally be completed. Yet the agency's reactivation has been received by the general public with a mix of apprehension, indifference and dismissal, partly in light of the alleged corruption and ineptitude it had been previously associated with before it was deactivated by Executive fiat in 2002. It may also be recalled that discord and squabbling among the MNLF leaders assigned by Malacañang to take over the leadership of the agency was the final straw that led to its deactivation by the President. For the SPDA to become truly relevant and effective as a vehicle for the peace process, every effort is needed to ensure that it is responsive to shared interests and needs among the Mindanao population, and not be seen as catering to the political interests of a few. Even as it assumes the task of putting in place programs directly linked to the implementation of the socioeconomic provisions of the FPA, it must make sure that these are also responsive to the overall development challenges that face the Bangsamoro population. Specifically, it will need to move beyond being identified as the venue for the "pacification" or

"appeasement" of the MNLF, and transform into the peace-driven development agency that it may have the potential to become. On the other hand, should the SPDA fall short of the task it has been reactivated for, it may be necessary to create an MNLF development agency or a similar entity as a channel to implement within a definite timeframe relevant accords reached between GRP and MNLF in the future as an offshoot of the review of the implementation of the FPA, as well as between the donors and MNLF, unless MNLF feels comfortable with SPDA as a channel.

This possible option notwithstanding, there are two major opportunities for a renewal of GRP-MNLF engagement to take place on the basis of a mutually beneficial, forward looking agenda that would bring the parties together in partnership, rather than on the basis of a largely backward looking list of issues that would lead to mutual recriminations and adversarial positions in the negotiations. These opportunities are Charter Change and Oil for Peace, described in Sections 5 and 6 of this report.

The Second Assessment Report of May, 2000, identifies six risks to the viability of the peace process, among others:

1. An Organic Act that does NOT offer meaningful autonomy
2. Absolute or relative defeat in the plebiscite on the new ARMM
3. An ineffective new autonomous government
4. Insufficient government investment
5. Lack of citizen ownership
6. Spirals of violence by the hawks on both sides that lead to situations of anarchy

None of these issues can be fully eliminated as concerns in relation to the peace process at this point in time, and some require urgent action. In this light, three critical areas are next examined:

1. Fulfillment of Autonomy for Peace through ARMM
2. General Appreciation on Implementation of the 1996 FPA
3. Specific Issues related to Implementation of the 1996 FPA

1. Fulfillment of Autonomy for Peace through ARMM

With regard to perspectives, the most important relates to whether the most basic objective of the Peace Agreement has been fulfilled or not: that the MNLF forego the goal of independence from the Philippines and agree to autonomy for peace. However, there were design and execution flaws that have limited the realization of this objective. One of the principal institutional platforms for the

realization of autonomy for peace was a preexisting entity, the Autonomous Region for Muslim Mindanao (ARMM). It had been formed in the Marcos Administration as part of the implementation of the 1976 Tripoli Peace Agreement, but the MNLF rejected it and it was not until after the 1996 Peace Agreement that the leader of the MNLF became governor of ARMM. The other principal institutional platform of the peace process was the Southern Philippines Council for Peace and Development (SPCPD) that had authority in a Special Zone for Peace and Development (SZOPAD), both of which were transitory entities that ceased to exist after the GRP's promulgation of RA 9054 The abolition of SPCPD and SZOPAD left ARMM as the only institution representing "autonomy for Muslim Mindanao", but it has two fatal flaws in this regard: lack of political autonomy and lack of fiscal autonomy.

a. Lack of Political Autonomy

With regard to ARMM political processes, successful candidates for ARMM governor have always been selected in Manila before being elected in Mindanao. This is even to the extent that if one selection doesn't work for one reason or another a second replacement selection is then made in Manila. This has been the case in every ARMM election in every administration since the autonomous region was first established. In the presence of such consistency one may only conclude that this "hands-on" approach is an aspect of the prevailing national and regional political culture. Further confirmation of that hypothesis comes from the fact that within ARMM politics the real competition is over who gets the selection, not who wins the election which is a foregone conclusion. Within ARMM political circles this seems to be accepted as a political fact of life, and it is not the object of protest. Thus, this situation seems to have upsides for key political actors, or they are at least resigned to it. However, the institutional downsides for the citizenry include the lack of authentic:

- Participation
- Representation
- Transparency
- Accountability
- Responsiveness
- Legitimacy
- Leadership
- Political processes
- Interest articulation
- Interest aggregation
- Democracy
- Autonomy

In these circumstances institutions do not develop but are rather created hollow, subject to further decay, and vulnerable to breakdown and crisis. Likewise, experiences from around the world and indeed the Philippines have demonstrated that administrations conceived by corrupt electoral practices are susceptible to other forms of corruption as well. The real correlation of political forces in the region is not reflected in the elections, the resulting governments, or the politics surrounding them. Other processes, including traditional ones with a high propensity for violence such as *rido* may better express real political relations. That the forces not "selected" really don't stand a chance impedes the emergence of new political groups and the articulation of their interests, positions, and proposals. The limitation that this places on the emergence of political manifestations of new generations could itself become a source of potential future conflict. The "electoral engineering" that has come to be associated with the electoral process in the area centers on positive and negative sanctions to condition candidacies and the mechanics of the Commission on Elections (COMELEC) that operates in the ARMM region. This COMELEC is a national and not an ARMM institution. There are allegations that the practices perfected over decades of ARMM elections came back to haunt national politics in ways that have further aggravated the institutional crisis of the republic. [11]

b. Fiscal Autonomy

ARMM is less autonomous financially than any local government unit in the Philippines, including the most basic unit, the *barangay*. The local government units (LGUs) operating in the very same autonomous region have more financial autonomy than the ARMM government. They automatically receive annual formula-based Internal Revenue Allotments (IRA) from the center that makes their income flow predictable and over which they have the power of allocation. ARMM, on the other hand, needs to pass its budget through the approval process of the ARMM Regional Assembly, prior to remission to Malacañang for inclusion in the National Budget submitted to the Congress of the Republic of the Philippines for approval. In sum, ARMM has less financial autonomy than a *barangay* in that its finances are part of the national budget of the central government and subject to approval by both the Congress and the President.

ARMM, Autonomy and Generational Considerations. Given the lack of political and fiscal autonomy, it is highly doubtful that the upcoming generation of Bangsamoro youth will consider ARMM a satisfying expression of autonomy or as the solution to the conflict in the Southern Philippines. This is an important

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[11] These practices also strengthen the position of a variant of the "Pacification Position" of opponents to the "Peacebuilding Position". It holds that it is unnecessary to give concessions in the peace process because it is cheaper and easier to co-opt the insurgent leadership.

consideration in that after almost four decades of struggle, a generational change is clearly on the horizon. If the new generation does not follow its elders to the conclusion of the on-going peace processes, the GRP might find that what it has negotiated is not peace but rather pension plans for aging MNLF and MILF guerrillas.

The Fifth Policy Assessment paper pointed out:

> "Will the peace agreements negotiated by the leadership of the MNLF and the MILF be assumed by the new generation of Bangsamoro leaders? Will they be satisfied with autonomy for peace and development as it is being institutionalized in ARMM? Will they be satisfied with the economic and social aspects of the agreements, including any eventual settlement on ancestral domains? Will their degree of acceptance and satisfaction with peace and development in the Southern Philippines withstand destabilization from effervescence from the rest of the Muslim world if there are major explosions as a result of the War on Terrorism? If the answers to these questions are 'yes' then the current peace process, if taken to its successful conclusion, can be sustainable. If the answers to one or more of these questions are negative the peace negotiators on the government's side might actually be designing a pension program for the retirement of a generation of middle-aged guerrilla fighters".

How the new generation relates to the existing configuration of MNLF and MILF options is an unknown quantity of great importance. There is also the question of whether they relate to these organizations at all. There may be social and political space for the emergence of new leaders and organizations. A hypothesis of this analysis is that the upcoming generation will be the most influenced by the unfolding international tendencies in the Muslim world.

Clearly, a deliberate effort to build a peace constituency among the youth, the conscious development of second-liners in peace promotion, advocacy and dialogue, is among the imperatives of long-term peace at this point, as crucial as the development of credible and responsive institutions and leaders able to pursue sustainable peace and development in Mindanao.

2. General Appreciation on Implementation of the 1996 FPA

Apart from the question of whether the objective of the basic logic of the 1996 FPA has been achieved or not, the GRP and the MNLF differ on general appreciations and specific issues related to the implementation of both the spirit and the letter of the Final Peace Agreement.

The general appreciation of the GRP is that it has complied with the terms of the Peace Agreement, thus finalizing "Phase One" or the military and political phase of the process, and could proceed to address the economic and social issues of "Phase Two". Particularly, the government's position is that it has complied with the GRP-MNLF Peace Agreement with the passage of Republic Act 9054 "An Act to Strengthen and Expand the Organic Act for the Autonomous Region in Muslim Mindanano" on February 7, 2001 which lapsed into law on March 31, 2001 without the signature of the President, in accordance with Article VI, Section 27 (1) of the Constitution.

The GRP also holds that it complied with the agreement through the holding of the plebiscite on the "Expanded Autonomous Region" per Article II Section 1 and Section 2 of the Republic Act 9054 on August 14th 2001. The results of the plebiscite were certified by the COMELEC in its resolution No. 4561 of 28th August 2002. On the question of acceptance of the amendments to Republic Act No. RA 9054 by the existing ARMM provinces, including the question of the expansion of ARMM, the vote was overwhelmingly positive in all four provinces.[12]

On the issue of ARMM expansion itself only the province of Basilan and Marawi City voted to join the expanded ARMM, while the ARMM provisional capital and non-ARMM enclave of Cotabato City and Isabela City, the capital of Basilan, voted negatively. The two closest provinces in the vote, Lanao del Norte and North Cotabato, voted 5 to 1 and 10 to 1, against inclusion. All other provinces and cities voted over 10 to 1 against inclusion with the extreme cases of rejection being with votes of over 100 to 1 negative.[13] The GRP also holds that it has completed the GRP-MNLF peace process by holding the November 26th, 2002 elections for Governor, Vice Governor, and the ARMM Assembly subsequent to the plebiscite on August 14thth , 2002.[14]

On the basis of Article XVIII, Section 16 of R.A. No. 9054 that provides that the Special Zone of Peace and Development (SZOPAD), the Southern Philippines Council for Peace and Development (SPCPD) and the Consultative Assembly are deemed to be abolished and should cease to exist as of the date of the approval of R.A. 9054 in a plebiscite, Malacañang issued Executive Order No. 80 of March 11th, 2002. It ordered the abolition and winding up of the aforementioned entities, and the transfer of the functions, responsibilities, and qualified staff to ARMM and SPDA. GRP then began to recognize ARMM and its governor as the representatives of the Bangsamoro people (replacing MNLF that has that role in the 1996 Peace Agreement).

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[12] Results from official COMELEC website: www.comelec.gov.ph

[13] Ibid.

[14] Ibid.

As mentioned above, President Macapagal-Arroyo did not sign RA 9054 and it lapsed into law without presidential signature in accordance with the Philippine Constitution. The Executive also had to relate to the political realities in Congress to negotiate, together with the MNLF, politically possible legislation in Congress. The end result was neither to the satisfaction of the government nor the MNLF. Governments can sign peace agreements and implement them, but elements that require legislation are the purview of Congress in the balance of powers, checks and balances of the Philippine Constitution.

In sum, the general appreciation of the GRP is that RA9054 is what it was able to obtain from the Philippine Congress and national political reality, in consonance with constitutional and legal requisites to translate the 1996 FPA into a legal framework and governmental measures. Therefore, with the integration of MNLF combatants into the government's security forces as provided for in the FPA, and with the passage of RA9054, it saw the first phase of the Peace Agreement on military and political issues as concluded, and thus the second phase on economic and social issues could commence. It is in this tenor that it was announced at the 32nd Meeting of OIC Foreign Ministers held in Sana'a, Yemen, on 27th January 2005, that GRP would have completed Phase One of the 1996 FPA by 2nd September 2006, the 10th anniversary of the FPA. It should be noted at this point that the National Peace Plan articulated in Chapter 14 of the 2004-2010 Medium Term Philippine Development Plan explicitly lists full FPA implementation by September 2006 among its objectives.

The general appreciation of the MNLF is that RA 9054 does not fully comply with the 1996 FPA and that the GRP is obligated to meet by other means those provisions of the agreement that are still pending. In some areas RA9054 even negates agreements concluded in the FPA (for example, autonomous control of natural resources). The MNLF does not recognize RA 9054 as limiting in any way the original Peace Agreement that has not been fulfilled, nor does it recognize the legitimacy of the plebiscite undertaken on RA 9054. The MNLF maintains that the operation of the Joint Enforcement and Monitoring Committee (JMC) should be maintained for the reason that the letter and spirit of the 1996 Peace Agreement is not yet fully implemented and the ARMM has not yet been fully established.

In addition to these differences in general appreciation, there are also different criteria on specific issues.

3. Specific Issues related to Implementation of the 1996 FPA

The Chair of the Bangsamoro Lawyers Network, Atty. Randolph Parcasio, has undertaken a comprehensive, analytical compilation of the specific issues pending between MNLF and GRP in relation to the 1996 FPA and over RA9054. The most important objections are summarized in the following table and can be fully consulted in the document, "The 1996 GRP-OIC-MNLF Peace Agreement":

MNLF OBJECTIONS TO RA9054

ISSUE	FPA	RA9054	MNLF COMMENT
Shari'a Law	Paragraph 152	Article. III, Section 5	"Shall" to "may" and introduction of Supreme Court permission makes discretionary
Appointments to policy positions in national agencies	63, 66	Article V, Sections 4-5	In consultation with Regional Legislative Assembly instead of Executive
ARMM Cabinet "not to exceed 10 members"	NONE	Article VII, Section 2	Violates autonomy of ARMM government administrative code
One Justice Supreme Court and at least two judges Court of Appeals	69	Article VIII, Section 2	Inserts "whenever feasible", making it discretionary
Audit rules that allow suspension of national financing	144	Article IX Section 2	Discriminatory in that these apply to no other local government unit, department or agency. Would penalize all citizens for acts of their government officials
Natural Resources	146, 147	Article X, Section 1 Article XII, Section 5	Unilateral definition of "strategic minerals" based on list rejected by MNLF in 1996 negotiations (excludes oil, gas, coal, uranium, all other energy) Contravenes Article II, Section 57 and Article VIII of R.A. 8371 "Indigenous Peoples Rights Act" (IPRA) on natural resource rights
MNLF integrees in PNP	Article III, Paragraph 8 of the Tripoli Agreement, Spirit of FPA	Article XIV, Sections 3,4	May be deployed outside of ARMM region instead of only in ARMM region
ARMM real estate outside of ARMM		Article XVIII, Section 1	Confiscation by legislation

B. The MILF Peace Process

The GRP-MILF peace process began in 1997 and reached a breakthrough with the "Agreement on Peace" of June 22nd, 2001 signed at Tripoli, Libya. This agreement has been operationalised through "Implementing Guidelines on the Security Aspect of the Tripoli Peace Agreement of 2001" signed August 7th, 2001 at Putrajaya, Malyasia, followed by the agreement on "Implementing Guidelines on the Humanitarian, Rehabilitation, and Development Aspects

of the GRP-MILF Tripoli Agreement of Peace of 2001" signed May 7th, 2002 at Putrajaya, Malaysia.

The latter agreement stipulates safeguards for the observance of international humanitarian law, respect for internationally recognized human rights, and fundamental freedoms for all persons. These are the criteria and standards that guide the monitoring mechanism of Article VI of the agreement to be undertaken by the Joint Coordinating Committee on the Cessation of Hostilities (CCCH).

The agreement also assures full access for the International Committee of the Red Cross (ICRC) "in accordance with ICRC's standard operating procedures". It stipulates that "in conformity with international humanitarian law, each party shall provide information, through the tracing mechanism of the ICRC, to families of all persons who are unaccounted for."

Both parties also agree that the "parties shall pave the way for the immediate return of evacuees to their places of origin and provide all necessary financial/ material and technical assistance to those evacuated for them to begin a new life. The GRP shall award reparations for the properties lost or destroyed by reasons of the conflict upon reasonable proof thereon as mutually verified and acknowledged by both parties." (Article V, Number 3).

The only political and institutional concerns deal primarily with project implementation and monitoring modalities. Pursuant to the provision that the MILF "will establish a project implementing body, which will have the power and function to receive and disburse private and GRP funds" (Article V, Number 1), the Bangsamoro Development Agency (BDA) has been created. The MILF also recognizes established institutions for project management, per GRP policy:

"Consistent with GRP's resolve to task the Autonomous Region of Muslim Mindanao (ARMM) as its primary implementing agency for development, the ARMM shall enter into contractual relations within its charter, pertaining to rehabilitation and development with the MILF project implementing body. Likewise, with other government development agencies outside ARMM areas." (Article V, Number 2).

In a second (earlier) agreement known as the "Joint Communique Between the GRP and the MILF" signed May 6th 2002 at Cyberjaya, Malaysia, the two sides agreed to "the isolation and interdiction of all criminal syndicates and kidnap-for-ransom gangs, including so called 'lost commands" operating in Mindanao. There are several instances to date in which effective coordination and cooperation between both parties led to the capture and arrest of wanted fugitives.

All of the agreements mentioned above have contributed to a relatively peaceful environment on the ground and a conducive atmosphere for the peace

negotiations. Both parties, particularly at the negotiating panel level, acknowledge high levels of confidence that have been built between them, and that have allowed the talks to proceed through its key negotiation strands. This high level of confidence, bolstered by the critical role of Malaysia in facilitating the talks plus international participation in ceasefire monitoring, had brought the peace process forward, exploring the dimensions of the Bangsamoro homeland and even the possibility of corridors to link separated parts - until the highly contentious issue of ancestral domains brought the negotiations to its current impasse following the breakdown of exploratory talks held in Malaysia from 6-7 September 2006.

The impasse is yet to be overcome, even as the Philippine government has offered a proposal to talk about the concept of self-determination as a way to move the talks forward. The details of the proposal are not yet known to the public, but it appears that the GRP has attempted to shift the negotiation focus from territory to rights. Yet presumably a discussion on self-determination will ultimately bring back the central issues of territory and self-governance at the core of the negotiations. And while geographic coverage appears to be the most contentious point of the negotiations, other critical issues need to be confronted, including the process by which a prospective agreement will be put in place. The MILF would see the Peace Agreement itself as the basis for putting in place the Bangsamoro juridical entity, while to date at the highest levels of officialdom, the GRP has insisted on the legislative process. Not surprisingly, the GRP-MILF peace process is now stalled on the same central issues that continue to bedevil the GRP-MNLF process.

The contentious issues notwithstanding, so far both the GRP and the MILF have demonstrated political will, creativity and flexibility. This has translated, for example, into the capacity to rapidly reach "implementing guideline" agreements, and is well-demonstrated in the collaboration between the two parties to interdict criminal elements found in or near MILF communities, as well as their acceptance of foreign ceasefire monitors led by Malaysian military advisers in support of the local joint mechanism (CCCH) established for that purpose. The same political will, flexibility and creativity would need to be demonstrated in tackling the other remaining agenda item in GRP-MILF peace process, pertaining to the disposition of arms and forces. The MILF does not accept the concept of Disarmament, Demobilization and Reintegration (DDR) per se, and some acceptable variations on the concept may need to be negotiated. On the other hand, the OPAPP has completed the formulation of a "Social Integration Programme", including the concept of "arms management" and "force management" in lieu of disarmament and demobilization. This will initially be pilot-tested in Sulu, and could potentially inform future negotiations on the matter.

The current impasse has become an opportunity to make the negotiations more public, with efforts on both sides to harness inputs from the citizenry through public fora on the contentious issues of ancestral domains and territory.

That an informed public is participating in the discourse and is involved in the formation of a broader constituency in support of the process is an indication of the maturing of the peace process.

The MILF approach to the peace process has been explicitly based on its observation of the MNLF experience. So far it appears to have adopted a step by step approach - not moving on to new issues until the prior ones have been consolidated - in the negotiations with the GRP. It has asserted the need to build up on the requisite capacities of relevant actors, particularly the BDA, and including LGUs and NGOs, to be at the helm of the implementation of any GRP-MILF peace agreement. It espouses that peace and development programs should include the entire community and not just MILF combatants. Some leaders close to the MILF have analyzed that the MNLF made the mistake of "tayo-tayo" or "atin-atin", a "club mentality" of putting themselves first in the way they managed the SPCPD and the ARMM, and in the handling of development assistance projects. Indeed, some sources close to the MNLF have given the view, in hindsight, that during the peace talks for the FPA, the MNLF appeared to have veered away from the larger cause for the Bangsamoro, becoming inward-focused towards the organization, thus becoming positional in the negotiations.

Yet this is not to say that the 1996 FPA has not served the larger cause of Bangsamoro self-determination. It did bring about an end to decades of bloodshed between government forces and the MILF, and its framework of autonomy for peace and development has provided basis for examining ways by which the struggle for self-determination may be further advanced. For all its flaws, the establishment of the SZOPAD out of the contested areas in Mindanao was an innovative approach to peace. The FPA has also provided lessons for all participants in peacebuilding, and on the basis of both positive and negative aspects of this learning experience there can be considerable advances towards consistent and responsive peace policy, the consolidation of peacebuilding gains and synergistic, institutional peacebuilding.

The MILF are proud of their advances on the ground, the application of Shari'a Law and accompanying Alternative Dispute Resolution (ADR) mechanisms in some localities. This approach may imply that the MILF is not in a hurry to conclude a broad, omnibus final agreement but rather to negotiate step by step while it methodically builds up capacity and ground presence. With regard to the latter, it is important that the AFP view this as the success of the peace process and not as territorial control, inasmuch as there are sectors in the AFP that are suspicious of MILF motives in the peace process and prioritize pacification over peacebuilding objectives (as demonstrated in the recent filing and eventual dropping of charges against MILF leader Ebrahim Murad on suspicion of complicity in the spate of bombing sin Mindanao in mid-October 2006). The combination of the MILF

peace process with that of the MNLF could help allay somewhat the suspicion that MILF has objectives beyond the peace process.

C. Combination of Peace Processes

It is not possible to have two peace processes with two different forces to end the same armed conflict in the same territory in relation to the same people. It is not possible to negotiate natural resources with the MNLF and ancestral domain with the MILF. Hence, the GRP must seek to combine the MNLF and the MILF peace processes in order to embark upon long-term peacebuilding with a solid foundation. Increasingly the OIC and the OIC countries most interested in the Southern Philippines also emphasize the need for MNLF-MILF unity.

The "Agreement on General Framework for Unity Between the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF)" signed in Putrajaya, Malaysia on August 7, 2001 by the vice chairman of each organization provides a platform to build upon. The resulting entity is known as the "Bangsamoro Solidarity Conference", and a Coordinating Council is to be established to decide their respective roles and involvement in order to achieve the objective of unity. The agreement furthermore stipulates that the two organizations will agree on joint delegations to represent the Bangsamoro people as observers at the meetings of the OIC.

It is possible for the unity to be a confederation in which each party clearly keeps its own identity. An integration of the two organizations should not be expected in the near term. There would be significant resistance amongst the grassroots of both organizations to such a move. The past history of division, years of rivalry for the same social base, and different organizational cultures are some of the factors. For example, MILF is considered to be more Islamic and MNLF more secular in relative terms. However, both organizations have vertical decision-making and changes of policy at the top level could change the situation.

The unity process will require time. The MNLF requires time for healing to repair relationships between the Council of 15 and those that remained loyal to the leadership of Nur Misuari. Likewise, a period of dialogue and communications would be required to heal MNLF-MILF relations at the grassroots. These processes need to take place *barangay* by *barangay,* as well as at the leadership level. On the asset side the political will is there buoyed by the realization that in the end game there can be only one peace process.

On the other hand, the shift to a discussion on the right to self-determination in the GRP-MILF peace process holds potential to be a central, unifying platform for a comprehensive Southern Philippines peace process hinged on self-

determination, encompassing the range of issues and demands across different sectors for various forms of self-governance, including federalism, autonomy, and independence. That the GRP has opened the discussion to self-determination indicates new levels of political maturity, at least in the perspectives of some of the essential actors in the peace process. If properly handled through participatory and inclusive processes, the exercise to establish the contours of Bangsamoro self-determination could provide the common platform from which an integrated peace process may be explored.

D. Institutional Platforms for Peace and Development

Federalism could be the institutional platform for peace and development in the future (see following section on "Charter Change"). In the interim it is recommended that existing structures be strengthened and an absolute minimum of new organizations and institutions created. Mindanao has time and again witnessed the creation and abolition of a succession of peace and development organizations that were designed to bypass existing institutions deemed ineffective. At the end of the day the transient remedies have come and gone and the existing institutions still don't work well. What is needed is to make the existing organizations and institutions work.

It is imperative to strengthen critical institutions in the context of a stronger nexus between the peace and development processes in Mindanao. The two processes appear to have taken separate tracks of their own, moving parallel to each other rather than in an integrated, interlinked manner. The pursuit of a sustainable peace and development in Mindanao would benefit immensely from an enhanced framework for the delivery and coordination of peace and development initiatives that articulates an effective interface between the two processes. In simple terms, development should not be pursued for its own ends—rather, the complex nature of conflict in Mindanao requires a peace-driven development framework, where the two processes inform, leverage and propel each other.

The following are some of the priority institutions that require enhancement and strengthening to carry forward the peacebuilding process in Southern Philippines. They are possible platforms from which peace and development can be pursued in an integrated manner, and in the face of potential significant changes in the political system, whether these take place rapidly or over the longer term. In the event of the adoption of federalism they could be assimilated into federal state structures.

Autonomous Region in Muslim Mindanao (ARMM). For all of its defects ARMM is the political and governmental backbone of Muslim Mindanao. The defects should be overcome through restructuring, especially the attainment of true political and fiscal autonomy. Powerless (for example, Attorney General)

and inactive (for example, Human Rights Commission) departments should be invigorated. The devolution of national departments, of which only 4 out of 17 pending have been devolved in 10 years, should be completed.

Local Government Units (LGUs). Local government institutions are the critical cogs in the construction and maintenance of sustainable peace and development over the long-term. The LGUs are the agencies that come face-to-face with the realities of armed conflict and its consequences. They should be highly prioritized in efforts to build capacities for conflict prevention and management, and in the development of transformative leadership skills so that they can effectively be at the helm of conflict prevention and sustained peacebuilding, as well as in the implementation of development programmes for their communities.

Southern Philippines Development Authority (SPDA). As discussed earlier, this agency has been reactivated to execute the government's catch-up plan towards the full implementation of the 1996 FPA. It will need capacity-building and appropriate resources to be able to function effectively and to become responsive to its new role as peace and development catalyst through implementation of peace-promoting development projects not only in relation to the GRP-MNLF FPA, but for other sectors as well.

Bangsamoro Development Agency (BDA). The BDA, complemented by the recently-established Bangsamoro Leadership and Management Institute, will serve to surface and evolve new leaderships, while widening the constituency for peacebuilding and development in conflict-affected areas of Mindanao. Assistance towards building and enhancing leadership and project management capacities of these institutions will need to be provided on a continuing basis. Efforts to link them to national development and training institutions, such as that already established with the Development Academy of the Philippines, will also need to be sustained.

Mindanao Economic Development Council (MEDCo). Capacities must be strengthened within the organization to meet its evolving development coordination roles, while continuing to perform its main functions relative to the economic development of Mindanao, particularly in light of the government's "super region" development objectives for the area. It must be kept in mind that Muslim Mindanao has the right to its fair share of participation in the megaprojects contemplated for Southern Philippines, as well as to the infrastructure - ports, airports, highways - to link its economy to the rest of the Mindanao super region.

Mindanao State University (MSU). Highly politicized and conflictive on some of its campuses, this is a good example of an institution that needs to be made to work optimally. The greatest opportunity for cultural and institutional transformations comes with generational change, and as was mentioned previously, in the coming decade a major generational shift will occur in

Bangsamoro leadership. This is the institution that will produce the largest number of Bangsamoro professionals.

Efforts to strengthen institutional platforms for peace at the local level in Mindanao must be accompanied by parallel efforts at the national level. The situation of peace and conflict in Mindanao hugely impacts on national peace and stability; on the other hand, national-level peace processes and institutions are vital to the success of local level peacebuilding, particularly in Mindanao. In this regard, institutional platforms for peacebuilding at the national level include, among others, the following:

Office of the Presidential Advisor on the Peace Process (OPAPP). Created in 1993 to coordinate the government's comprehensive peace process, this agency is at the helm of a multi-pronged approach to peace that ranges from promoting social, economic and political reform geared at addressing the roots of armed conflict, to peace constituency-building, peace negotiations with rebel groups, and the promotion of a culture of peace, among others. As such, it must assume the task of internal peace advocacy within the Cabinet as well as in the bureaucracy towards conflict-sensitive government policies and approaches. It has an important role in internal discussions relative to critical peace issues such as resource extraction and management, particularly mining; marginalization of sectors; respect for human rights, and the highly delicate discussions on state security and human security. In addition it needs to play a significant role in the vertical linkaging of local-level peacebuilding to national peace-policy formulation. The OPAPP could serve a convening or coordinating role to harness coherent government responses to these key peace issues, and should draw in, on a priority basis, the Commission on Human Rights, the National Anti-Poverty Commission, the National Commission and Indigenous Peoples, the Department of National Defense and the Department of Interior and Local Governments in this regard. The Presidential Peace Advisor, the CHR chair and the heads of these agencies can form the core of a group within the government that can advance a rights, reform and human security agenda supportive of long-term peace. Selected LGU officials from conflict-affected areas can participate in the discussions and provide on-ground perspectives and lessons learned.

Proposed National Peace Commission. An Act "Providing for a National Peace Policy Framework, Creating A National Peace Commission and Providing Funds Therefor" has been filed in the Lower House (House Bill 5767). It seeks to institutionalize peacebuilding and may provide solutions and mechanisms for policy coherence towards the attainment of a durable peace for the entire country. The bill faces challenges in the context of prevailing national security mindsets, as well as time constraints relative to the close of the 13th Congress by mid-year 2007, but it is worth pursuing (i.e., re-filing in the next Congress) in that it is a concrete effort to institutionalize peacebuilding.

Area-specific Peace and Development Task Forces. Created following the signing of the FPA in 1996 for Basilan, Central Mindanao and Sulu, as well as a Special Development Task Force, the government's Development Task Forces soon became inoperative. These, or structures and mechanisms akin to them should be revived, with the goal of prioritizing the visible solution of priority development needs in their areas. Programme or budget support from donors could facilitate this approach immensely.

The concept is to focus on an area for the purpose of addressing priority development problem/s, the underlying objective of which is to facilitate peacebuilding and conflict prevention by addressing the most critical, basic sources of unpeace and human insecurity. Based on the premise that many conflicts have generally found their roots in the absence of, or uneven access to vital resources (e.g land, water, oil), such targeted interventions would have explicit peacebuilding goals and processes as well: addressing potential or current sources of violent conflict; harnessing local ownership in the identification and solution to the problem, and designing the interventions to serve as venue for peaceful dialogue and consensus-building towards a common vision or goal. Instead of undertaking demonstration pilot cases in a few focalized sites, a program is formulated and executed with LGU and community participation to solve the problem definitively once and for all. LGU and community involvement and ownership is essential to sustainability, and even to basic management concerns such as guaranteeing recurring costs especially repair and maintenance. Such locally-led area based initiatives could likewise provide the venue for improved coherence and coordination of development assistance.

An example from which development interventions may draw lessons may be found in the case of an effort to help address the decades-old problem of potable water in Sulu. As part of its community-based peacebuilding programme, the humanitarian organization Tabang Mindanaw has conducted a comprehensive survey of water sources and uses in Sulu indicating that about 92% of the water sources examined are contaminated. A Water Resources Mapping and Systems Development Program, including a budget estimate for what it would take to make safe drinking water universally available in Sulu has been developed with the active participation of local authorities and community-based partners. This high leverage and doable investment would improve public health, infant mortality, life expectancy and quality of life in an immediate and visible fashion, while promoting peace, unity and cooperation over the long term.

The credit for the accomplishments of peace and development task forces should accrue to local institutions: the ARMM, the local government units, and the communities in order to construct the credibility and legitimacy of autonomous institutions, not donor organizations (hence the need for donor budget support). The areas, populations, and technological levels involved

make this imminently doable. This approach contrasts to the current reality of doing a little on nearly everything in an always underfinanced fashion and never really solving one major problem.

E. Charter Change and Peace

In light of the institutional crisis that the Republic of the Philippines is living there is a growing political consensus among the political elite and the media, academia and other opinion makers that the problem is more than the individual or organizational actors involved, but rather a matter of the systems and institutions. The proposed solution consists of different variants of charter change (amendments to the constitution or a new constitution; constitutional convention vs. constituent assembly) to transform political institutions. The main variants are different proposals for federalism and/or a parliamentary government rather than the current predominantly presidential system based on the U.S. model of federal government.

Charter change, and particularly certain variants of the federalism proposals, could address "wholesale" outstanding issues with the MNLF and MILF in a forward-looking, constructive fashion. Federalism could go considerably beyond current autonomy proposals and do so in a manner far more acceptable to the rest of the Philippines in that they will also benefit from the new institutions.

MNLF Chairman Nur Misuari is already participating in the articulation of federalism proposals; the MILF is interested in the subject; and the GRP is supportive of charter change. As always, the devil is in the details, as well as in short-term political interests and expediencies that not only hound the institutions to the point of crisis, but also the attempts to find solutions through institutional transformations. At stake is the capacity of the Philippines to reform itself in the face of institutional decay and breakdown[15]. The capacity to undertake peacebuilding also depends on the transformative capacity of the society.

In sum, charter change represents the first of the two most important opportunities to address the intractable problems of the peace process "wholesale" in a prospective manner, with the parties as partners, rather than backward-looking controversies over differences through mutual accusations from adversarial positions.

The controversies between the GRP and the MNLF over RA9054 are largely due to constitutional and legal constraints and the necessity of approval in the

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[15] Most post-colonial societies have suffered processes of institutional decay and breakdown and unresolved institutional crises as they search for institutions that are effective in their political cultures and processes in the conditions of the XXIst Century. Some have successfully transited this process and have developed or are well along the way of doing so (for example, Singapore, Taiwan, South Korea), while others continue in crisis, while the worst case scenarios are failed or failing states.

Congress where there were strong elements that opposed to the agreement, among them those who through amendments sought to make the law a legal mine field. Among the latter were representatives of the powerful, conservative, Christian power structure in Mindanao.[16]

The huge advantage of peacebuilding in the context of charter change is not only that the concept of federalism can go far beyond the concept of autonomy in fulfilling the aspiration of Muslim Mindanao: the charter change negotiation platform solves constitutional and legal constraints because the final product IS the constitution.

Favorable charter change holds the potential to solve the political and institutional issues that block a sustainable solution to armed conflict in the Southern Philippines, but the resulting institutions will still not produce the results desired by the citizenry if the magnitude of resources necessary to finance peace and development does not become available.

F. Resources for Peace

The second of the two most important opportunities to address the intractable problems of the peace process "wholesale", in a forward looking fashion, and with the parties as partners- is to jointly mobilize the necessary resources to produce peace and development impacts for Muslim Mindanao. These impacts should be of a magnitude that is visible and recognized by the Bangsamoro people. Without visibility and recognition by the citizenry there is no success because peace processes are political above all else.

Hitherto the magnitude of resources necessary "to do the job" has not been available. The 1996 Peace Agreement was rapidly followed by the 1997 financial crisis in South East Asia. The understanding as to a "Mini-Marshall Plan" was rapidly shelved. MNLF Chairman Nur Misuari claims that that pledging sessions organized by the World Bank in Japan in 1996 and in France in 1997 pledged US$1.025 billion to support the development package of the peace program, but the MNLF maintains that GRP never informed them as to the status of these funds. Budgetary funds for ARMM and to SPCPD for SZOPAD were largely governmental allocations that would have been undertaken in any event, with or without a peace agreement. MNLF maintains that the funds allocated for development were minimal. For example, development funds constituted only 18% of the total of P15.5 million of resources available to ARMM in the

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[16] Prominent names included the Mindanao Congresswomen known as "Las Tres Marías", María Clara Lobregat (now deceased), Lualhati Antonio, and Daisy Avance Fuentes who had led opposition to the FPA in 1996. In the deliberations on RA9045, they were known to be proactive with amendments, including those that neutered the provisions on natural resources.

critical start-up period (1996-2000). Another example is that ARMM is the only region not included in the National Infrastructure Program implemented by the Department of Public Works and Highways in 1999.[17]

The GRP view is that significant funds were made available but that absorption capacity and corruption constrained the release of additional funds. Some donors have also encountered capacity constraints. GRP and ARMM, assisted by the donors, should analyze mechanisms to expedite peace and development investment in the Southern Philippines. In some slow disbursing countries joint task forces and exceptional measures, including extensive on-the-job mentoring, have produced results. The lack of a post-war state of exception for reconstruction and reactivation is clearly the case. Peace and development projects are being processed within the framework of bureaucratic normalcy.

In sum, the MNLF maintains that the development resources necessary for compliance with the 1996 FPA did not materialize and they were short changed in the last 10 years. The GRP position is that significant funds were allocated and not efficiently utilized due to administrative and corruption problems, although it also points out that the 1997 financial crisis made initial expectations unfeasible.

What is clear is that nothing close to a "Mini Marshall Plan" took place and that there has not been a development process sufficient to build peace in the poorest region of the country living a post-war period through almost four decades of armed conflict.

1. Development Assistance

Resource constraints have made the role of the programs of the multilateral and bilateral donors vital for peacebuilding in Mindanao. Both GRP and MNLF top officials have declared that at different junctures the good offices and the financing of the donors proved decisive in keeping the peace process on track. Now the challenge is how to mobilize the quantum of resources necessary to achieve the peace objective, utilize those funds effectively, and successfully combine peace and development.

Global experiences of development assistance in conflict-affected settings indicate that most donors appear to expect peace processes to adapt to their programs rather than vice versa. A further complicating factor is that their programs are not geared to the requirements of peacebuilding.[18] For example, peacebuilding requires a politically-owned institutional revival undertaken by

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[17] Atty. Randolf C. Parcasio Al Haj "The 1996 GRP-OIC-MNLF Peace Agreement: The Unaccomplished Mission"

[18] A valuable source of lessons learned from development assistance in conflict settings is found in Mary B Anderson, "Do No Harm: How Aid Can Support Peace - or War" (Boulder, Colorado: Lynne Rienner Publishers, 1999).

a largely consensus-based social movement. This can take from 10 to 20 years, at times more. Donor programs are one, two, three years in their time horizons, and only exceptionally 5 years. Donors do not commit to programs of 10 years or more, not even for development. In "post-conflict situations" they seek to return to "normalcy" in the shortest time period possible. This invariably leads to short cuts in establishing institutions without consolidating them, largely ignoring historical processes and cultural issues, and seeking policy "quick fixes" at the lowest possible cost. The results of this are visible in Timor Leste, Somalia, Cambodia, Afghanistan, Iraq, and Democratic Republic of Congo, among others.

Lost has been the concept of "post-war" after an armed conflict. This does not consist of a return to "normalcy" as fast as possible, but rather an extended period of exception in which even some rights are curtailed (for example, the right to strike) during the reconstruction of infrastructure, the reactivation of the economy, the healing of the social fabric, and politically owned institutional revival, including the development of a political system and processes. For example, the post-war state of exception in Japan after World War lasted through April 28th, 1952 with the termination of the Allied Occupation (1972 in Okinawa). In Europe the post-war state of exception lasted until 1954 except in Germany where the Allied Control Council lasted until 1955. In the case of Japan peacebuilding involved institution building in educational reform, unionization, liberalization, and democratization, in addition to the reconstruction of almost all of the economic and social infrastructure of the country. Of course, Japan, Germany, and Europe in general were highly organized societies with strong social capital, high educational levels, and previously strong institutions that could be revived, albeit for transformation in the cases of Germany and Japan. These assets meant that they could recover more rapidly and yet the period of formal recovery was 7 to 10 years. Less developed societies certainly require twice the time to recover from intense or highly protracted low intensity armed conflict.

It is not only the timeframe of the donor assistance that conspires against meaningful contributions to peacebuilding. It is also the practice of working on the basis of programs and projects selected from menus of types of projects prioritized by the headquarters of the donor organizations on a world wide or regional and/or country-wide basis. Even national civil societies are co-opted to work in function of these donor agendas rather than in accordance with national and local ground realities and necessities. Civil society attention to donor projects weakens the social movements that are necessary to create demand for the institutional transformations necessary for effective peacebuilding and development. The donors often do not have an appetite for highly politicized processes and thus work at best at the margins of politicized movements, but peace processes are imminently political, they are political solutions to military conflicts. They cannot be reduced to donor programs of socio-economic and good governance

projects that are technical in nature. If peacebuilding were an exclusively technical problem solvable by technocrats, the world would indeed be a better, safer place. However, there is little danger of falling into that utopia in the near future, and in the meantime peacebuilding has to relate to real political actors and processes on all sides, with all of their foibles and complexities.

The international donor community has already come up with a solution to these problems for some of these very same reasons, as well as others (for example, transaction costs). That solution is to forego parallel donor driven agendas and the program and project approach and rather provide continuous, sustainable budgetary support to governments. In the case of peace and development in Muslim Mindanao that budgetary support should above all be channeled directly to local institutions, strengthened as analyzed above: the ARMM; the SPDA; relevant LGUs, and perhaps the MEDCO for articulations with the Mindanao super-region. They in turn should contract the BDA; a potential MNLF development entity, and other NGOs. The tendering of development contracts will involve the private sector as well.

The application of the Paris Declaration on Aid Effectiveness (Paris, France, 2005) could make more effective donor support for peacebuilding and overcome the bifurcation between peacebuilding and development support. This is what could support long-term peacebuilding, institutional transformations, poverty reduction and development in an integrated, holistic fashion.

The prospect of donor support for a restructured ARMM could provide an additional incentive for all actors to conclude peace agreements and pursue sustained, long term peace- building.

2. Oil for Peace

Oil has come to be associated with conflictive geopolitics and wars. This paper proposes the use of oil for peace in the Southern Philippines in order to generate the huge resources necessary for sustainable peace and development in the region.

This could contribute to the development of Mindanao and the reduction of poverty in Muslim Mindanao, the poorest region in the Philippines. It could finance GRP peace agreements with the MNLF and the MILF, as well as their combination into a unified agreement. All of this within the framework of the development of Muslim Mindanao as part of the activation of the productive potential of the Mindanao super-region.

Oil for Peace could put in place powerful incentives for all sides to finalize and fully implement peace agreements, as well as to achieve a consolidated

global peace agreement for the Bangsamoro people. This is essential because as mentioned earlier, there cannot be two separate peace agreements to solve the same conflict in the same territory for the same people. Oil for peace will also assure national and international political pressure on all parties to conclude the peace process expeditiously, putting an end to the protracted peace process that has accompanied the protracted warfare. It will contribute to change the agenda from endless negotiations (30 years since Tripoli, 10 since Jakarta-Manila, 4 since Kuala Lumpur), to the formulation and implementation of actions for the economic and social development of Muslim Mindanao as a dynamic development pole in Mindanao, a region that should be a motor for growth of the Philippine economy. Inasmuch as ARMM is also the poorest region of the Philippines, Oil for Peace would also contribute significantly to the achievement of the Millennium Development Goals in the Philippines.

The Thirty Third Session of Foreign Ministers Islamic Conference of Foreign Ministers Declaration at their meeting held in Baku, Republic of Azerbaijan on June 26th 2006:

> **Urges** the Member States, subsidiary organs, affiliated and specialized institutions, as well as charitable Islamic organizations in the Member States to increase their medical, humanitarian, economic, financial, and technical assistance for the development and rehabilitation of Southern Philippines through the Autonomous Region of Muslim Mindanao (ARMM) in order to accelerate the completion of social and economic development.

The provision of increased grant financial and technical assistance to Mindanao could add more OIC countries to the list of donors for the peace process. Oil for Peace represents an opportunity for an OIC country to contribute through its solidarity to peace and development in a portion of the Muslim Ummah affected by centuries of poverty and over 30 years of warfare. This support will contribute to the achievement of the Millennium Development Goals as peace, development, and progress lead to a prosperous and moderate Muslim Mindanao within the framework of the development of super region of Mindanao.

An Oil for Peace agreement can benefit conceptually from the model of two recent agreements between OPEC member Venezuela and neighboring countries, ALBA Petróleos de Nicaragua and Petrocaribe, a consortium of 14 Caribbean nations. They are both mixed enterprises formed by Petróleos de Venezuela S.A. (PDVSA) through its subsidiary PDV Caribe and local entities in the neighboring countries for the purpose of the purchase of petroleum products from PDVSA. The terms for ALBANIC are the payment of 60% of the value of an oil or derivatives purchase in 90 days at 2% interest, with the remaining 40% financed for 23 years with a two year grace period at 1% interest per annum. The benefits of

these conditions will be transferred to the health, education, security, and housing sectors, in sum, for the welfare of the Nicaraguan people.

ALBANIC shares are divided between PDV Caribe (60%) and AMUNIC (40%) with the implication that a corresponding percentage of the 23 year debt is being assumed by the Venezuelan firm. Hence, Nicaragua is only assuming as debt 40% of the debt of the 40% of the purchase being financed, or 16% of the total purchase price. Previously Venezuelan petroleum has been sold to Central America through intermediaries who add fromUS$5 to US$10 per barrel to the cost of the purchases. This intermediation will cease to exist with direct sales by PDVSA to ALBANIC.

Currently oil exporting OIC countries enjoy great liquidity, and one or more might be interested in utilizing trade and/or investment to generate the quantum of resources necessary for a peace and development breakthrough in Mindanao. This would be in consonance with the Monterrey Consensus reached at the International Conference on Financing Development (Monterrey, Mexico, 2002) that concluded that future donor assistance will be a mix of external cooperation, trade, and investment, with the latter elements increasing in importance across time. Oil for Peace would produce a 5-Winner "5W" situation explained below:

The **OIC country wins** by contributing to peace and development in the Muslim Ummah in a situation of great interest to the OIC and in which that organization plays the role of observer. To facilitate a prosperous, moderate Mindanao with full religious, cultural, political, social, and economics rights for Muslims would be a magnificent OIC country contribution to the well being of the Ummah. Oil for Peace and the construction of peace in a strategic flank of an increasingly turbulent Muslim world would also have wider significance.

The **Republic of the Philippines wins** through the reduction of out-of-pocket expenditures for energy. The debt incurred is of such a concessional nature that its macroeconomic impact would be benign. The real savings of foreign exchange in each fiscal year would more than compensate for any inflationary pressures derived from investments and expenditures in Mindanao. The prioritization of economic infrastructure and productive investment for Muslim Mindanao and Mindanao in general would likewise generate income that would justify the indebtedness from a macroeconomic point of view.

Mindanao – and particularly Muslim Mindanao - wins through an improved overall human security and investment environment, enabling infrastructure to link Muslim Mindanao with the rest of Mindanao, and support for super-region investment plans, including possibly mega-projects. Muslim Mindanao wins through the effective financing of all of the initiatives contemplated in the peace agreements and the fulfillment of the right to development of the Bangsamoro

people through significant economic activation and poverty reduction, as well as the fulfillment of the religious, cultural, and social rights contemplated in the peace accords, including of course all of their universal human rights.

MNLF and MILF win inasmuch as an incentive structure is put in place for the successful conclusion and implementation of the contents of the peace agreements for which they struggled for decades. The sacrifice of their fallen martyrs will have led to a marked and tangible improvement of the quality of life and opportunities of the Bangsamoro people. The "Mini Marshall Plan" discussed at the time of the 1996 peace negotiations never materialized, but it can be amply surpassed in conception and execution by something along the lines of a far more significant "King Abdullah Plan" or "Col. Ghaddafy Plan", or some other variant depending on whether and which OIC country might be interested.

The **AFP and PNP win** inasmuch as peace and security, law and order, within the constitutional framework of the Republic of the Philippines will have been achieved. If security is also prioritized as one of the areas to receive support, the operational capacity of AFP and PNP, as well as of the security institutions of the Autonomous Region of Muslim Mindanao, could also be improved to solve some of the more intractable law and order situations in the region.

This "5W" or "hexawinner" situation is necessary because a consensus of Philippine national public opinion, the media, academia, religious leaders, and other opinion makers is necessary to support a lasting and definitive peace. The AFP and the PNP must also be part of this mix for peace or there will be no lasting peace. The Bangsamoro people, the MNLF and the MILF must also be satisfied or there is no lasting peace. Oil for Peace could provide the significant incentive structure necessary to create a hexawinner situation by means of the quantum of resources necessary for a major breakthrough for peace and development.

3. Peacebuilding in Times of Institutional Crisis

The highest levels of intensity of internal conflict in our times are to be found in African civil strife in conditions of anarchy, genocide, pandemics, and mass starvation. These tragedies have led to 3 to 4 million deaths in the Democratic Republic of the Congo (the most ignored major war in human history) and more than 1 million deaths in Rwanda.

In conflicts that may be termed "insurrections" with rebels fighting governments with great destruction, but without anarchy, pandemics and mass starvation, the list of fatalities in the second half of the 20th Century is the following[19]:

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[19] Ibid, based on multiplicity of sources available at www.users.erols.com

Philippines (1969-present)	140,000 to 220,000
Congo Crisis (1960-1964)	100,000 to 110,000
El Salvador (1979-1992)	70,000 to 80,000
Yemen (1962-1970)	70,000 to 150,000
Algeria (1992-2002)	60,000 to 150,000
Angola (1961-1975)	40,000 to 80,000
Colombia (1970-present)	30,000 to 200,000
Mozambique (1961-1975)	30,000 to 60,000
Nicaragua (1972-1979)	30,000 to 50,000
Nicaragua (1981-1990)	22,000 to 60,000
Peru (1980-2000)	22,000 to 60,000

In all of these well known conflicts the Philippine fatality estimates are the highest, both on the low side and on the high side. If this comes as a surprise to some in the Philippines, it is because Philippine society may have become accustomed to the extreme protraction of the conflict. The 2005 Philippine Human Development Report (PHDR) supported by UNDP cites that 91% of all provinces were affected by ideology-based armed conflicts during an 18-year period from 1986-2004. At the same time the Report also cites that peace has consistently ranked high as a national issue in perception surveys; in March 2005, 35% of Filipinos ranked peace in the country as an urgent national concern, next to inflation (45%) and graft and corruption (36%)[20]. Yet perhaps the conflict in Mindanao may be seen as "far away", "over the horizon", "out of sight and out of mind" for the majority, only rarely and marginally impinging on daily life in the major cities, except when bombs or atrocities send a reminder. There is also a low level of understanding of the costs of the war and how it has constrained Philippine development, affecting each and every Filipino[21].

Given the magnitude of the war, quite obviously military expenditures have also been considerable. By 1979 Philippines defense spending had reached US$806 million. It declined in the first half of the 1980s but rose again in the second half. It reached US$680 million in 1988. However, in the era of the U.S.-Philippines military base agreements the Military Assistance Program and the US International Military Education and Training Program were also very important, accounting for up to 80% of expenditures on procurement, maintenance, training

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[20] Philippine Human Development Report. Peace, Human Security and Human Development in the Philippines. Philippine Human Development Network, 2005.

[21] The 2005 Philippine Human Development Report, which focuses on peace, human security and human development in the Philippines offers a comprehensive analysis of the peace-conflict dynamics in the country. More information can be accessed through www.hdn.org.ph

and operations. The U.S. grants added an additional US$127.6 million to the 1988 budget for a total of US$807 million, quite similar to the 1979 figure. In 2002 the military budget was US$1.4 billion, the 38ᵗʰ largest in the world. Among developing countries Philippines ranks 10ᵗʰ in military spending at the same level as Iraq in 2001 and North Korea in 2002.[22]

Assuming an extremely conservative estimate of average annual military spending of US$700 million in constant pesos (1988 baseline) for the period 1969-2004, total military expenditures amount to US$24 billion in that 35 year period. The very conservative estimate that only a quarter of the budgets were dedicated to the internal conflicts yields a sum of US$6 billion dollars annually. Without internal armed conflicts the military budget should be susceptible to significant reductions creating a peace dividend for Filipino society.

With regard to impact on the economy through the destruction of assets, lost production in Mindanao and elsewhere, lost investments and tourism, as well as the multiplier effects of the above, an average estimate of 1% of GDP lost per year is perhaps the most conservative estimate possible. Philippine GDP was US$77 billion in 2002, US$53 billion in 1992 and US$37 billion in 1982.[23] Taking an average GDP of US$50 billion in constant dollars (1988 baseline) across the past 35 years yields a total economic impact of the war of US$17.5 billion at the rate of 1% of GDP lost per year.

In sum, the most conservative estimates indicate that protracted armed conflict in the Philippines has taken at least 120,000 lives, cost at least US$6 billion in military expenditure and resulted in at least US$17.5 billion in lost GDP in over 35 years of the conflict.

Not only the conflicts have been protracted but also the peace processes. The GRP-MNLF peace process began in 1976. The first agreement between the GRP and the MILF was signed in 1997. The intermittent peace talks with the Communist Party of the Philippines/New People's Army-National Democratic Front (CPP/NPA/NDF) began in 1986 and appears to be in permanent impasse to date on the basis of fundamental differences and antagonistic negotiation frameworks. The process has produced one substantive agreement, the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CARHRIHL) in 1998.

The 5ᵗʰ Policy Assessment argued that a major reason for the extreme protraction of the Philippine peace processes is the existence of three competing policy positions in Philippine society: the "Pacification Position", the "Military

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[22] Center for Defense Information, www.cdi.org and www.exploitz.com

[23] World Bank, "Philippines at a Glance"

Victory Position" and the "Institutional Peacebuilding Position", all with innumerable variants and combinations. Indeed, they tend to rotate and cancel each other out, leading to low levels of policy consensus, coherence and continuity. The interaction among these competing policy positions has been one of the principal conditioning factors in the historical protraction of the peace processes in the Philippines. A discussion on these positions is reiterated in this current report for emphasis.

The **Pacification Position** generally aims for the cessation of hostilities and the demobilization of insurgent forces while making as few concessions as possible. This may be accompanied by attempts to improve the relative military position so as to pressure for cessation of hostilities and demobilization with even fewer concessions.

Within the pragmatism of the pacification position the time horizon can vary enormously. Negotiations can drag on for years when there is no particular sense of urgency, while each side tries to strengthen its negotiating hand through events on the ground and the dynamics of the negotiation process. On the other hand, and especially if there is a deadline, pacification negotiators can move very fast. They will agree to whatever is necessary to achieve the objective if the goal is to close the agreement before a given date. However, those who negotiate peace agreements, as agencies or as individuals, are not the same as those responsible for implementing them. Hence, unrealistic terms can be agreed to that then fail in implementation. This can lead to high levels of post-conflict conflict, or even a return to warfare.

The pervasive risk in the pacification position is that its results are usually short-term. They address the symptoms and not the causes of conflict. Often, it is adopted as the lesser of the two evils when none of the actors, taken separately or in interaction, have the political will and/or capacity to solve underlying causes and construct long-term peace. The hope then is that the cessation of hostilities will be accompanied by subsequent adaptations that make peace sustainable. Another hope is that the advantages of the absence of armed conflict are sufficient to outweigh the pull back to armed conflict generated by underlying causes and non-compliance with prior agreements. These hopes are born out in social processes on some occasions making peace possible in some countries. In others they fail, and these societies live recurrent wars.

In the early stages of insurgencies the **Victory Position** often carries the day over adopting measures that could defuse the immediate causes of conflict. Draconian ground tactics attempt to crush rebels through combinations of psychological warfare, covert action, and large scale overt operations. However, repressive tactics that often violate human rights, usually make small, incipient insurgencies large and protracted by greatly expanding their social base.

When a stalemate situation evolves because the insurgency has a consolidated social and political base and cannot readily be eliminated, the temptation on both sides is to try to launch a very large-scale offensive to break the stalemate and achieve military victory, either absolutely or by breaking the will to fight or sacrifice of the combatants and/or of their respective political support structures. In true stalemate situations this at best varies the hands of the Pacification Position negotiators. At worst, it simply increases the human losses and economic costs of the war with no gain for anyone.

The victory position tends to increase in importance when other positions suffer setbacks. Events and chains of events on the ground, some spontaneous and others contrived and/or provoked, are also undertaken to condition acceptance of resort to the Military Victory position. In conflict situations it is far easier to influence events negatively than positively, and this creates an important symmetry in favor of those who seek to militarize responses with the goal of advancing the Victory Position.

It generally requires a crisis of some sort, or some decisive influence from outside, to achieve the realization that the military victory outcome is not possible and that continued violence is futile. This also requires acquiring the mind-set that a different outcome is not only inevitable but also desirable. Time lags in achieving this consciousness can add needlessly to human losses and economic costs. To accelerate peace processes, addressing these subjective issues are just as important as the objective processes.

The "All Out War" strategy adopted in the year 2000 represents the archetypal military victory position. It resulted in the MILF losing its hold on some camps and surrounding territory forcing its return to mobile warfare and more remote staging areas. The AFP may have achieved its immediate military objectives, but the offensive did not demonstrate that the MILF could be defeated militarily. It exists with military potential to this date.

The **Institutional Position** has at its core the adoption and implementation of the policies necessary to achieve sustainable, long-term peace, as well as the articulation of institutions to implement and consolidate those policies. It also requires the transformation of behavior, attitudes and values to those that characterize a culture of peace. In sum, this position must address policy, institutional and cultural dimensions.

This approach requires short, medium, and long-term actions on economic, social, political, and administrative structures and processes. An integrated, holistic policy framework is necessary to achieve a high degree of combination of these elements, as well as to maximize policy coherence, continuity, and sustainability.

The Human Security Policy Framework offers an option in this regard.[24] It also involves consciously building and sustaining a citizen's peace constituency to make all of the above politically viable. The results of these efforts should be to the satisfaction of a critical mass of key actors and stakeholders who feel ownership of the structures, process and results that can construct peace over the short, medium, and long term.

One of the risks of the institutional position is the signing of agreements whose effective implementation lacks sufficient political and/or administrative and/or financial support. These risks increase when those responsible for negotiating and/or signing peace agreements are not the same team as those responsible for financing and implementing them. This is frequent in that implementation requires multiple actors. This is why participation in the peace process should be broad-based.

The Institutional Position takes longer, requires the participation of a broad base of actors and stakeholders, and involves transformative processes and change management. Capacity-building is thus a primary concern, because transformative processes are very demanding. Most of the best of politicians and civil servants are proficient at administering the status quo and implementing existing programs. The visionaries exist with political skills necessary to conceptualize, plan and implement transformative processes in conditions of resistance to change, but they are not common. Institutional transformations require capacity-building as part of the change process itself. It requires educating and training politicians, administrators and civil society leaders in institutional transformations. [25]

The Institutional Position is more complex than the other options and often less attractive politically because of its cost and the long-term nature of the results. To reduce these very real negative effects it is necessary to build into the design of peace agreements and programs a series of short, medium, and long-term results and milestones. A continual flow of results is necessary to sustain peacebuilding as well as to attract and sustain necessary political and financial support over the long term, including that of donors.

The comprehensive peace policy of the Ramos administration is an example of the Institutional Position[26]. The Macapagal-Arroyo Administration

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[24] The concept of human security originally appeared together with the concept of sustainable human development in the classic 1994 "UNDP Human Development Report" under the direction of the late Dr. Mahbub Ul Haq.

[25] This type of education and training is not easy to come by either. One of the reasons for this is that no state has an installed qualitative institutional transformation capacity. The capacity for qualitative institutional change has to be created as part of the change process itself.

[26] The policy of the Ramos Administration consisted of six paths and three principles. The six paths cover: 1) economic, political, and social reforms; 2) consensus building and empowerment for peace; 3) negotiations with rebels; 4)

adopted this same policy with minor modifications at the very beginning of the Administration.[27] Other examples include the autonomy for peace concept of the GRP-MNLF Agreement, as well as through the provisions of the GRP- MILF agreements so far. The panel mechanism of the GRP-MILF peace negotiation has the potential to constitute a meaningful consultative and participatory channel in Mindanao. A variant of this position holds that federalism in the Philippines is necessary to achieve peace in Mindanao. The federalist proposal with most political support contemplates a Bangsamoro federal entity.[28]

It should be noted, however, that institutional peacebuilding has never been applied with continuity. In general, the ascendancy of the pacification and military victory positions has always weakened policy coherence and continuity towards institutional peacebuilding.

Constancy and consistency of vision and persistence in their application are necessary for the success of any peacebuilding process. The three competing policy positions mentioned above have compounded this inconsistency and indefinitely deferred the delivery of the peace dividend. The victory position seeks the immediate resolution of negotiation gridlocks through the swift deployment of military might; the pacification position alternatively favors endless negotiations or instant agreements through compromising measures; and the institutional position posits building the long-term economic, social, political, and cultural institutions that can sustain peace.

The Institutional Position for all its complexity in conceptualization and difficulty in implementation offers the best hope for lasting, sustainable peace. It requires holistic vision, demand-driven solutions, inclusive initiatives, launched through networked alliances that create a viable and sustainable institutional base for peace. The key to just and enduring peace and development in the Philippines, is therefore a holistic, integrated institutional framework anchored on viable democratic processes that involves the inclusion of all actors and stakeholders.

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addressing concerns arising from the continuation of armed hostilities; 5) programmes for reconciliation, reintegration, and rehabilitation; and, 6) climate conducive to peace. The three principles are that the peace process be: 1) community based; 2) based on a new compact for a just, equitable, humane, and pluralistic society; and, 3) principled peace without blame and with dignity for all. This policy was initially developed in 1993 on the basis of nationwide, public consultations held by the National Unification Commission. Executive Order 125 defined a national comprehensive peace process that included the six paths and three principals and which created an Office of the Presidential Adviser on the Peace Process for implementation purposes.

[27] The Macapagal-Arroyo Administration reaffirmed the six paths and three principles through Executive Order No. 3 while at the same time rationalizing government structures for the peace process and creating the National Peace Forum to serve as platform for government-civil society peace dialogue.

[28] This is the position that has been advocated by Senator Aquilino Q. Pimentel, Jr., among others.

Within Filipino society, however, despite strong democratic political culture in the population in general and in civil society, as well as a democratic Constitution, legal frameworks and the existence of basic democratic institutions, democracy is quite obviously far from consolidated. An economic, social, and political power structure with taproots in Spanish colony land title distribution concentrates wealth and power. Individual, family, economic group, and party interests in vertical, top-down decision making processes place particular interests above general interests, leaving unresolved one of the basic challenges of democracy – how to assure the primacy of the general interest over particular interests in the rule of law and state institutions. This may be at play in the perceived short-cuts to amend the Constitution, which remain associated with elite political interests. When short-term political expediency holds sway over long-term institutional consolidation, democracy enters into vicious circles of institutional crises, politically expedient solutions, yet weaker institutions, institutional breakdown, politically expedient solutions, even weaker institutions, etcetera.

The symptoms of the institutional crisis in the Philippines are related to power imbalances, weak constraints on power, and political expediency versus institutional consolidation. Inasmuch as peacebuilding requires institutional transformations, the capacity to build peace in the Philippines is directly affected by the institutional crisis and the upcoming test of transformative capacity with charter change.

This is even visible in the allocation of time and attention. The last two years of the Ramos administration constituted historically the best scenario ever for advancing the peace process. However, the 1997 financial crisis and efforts at constitutional change towards the tail-end of the Ramos administration distracted policy attention. Both the current and immediately previous Filipino government administrations have faced impeachment movements, the former overtaken by a popular street movement that eventually received the support of the AFP. The current administration has faced motions for impeachment twice in Congress, as well as recently confronted a failed coup attempt and an aborted coup plot. In this situation, proposals for concessions to insurgents on key issues are immediately passed through a policy filter that gives primary consideration to the possible reactions of commanders in the field, with extreme caution carrying the day. This gives the military an inordinately powerful position in government and society, including a tacit veto over peace process-related measures. It is beyond doubt that the military must be part of the solution for peace to be viable and hence they must be full participants and beneficiaries in the process, but they should not have the power to hold peacebuilding hostage.

Institutional transformation for sustainable peace should include measures for security sector reform, and all scenarios of Charter Change should be accompanied by security sector reform to rebalance the role of the military in the

political system and the incentive structure of the military career. In this light, the continuing transformation of the security sector towards playing an effective, legitimate and democratically accountable role should be complemented by the strengthening of institutions to provide proper public management and oversight of the security sector, even as civil society groups are capacitated or assisted towards participating in this oversight and monitoring function.

Charter Change, although at the center of the institutional crisis at this point, at the same time also seeks solutions to the crisis and, if brought about through broad consensus-building processes, represents a significant opportunity for peacebuilding. Even as the national debate continues over Charter Change, however, institutional reform and transformation to support the most critical dimensions of peacebuilding should be undertaken on an urgent basis. These dimensions include respect for human rights, strengthened democratic processes through electoral reform and protection of the rights and welfare of marginalized sectors, among others. Consistent with the institutional peacebuilding position long espoused by this policy assessment series, however, a common policy framework for peace centered on human security will need to be pursued over the medium to long-term to maximize policy coherence, continuity and sustainability.

In sum, peacebuilding in the Philippines at this time requires an effective interplay of actions from the community to the top policy-making levels. Institutional reform, policy congruence and inclusive peace processes need to be pursued at the policy level. Peace constituency-building has to be advanced on a nation-wide basis. Integrated peace and development approaches on the ground are needed to achieve programmatic focus in addressing critical peace and conflict issues as well as to strengthen the nexus between peace and development in conflict-affected areas. Community-based peacebuilding needs to be recognized and supported, and transformative leadership capacities of local actors need to be built and sustained. Further, there is a need to strengthen the vertical integration of local and national peacebuilding effort. Finally, adequate resources will be needed on a sustained basis for long term peace consolidation.

Some key actions that can be undertaken to advance institutional peacebuilding in the Philippines at this time are summarized as follows:

An enhanced rights and reform government agenda for peace and development. Pursuing institutional reform is the primary responsibility of Government. Charter change, particularly if pursued within the framework of general interest and the common good, can be the overall framework for reform towards a durable peace. But in the immediate term, there is a need for government to strengthen its peacebuilding agenda, key elements of which will include measures to address vital peace, human rights and justice issues such as the spate of unexplained killings that continue to hound the nation, and the promotion of the rights of marginalized

sectors such as Indigenous Peoples, particularly in light of development priorities that may threaten their rights and welfare.

Government will need to balance carefully its development, security and peace priorities. Government-led peacebuilding will mean pursuing a rights and reform agenda that will include security sector reform; electoral reform; development policies responsive to the needs and interests of marginalized sectors, and building capacities of LGUs for effective governance, especially in the conflict setting.

It is important to build an internal constituency for peacebuilding within the government bureaucracy towards harnessing government support for the peace process beyond "business as usual" and move the national peace agenda forward. In this light, the issuance of Executive Order 569 which designates all Presidential Advisors as Regional Peace Advisors is an opportunity to promote peacebuilding, even as it constitutes a risk in that peace processes, as political processes, are not insulated from partisan political agenda. This risk also applies to the local elections scheduled for May 2007, although it may provide opportunities in advancing local peace agenda as part of electoral and political platforms of local officials.

There are also important platforms for advancing government peacebuilding efforts at the national level. Government's "Six Paths to Peace" remains as relevant to national conditions as they were when initially recommended by the National Unification Commission (NUC) in 1993. In this light, current efforts led by the OPAPP to review the NUC recommendations with assistance from the GOP-UNDP Conflict Prevention and Peacebuilding Programme, should surface critical actions needed to reinvigorate the national peacebuilding process. The upcoming review of the Medium Term Philippine Development Plan (MTPDP) constitutes another opportunity to strengthen the peace agenda, by updating the National Peace Plan (Chapter 14 of the MTPDP) and by possibly introducing a conflict prevention and peacebuilding lens in the national development planning process. The Peace Plan may be strengthened through a clearer articulation of the rights and reform agenda, and by reiterating a peace process for all, not just between government and the armed groups. The Peace Plan may also be bolstered via a clear articulation of roles towards a strengthened vertical integration of peace and development initiatives on the ground with policies and decision-making at the top levels of governance.

Pursuing the gains of the peace process by strengthening the ARMM even as options for constitutional change to transform political institutions are explored. Despite issues and deficiencies associated with the ARMM as a product of the FPA, it nevertheless remains as a venue for articulating the Moro people's aspirations. Appropriate support must therefore be given towards institutional strengthening, and delivering on genuine governance reform—i.e, fiscal and political autonomy-- for the ARMM. This is critical in that larger reform processes

associated with Constitutional change (such as the possible shift to federalism), if pursued through consensus-based processes, are likely to take time. Federalism, through the Constitutional processes necessary to bring it to being, would be a vehicle for addressing institutional and political issues that currently impede the full exercise of autonomy, and provide a strong democratic option to facilitate self-rule not only for Muslim Mindanao, but for all of Southern Philippines as well.

Conflict-sensitive and peace-promoting development assistance. Development assistance geared at supporting the peace process should locate itself within the reform, advocacy, and development agenda set forth by government and civil society as analyzed in the earlier sections of this paper, and must operate within the context of locally-owned, locally-driven peace and development agenda. As previously mentioned, there is a huge need for resources if long-term peace is to be achieved. However, beyond increased resources, the manner in which development assistance is delivered should be of prime importance. Lessons from the three-year transition period of the GRP-MNLF FPA point to the need to consider longer-term frameworks for development assistance, supporting an extended period of exception to facilitate not just economic recovery but institution-building as well as healing and reconciliation processes. Additionally, the principles of "Do No Harm" as well as those of the Paris Declaration on Aid Effectiveness emphasize the need for locally-led delivery of development assistance, the need to deliver this on an exceptional basis, i.e., not "business-as-usual" bureaucratic processes, and ensuring that the assistance contributes to enabling conditions for people to build and sustain peace and development themselves. Corollary to this, assistance to peacebuilding should be more strongly articulated beyond Mindanao, in support of the national peacebuilding agenda as well as in the construction of a nationwide constituency for peace.

Enhanced role for the OIC in the Mindanao peace and development process. Assistance from foreign partners, particularly in Mindanao, has helped to move the peace process forward. Indonesia and the OIC had significant roles to play in the conclusion of the 1996 GRP-MNLF FPA. Malaysia currently plays a major role in the GRP-MILF peace negotiations. The OIC continues to play an important role in the monitoring of the FPA, and in trying to get the two parties together towards moving its implementation forward. Yet in the context of strengthening the peace and development nexus for Mindanao, and guided by the Baku Declaration of June 2006 which called on the OIC countries to increase development aid for the area, perhaps these partners in the peace process, particularly the OIC, can begin to examine an enhanced role in the development process, while strengthening its monitoring role in the implementation of the 1996 FPA. A prospective agreement coming out of the upcoming GRP-MNLF-OIC Tripartite Meeting in Jeddah could possibly articulate OIC development assistance to Mindanao in more concrete terms. An initial starting point can be support to ensure that the ARMM is well-articulated in the super-region that Mindanao is envisaged to become under the economic growth objectives of the Government. Direct assistance from

OIC countries to communities affected by conflict in the ARMM can be provided in the context of an integrated development assistance approach with explicit peacebuilding goals as earlier discussed in this paper. On a larger, high-impact scale, the "Oil-for-Peace" initiative advanced by this paper can be the vehicle through which OIC countries could significantly contribute to long-lasting peace and development in Mindanao.

Integrated peacebuilding approaches for UN assistance to the Philippines. The 2005-2009 United Nations Development Assistance Framework (UNDAF) for the Philippines provides a good platform for a holistic peacebuilding approach. Towards meaningful contributions for a durable peace and sustainable development in the Philippines, integrated peace and development interventions can be pursued through the UNDAF Theme Groups already established, and current initiatives can be "conflict-sensitized" to respond to the policy reform agenda of government as discussed above, as well as to peace advocacy and constituency-building to create nationwide participation and support for peace.

Based on the national peace agenda, UN assistance may revolve around support for a peace-promoting policy environment through institutional reform; helping build capacities of local actors and key institutional platforms for peace and development, and adopting integrated area-based approaches to peacebuilding as previously discussed in this paper. In specific terms, some of the priority areas for UN collaboration with national actors can be in the form of support for human rights advocacy and promotion; security sector reform; peace education and advocacy, including capacity-building for the media on peace reportage; capacity-building for local frontliners (i.e, local government executives and officials) for conflict-sensitive governance; support for interfaith and multicultural peace initiatives, and increased advocacy for the rights and welfare of children and women in situations of armed conflict. On a programmatic level, UN agencies can collaborate towards the enhancement of existing monitoring and evaluation frameworks with clear peace-based indicators, facilitating a coherent peace-sensitive approach to the work that is being done at national and local levels. Mindanao is a logical area for convergence, given the UN's long-time engagement for peace and development in the area, which began soon after the GRP-MNLF FPA was signed in 1996, but collaborative action among UN agencies for peacebuilding interventions outside Mindanao and into the larger peacebuilding arena should be given equal importance.

Strengthened broad-based national constituency for peace. Peacebuilding is not the task of Government alone. One of the main principles of the comprehensive peace process contemplates a community-based peace process "defined not by government alone, nor by the contending groups only, but by all Filipinos as one community". The 5th Policy Assessment emphasized that government efforts at peacebuilding must be accompanied by broad-based consensus to establish

a truly national or public policy as opposed to government-driven policies alone. Particularly, support must also be developed in the media, academia, and other opinion makers, as well as in the private sector and civil society, both at the central and local levels, especially in conflict localities. Such a policy can obtain the degrees of policy coherence, continuity, and sustainability necessary to achieve meaningful outcomes and significant impacts. This inasmuch as the peace policy would be supported by a national movement that provides the social base and political support necessary to construct peace in the short, medium, and long terms.

There are strong platforms for civil society peacebuilding in the Philippines. In Mindanao, various NGOs and civil society groups have individually and collectively pushed a peace agenda for the region, stepping in as catalysts or advocacy movements, particularly in times of negotiation impasse, or for the articulation of citizens' participation and representation in the peace negotiations. There are also grassroots-based peacebuilding initiatives for peace and development in conflict-affected areas, including community-initiated peace zones and peace sanctuaries, as well as initiatives for inter-ethnic dialogue and cooperation, in addition to indigenous peacebuilding mechanisms.

At the national level, the creation of a Citizens' Peace Council has been articulated in the executive order defining the government's comprehensive peace process. Initial efforts to put an independent Council together fizzled out for various reasons, but the establishment of a high-level Council of notable civil society leaders can still be pursued, towards bringing the civil society peace agenda to the policy arena as well as to provide the leadership in promoting a nationwide constituency for peace. An important advocacy can be the promotion of the CARHRIHL signed between the government and the NDF. Given the continuing impasse and fundamental differences in the peace negotiations between the two parties, promoting respect for and recognition of human rights and international human law embodied in the CARHRIHL will need to be advanced outside the negotiations, and presents a critical role for civil society peacebuilding groups to play.

High on the agenda of civil society peacebuilding should also be the conscious development of second-liner peace advocates particularly among the youth; the promotion of rights of marginalized sectors, especially Indigenous Peoples; and the promotion of key peacebuilding roles for women both at local and national levels. As emphasized earlier in this paper, particular attention must be paid to the youth sector in the context of the peace and conflict dynamics in the Philippines. This next generation of new leaders has been witness, in their communities as well as through vivid accounts on television and print media, to a growing tendency to articulate interests or grievances through violent means. They have the potential to either be drawn to the violence, or to reject it in all its

forms and be prime movers in the promotion of a culture of peace. In this regard, it is incumbent on the elders of this generation to harness the potential of the youth for peace by directly engaging them in peacebuilding; by encouraging and providing venues for dialogue and confidence-building, and by making sure that the values of peace—justice, human rights, respect for life and human dignity, as well as the responsibilities of living in a multicultural society—are imparted to the youth through the school curricula from the elementary to the tertiary levels.

The media likewise has a unique and critical role to play in the national peace advocacy and constituency-building process, and must be drawn into both government and civil society efforts to promote a culture of peace. The private sector should also be drawn in for resources and support to the national peacebuilding process. Finally, a citizens' peace agenda should include continuing advocacy for an inclusive peace process beyond government and rebel groups only. In times of institutional crisis, the citizens' peace movement can be a formidable vehicle through which broad-based interests may be articulated and pursued as genuine public policy, as opposed to governmental, parliamentary or state-based consensus.

Despite difficulties and setbacks that have confronted the peace process – in Mindanao as in the national level – there exists in the Philippines basic elements for the construction of a national infrastructure for peacebuilding. Notable is a strong civil society involvement in the promotion of peace and human rights. There are efforts within government at institutionalized peacebuilding, which should continue despite unfavorable policy environments. Government bodies such as the OPAPP and the CHR have mandates that can be strengthened towards strong and pivotal roles in institutional peacebuilding. There is increased participation of external partners in the monitoring of the ceasefire in Mindanao, and strong donor support for the peace and development process in the area. Communities in the midst of armed conflict have negotiated and built their own peaceful environments; peace and development communities in Mindanao, for example have developed peace and development plans which are linked to *barangay* development planning. But overall, the continuing construction of a national infrastructure for peace should benefit from inclusive, participatory consensus-building processes deliberately aimed at strengthening vertical linkaging and integration of State, civil society and community-based peacebuilding.

Peacebuilding aimed at preventing the outbreak, reoccurrence or continuation of armed conflict requires exceptional measures even when being undertaken in strong institutional settings. In conditions of institutional crisis, the success of peacebuilding is dependent on the success of broad-based politically owned institutional transformation to overcome the crisis. Crisis often presents opportunity, and current national conditions may now provide opportunity for constructive transformation towards a durable peace and sustainable development for the Philippines.

MINDANAO AND BEYOND: COMPETING POLICIES, PROTRACTED PEACE PROCESS AND HUMAN SECURITY

This document consists of two highly interrelated reports. One is the Regional Peace and Development Learning Experience Study in Asia's first report on the Philippines. It focuses on the reasons for the extreme protraction of the peace process. It proposes a move beyond national security to a human security policy framework as an option to consider, as well as vigorous civil society action to broaden, strengthen and consolidate a peace movement in support of peace efforts. The other report is the Fifth Policy Assessment for the Multi-Donor Support Group. It analyzes the peace process 2002 in relation to the Moro Islamic Liberation Front (MILF), the Moro National Liberation Front (MNLF), the peace and order situation, the international context, the new Bangsamoro generation, and three factors that could make "autonomy for peace and development" fail in the Southern Philippines. These factors are LACK OF: 1) electoral autonomy, 2) fiscal autonomy, and 3) land and resources autonomy.

1) First Peace and Development Learning Experience Report on the Philippines: The Overriding Question of the Extreme Protraction of the Peace Process and the Human Security Option as a Potential Solution

Extreme Protraction of Peace Process

Why the extreme protraction of the Filipino peace processes? This is the overriding question that guides this learning experience report on peace and development in the Philippines. Peace negotiations and agreements between the Government of the Republic of the Philippines (GRP) and the various rebel groups have existed for over a quarter of a century but not one of them has been carried to a successful conclusion.

The first agreement between the GRP and the MNLF was signed in 1976. A final peace agreement was concluded in 1996 and implementation processes have followed in the ensuing six years. The first preliminary agreement between the GRP and the MILF was signed in 1997 while a peace agreement was not achieved until 2001. Two implementing guidelines have subsequently been negotiated while others are still pending.[2] Negotiations and agreements between the GRP

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[1] This paper was previously printed and circulated in November 2006, inadvertently identified as Policy Paper 7. It is correctly referred to as Policy Paper 6 in this publication.

[2] The antecedents are the GRP-MILF "Agreement for General Cessation of Hostilities" dated July 18, 1997, including the implementing "Administrative Guidelines" dated September 12, 1997 and Implementing "Operational Guidelines".

and the Communist Party of the Philippines (CPP)-National People's Army (NPA)-National Democratic Front (NDF) began in 1986 and have continued at different points in time through the current impasse.[3] Negotiations with the CPP-NPA-NDF are expected to be resumed in the near future.

Of course there has to be political will on both sides for a peace process to be successful. This has not always been the case. There have been occasions were on or both parties approached peace negotiations with the objective of achieving tactical advantages. For example, the CPP-NPA-NDF has undertaken peace negotiations while at the same time assassinating elected officials. It also has insisted on recognition of parallel state structures, including its own judiciary, as part of the negotiation process. Some in the AFP consider that the MILF non-insistence on independence or other political demands hides a continued commitment to independence in the future. Likewise, there are elements in all of the insurgent groups that doubt the political will and good faith of the GRP in the negotiation process. There are still high levels of mistrust and lack of confidence on both sides, despite---and perhaps partly because of---all of the years of peace contracts and negotiations.

However, the salient fact is that none of the peace processes has led to the national objective of just and lasting peace even when there has been political will on both sides in on or another of the peace processes. In the same time period under consideration, wars have come and gone in Central America, Africa, and the Balkans, but armed conflicts in the Philippines have proven intractable.

There was also a "General Framework of the Agreement of Intent between the GRP and the MILF dated August 27, 1998 and a GRP-MILF "Agreement on Safety and Security Guarantees" dated March 9, 2000. This was followed by the "General Framework for the Resumption of Peace Talks between the GRP and the MILF signed on March 24, 2001 at Kuala Lumpur, Malaysia. This led to the "Agreement of Peace between the GRP and the MILF" signed on June 22, 2001 at Tripoli, Libya. The operationalization process began with "Implementing Guidelines on the Security Aspect of the GRP-MILF Tripoli Agreement of Peace of 2001" signed at Putrajaya, Malaysia on August 7th, 2001. The Tripoli Agreement was further operationalized through the "Implementing Guidelines on the Humanitarian Rehabilitation and Development Aspects of the GRP-MILF Tripoli Agreement of Peace of 2001" signed in Putrajaya, Malaysia on May 7th, 2002. An additional document signed on this occasion was the "Joint Communiqué Between the Government of the Republic of the Philippines and the Moro Islamic Liberation Front" dealing with joint security actions against lost commands, kidnap for ransom groups, and other criminal elements. This communiqué was signed at Cyberjaya, Malaysia on May 6th, 2002.

[3] The peace negotiation process began in 1986 with the Aquino Administration. There was considerable activity in the Ramos Administration: "The Hague Declaration" (September 1, 1992), "The Breukelen Joint Statement" (June 14, 1994), the "Joint Agreement on Safety and Immunity Guarantees" (February 24, 1995), "The Joint Agreement on the Groudn Rules of the Formal Meetings Between the GRP and the NDFP Negotiating Panels" (February 26, 1995), "Joint Agreement on the Formation, Sequence and Operationalization of the Reciprocal Working Committees" (June 26, 1995), "Additional Implementing Rules Pertaining to Documents of Identification" (June 25, 1995), "Supplemental Agreement to the Joint Agreement on the Formation, Sequence and Operationalization of the Reciprocal Working Committees" (March 18, 1997), "Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law" (March 16, 1998), "Additional Implementing Rules of the Joint Agreement on Safety and Immunity Guarantees (JASIG) Pertaining to the Security of Personnel and Consultations in Furtherance of the Peace Negotiations (March 6, 1998), and "Joint Agreement in Support of Socioeconomic Projects of Private Development Organizations and Institutes" (March 16, 1998).

The question of extreme protraction of the peace processes transcends putting blame on one side or another, or on both sides. It runs deeper than this. It is instead related to the issue of governance itself. The most useful concept of governance in the opinion of the author is the definition of "governance as the social capacity to set and achieve objectives." In the case at hand, the question is how Filipino Society can strengthen its own capacity to set and achieve the objective of a just and enduring peace. Both the Ramos and Macapagal Arroyo Administrations have officially posited as a national objective a "comprehensive, integrated and holistic peace process for the attainment of a just and enduring peace."[4] How to achieve this objective is the major peace and development challenge facing Filipino Society.

1.2) Peace Dividend

Few nations with armed conflicts in the world would benefit as rapidly and as thoroughly from a peace dividend as would the Philippines if peace were to break out in Mindanao and in the rest of the country. The peace dividend would consist of an end to the bloodshed, human suffering, and destruction caused by armed conflict. It could also lead to reduction in security expenditures, although international experience in the last decade indicates that the security dividend can be much less than expected due to the assignment of new missions to the security forces. The peace dividend would also consist of appreciable augments in Gross Domestic Product (GDP). Mindanao is one of the principal productive assets of the Philippines. There is also international interest in investment in Mindanao, including from regional investors in Malaysia and Brunei. The conflict is holding back both Mindanao and the country in general. Unrealized production in Mindanao as well as in other areas of armed conflict, its negative multiplier effect nationally, and reduced investment and tourism throughout the Philippines, all add up to billions of dollars in lost GDP over the past three decades[5]. If peace and the attendant dividend were to be achieved in say the next two years, they could coincide with the expected recovery of the world economy. That could make for quite spectacular economic results in coming years. This in turn could form the financial foundation for the social programs that the country urgently needs, especially in the area of poverty reduction.

In sum, a very powerful strategy in the Philippines for combined economic reactivation, poverty reduction, human security and sustainable human

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[4] The Ramos Administration adopted this policy through Executive Order No. 125 of 1993. The Macapagal Arroyo did the same through Executive Order 3 of 28th February, 2001.

[5] The Presidency of the Republic of Nicaragua quantified the economic impact of the war of the 1980's on GDP with methodological assistance of the United Nations Economic Commission for Latin America and Caribbean (ECLAC). The resulting information and analysis was utilized as evidenced in the compensation phase of Nicaragua's successful case in the International Court of Justice in The Hague, "Nicaragua vs the United States of America: Military and Paramilitary Action In and Against Nicaragua". The evidence indicated that direct and indirect damage and their global impact on GDP totalled US$16 billion. The GRP has requested World Bank to undertake such a study in the Philippines.

development policy is peace. It is a strategy that also increases social capital rather than weakening it. Since the beginning of the current Mindanao conflict every Filipino administration has been cognizant of the negative impact of armed conflict on the nation. Each and every administration (Marcos, Aquino, Ramos, Estrada and Macapagal-Arroyo) has proactively sought peace negotiations and agreements in Mindanao in one form or another at one time or another. In parallel, another series of efforts have also been made to end the insurgency of the New People's Army. However, peace has proven elusive and the peace process protracted.

Arguably, peace has never been closer than at this moment, given peace agreements with both the MNLF and the MILF, and the adverse environment, the complexities of the peace processes that have led to their extreme protraction over a quarter century are still apparent. Given historical experience and current complexities there is the real risk that finalization efforts will result as protracted as the rest of the process, or that they will not lead to viable and sustainable peace with the attendant peace dividend.

1.3) Competing Policy Positions

One element, among others, that explains the extreme protraction of the peace processes with the MNLF and the MILF, and hence the postponement of the peace dividend, is the existence of three competing policy positions. A summary of these positions follows prior to their description and a brief analysis of the dynamics of their interaction.

The first position consists of negotiating the concessions necessary to achieve the cessation of hostilities and a return to civilian life on the part of the combatants. This position may be known as the "pacification and demobilization position", or by the short name "pacification position."

A second position advocates the military defeat of the MILF and the NPA, the political defeat or marginalization of the MNLF, and the extermination of the Abu Sayyaf and other terrorist and kidnap for ransom groups. This position advocates a return to the normalcy position", with the short name being the "victory position".

A third policy position advocates the short, medium, and long-term construction of policies and institutions for peace in the ecological, economic, social, political, and cultural spheres through consultative and participatory mechanisms. Historical examples from the Philippines include the "comprehensive, integral, holistic peace policy" of the Ramos Administration, the autonomy for peace concept of the Government of Philippines GRP-MNLF agreement, as well as through the emerging provisions, more economic than political, of the GRP-MILF agreements. The panel mechanism of the GRP-MILF peace negotiation has

the potential to constitute a meaningful consultative and participatory channel in Mindanao. A variant of this position holds that federalism in the Philippines is necessary to achieve peace in Mindanao.

The federalist proposal with most political support contemplates a Bangsamoro federal entity[6]. The type of policy position described may be termed the "institutional peacebuilding position" with the short name "institutional position".

Descriptions of these positions follow, as well as an analysis of the dynamics between them.

1.3.1 Pacification Position

It is a basic tenet in political and business negotiations to attempt to achieve an objective while making as few concessions as possible to the other side. When applied to peace negotiations, the objective is generally the cessation of hostilities and the demobilization of the insurgent force while making as few concessions as possible. This may be accompanied by attempts to improve the relative military position so as to pressure for cessation of hostilities and demobilization with even fewer concessions. Since the beginning of the current Mindanao Peace Process in the Marcos Administration there has always existed a position advocating the achievement of cessation of hostilities through minimal concessions. This was also the case with regard to previous historical "Moro Rebellions", both in the fifties and sixties as well as in the colonial regimes.

Two corollaries to this position are applicable to the "military victory" position as well. One corollary is that the most practical way to achieve pacification is to co-opt the Moro leadership. For example, this has been applied to achieve partial demobilizations of some insurgent field commanders with their men and weapons through attractive compensation schemes, especially for the leadership. Another corollary is the application of the divide and rule dictum. An example of divide and rule is the unilateral formation by the GRP of the original Autonomous Region for Muslim Mindanao (ARMM) despite MNLF opposition. Another divide and rule example is the alleged support given the incipient Abu Sayyaf by some elements at the time of its origin as part of an effort to divide the then united MNLF. [7]

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[6] This is the position advocated by Senator Aquilino Q. Pimentel, Jr., among others.

[7] This "Frankenstein Story" is also related to others. The future Abu Sayyaf leadership were returning from Afghanistan where the CIA had financed, armed, and trained, largely through the Pakistani Inter-Service Intelligence (ISI)---the mujahedeen who successfully fought the Soviet Army and simultaneously became the core elements for armed Islamic militancy the world over, including Al Qaeda. Subsequently, the Pakistani ISI organized the Afghan students in the madrassah around Pashawar, Pakistan into the Taleban student militia and supported their successful take-over of Afghanistan. Today both Al Qaeda and Taleban seek to assassinate Pakistani President Pervaez Musharraf and constitute the greatest terrorist threat in the world, while Abu Sayyaf with its kidnap for ransom modus operandi represents the most active terrorist group in South East Asia.

Within the pragmatism of the pacification position the time horizon can vary enormously. Negotiations can drag on for years when there is no particular sense of urgency, while each side tries to strengthen its negotiating hand through events on the ground and the dynamics of the negotiation process. Inversely, there can also be changes in ground realities, as well as in internal and external conditions, that make short-term agreement an attractive goal. Within the pragmatism of this approach the conditions necessary for short-term agreements are then rapidly created. In such circumstances, and especially if there is a deadline, pacification negotiators will agree to whatever is necessary to achieve the objective.

The risk in the pacification position is that its results are usually short-term. They often do not sufficiently address the underlying causes of armed conflict whose resolution is necessary to construct long-term peace. On the other hand, in some situations none of the actors, taken separately or in interaction, have the political will and/or capacity to solve underlying causes and construct long-term peace. Such situations make the pacification position "as good as it gets". The hope then is that the cessation of hostilities will be accompanied by subsequent adaptations that make peace sustainable. Another hope is that the advantages of the absence of armed conflict are sufficient to outweigh the pull toward acute conflict generated by underlying causes.

1.3.2. Victory Position

This position has extraordinary resilience. In the early stages of insurgencies it often carries the day over adopting measures that could defuse the immediate causes of conflict. This can be counterproductive if there are over reactions. Large-scale military operations, especially if accompanied by highly repressive tactics that violate human rights, can make small insurgencies large and protracted. A disproportionate military response to insurgency can make the repressive regime against which the insurgents declare they are fighting a self-fulfilling prophecy, whatever the reality of the situation prior to the insurgency.

When stalemate situations are produced, the temptation is strong to undertake large-scale operations----through combinations of psychological warfare, covert action, and overt operations. The objective in such cases is to break the stalemate and achieve military victory. The victory position tends to increase in importance when other positions suffer setbacks. Events and chains of events on the ground, some contrived and/or provoked, can also be employed to advance the need to adopt the victory position. In conflict situations it is far easier to influence events negatively than positively, and this creates an important symmetry in favour of those who seek to militarize responses with the goal of advancing the victory position.

The reiterated use of military operations in stalemate conditions can become self-destructive behaviour. It is the State equivalent of a habitual gambler's continual re-incidence to try to recoup losses. It generally requires a crisis of some sort, or some decisive influence from outside, to achieve the realization that the military victory outcome is not possible and that a different outcome is not only inevitable, but also desirable. It should be noted that out and out military victory in internal conflicts is rare because it does not solve the underlying economic, social, political, and cultural causes of the conflict. At very least military pressure must be accompanied by some policy and institutional actions for a conflict not to perennially resurface.

1.3.3 Institutional Position

The adoption and implementation of the policies necessary to achieve sustainable, long-term peace, as well as the articulation of institutions to implement and consolidate those policies, is the core of the "institutional position". This approach consists of short, medium, and long-term actions on economic, social, political, and administrative structures and processes, as well as the creation or strengthening of a culture of peace. This requires a policy framework to achieve the combination, phasing, and sequencing of these elements as well as to maximize policy coherence, continuity, and sustainability. It also involves consciously building and sustaining a citizen's peace constituency to give the peace process a social base and political support over the long term. The results of these efforts should be to the satisfaction of a critical mass of key actors and stakeholders who feel ownership of the structures, process and results that can construct peace over the short, medium, and long term.

Many governments like to consider the signing of a peace agreement the culmination of their peace efforts. This can be congruent with the pacification position. From the perspective of the institutional position, a peace agreement only forms the framework for subsequent processes of institutional transformation and development. This point is of capital importance. One of the greatest dangers for the institutional position is the signing of agreements whose effective implementation lacks sufficient political and/or administrative and/or financial support. These risks increase when those responsible for negotiating and/or signing peace agreements are not the same team as those responsible for financing and implementing them. This is frequent in that implementation requires multiple actors (for example, Congresses, public administrations, ministries of finance, international financial institutions and other donors). If peace policy is only ministerial or at the advisers' level, or even governmental at the cabinet level, hand-offs to other teams – or even administrations – can be clumsy and adversely affect peace processes.

An example of the foregoing is Nicaragua in the 1990s. That country experienced 6 years of post-conflict conflict (as compared to 8 years of war) due to non-compliance in agreements made with ex-combatants. This consisted of continual re-insurgencies, augments in organized crime, increase in land disputes, and widespread banditry. In Cambodia there is a crisis described by leading legislators as "mob rule" in the countryside where 15,000 demobilized ex-combatants have not received promised benefits in over a year since they were agreed upon. Local police and judiciary are reticent to confront the ex-combatants. The promised support was not provided by an international financial institution whose representative in the field points to complex rules and procedures as the reason for the delays. [8]

The institutional position takes longer, requires the participation of a broad base of actors and stakeholders, and involves transformative processes and change management. It is more complex than the other options and often less attractive politically because of its cost and the long-term nature of the results. To reduce these very real negative effects it is necessary to build into the design of peace agreements and programs a series of short, medium, and long-term results and milestones. A continual flow of results is necessary to attract and sustain necessary political and financial support.

In developing and transitional societies this presents the need for considerable support from the international donor community on a sustained basis. Recent examples of the magnitude of these efforts include Cambodia, Nicaragua, East Timor, Ruanda, Mozambique, Angola, and Sierra Leone. It should be noted that the Philippines has not received anywhere near the magnitude of resources employed in the other conflicts, nor anywhere near the resources required. Of course, it should also be noted that the Philippines has an economy that is far more developed than any of the other countries mentioned. However, even several of the Balkan states in Europe have also required large-scale international assistance to finance the peace strategies undertaken.

In the Philippines, the comprehensive peace policy adopted by both the Ramos and Macapagal-Arroyo administrations represent an institutional approach. The policy of both administrations has consisted of six paths and three principles. The six paths cover: 1) economic, political, and social reforms; 2) consensus building and empowerment for peace; 3) negotiations with rebels; 4) addressing concerns arising from the continuation of armed hostilities; 5) programmes for reconciliation, reintegration, and rehabilitation; and, 6) climate conducive to peace.

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[8] This ground situation was described by the Cambodian parliamentary delegation to the Third PARAGON Partners' Meeting on "Human Security Challenges in Asia: The Role of Legislatures", co-hosted by the Mongolian Ich Hural (parliament) held in Ulaanbaatar (August, 2002).

The three principles are that the peace process be: 1) Community-based; 2) have as its foundation a new compact for a just, equitable, humane, and pluralistic society; and, 3) be a principled peace without blame for anyone and with dignity for all.

The community-based element would appear to be the weakest in implementation. Both the media and public opinion generally equate the peace process with only the third path, negotiations with the rebel groups, rather than in its full comprehensive, institutional dimension.

Also illustrative of the institutional approach is the peace agreement reached between the GRP and the MNLF in 1996 based on the formula of "autonomy for peace and development". An institutional approach is also apparent in the consultative mechanisms utilized by the peace panel established for the MILF negotiations of the period 2001-2002. Under the Macapagal-Arroyo Administration, a National Peace Council (NPC) was also created in May, 2002, and has since transformed into the Citizens' Council for Peace. An independent group of civil society peace advocates, the Council – which is yet to be effectively operationalized by its members - seeks to consolidate and strengthen the peace constituency and institutionalize a mechanism for citizens' participation within the peace process[9]. If this council acts with true independence, it could be the needed catalyst to facilitate the formation of a broad based peace movement, above and beyond the fray of partisan politics and elections, or even changes in administration across the years.

The implementation of the comprehensive nature of the 1996 Peace Agreement has been hampered by a relative lack of resources dedicated to that

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[9] The Ramos and Macapagal Arroyo peace strategies are the following:

Six Paths to Peace

    1) Pursuit of social, economic, and political reforms

    2) Consensus-building and empowerment for peace

    3) Peaceful negotiation with the different rebel groups

    4) Programs for reconciliation, reintegration, into mainstream society and rehabilitation

    5) Addressing concerns arising from continuing armed hostilities

    6) Building and nurturing a climate conductive to peace

Three Principles

    1) Community-based

    2) New social compact for a just, equitable, humane, and pluralistic society

    3) Principled and peaceful resolution of the armed conflict with neither blame nor surrender but with dignity for all concerned.

This policy was initially developed in 1993 on the basis of nationwide, public consultations held by the National Unification Commission. Executive Order 125 of the Ramos Administration defined a national comprehensive peace process that included the six paths and three principals and which created an Office of the Presidential Adviser on the Peace Process (OPAPP) for implementation purposes. The Macapagal-Arroyo administration reaffirmed the six paths and three principles through Executive Order Number 3 while at the same time providing for the creation of a National Peace Forum (NPF) to serve as advisory body to the OPAPP, and rationalizing the peace process offices/structures.

end. This situation has been partially compensated for by very strategic insertions. Crucial in this regard has been the assistance from the Multidonor Programme coordinated by UNDP-Philippines. This assistance played an essential support role in demobilization of MNLF combatants and their reintegration into civilian life through peace and development communities. The Southern Philippines Council for Peace and Development (SPCPD) was an important national vehicle in this regard. This effort should continue in relation to the MNLF combatants through ARMM and the Southern Philippines Development Authority (SPDA), as well as through the development foundations, NGOs, cooperatives and firms that have been created by the politico-military organizations. This effort must also be extended to the MILF to take advantage of the organizational structures and social technologies that have proven their worth in the MNLF case.

The Peace and Development Communities (PDCs) in the Special Zone of Peace and Development (SZOPAD) proved their strategic worth during the period of "All Out War" in which they were islands of peace in a sea of war, respected by both the MILF and the AFP, save extremely rare exceptions. It is also noteworthy that they managed not to be provoked by either side into widespread fighting. This is a major success story that must be assimilated in the subsequent MILF demobilization process, as well as into the total Philippine peace effort. The role of the UNDP-led Multi-Donor Programme should also be analyzed as a learning experience of appropriate and effective external cooperation in conflict and post conflict situations. These are learning experiences worthy of study by other countries involved in peace processes.

The considerable external cooperation that institutional peacebuilding requires must be delivered within an explicit peace and development conflict and post-conflict framework, hopefully in function of a integrated, holistic, national policy framework. "Business As Usual" external cooperation in conflict situations can make situations more acute rather than alleviate them. The case of the consequences of a one year delay in support for demobilized combatants in Cambodia has already been cited. It is essential that all external cooperation in conflict and post-conflict areas be coordinated in terms of the peace and development process and not vice versa. When peace efforts are subsumed to cooperation delivered "normally" the results can be highly counterproductive. This is currently a real risk in the Southern Philippines as new developmental actors enter the scene.

The lack of a post-war framework has been a cause of serious post-conflict conflict in some countries[10]. Europe had an official post-war period from 1945

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[10] A case in point is Nicaragua as was mentioned previously in the text. That country suffered serious post-conflict period between 1990 and 1996, for a total of six years, due to issues related to the peace process itself. The concept of immediate return to normalcy conditioned this situation.

through 1952, a total of seven years, in which exceptional circumstances were recognized. To consider that developing and transitional societies should return to "pre-war normality" immediately after decades of conflict is unrealistic and high risk. However, it has been the tendency in recent years, partly conditioned by the phenomenon of "donor fatigue", especially in regard to assuming large, long-term commitments.

Elements of Filipino civil society together with the GOP-UN Multi-donor Programme have provided support for the institutional position on the ground in Mindanao. This has covered initial demobilization, reinsertion, reconciliation, and rehabilitation through peace and development communities, and, the initiation of a development phase. Both officials of the GRP and top leaders of the MNLF have maintained on reiterated occasions that the peace process itself would not have been successful if it had not been for the presence of the international donor community through the Multi-Donor Programme. This successful pillar of the peace process should be strengthened in light of impending MILF demobilization and the need to strengthen the overall institutional framework of the peace process.

Inasmuch as the objective of this learning experience report is to generate conclusions and recommendations useful for the advancement of peace, it is necessary to make explicit the obvious, that this report is not neutral in relation to the policy positions in play. The bias may be specified as follows:

Just and enduring peace may best be achieved through the institutional position. The pacification position entails major risks in terms of the sustainability of peace, but it is preferable to continued military confrontation if the institutional approach is not politically or operationally feasible. Finally, the military victory position will only generate continued armed conflict across the years as has been by half a millennium of "Moro Policy" since the arrival of the Spanish in 1521.

1.4) The Dynamics Among the Positions

All three of the competing positions are in play in the peace process in the Southern Philippines, and they all have significant sources of support in civil society and government, including the Armed Forces of the Philippines (AFP). None of these actors and stakeholders, including the AFP, is monolithic in relation to these positions. Neither are the MILF nor especially the MNLF monolithic and much less the Bangsamoro communities.

Given the presence of all of the positions in all of the institutions, stereotypes should be avoided. For example, the institutional position is present in the AFP and the victory position in its strongest forms is to be found among some elected local officials. On the other hand prized projects promoted by the Chief of the

Intelligence Service of the AFP are distance education and community forestry to create an educational and economic base for the marginal communities of the highlands where the most marginalized Bangsamoro and Indigenous Peoples (IP) live. Proactive expansion of paramilitaries to directly confront mobile MILF contingents and criminal gangs is the pet project of some elected local officials. Of course there are many officers who are the sponsors of the expansion of the paramilitaries and local officials who seek long-term developmental solutions. That is precisely the point. All of the positions are to be found among all of the institutional actors and stakeholders.

The balance among the positions also makes possible radical policy shifts. Early in the Estrada Administration the MNLF pointed out that the peace process was not receiving the same level of attention as had been the case with the Ramos administration. The administration responded with top level secretaries engaging the MNLF and initiating confidence building measures with the MILF. They rapidly assumed their new roles and started producing results within the pacification approach that comes quite naturally to politicians and top level bureaucrats. Policy congruence, however, was quite low. The Secretary of Defense assured that paramilitaries would not be an option promoted given the potential communal violence. He also declared that government sought to advance meaningful agreements with the MNLF and MILF. At the same time in and preparation of paramilitaries, the demobilization of an MILF commander in Cagayan de Oro with significant number of troops and equipment through an "incentive" program, and that the solution to the problems of Mindanao was to defeat the MILF military and let the MNLF defeat itself politically through its mismanagement of ARMM.

When rumors began to circulate of a major military offensive against the MILF, top level secretaries assured the international donor community that they were unfounded and that there would be no offensive against the MILF camps or along the Narciso Ramos highway. International interest in this information included concern over the security of field personnel in Mindanao. It was thus a considerable shock when less than 24 hours later the "All Out War" policy was applied. This was not due to intentional deception but rather to the fact that the government officials concerned had lost a policy battle they thought they had contained.

The end result of the "All-Out War" was that the MILF lost it hold on the camps and surrounding territory. It returned to mobile warfare and more remote staging areas. It was not defeated military, but it could not harbour any illusion of eventual military victory given the AFP capacity to dislodge MILF from its camps. The AFP achieved its immediate military objectives. All of this was at a significant cost in lives and resources. The "All Out War", however, did not demonstrate that the MILF could be defeated militarily. The impact on

the civilian population was over a hundred deaths, over nine thousand homes destroyed, and over one million internally displaced persons in the course of the year and as many as 600,000 at one specific moment in time, some of whom have yet to return to their places of origin. For the government, the economic and social infrastructure in Central Mindanao was severely damaged and government programs disarticulated. The governmental agencies in the area and the local government units (LGUs) had to be mobilized to deal with the emergency situation. The same was largely the case in relation to donor community that had to mobilize resources for Mindanao not for peace and development but rather for humanitarian assistance.

At the famous victory party in Camp Abubakar (celebrated with lechón and beer to the delight of MILF propagandists), proposals were immediately floated at the highest level to convert the land to plantation agriculture. The "body language" of AFP land clearance of small holders for the expansion of agribusiness was fortunately not lost on all advisers and the idea was immediately abandoned. However, that the proposal was made at all is indicative of how shallow beneath the surface lurks the land issue in deliberations over Mindanao policy. The subsequent crisis and fall of the Estrada Administration placed Mindanao policy on hold for several months.

The advent of the Macapagal-Arroyo Administration has led to renewed play between the diverse policy positions. This peace process itself has undergone several iterations. The coordinating locus was first through the Inter-Agency Committee for the Relief, Rehabilitation and Development of Mindanao (INTERACT-Mindanao) until the abolition of all non-statutory coordinating entities in the region, secondly through the Peace Panels, and thirdly through back channel negotiations by Presidential Advisers.

It is in this context that the May, 2002 Implementing Guidelines, a classical pacification agreement, elicited vigorous questioning from both the victory and institutional points of view. From the a "timeless pacification position" it is also seen as giving too much away in the negotiations with the MILF, but from a pacification position prioritizing rapid closure, it can only be seen as a significant move forward.

The relative influence of these positions varies dynamically across time. Too many actors can influence the ground situation. This asymmetrically favors those—on any side—who want to disrupt peace processes. Peace is very hard to advance and very easy to disrupt. Each and every Filipino Administration since Marcos has learnt lessons on the limits of power and authority in Mindanao, a situation with historical antecedents in two colonial administrations. No one actor or even set of actors can control the ground situation in Mindanao, including the government and the AFP.

High-level officials of both the Estrada and the Macapagal-Arroyo Administrations have stated that negotiations with the insurgents are easy compared to negotiations within the government itself on Mindanao issues. It is policy demons within the body politic articulated within the administrations and the AFP, as well as the LGUs that impede the articulation of "autonomy for peace and development". Likewise, the pacification policy continually has its ups and downs due to pressure from both institutional and victory positions. The victory position has had some chances to be applied in the past 30 years, but without much success. The sub-stratum of public opinion at the national level in favour of a hard line in Mindanao gives this position a durable political base. That hard line is even more virulent in some of the LGUs in Mindanao. The volatile and unpredictable international environment and reactions to it in the Southern Philippines could not be renewed opportunities for the military victory position.

Two conclusions are now advanced in relation to the competing policy positions.

First, peace will not come out of unilateral policy actions in Mindanao. The victory position has not produced results since 1521. Almost four hundred years of Spanish rule failed to militarily conquer or religiously evangelize the "Moros". This term "Moro" itself introduced Iberian history and prejudices into Spanish policy. The Americans likewise failed to conquer militarily or to assimilate the Bangsamoro people into broader Philippine society as was their impulse more than explicit objective.

Second, peace must come out of the interaction of forces. For that to happen there needs to be considerable consensus-building on the cost of insecurity in Mindanao, the urgent necessity for the Philippines as whole to commit to viable and sustainable peace with a sense of national ownership. This must take place within the State and in relation to public opinion, at both the national level and in Mindanao. The objective of this effort would be to isolate the opponents to peace and create a broad-based alliance for peace, human rights, and democracy in Mindanao. It is only with the support of such a social and political movement based on a broad-based consensus that viable and sustainable peace can be achieved in Mindanao. Thirty years of protracted peace process is evidence for this assertion. Five hundred years of prior history also indicates the need for an institutional solution.

The peace process with the CPP-NPA-NDF must also be factored into the construction of peace. This is difficult because this political force in the past has attempted to undertake the peace process in such a way as to impose the notion that it constitutes a parallel state in the Philippines. It has also assassinated elected officials in the midst of peace negotiations. Confidence-building measures must include demonstration of credible commitment to peace on the part of the communist insurgency.

The stabilization of the situation regarding Filipino nationals in Sabah (Mostly Tausog and many linked to the Bangsamoro insurgency across the years) is also a pre-requisite to peace, as is the maintenance of friendly relations between Malaysia and the Philippines. The recent increase in the level of deportations of illegal immigrants from Malaysia, [11] accusations of mistreatment of detainees by Malaysian officials, and a clamor in Filipino public opinion in this context to reopen the Philippines' claim on Sabah,[12] is all factors that must be addressed to construct peace nationally and in the sub-region.

1.5) The Need for an Integrated, Holistic Policy Framework: The Human Security Option

What is required is to move beyond a national security approach within countries and in the region. It is necessary to consider the option of adopting a human security approach for each country and for the region. National or state security victories can easily disperse seeds for future conflicts, while the construction of a human security policy framework in each country, and sub-regionally, could promote safety, well being, dignity, rights, and justice for all. The result of such a process would be increased national and sub-regional integration and an economic, social, political, and cultural climate conductive to peace.

To construct a human security policy framework for peace requires an integrated, holistic approach to peace and development. The Macapagal-Arroyo administration is officially committed to construct a just, enduring peace through a comprehensive, integrated, holistc peace framework that is undertaken in a consultative, participatory fashion to ensure ownership by key actors, stakeholders, and public in general. [13]

The Bangsamoro insurgencies, the communist guerrilla movement, and violence against indigenous peoples and their land rights, would all need to be addressed in the construction of a human security policy framework for peace and development. Issues related to sub-regional peace and stability, including those related to Sabah and relations with Malaysia in general, are also keys to the overall peace effort in the Philippines.

Government cannot achieve peace alone. It must be accompanied by broad-based consensus to establish a truly national or public policy as opposed to ministerial or advisor-driven policies, or even a policy based on governmental, parliamentary or state-based consensus. In addition to all of the above, support

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[11] From a trickle in the late 1990's to a level of 8,000 deportees in 2001 to over 14,000 in the period January-August, 2002.

[12] The sultanate of Sulu and Sabah is ironically both the legal basis for the Philippine claim on Sabah (initiated in the Administration of President Macapagal-Arroyo's father) and one of the legal arguments that the Bangsamoro utilize to adduce that Mindanao and adjacent islands are not legally part of the Philippines.

[13] Executive Order No. 3

must also be developed in the media, academia, and other opinion formers, as well as in the private sector and civil society, both at the central and local levels, especially in conflict localities. Such a policy can obtain the degrees of policy coherence, continuity, and sustainability necessary to achieve meaningful outcomes and significant impacts. This inasmuch as the peace policy would be supported by a national movement that provides the social base and political support necessary to construct peace in the short, medium, and long terms.

There is a need in the Philippines for considerably more consensus to be generated to overcome the political impasse produced by competing policy positions. To overcome the gridlock between these positions in governmental circles, there is a need for a more vigorous presence of civil society generating a demand for peace in Filipino society. Such a demand can be for the end of the bloodshed, destruction, instability, weakening of human rights and human security. It can also be in favour of the peace dividend and the economic and social advancement of the Philippines that can result from the attainment of peace.

The high-level Peace Council of notable citizens could be a vehicle to mobilize civil society and the private sector in this direction. This task is complex, difficult, and probably medium-term, but it does hold a potential for success that has thus far eluded the Filipinos in a quarter of century of quest for just and lasting peace. To achieve that objective the Council needs to operate with complete independence, fulfil its mandate to strengthen and broaden the peace constituency and proactively mobilize civil society, academia, the media, and public opinion in favour of the peace process, above and beyond all political considerations. A catalyst is required to break the current impasse created by the inertia of decades of peace negotiations, mistrust and lack of political will in some sectors, all resulting in the competing policy positions. The end result could be a vigorous civil society presence in the form of peace movement that articulates the consolidation of various civil citizens' peace initiatives. This movement could actively participate in the process of elaborating a human security policy framework for peace in the Philippines and in the sub-region.

That in turn could permit breaking the vicious policy and practice circles that have impeded peace heretofore, and enable virtuous policy and practice circles that mutually support human security and peace[14].

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[14] The search for elements conducive to peace in pre-conflict, conflict, and post-conflict situations is precisely the prime objective of the UNDP Peace and Development in Asia Regional Learning Experience Study.

2) Fifth Policy Assessment: Peace Process 2002[15]

In the course of the year 2002 the GRP was moving toward rapid conclusion of peace agreements with the MILF and fast, unilateral closure of the peace process with the MNLF that has split into two principal factions. The peace and order situation has remained volatile. The reactions to the foregoing have been diverse within the framework of the different policy positions in Filipino society and the state on the issue of war and peace in Mindanao.

Following are descriptions of this Fifth overall Policy Assessment on Mindanao; the GRP-MILF and the GRP-MNLF peace processes; a short summary of the history to date of the CPP-NPA-NDF peace process, as well as of the current peace and order situation; the international context of the peace processes; the importance of the new generation of Bangsamoro youth for the sustainability of the peace, and three factors that can make the "autonomy for peace and development" formula fail. These are LACK OF "electoral autonomy", "fiscal autonomy", and "land and natural resource autonomy".

2.1) Fifth Overall Policy Assessment

The critical inflection point in peace and development policy identified in the Fourth Policy Assessment of September, 2002[16] has not had a satisfactory

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[15] The field mission for the Fifth Policy Assessment was undertaken in the periods 4-17 May 2002. It included visits to Cotabato City (12-14 May 2002) and Manila (4-11 and 15-16 August). A follow-up mission was undertaken 5-13 September, including visits to Davao (6-7 September) and Manila (8-12 September). The peace and Development Mission was composed of Dr. Paul Oquist (UNDP Senior Regional Governance Adviser for Asia and Coordinator of the PARAGON Regional Governance Programme for Asia) and Ms. Alma Evangelista (UNDP Peace and Development Advisor). The information and analysis of this assessment is also highly dependent on field work undertaken during the Fourth and Third Policy Assessment missions. The Fourth Mission was undertaken in the period 19-29 August 2001. It included visits to Cotabato City (20-21 August), Davao City (21-22 August), and Metro manila (19, 22-29 August). The core mission team had the same composition at the subsequent Fifth Mission. In Mindanao the team also included Mr. César Liporada (UNDP Programme Officer in charge of Peace and Development in Mindanao). Also highly relevant to this report are the field missions undertaken for the Third Policy Assessment (9-20 October 2000). That mission included visits to Cagayan de Oro, Iligan City, Tubod, and Marawi City (10 October) and Metro Manila (9, 11, 16, 18-20, 2000). The peace and development mission consisted of Dr. Paul Oquist and Mr. Nestor Mijares (National Consultant on Peace and Development). At different moments the team was additionally integrated by Mr. Terence Jones (UN System Resident Coordinator and UNDP Resident Representative) and Mssrs. Clark Soriano and Cesar Liporada (Staff Members of UNDP/Manila). The current report is the contribution of Dr. Oquist to this team effort, and as such its content is his exclusive responsibility.

[16] The Overall Assessment of the Fourth Policy Assessment reads as follows:

A **window of opportunity** exists for peace and development in Mindanao. The conditions for significantly advancing peace and development are better than at any times since the signing of the 1996 peace agreement between the Government of Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF). This is due to the political will and decisiveness demonstrated by the Macapagal-Arroyo Administration on peace and development for Mindanao, the peace agreement achieved between the GRP and the Moro Islamic Liberation Front (MILF), the MNLF-MILF unity agreements, the leadership definition in the MNLF, and a positive international environment for peace and investment in Mindanao, but the context of the international anti-terrorist war will make the positive international window short lived.

outcome. On the contrary, the situation has been more acute due to increased competition between different policy positions that has led to policy gridlock on war and peace in Mindanao. This is not a new phenomenon, but its protraction has an increasingly high cost for the Philippines. There are also many factors

Therefore, the current positive conditions should be taken advantage of immediately. The positive window of opportunity is also due to a consensus that the next phase in the peace process should involve grass roots, bottom-up relief and development activities followed by large-scale investment projects. However, this brilliant window of opportunity faces serious risks. That is the case to the point that the policy process is now at a **critical inflection** point. Either the peace and development process moves ahead within the favourable political window of opportunity or it breaks down politically. The implications of a political breakdown of the process at this point in time include:

1) the extreme protraction of the conflict with both increased political violence and worst case scenarios already visible on the ground (i.e. the proliferation of "lost commands" and other kidnap for ransom groups)
2) the loss of the political and physical climate necessary to make foreign direct investment the solution to the economic constraints of the peace process
3) the discrediting of autonomy for peace and development as the solution in the Southern Philippines after over 25 years of effort to construct it as such, and the concomitant creation of a high threshold of difficulty for reviving the discredited process in the future

Decisions that affect long-term process and that are difficult to revert are defining elements of critical policy inflection points. That is the level of importance of decisions now facing the GRP, Philippines society, and the people of Mindanao. In 1976 it was decided by both sides in the Mindanao. In 1976 it was decided by both sides in the Mindanao conflict to seek "autonomy for peace and development" as the alternative to war. That policy has yet to be completed yet its continuation is now in doubt. Even the partnerships required for implementations are not assured. The window of opportunity for peace is real, but it is finite.

The risks include the exclusion of united insurgent forces from political and economic processes vital to the achievement of peace and development and/or the weakening of their command structures, partially because of loss of support for the peace process by the majority civilian population in Mindanao and the Philippines in general. A second risk is an "autonomy" unacceptable to one or another or both sides in the conflict. A third consists of insufficient financing for the peace and development process. If the first two risks are avoided the probabilities for success would be considerable. The main constraints to success would be economic rather than political with the possibility of both sides working together to overcome the financial difficulties. If that were not be the case the political obstacles to success would be fatal for economic prospects. That would make a full-blown, worst case scenario more probably the "worst case scenario" was originally described as a threat in the Second Assessment Report. It reads as follows:

Instead of unified MNLF and the MILF politico-military organizations, dozens of Abu-Sayyaf – type groups based on different mixes of independence, religious extremist/international jihad and criminal motivation (extortion and kidnapping for ransom) with a new generation of leadership that is unprincipled and unpredictable. These small groups would form and disband with facility. Penetration would be difficult and intelligence weak. These organizations would contribute to increased communal tensions and violence and eventually move in a sea of paramilitary and vigilante violence adding communal self-defense as another "justification" for their criminal activities.

Affirmative action to avoid the worst case scenario and achieve effective peace and development requires an effective GRP-MNLF/MILF partnership for peace and development with an MNLF-MILF institutional base in government and mutually acceptable autonomous institutions. It also requires joint effort and participation in financing peace and development principally through private sectors projects with considerable foreign direct investment.

Aspects of the worst case scenario are already visible on the ground indicating the urgency of capitalizing the window of opportunity and of reducing risks through affirmative action for peace and development. Another reason for immediate action is that the currently positive international environment is highly volatile.

of volatility and unpredictability on the ground in Mindanao, as well as in the international context of the conflict.

There has been an effort at fast closure of the peace process in the form of the agreements between the GRP and the MILF signed on May 7th, 2002 in Putrajaya, Malaysia. Another move in this regard is the government's policy of declaring finalized its commitments in "Phase One" of the peace agreement with the MNLF. However, these policies have met with resistance from different quarters. The government's policies for fast closure and the resistance to them represent a microcosm of different positions on war and peace in the Southern Philippines.

2.2) GRP-MILF Peace Process

The GRP-MILF peace process began in 1997 and reached a breakthrough with the "Agreement on Peace" of June 22nd, 2001 signed at Tripoli, Libya. That agreement is currently in the process of operationalization. First there was the "Implementing Guidelines on the Security Aspect of the Tripoli Peace Agreement of 2001" singed August 7th, 2001 at Putrajaya, Malaysia. More recently there was the agreement "Implementing Guidelines on the Humanitarian, Rehabilitation, and Development Aspects of the GRP-MILF Tripoli Agreement of Peace of 2001" signed May 7th, 2002 at Putrajaya, Malaysia.

The latest agreement on humanitarian, rehabilitation, and development issues stipulates that it will safeguard the observance of international humanitarian law, respect for the internationally recognized human rights, and fundamental freedoms for all persons. These are the criteria and standards that should guide the monitoring mechanism of Article VI of the agreement to be undertaken by the joint Coordinating Committee on the Cessation of Hostilities (CCCH).

The agreement also assures full access for the International Committee of the Red Cross (ICRC) "in accordance with ICRC's standard operating procedures". It stipulates that "in conformity with international humanitarian law, each party shall provide information, through the tracing mechanism of the ICRC, to families of all persons who are unaccounted for."

They also agree that the "parties shall pave the way for the immediate return of evacuees to their places of origin and provide all necessary financial/material and technical assistance to those evacuated for them to begin a new life. The GRP shall award reparations for the properties lost or destroyed by reasons of the conflict upon reasonable proof thereon as mutually verified and acknowledged by both parties." (Article V, Numeral 3).

The only political and institutional issues deal primarily with project implementation and monitoring modalities. The MILF "will establish a project

implementing body, which will have the power and function to receive and disburse private and GRP funds." (Article V, Numeral 1). The MILF also recognizes established institutions for project management, per GRP policy:

> "Consistent with GRP's resolve to task the Autonomous Region of Muslim Mindanao (ARMM) as its primary implementing agency for development, the ARMM shall enter into contractual relations within its charter, pertaining to rehabilitation and development with the MILF project implementing body. Likewise, with other government development agencies outside ARMM areas." [17] (Article V, Numeral 2).

In a second (earlier) agreement known as the "Joint Communiqué Between the GRP and the MILF" signed May 6th 2002 at Cyberjaya, Malaysia, the two sides agreed to "the isolation and interdiction of all criminal syndicates and kidnap-for-ransom gangs, including so called 'lost commands' operating in Mindanao."

Given these agreements, two major pending agenda items between the GRP and the MILF are the questions of ancestral domain and the disposition of arms and forces.

The question of the ancestral domains of Muslim communities is complex and difficult, especially in light of conflicting interests and claims between indigenous and Muslim small holders, large Muslim landowners, Christian settlers, plantation agriculture corporations, timber and mining interests, and oil and gas exploration groups. The legal rights of indigenous peoples contained in Republic Act 8371 "Indigenous Peoples Act of 1997" have already been guaranteed by law and should not suffer a roll-back in the subsequent negotiation process to guarantee other groups their rights as well. An MNLF policy statement maintains that both the MILF and the MNLF agree that RA8731 on indigenous ancestral domains should also apply to the Bangsamoro people.[18] The government has yet to pronounce on this claim.

If the security, humanitarian, rehabilitation, development, and ancestral domain aspects of the GRP-MILF Tripoli Agreement on Peace of 2001 are successfully concluded, this should facilitate negotiations on the disposition of arms and forces. This would be the moment of truth for the "victory position" allegation that maintains that the MILF is only in the current negotiations for tactical purposes and will re-emerge subsequently in armed struggle in favour of independence. If the MILF forgoes all of its crew manned weapons of war that would be a strong indicator of political will for peace.

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[17] The practical effect of the latter phrase is development projects with the Southern Philippines Development Authority (SPDA) that GRP policy currently prioritizes as the prime vehicle for peace related projects outside of ARMM.

[18] "A matrix on the Provisions of the Republic Act 9054 which allegedly violate the 1996 peace agreement between the GRP and the MNLF" (Office of the Presidential Adviser on the Peace Process, June 2001).

In sum, both the GRP and the MILF have demonstrated political will and flexibility. This has translated into the capacity to rapidly reach "implementing guideline" agreements. On one side the MILF has restricted its agenda to economic and social issues and demands feasible relief, rehabilitation, and development projects. The institutional arrangements are those necessary to implement the projects. The MILF accepts working with ARMM in its area and other government agencies outside of ARMM (SPDA in effect), through MILF civil society organizations, including a foundation, the recently founded Bangsamoro Development Agency (BDA). It has also agreed to collaborate with the government in the persecution of criminal elements that inhabit the same inaccessible areas utilized by the MILF, especially in the Maguindanao marsh areas.

On the other side the GRP agrees to relieve the evacuee situation and allow a return to the places occupied prior to "All Out War", as well as to pay reparations for properties lost and damages sustained. In sum, a reversal of the effects on the population of the "All Out War". Of course, the MILF as an organization would not return to the situation "ante-bellum" in that there would be no resurrection of the armed camps,[19] exclusion of the State, and MILF territorial control.

The MILF and GRP appear to be moving into a new relationship based on collaboration in relief, rehabilitation, and development, as well as in the improvement of the law and order situation in Mindanao. The MILF is demonstrating more interest in economic and social development than in political institutions. Once again it is necessary to reiterate that the "victory position" maintains that this is "tactical posing" that will not be carried forth to its logical conclusion. The proof of the proverbial pudding in this controversy will be if the GRP-MILF peace process is eventually followed through to its ultimate consequences or not.

Immediately after the signing of the May, 2002 implementing guidelines, the degree of optimism in the MILF camp was such that MILF officials who previously thought that it would take five years to fully articulate the 2001 Tripoli agreement expressed that it might take as little as six months. There was even more optimism on the government side. Some key government actors in early May thought the total package could be finalized by the end of June.

However, upon arrival in Manila the GRP and MILF negotiators returned to the reality of multiple actors and stakeholders, policies and institutions, whose interactions shape events and condition results in Mindanao.

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[19] Defined in terms of crew operated weapons (.30 and .50 calibre machine guns, mortars, artillery). Infantry weapons might be retained if the agreement will be implemented in parallel, as would be mutually expected, to the prior MNLF demobilizations.

On one side, the agreements signed in Malaysia were questioned in terms of ignoring on-peace process mechanisms, including consultative channels. The Tripoli Peace Agreement of 2001 and the Implementing Guidelines on Security Aspect concluded on August 7th, 2001 at Putrajaya, Malaysia were signed by the Chairpersons of the GRP and MILF Peace Panels and the latter additionally by the Chairpersons of their respective Technical Committees. However, the May 7th, 2002 Implementing Guidelines on Humanitarian, Rehabilitation, and Development Aspects were signed by presidential advisers with the GRP peace panels and technical committee not in the negotiation process. Government officials stated that this had permitted a fast track agreement without acrimonious debates and had set the stage for a rapid conclusion of the entire peace process.

The procedure followed, however, was disconnecting to the government's own peace team as well as to wider groups. Some felt that a systematic process was being violated, as well as consultative and participatory mechanisms, made more acute by prior announcements that the process was now to be Mindanao rather than Manila driven. Gains in celerity had costs in consultation and consensus. This also applied to the relations between actors on the ground, including the military ones on both sides, through which peace is to be constructed barangay by barangay.

On the other side, some national and local officials, broad sectors of the AFP and ex-President Estrada, all protested the return of the evacuees to their places of origin and the payment of reparations. A role for an MILF entity in rehabilitation and development was also questioned. It was argued that these measures would make in vain the sacrifices of AFP comrades in arms who fell on the field of battle to take the MILF camp as part of the All Out War. All of these points were highlighted by congressional hearings on the agreement.

The return of evacuees and reparations were not the original product of the Implementing Guidelines of May 2002 but rather stemmed from the Tripoli Peace Agreement of June 2001 (Letter B "Rehabilitation Aspect", Section 3)

There was some criticism and resistance to this measure after June 2001, but it became more acute after the May 2002 Implementing Guidelines were signed. This led to top-level executive meetings and highly assertive Congressional hearings on the subject. The increased opposition is perhaps due to the measures being effectively operationalized for real implementation while the original statement might have been considered a more rhetorical statement of intentions. However, the increased resistance might also be due to a changed international and national environment, especially in the mind-sets of the victory position, considering that the two events are pre and post September 11th, 2001.

The difficulties encountered after the signing of the "Implementing Guidelines on Humanitarian, Relief, and Development" indicate that the negotiations on Ancestral Domain will be even more difficult. Indeed, some of the negative tendencies in the law and order situation appear to be linked to apprehensions about potential conflicts over the land issue (a matter dealt with below in sub-section 1.3 "Law and Order Situation").

What the two sets of reactions to the May 2001 Putrajaya agreements indicate as well are the continued interaction of competing policy positions in Filipino society and in the State on war and peace in Mindanao, each with considerable support.

2.3) GRP-MNLF Peace Process

The peace process between the GRP and the MNLF spans a quarter of a century, having began in 1976. Six years of implementation process have now elapsed since the 1996 Peace Agreement. The GRP is now declaring that it has complied with the terms of agreement, thus finalizing "Phase One" of the process. This position is not shared by any of the factions into which the MNLF is divided. The Organization of the Islamic Conference (OIC) has yet to pronounce on the issue.

The government's position is that it has complied with the GRP-MNLF Peace Agreement with the passage of Republic Act 9054 "An Act to Strengthen and Expand the Organic Act for the Autonomous Region in Muslim Mindanao" on February 7, 2001 which lapsed into law on March 31, 2001 without the signature of the President, in accordance with Article VI, Section 27 (1) of the Constitution.

The GRP also holds that it complied with the agreements through the holding of the plebiscite on the "Expanded Autonomous Region" per Article II Section 1 and Section 2 of the Republic Act 9054 on August 14th, 2001. The results of the plebiscite were certified by the Commission on Elections (COMELEC) in its resolution No. 4561 of 28th August 2002. On the question of acceptance of the amendments to Republic Act No. RA 9054 by the existing ARMM provinces, including the question of ARMM, the vote was overwhelmingly positive in all four provinces. [20]

On the issue of ARMM expansion only the province of Basilan and Marawi City voted to join the expanded ARMM, while even the provisional capital and non-ARMM enclave of Cotabato City and Isabela City, the capital of Basilan, voted negatively. The two closest provinces in the vote, Lanao del Norte and North Cotabato, voted 5 to 1 and 10 to 1, against inclusion. All other provinces

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[20] Results from official COMELEC website: www.comelec.gov.ph

and cities voted over 10 to 1 against inclusion with the extreme cases of rejection being with votes of over 100 to 1 negative.[21]

The GRP also holds that it has completed the GRP-MNLF peace process by holding elections for Governor, Vice Governor, and the ARMM Assembly subsequent to the plebiscite on November 26th 2002. The elections demonstrated a bipolar tendency with only two candidates for governor and vice governor receiving an overwhelming majority of the votes. Even the third candidate has only a nominal vote for each of the two posts:[22]

On the basis of Article XVIII, Section 16 of R.A. No. 9054 that provides that the SZOPAD, the SPCD and the Consultative Assembly are deemed to be abolished and should cease to exist as of the date of the approval of R.A. 9054 in a plebiscite, Malacañang issued Executive Order No. 80 of March 11th, 2002. It orders the abolition and winding up of the aforementioned entities, transfer of the functions, responsibilities, and qualified staff to ARMM and SPDA.

GRP has begun to recognize ARMM and its governor as the representatives of the Bangsamoro people (replacing MNLF in that role per the 1996 peace agreement). It also will channel all developmental assistance through ARMM in its jurisdiction and to SPDA outside of the ARMM area, as well as through foundations and cooperatives.[23]

There is no doubt about the legality of the GRP position in relation to formal compliance with the 1996 final peace agreement. This consists of generating a new ARMM law, holding a plebiscite and a new ARMM election, and abolishing SZOPAD, SPCPD, and the Consultative Council as a result of the new election. There is also no doubt that it can channel further assistance to former Muslim insurgents from both the MNLF and MILF through ARMM, SPDA, and a group of foundations and cooperatives to be founded for this purpose. Legally and administratively the situation is clear.

The issue raised, however, is not legal or administrative. It is rather whether a peace process can be successful if the other party to the accord is not in agreement with the decision to declare the formal, interactive first phase of the peace process finalized. This question is further complicated by the fact that the MNLF is no longer unified but clearly divided into different factions.

However, none of those factions is in agreement with the actions taken by GRP without the consent of the MNLF. The positions of the two principal MNLF factions are now described.

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[21] Ibid.

[22] Ibid

[23] Executive Order No. 80

The MNLF under Chairman Nur Misuari rejects Republic Act 9054, the plebiscite held under it, and the ARMM elections. Indeed, Misuari led some of his forces into rebellion in Jolo and Zamboanga City in November 2001 in an apparent attempt to disrupt the electoral process. He was destitute as governor, became a fugitive, was subsequently captured, and is currently on trial as a result of this chain of events. This faction now has a confrontational position in relation to the government, and it considers itself to be completely excluded from the peace process.

The MNLF Executive Council of 15 (EC-15) named Governor Misuari "Chairman Emeritus" after a critique of his leadership style and assumed control of the organization. The GRP recognized the EC-15 as the leadership of the MNLF. The EC-15 has chosen Mr. Hatimil Hassan as Interim Chairperson. The EC-15, like the rest of the MNLF, questions R.A. 9054 and the August 14th plebiscite, and it also requested the postponement of the elections. MNLF Secretary General and EC-15 member Mayor Muslimin Sema of Cotabato City was the initial favorite for the post of ARMM Governor but after the negative vote of Cotabato City for inclusion in ARMM, his candidacy was no longer viable.

Finally, MNLF Foreign Minister and EC-15 member Parouk Hussin was elected Governor. However, the MNLF has a marginal position in the ARMM assembly with 1 out of 24 seats. Only MNLF Interim Chairman Hatimil Hassan was elected. Likewise, in the ARMM Cabinet, the MNLF has three seats with the Governor assuming post of Regional Secretary of Public Works, while other MNLF members have the posts of Regional Secretary of interior and Local Government, Regional Secretary of Science and Technology and Regional Secretary of Social Welfare and Development.

Given this situation, the EC-15 faction of the MNLF feels marginalized from ARMM despite the governorship. This sense of marginalization is due in part to Governor Parouk Hussin having wisely (in the view of the author) decided to form a balanced government that reflects the political realities of the ARMM region and Assembly. He has also correctly decided to govern as the representative of all of the citizens of ARMM and not just those of one politico-military force.

The sense of marginalization throughout the MNLF is also due in part to the fact that the MNLF has not recreated itself opportunely. It has been apparent for several years that the MNLF must undergo a metamorphosis and convert itself into a political into a party and/or civil society movement and/or cooperative movement and/or business group, and preferably all of the above. The same holds for MILF as its peace process proceeds. The lack of organization as a political party limits the capacity of MNLF to participate in elections and negatively conditions the results achieved. The GRP supports the process of formation of political parties, foundations, and cooperatives by the politico-military organizations as

part of the full integration of ex-combatants. The transition from being a politico-military organization to the other organizational forms is a task that the MNLF may have postponed too long, and for which it is paying a high political and administrative price.

Both of the major MNLF factions opposed the abolition of the SPCPD. However, one of its members and former SPCPD Director, Mayor Muslimin Sema of Cotabato City, has been named to the post of Chairman of the Board of the entity that has assumed SPCPD functions outside of ARMM, the SPDA, a statutory entity.

Both the faction of the MNLF that opposes the government, and the faction that the government supports, opposed RA 9054 as violating the "spirit and letter of the 1996 Peace Agreement". Consequently both opposed the timing of the plebiscite, and both asked for the postponement of the elections.

It should be noted that President Macapagal-Arroyo did not sign RA 9054 and that it lapsed into law without presidential signature in accordance with the Philippine Constitution. The Executive also had to relate to the political realities in Congress to negotiate, together with the MNLF, politically possible legislation in Congress. The end result was neither to the satisfaction of the government nor the MNLF. Governments can sign peace agreements and implement them, but elements that require legislation are the purview of Congress in the balance of powers, checks and balances of the Philippine constitution. After promulgation the administration has judiciously executed its terms.

The GRP and EC-15 faction of the MNLF have established a productive dialogue over outstanding MNLF concerns. The MNLF maintains that the operation of the Joint Enforcement and Monitoring Committee (JEMC) should be maintained for the reason that the letter and spirit of the 1996 Peace Agreement is not yet fully implemented and the ARMM has not yet been fully established. MNLF has also had concerns over police and AFP issues in ARMM and in relation to MNLF integrees that the GRP has effectively addressed. It also named, as was previously mentioned, Mayor Muslimin Sema of Cotabato City, as Chairman of the Board of SPDA.

The EC-15 on its part accepts the results of the plebiscite with regard to ARMM, but it would like to see if something might be done in relation to contiguous Muslim majority areas. In conversations with EC-15 MNLF officials this translates into whether legal means might be found to consult the population again on the inclusion of Cotabato City and Isabela City. Their absence is considered as leaving ARMM illogically incomplete. The request, however, stresses legal means to this end. Despite the positive GRP-MNLF EC-15 relationship, this faction does not accept the concept of closure of Phase One of the peace process.

Closure of the peace process with the MNLF without consensus---even with the faction of the MNLF closest to the government---does run the risk of a significant rejection of the peace process by key actors. The existence of multiple factions increases rather than decreases this risk.

Additionally, there are two other MNLF factions: one pre-existing, the Islamic Command Conference (ICC), and another created in the context of the Misuari-EC15 rift. This is the Alvarez Isnaji faction formed in Zamboanga City by this ex-Chairman of the ARMM Regional Legislative Assembly and transitory ex-interim governor of ARMM, which is considered small and marginal. The ICC on the other hand does have a presence in MNLF circles, and ICC leaders have recently been appointed to SPDA posts. Both of these smaller factions are also in opposition to the finalization of Phase One of the peace process with positions that do not vary significantly from those of the two major factions.

The predominance of the EC-15 group cannot be assumed as a given, and it is largely untested. Its internal coherence may also be put to the test. This group was formed by the bulk of the MNLF leadership, but the allegiance of rank and file members, and especially of combatants, is a largely unknown quantity. MILF commanders who tend to analyze strength in terms of combatant support consider Governor Jikiri of Jolo and Mayor Sema of Cotabato City as the two powers within MNLF EC-15.

In any event the Nur Misuari faction of MNLF cannot be written off. The Fourth Policy Assessment report stated the following in this regard in September, 2001.

> "Management and leadership capacity should not be confused. After 30 years of a leadership role the Governor of ARMM certainly conserves some support and could find niche power positions from which to make himself heard."

The impact of the events in Jolo and Zamboanga City and Misuari's subsequent arrest on the MNLF rank and file is an unknown quantity. What is known universally is that a stint in jail does not damage revolutionary leaders who frequently grow in stature under these circumstances. Some observers think that the Nur Misuari faction is at the strongest at the grassroots and has the largest number of combatants. The prevailing frustrations in MNLF at "premature closure" of the peace process and the perceived marginalization of their organization could further strengthen the confrontationist, opposition position of the Misuari faction. Some MILF commanders refer to the Nur Misuari faction as "the mainstream MNLF" (as the MNLF website controlled by Misuari is quick to point out).

It is doubtful that a peace process can unilaterally be declared concluded without complications if the other party to the agreement does not concur with

that assessment. That would even be the case if only the Nur Misuari faction was not in agreement from a confrontationist position. It is that much more the case when both major factions, including the one the government supports, are in disagreement, as well as the two minor factions. Throughout the MNLF there is a generalized perception not that the peace process is being concluded, but rather that the MNLF is being marginalized from participation in the peace process. This is further reinforced by GRP engagement of MILF at the same time of disengagement from Phase One relations with MNLF. In this context the MNLF (EC-15)-MILF alliance signed in Putrajaya, Malaysia on August 7th, 2001, creating the "Bangsamoro Solidarity Conference", becomes very strategic for MNLF relations with the government.

2.4) GRP-CPP/NPA/NDF Peace Process

The Communist insurgency – led by the Communist Party of the Philippines (CPP), its armed group, the New People's Army (NPA), and its political arm, the National Democratic Front (NDF), or the CPP-NPA-NDF – has been the most enduring of the Philippines' armed rebellions, and remains the most serious threat to national security. It finds its roots in a colonial past and a system of unjust and unequal socioeconomic and political conditions that has perpetuated an elite few while the majority of Filipinos continue to live in poverty. From small group of less than a hundred when it was founded in 1968, the movement's strength peaked to an estimated 25,000 members nationwide in 1987. Political repression and worsening economic conditions had fuelled its rapid growth during the Martial Law regime under Ferdinand Marcos. The period of political transition when democracy was restored under Corazon Aquino also saw a growth in the NPA's strength. Although it had declined to about 6, 000 members in 1995, it has been steadily increasing to reach a current (September 2002) estimated strength of around 12, 000 members.

Through four Presidencies, the GRP has been undertaken various peace initiatives geared at peaceful settlement of the armed conflicts in the country, including the Communist insurgency. Corazon Aquino pursued short-lived negotiations towards a peaceful negotiated settlement with the CPP-NPA-NDF. A 60-day ceasefire was signed effective 10 December 1986, but talks collapsed on 22 January 1987, amid accusations of ceasefire violations and disagreements over the negotiation framework. Fidel Ramos embarked on a comprehensive peace process (The "Six Paths to Peace") which included, among others, the active pursuit of peace negotiations with the armed opposition groups.

During the Ramos administration, the CPP was legalized to set the stage for the resumption of peace negotiations. Negotiations began with the Utrecht-based NDF leadership in August 1992, resulting in the signing of the Hague

Declaration in September 1992 which provided the basic framework for formal negotiations. A joint communiqué was signed outlining four substantive agenda for the talks: human rights and international humanitarian law; social and economic reforms; political and constitutional reforms, and end of hostilities and disposition of forces.

Following the Hague talks, GRP-NDF meetings were held erratically over a two and a half year period, with efforts focused on forging agreement on terms and processes for the conduct of formal negotiations. Three agreements were concluded during this period: 1) the Breukelen Joint Statement of June 1994, which documented areas of agreement, disagreement and issues requiring further discussion; 2) the Joint Agreement on Safety and Immunity Guarantees (JASIG) of February 1995, which provides safety and immunity guarantees to all NDF duly accredited holders of documents of identification; and 3) the Joint Agreement on the Ground Rules of Formal Meetings (also February 1995).

Between June 1995 to March 1998, a total of six rounds of formal talks and six rounds of discrete and informal talks were conducted. The talks were invariably suspended or recessed over this period, due to issues relating to sovereignty and JASIG implementation. These series of formal and informal talks paved the way for the completion of the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CAR-HR/IHL), which was signed by both Panels on 16 March 1998 in The Hague.

The Estrada term saw the collapse of the talks with the NDF. Talks were stalemated when the NDF rejected the mode of implementation of the CAR-HR/IHL stipulated by President Estrada, that it be in accordance with the Republic's constitutional and legal process. In May 1999, the NDF unilaterally withdrew from the talks following the ratification by the Philippine Senate of the RP-US Visiting Forces Agreement. With the termination of peace talks, Estrada issued Executive Order # 115 in June 1999, localizing the peace talks with the communist insurgents.

Under the Macapagal-Arroyo administration, peace negotiations between the GRP and the NDF were resumed on April 2001 in Oslo, Norway. Confidence-building measures were discussed, as well as the modality of implementation of the CAR-HR/IHL implementation, and the mechanics for conducting negotiations on the Comprehensive Agreement on Socio Economic Reform (CASER). A second round of talks in Oslo in June 2001 was suspended following a protest by the GRP on the NDF's issuance of a congratulatory note to the NPA's Fortunato Camus command after the political assassination of Cagayan Congressman Rodolfo Aguinaldo during the conduct of the talks.

Since the recess of the talks in June 2001, back-channel talks have been conducted by the GRP Panel Chair Silvestre Bello, House Speaker de Venecia, Presidential Peace Advisor Eduardo Ermita, and Presidential Management Staff Silvestre Afable Jr with the NDF leadership. In a meeting in the Netherlands and Norway on November 29 – December 3, 2001, both sides agreed on an accelerated negotiation process, from an 18-24 month timeframe to 4-6 months completion period for the negotiations. However, the GRP Panel was instructed by the President to obtain NDF agreement to its proposal for a final, comprehensive peace accord. In line with the President's directive, the GRP Panel proposed an enhanced process whereby both Panels will complete a final peace agreement that will contain the remaining substantive agenda for the talks, with the end in view of bringing logical conclusion to the negotiations towards the attainment of a just and lasting peace. On April 15, 2002, the NDF sent a letter rejecting the GRP's proposal.

The GRP peace panel regards the talks to be on "recess" status; four "backchannel talks" have been held since January 2002. Informal meetings in May and June 202 have centered on a possible mutually acceptable formulation for the final peace accord. (Despite the US government's designation of the CPP-NPA-NDF as a foreign terrorist organization, the Peace Panels of both parties maintain open lines of communication geared at agreement on measures to facilitate the resumption of the talks.) Prospects for the resumption of formal talks towards a negotiated settlement of the conflict, however, have dimmed considerably over the past few months. Parallel to the US designation of the NPA in August 2002 as an international terrorist organization, Government has adopted an ambiguous "talk and fight" approach to the communist insurgency: while officially not abandoning the peace negotiations, it is now pursuing an intensified, aggressive military offensive against the NPA, which has responded with its own offensive, attacking police and military installations in recent weeks.

Aside from ordering the military offensive against the NPA, President Macapagal-Arroyo has declared that 95% of Filipinos do not support the talks, and she has challenged peace advocates to expand the peace constituency. The Secretary of National Defense has also declared the peace talks "useless", while the Secretary of Foreign Affairs is leading a government delegation to Europe, asking leaders to block funding for the CPP-NPA-NDF as well as freeze whatever funds the rebel group may have in their respective countries. On the other hand, peace advocates, as well as other government officials including the Vice President, have publicly called on both GRP and the NDF to resume peace negotiations, while denouncing the military option. From all indications, however, the "victory position" appears to have taken precedence over the other competing policy positions earlier mentioned in this paper.

2.5) Peace and Order Situation

Operations by the AFP against the two Abu Sayyaf factions operating on Basilan have been intense. Apart from the recovery of hostages, not without lamentable causalities from among them, Abu Sayyaf has been fleeing the island. It has also been attempting to make safe haven arrangements in other locations. Military operations have also increased in intensity on the Abu Sayyaf group that operates on the island of Sulu. The degree of military pressure appears to have been slowly successful. The high profile U.S. Army presence in Zamboanga City and on Basilan has also been a factor in terms of electronic surveillance, logistics, and psychology.

The GRP-MNLF ceasefire has held without major difficulties, but there have been accusations of the complicity of some MNLF and MILF sectors in support of fleeing Abu Sayyaf elements. Such accusations are quite serious considering the GRP efforts to have the U.S. differentiate between Abu Sayyaf and MILF on its list of terrorist organizations. This controversy is not unrelated to the competing policy positions analyzed in the following section.

The incident in Barangay Kitapok, Sitio Balukatan, Datu Piang, Maguindanao in June, 2002 was reported in the media as a three-way clash between MNLF-MILF-AFP. In reality it was a clash over land between two politically powerful families. The encounter in this UN assisted community does underscore the danger that private, clan, and political disputes – often interrelated – can escalate into confrontations between wider forces due to the ethnic and politico-military identifications of the parties to the dispute. The OIC sent a committee to investigate this incident in August, 2002 and a report should be available shortly.

The Kitapok incident was highly localized and contained, but these disputes can be dangerous. It will be recalled that the initial AFP-MILF confrontations in the year 2000 were at a plantation in Lanao del Norte subject to a land dispute in which the Christian-Muslim parties to it sought outside support. That initiated a series of broadening encounters, largely provoked, that finally led to the period of "All-Out-War".

The monitoring of the peace and order situation in Mindanao and the other islands in ARMM must cover all forms of conflict, given the propensity of all forms of conflict in the region to turn violent, and the broadening effect that the identification of the parties to the conflict can provoke. The transformation of conflicts into peaceful processes should be a top priority political function for ARMM and LGU officials.

The fight against the kidnapping for ransom groups, including the group known as Pentagon in the media, requires the mobilization of all of the forces in

the Southern Philippines. The GRP-MILF agreement of May 7th is positive in this regard. The importance of this is that the kidnap-for-ransom and other criminal gangs use the same remote areas as MILF for refuge, especially the Maguindanao marsh areas.

Part of the volatility in Mindanao in the first half of the year was interpreted by some well-placed sources as being part of national political destabilization attempts. This is one interpretation of the brief bombing campaign of the "Indigenous Federalist People's Army" (IFPA). This has all of the earmarks of a text book intelligence operation run by people previously trained in these disciplines. If this is the case, this would be a front organization linked to national destabilization efforts by groups opposed to both "indigenous rights" and "federalism". Their goal would be to discredit both while at the same time promoting national destabilization.

The continued organization of paramilitary groups introduces another element of uncertainty to the situation. A priority has been given their organization among IPs. For the first time some Indigenous Peoples have been receptive to receiving arms and training from the AFP. One backdrop of this for the AFP is the appearance in recent years of IPs in NPA ranks in Mindanao, including children combatants. This in turn is related to violent pressure on indigenous groups by timber and mining groups in the mountainous areas they inhabit. The objectives of the AFP are to try to preclude NPA influence and also impede transit through IP areas of insurgent combatants as well as of criminal elements. Some local officials further hope that extra-judicial actions could form a vaccination against their presence altogether. Some analysts consider that the modest monthly stipends that paramilitaries receive are sufficient motivation. However, leaders of the IPs state that some of them are accepting military training for the first time to defend their land and land claims in the framework of Republic Act No. 8371, "Indigenous Peoples Rights Act of 1997".

The foregoing underscores the point that the greatest potential threat to the peace and order situation in Mindanao is conflict over land and land-related exploration and exploitation rights. There is a broad-based consensus that land is at the root of much of the armed conflict in and that land must be part of a strategic, sustainable solution. Land could also be the prime source of post-conflict conflict. The most contentious remaining point on the GRP-MILF negotiating table is ancestral domain. Some government officials speak of significant quantities of public land that could be used for agrarian reform in the region to meet these demands. However, other government officials point out that almost all of the government land in Mindanao is already the object of ancestral domain claims by indigenous under RA No. 8037 of 1997. When one adds to this mix the interests of squatters with precarious land rights, including refugees, small holders, and clans of Datus, one has a complex situation already on the IP and Muslim side,

even before factoring in Christian settlers, corporations (domestic and foreign) that want to expand plantation agriculture and agro-industry, timber and mining, oil and gas interests.

Finally, unidentified commandos with no insignia have reportedly appeared in early morning raids in Cotabato City and other areas of Mindanao in apparent arms searches. Their demeanor would seem to indicate government forces but their existence has not been recognized by any known unit. The searches were reportedly undertaken in homes of paramilitaries. This would indicate, if the reports were to be confirmed, that the objective might be "additional infantry" or "crew operated" weapons. This in turn can be related to persistent rumors about the re-arming with heavier weapons of some MNLF cadre. This type of "cat and mouse game", however, sets the precedent for unidentified commandos---which are at times linked to paramilitaries---have formed a delivery system for some of the worst human rights abuses in other countries (for example, Argentina, Guatemala, El Salvador). These types of groups have not reappeared in recent months, and it is hoped that this modality of operations has been permanently discontinued.

2.6) International Context

The conflict in the Southern Philippines has always had an international dimension, especially in relation to the Muslim world and neighboring countries. The formation of the MNLF was influenced by the March 1968 massacre in Corregidor of Muslim combatants linked to an aborted Marcos Administration plan to foment rebellion in Sabah. Upon formation, the MNLF received support and safe haven from Muslim countries, in part because of the Philippine claim on Sabah and the Marcos Administration's aborted attempt to pursue that claim by military means.

Inversely, the 1976, 1996, and 2001-2002 peace processes have all had intermediations from Muslim countries. Libya, Indonesia, and Malaysia have undertaken leadership roles in the intermediation of these processes. The OIC has represented the Islamic world in general in the peace process through the Committee of Eight chaired by Indonesia.

In the 2001 and 2002 peace process Libya and Malaysia have taken a lead role in facilitating the GRP-MILF peace agreement within the framework of the territorial integrity and constitution of the Republic of the Philippines. The negotiations were undertaken in Kuala Lumpur and Tripoli. Likewise, these two countries also played proactive roles in the negotiations that led to the MNLF-MILF unity agreement.[24]

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[24] An "Agreement on General Framework for Unity Between the Moro National Liberation Front (MNLF) and the

The 2001-2002 peace and unity agreements and the positive international environment surrounding them could lead to further and much needed financial support for Mindanao from investors in Muslim countries. A first step in this direction would be palm oil plantation land for up to 270,000 hectares to be financed with Malaysian capital. This point is of importance inasmuch as at this historical juncture neither the Philippine national budget, nor the quantum of external cooperation the country is receiving, would be able to meet the financial requirements for constructing a sustainable peace in Mindanao. Investment would have to be the driving force with external cooperation and government programmes providing complementary financing. This of course is not a liability but in reality the ideal situation. Mindanao is quite fortunate that there is significant investor interest. However, the security threshold necessary to access foreign direct investment is high. There cannot be significant foreign investment in Mindanao until sustainable peace is obtained and the law and security situation improves, especially in relation to kidnapping for ransom.

The war on terrorism at the international level has conditioned – and will continue to condition – conflict in the Southern Philippines at the military, political, psycho-social, and even cultural levels. It is a factor in the interaction of the different policy positions on peace and war in Mindanao, in the political processes within the Bangsamoro, community, and in Philippine national public opinion.

To date the impact of the War on Terrorism is mixed but on balance positive. The pressure on Abu Sayyaf has increased given the higher level of activity of the AFP and Philippine National Police (PNP) backed by U.S. Army support. The rejection of Abu Sayyaf in Filipino public opinion and in the Bangsamoro community is strong, although family and clan loyalties are always a factor in the region. As a result of the foregoing, Abu Sayyaf is increasingly isolated, reportedly reduced to its core cadre and support structures, and it is clearly on the defensive. Related to this, the AFP claims that the recent spate of bombings in Zamboanga is the handiwork of the bandit group, intended to ease the military pressure on its strongholds in Sulu.

The GRP-MILF peace process was already well underway before 11th September, but the international and national atmosphere after that date indicates the wisdom of the timing of MILF decision to retire from insurgent status. This has already

Moro Islamic Liberation Front (MILF)" was signed in Putrajaya, Malaysia on August 7, 2001 by the vice chairman of each organization. The resulting unity is to be known as the "Bangsamoro Solidarity Conference", and a Coordinating Council is to be established to decide their respective roles and involvement in order to achieve the objective of unity. The agreement furthermore stipulates that the two organizations will agree on joint delegations to represent the Bangsamoro people as observers at the meetings of the Organization of Islamic Conference (OIC). The unity document is explicit in the gratitude expressed to the Libyan leader Col. Muammar al Gaddafi and Dr. Mahatir Mohammad, Prime Minister of Malaysia, for their contributions to Bangsamoro Unity.

brought tangible benefits for both the MILF and the peace process. For example, it was the intercession of the GRP engaged in the peace process with the MILF that got this organization taken off the U.S. State Department list of terrorist organizations. To be on that list today obviously would have major implications for the MILF, Filipino society and the GRP. It would have meant placing 15, 000 experienced combatants in a pariah status that would preclude negotiations.

There has also been a hardening of public opinion in some circles of Philippine society and the State in relation to the peace process in the South. Ample sectors of public opinion identify a generic Mindanao situation without distinctions as to different actors and processes.

Timing is everything in peace processes as it is in everything else. Taking full advantage of the current positive international conditions to achieve viable, sustainable peace is essential because these conditions could turn negative in the short-term and remain so over the medium and long-term. The war on terrorism is just beginning, and it is already one of the defining events of the new century. The principal scenario of the war will be the Muslim world and have profound implications on the rest of the world as well. According to the US Secretary of State the international war on terrorism could take as long as 10 years. That could lead to highly volatile conditions in the future in Islamic countries and in countries with Muslim population. Muslim leaders such as King Abdullah of Jordan have warned of violent reactions in the Muslim world. The risk of making a "clash of civilizations" a self-fulfilling prophecy and of increasing religious connotations, as opposed to terrorism connotations, will also increase.

What the impact of the expanded war on terrorism will be South East Asia and the Philippines is an unknown quantity, but it is clear that there will be an impact. In South East Asia there is already a differentiated reaction to the War on Terrorism with some governments playing a more proactive role and others being more cautious about public opinion, particularly that of fundamentalists groups. The common denominator would seem to be that domestic political considerations loom large in these positions.

Explosive reactions in the Muslim world to an expanded war on terrorism could give some breathing space to Abu Sayyaf. It could also widen the political space of the Nur Misuari faction of the MNLF given the advantage of being "the opposition" to a Philippine Government allied with the United States in the war on terrorism. On the other hand the EC-15 MNLF and the MILF are associated with the Philippine administration through their respective peace processes. The end result could be the polarization of public opinion in the Bangsamoro community.

2.7) Bangsamoro Generational Change

Will the peace agreements negotiated by the leadership of the MNLF and the MILF be assumed by the new generation of Bangsamoro leaders? Will they be satisfied with autonomy for peace and development as it is being institutionalized in ARMM? Will they be satisfied with the economic and social aspects of the agreements, including any eventual settlement on ancestral domains? Will their degree of acceptance and satisfaction with peace and development in the Southern Philippines withstand destabilization from effervescence from the rest of the Muslim world if there are major explosions as a result of the War on Terrorism? If the answers to these questions are yes then the current peace process, if taken to its successful conclusion, can be sustainable. If the answers to one or more of these questions are negative the peace negotiators on the government's side might actually be designing a pension program for the retirement of a generation of middle-aged guerrilla fighters.

The confrontationist positions toward the peace process of the Nur Misuari faction of the MNLF is a complication. It now represents a grouping outside the peace process. How the new generation relates to the existing configuration of MNLF and MILF options is an unknown quantity of great importance there is also the question of whether they relate to these organizations at all. There may be social and political space for the emergence of new leaders and organizations. A hypothesis of this analysis is that the upcoming generation will be the most influenced by the unfolding international tendencies in the Muslim world.

Prior evidence is negative from the perspective of the peace process. Abu Sayyaf consisted of younger cadre who trained in Afghanistan and Libya after the MNLF war with the GRP had already began. They returned radicalized with an international jihadi mentality. Likewise, the Islamic Command Council (ICC) faction of the MNLF has somewhat younger leadership and somewhat more radicalized positions. The sons and daughters of MNLF martyrs are as vehement in reminding leadership of the sacrifices of their fathers and mothers as are the AFP cadre in reminding their command and political leaders of the sacrifices of their comrades in arms. The sons and daughters of martyrs have recently made their presence felt in meetings and events. The prime issue related to this question is whether the new generation will find "autonomy for peace and development" a satisfying solution in the form in which it has been institutionalized in ARMM. Three serious vulnerabilities in this regard are now considered. The correction of these weaknesses is considered crucial for the credibility of the formula of "autonomy for peace and development" as the solution to the conflict in the Southern Philippines.

2.8) Three Critical Factors for the Success of "Autonomy for Peace and Development"

Three vulnerabilities that should be corrected for the long-term success of "Autonomy for Peace and Development" are: 1) Electoral Autonomy, 2) Fiscal Autonomy, and 3) Land and Natural Resource Autonomy.

2.8.1) Electoral Autonomy

With regard to ARMM Political Processes, successful candidates for ARMM governor have always been selected before being elected. This is even to the extent that if one selection doesn't work for one reason or another a second selection is then made by the ruling party in Manila. This has been the case in every ARMM election in every administration since the formation of the autonomous region. In the presence of such consistency one may only conclude that this "hand-on" approach is an aspect of the prevailing political culture. Further confirmation of that hypothesis comes from the fact that within ARMM politics the real competition is over who gets the selection. Within ARMM political circles this seems to be accepted as a political fact of life, and it is not the object of protest.

The current situation seems to have upsides for key political actors. However, the downsides are a lack of institutionalization of democracy in ARMM, and the political fact that the ARMM government is not necessarily based on the actual correlation of political forces in the region. It should be noted that the current governor of ARMM has gone out of his way to redress any imbalance through a representative ARMM administration. The MNLF has not protested this in that it has been favoured in the last two elections. The MILF has not protested this in that its view of the future is less focused on ARMM institutions than on economic and social issues for which ARMM and SPDA, as well as the eventual foundations, are more means than ends in and of themselves, Another downside is that forces that are not "selected" really don't stand a chance, or at least that has been the case heretofore. This impedes the emergence of new political forces and the articulation of their interests, positions, and proposals. The limitation that this places on the emergence of political manifestations of the new generations could itself become a source of potential future conflict.

2.8.2 Fiscal Autonomy

A second factor is that ARMM is less autonomous financially than any LGU in the Philippines, including the barangay. The ARMM is even less autonomous than the LGUs in the autonomous region. They receive annual formula based transfers from the center which makes their income flow predictable. ARMM on the other hand needs to pass its budget not through approval process of the regional assembly.

It also has to remit its budget to the national government for inclusion in the national budget approved by Malacañang prior to submission to Congress for final approval. The budget to be approved contains a complete relation of the programmes to be undertaken. In sum, ARMM has less financial autonomy than a barangay. There is no financial autonomy in ARMM. Its finances are part of the national budget. The lack of fiscal autonomy is quite obviously a serious vulnerability of the entire "autonomy" edifice.

2.8.3 Land and Natural Resources

On the issues of natural resources and land, the MNLF's critique of RA9054 states the following:

> "It must be borne in mind that the central issue that drove mainland Mindanao to violently, and with the use of force defend themselves and assert their right to self-determination in the past, was mainly among others, due to land grabbing. The GRP has once again committed a disservice to the cause of peace by removing strategic minerals such as uranium, coal, petroleum, and other fossil fuels, mineral oil and all sources of potential energy; lakes, rivers, and lagoons; and natural resources and marine parks, as well as forest and watershed reservations from the scope of ancestral domain and the jurisdiction of the autonomous government."

Whether the economic aspects of autonomy are satisfying to the future – and current – generation will be another critical variable in determining whether the armed conflict in the Southern Philippines might end now or whether it will be reproduced.

In addition to the option of direct control of resources there is also the option of participation in government revenue generated by resource based economic activities. Illustrative of this approach is the Autonomy Law for Papua in Indonesia (Aceh also has a similar law). A summary of the financial provisions of Papua Autonomy follows:[25]

- The province's share of state revenues generated in the province will change significantly starting in 2002. Papua will receive 90% of building, construction, and land taxes, 20% of income taxes, 80% of revenues from forestry, fishery, general mining and oil exploitation, and 70% of revenues generated to the state from natural gas exploitation. In 2002 total revenues received from the national government to support

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[25] UU No. 21/2001 approved by the National People's Assembly and signed by President Megawati Soekarnoputri on November 21, 2001

provincial and district government in Papua are expected to increase to Rupiah 6 trillion (USD 600 million) from Rupiah 3.5 trillion (USD 350 million) in 2001. During 2002 the province will also receive a special fund of Rp. 1.3 trillion (USD 130 million) to support activities related to the transition to the new system of governance.

- The provincial government can enter into cooperative agreements with international institutions and authorities in accordance with the basic laws.

- Development of economic activities that rely on the use of natural resources will be carried out with respect for the rights of indigenous groups, the legal rights of investors, the principles of environmental protection and sustainable development.

It should be noted that the significant distribution of governmental income to the autonomous regions in Indonesia is not against potential resources as is mostly the case in Mindanao[26]. In both Aceh and Papua it is based on resources in production and proven reserves. The amounts concerned are significant. With the percentage formula based resource income sharing of UU No. 21/2001 total revenues received from the national government in support provincial and district governments in Papua will rise significantly. They will pass from Rupiah 3.5 trillion (US$350 million) in 2001 to Rupiah 6 trillion (US$600 million) in 2002. During the 2002 the province of Papua will also receive a special fund of Rupiah 1.3 trillion (US$130 trillion) to support activities relating to the transition to the new system of governance.

The Indonesian information is not only relevant because it illustrates another possible option in relation to autonomous region participation in land and natural resource revenues. It is also relevant because inevitably the autonomy scheme of ARMM will eventually be compared to others, with those from neighboring countries being the most relevant.

Autonomy for peace and development is the essence of the 1996 GRP-MNLF Peace Agreement, which forms an umbrella for the GRP-MILF peace negotiations. The GRP maintains that Phase One has been accomplished through RA 9054. Legally and administratively the government is correct, but the question remains whether the quality of the autonomy produced is sufficient to produce viable and sustainable peace in the Southern Philippines. Political and fiscal autonomy and sharing in the wealth of the region itself could prove to be

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[26] This is especially the case in relation to potential natural gas deposits in the marsh areas of Maguindanao.

critical issues in this regard. It will be the younger generation of the Bangsamoro people and their leadership who will in the end determine whether autonomy for peace and development has been achieved or whether they will reject autonomy as negotiated by the prior generation. If the latter is the case their beliefs and behavior could tend toward reproduction of the half millennium old conflict. The enhancement of the quality of "autonomy for peace and development" must therefore be a critical variable in the process of achieving just and enduring peace in the Philippines.

CRITICAL POLICY INFLECTION POINT ON PEACE AND DEVELOPMENT FOR MINDANAO

1) Overall Assessment[2]

A **window of opportunity** exists for peace and development in Mindanao[3]. The conditions for significantly advancing peace and development are better than at any time since the signing of the 1996 peace agreement between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF). This is due to the political will and decisiveness demonstrated by the Macapagal-Arroyo Administration on peace and development for Mindanao, the peace agreement achieved between the GRP and the Moro Islamic Liberation Front (MILF), the MNLF-MILF unity agreements, the leadership definition in the MNLF, and a positive international environment for peace and investment in Mindanao that must be taken advantage of immediately because of the high probability that it will be short-lived. This is due to the implications for the Islamic world and for the Philippines of the international war against terrorism that began with the September 11th attacks on the USA. Therefore, the current positive conditions should be taken advantage of immediately. The positive window of opportunity is also due to a consensus that the next phase in the peace process should involve grass roots, bottom-up relief and development activities followed by large-scale investment projects.

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[1] This paper is a product of a mission undertaken in the period 19-29 August 2001. It included visits to Cotabato City (20-21 August), Davao City (21-22 August), and Metro Manila. (19, 22-29 August). The Peace and Development Mission was composed of Dr. Paul Oquist (UNDP Senior Regional Governance Adviser for Asia and Coordinator of the PARAGON Regional Governance Programme for Asia) and Ms. Alma Evangelista (Senior UNDP Consultant on Peace and Development). In Mindanao the team was also composed of Mr. César Liporada (UNDP Programme Officer in charge of Peace and Development in Mindanao). Highly relevant to this report are the field missions undertaken for the Third Policy Assessment (9-20 October 2000). That mission included visits to Cagayan de Oro, Iligan City, Tubod, and Marawi City (10 October); General Santos, Cotabatao City, and Davao City (12-15 October), Zamboanga (17 October) and Metro Manila (9, 11, 16, 18-20, 2002). The peace and development mission team consisted of Dr. Paul Oquist and Mr. Néstor Mijares (National Consultant on Peace and Development). At different moments the team was additionally integrated by Mr. Terence Jones (UN System Resident Coordinator and UNDP/Manila). The current report is the contribution of Dr. Oquist to this team effort, and as such its content is his exclusive responsibility.

[2] The terms of reference for this mission is to update the three previous policy assessments in light of the change of administration in the Southern Philippines and fast-breaking developments in the peace process (MILF agreements, MNLF leadership crisis, etc). Specifically, the mission has sought to identify policy elements critical for the decision making process of the parties to the conflict, the international guarantors, the international donor community in general and the multi-donor support group in particular.

[3] "Peace and Development in Mindanao" refers to the conflict situation in the predominately Muslim areas of the Southern Philippines: Mindanao; the Tawi-Tawi Group, the Sulu Archipelago, and Basilan Island; as well as Southern Palawan.

However, this brilliant window of opportunity faces serious risks. That is the case to the point that the policy process is now at a critical inflection point. Either the peace and development process moves ahead within the favorable political window of opportunity, or it breaks down politically. The implications of a political breakdown of the process at this point in time include:

1) the extreme protraction of the conflict with both increased political violence and worst case scenarios already visible on the ground (i.e. the proliferation of "lost commands" and other kidnap for ransom groups)

2) the loss of the political and physical climate necessary to make foreign direct investment the solution to the economic constraints of the peace process

3) the discrediting of autonomy for peace and development as the solution in the Southern Philippines after over 25 years of effort to construct it as such, and the concomitant creation of a high threshold of difficulty for reviving the discredited process in the future

Decisions that affect long term-processes and that are difficult to revert are defining elements of critical policy inflection points. That is the level of importance of decisions now facing the GRP, Philippines society, and the people of Mindanao. In 1976 it was decided by both sides in the Mindanao conflict to seek "autonomy for peace and development" as the alternative to war. That policy has yet to be completed yet its continuation is now in doubt. Even the partnerships required for implementation are not assured. The window of opportunity for peace is real, but it's finite.

The risks include the exclusion of united insurgent forces from political and economic processes vital to the achievement of peace and development and/or the weakening of their command structures. A second risk is an "autonomy" unacceptable to one or another or both sides in the conflict. A third consists of insufficient financing for the peace and development process. If the first two risks are avoided the probabilities for success would be considerable. The main constraints to success would be economic rather than political with the possibility of both sides working together to overcome the financial difficulties. If that were not to be the case the political obstacles to success would be fatal for economic prospects. That would make a full-blown, worst case scenario more probable.

The "worst case scenario" was originally described as a threat in the Second Assessment Report. Slightly updated it reads as follows:

> "Instead of unified MNLF and the MILF politico-military organizations, dozens of Abu Sayyaf - type groups based on different mixes of independence, religious extremist/international jihad and

criminal motivation (extortion and kidnapping for ransom) with a new generation of leadership that is unprincipled and unpredictable. These small groups would form and disband with facility. Penetration would be difficult and intelligence weak. These organizations would contribute to increased communal tensions and violence and eventually move in a sea of paramilitary and vigilante violence adding communal self-defense as another 'justification' for their criminal activities."

There then is the further risk of the weakening of MNLF and MILF leadership and the threat of the appearance of new groups. Finally, there is the risk of weakening support for the peace process by the Christian majority, both in Mindanao and in the Philippines in general.

Affirmative action to avoid the worst case scenario and achieve effective peace and development requires an effective GRP-MNLF/MILF partnership for peace and development with an MNLF-MILF institutional base in government and mutually acceptable autonomous institutions. It also requires joint effort and participation in financing peace and development principally through private sector projects with considerable foreign direct investment.

Aspects of the worst case scenario are already visible on the ground indicating the urgency of capitalizing the window of opportunity and of reducing risks through affirmative action for peace and development. Another reason for immediate action is that the currently positive international environment is highly volatile. In a testimony to the integrated nature of the world in the Twenty First Century, the time frame of the window of opportunity in the Philippines was shortened by the September 11th terrorist attacks in the United States and the international war against terrorism began that day.

2) Capitalizing the Window of Opportunity

The window of opportunity for peace and development in Mindanao consists of:

2.1 *The Political will for peace and decisiveness demonstrated by the Macapagal-Arroyo Administration*
2.2 *GRP-MILF peace negotiations and agreement and its implementation*
2.3 *MNLF-MILF Unity Agreement*
2.4 *MNLF Leadership Definition*
2.5 *Positive International Environment but it in context of international anti-terrorist war*
2.6 *Consensus on a bottom-up, grass roots rehabilitation and development programme*

2.1) Macapagal-Arroyo Administration

The Macapagal-Arroyo Administration has demonstrated strong political will and undertaken decisive actions to achieve peace and development in Mindanao. The tone of the administration has been set by the top priority assigned to peace and development in Mindanao by the President of the Republic. This has been highly visible through personal presence in Mindanao and in the peace process, including the signing of the Kuala Lumpur agreements. This has also consisted of the search for foreign direct investment as the solution for the serious financial constraints of the Mindanao peace process. Success has been achieved among Malaysian investors with other prospects also in the pipeline, especially through OIC and BIMP-EAGA channels. Budgetary appropriations for Mindanao have also been increased.

The national situation described contrasts to the one that previously existed where both support for the peace process and support for a military solution co-existed in the same administration. In the end the "all out warfare" resulted predominant in the year 2000. The transition from Ramos to the Estrada administration had been slow in relation to the Mindanao policy, with the MNLF leadership feeling at the beginning of that period that peace in Mindanao had received a policy priority down-grade. That subsequently changed and peace efforts were undertaken, but the shift towards militarization of the conflict froze the peace policy. Efforts were made to reinitiate negotiations with the MNLF after the offensive, albeit in circumstances of deteriorated mutual confidence. However the political crisis of the Estrada Administration overtook that effort and completely absorbed the time, attention, and energies of the administration, Congress, other political actors, the media, and public opinion. The all-consuming nature of the political crisis inevitably relegated all other issues. This introduced an additional uncertainty in the peace and development process in general and in negotiations with the MNLF in particular.

Despite the fact that the Macapagal-Arroyo Administration entered power unexpectedly, the transition process has been fast and smooth. In a first period it had to consolidate power in the face of challenges. It also had to simultaneously articulate its structures and policies. Nonetheless Mindanao policy was rapidly formulated and implemented. A facilitating factor was that almost all of the team dealing with Mindanao has had long experience with the issues and most had served in similar capacities previously, especially in the Ramos administration. The swift negotiation of the agreements with the MILF in the year 2001 benefited from the experience of the achievement of the peace agreement in 1996 with the MNLF. Peace negotiations with the MNLF had covered a span of 20 years. The peace process with the MILF had begun in 1997.

The fact that the President is fully conversant with Mindanao issues and totally committed to the peace process, as well the level of experience and self-confidence of the Mindanao team, have facilitated a defensiveness that has accelerated the peace process.

2.3) MILF Peace Negotiations and Agreement

An "Agreement of Peace" was signed between the GRP and the MILF on June 22, 2001 in Tripoli, Libya. This agreement was achieved within the "General Framework for the Resumption of Peace Talks" signed on March 24, 2001 at Kuala Lumpur, Malaysia.

Subsequently, "Implementing Guidelines on the Security Aspect of the GRP-MILF Tripoli Agreement of PEACE OF 2001" were signed in Kuala Lumpur, Malaysia on August 7, 2001. The international monitoring of the peace agreement and the implementation guidelines is to be undertaken by a Monitoring Team of the Organization of Islamic Conference (OIC) with Libya, Malaysia, and Indonesia being specially invited to participate. The OIC Monitoring Team will relate to a GRP Peace Panel and an MILF Peace Panel that will have under them a GRP Coordinating Committee on Cessation of Hostilities (CCCH) and an MILF CCCH, respectively. The two of them will in return relate to Local Monitoring Committees composed of:

- Local Government Units (LGUs)
- MILF Local Political Committees
- Representatives from NGOs nominated by the GRP
- Representatives from NGOs nominated by the MILF
- Representatives from the Religious sector chosen under mutual agreement

The inclusion of LGU representative on the local monitoring committees represent a break-through in that the MILF had previously did not accept organizational relation with LGUs.

It would be most positive if these relations could also be extended to the rehabilitation and development phase of the peace process discussed below.

The implementation guidelines also contemplate an Independent Fact-Finding Committee (IFFC) and a Quick Response Team (QRT). The IFFC is to be chaired by Notre Dame University Peace Center with the Vice Chair being the Maguindanao Professionals and Employers Association, mutually accepted NGOs. Other member shall be mutually acceptable to both the GRP and MILF coordinating committees on cessation of hostilities (CCCHs). The QRT is formed of 3 permanent and 3 alternate delegates each from the GRP and the MILF, as well as by IFFC principals. In the performance of its duties it can avail itself of the

AFP commander in an area, the PNP Provincial Director, the MILF commander, and People's Organization Committees. The QRT shall immediately respond to confrontations between GRP and MILF forces. Reports may come from the GRO or MILF panels or the IFFC. Its function is to immediately assess a situation and defuse it with the collaboration of local commanders.

The ceasefire and security aspects have been the first part of the Peace Agreement to be implemented. The realization that there will be incidents, even if the ceasefire in general holds well, is recognized, and mutually acceptable monitoring, quick response, and evaluation mechanisms have been put into place to deal with these eventualities. The mechanisms described are highly professional and realistic in that they realize that the initial criterion of success of a ceasefire is not the total lack of incidents but rather the capacity to deal with them. By learning from the incidents and the responses to them, residual violence can ultimately be wound down and controlled.

The second phase of the negotiations will deal with rehabilitation and development, while the third agenda point for the MILF consists of ancestral domain rights for the Bangsamoro people. Political arrangements are being referred to an indefinite future. A top MILF negotiator considers the total time to articulate the peace agreement as 5 years.

The GRP-MILF peace agreement was achieved in a spectacularly short period of time. This as compared to the twenty years of negotiations between the GRP and MNLF before the achievement of peace or the 4 years since the first agreements between the GRP and the MNLF. Of course, the existence of these antecedents greatly facilitated this process, as did the presence in the negotiating teams of personnel with direct experience in the previous processes. The prior GRP-MILF agreements are listed among the terms of reference for the June 22nd 2001 Tripoli Agreement[4].

2.4) MNLF-MILF Unity Agreement

An "Agreement on General Framework for Unity Between the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF)" was signed in Putrajaya, Malaysia on August 7, 2001 by the vice chairman of each organization. The resulting unity is to be known as the "Bangsamoro Solidarity Conference", and a Coordinating Council is to be established to decide their respective roles and involvement in order to achieve the objective of unity. The agreement furthermore stipulates that the two organizations will agree on

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[4] The antecedents are the GRP-MILF "Agreement for General Cessation of Hostilities" dated July 18, 1997, including the Implementing "Administrative Guidelines" dated September 12, 1997 and implementing "Operational Guidelines". There was also a "General Framework of the Agreement of Intent Between the GRP and the MILF dated August 27, 1998 and a GRP-MILF "Agreement on Safety and Security Guarantees" dated March 9, 2000.

joint delegations to represent the Bangsamoro people observers at the meetings of the OIC.

The document also expresses gratitude to "the President of the Republic of the Philippines Her Excellency Gloria Macapagal-Arroyo for her deep personal concern for and in the pursuit of peace, justice, and progress for the Bangsamoro people." A joint statement by the MNLF/MILF describing a Filipino President in these terms is an indicator of the quality of the window of opportunity currently open to the peace process.

GRP and international donor community political observers expect the unity to be a confederation in which each party clearly keeps its own identity. However, the potential of the unity should not be underestimated in at least two important aspects. One is joint representation and positions before the OIC. The other is the necessity of having one set of institutional arrangements for peace and development and one set of autonomous institutions and one set of arrangements for long-term rehabilitation and development work in Mindanao. Both of these joint activities have great potential benefit for both the GRP and the MNLF-MILF. It would be most difficult and chaotic to undertake two separate peace processes with different characteristics in basically the same territory. It could also prove to be conflictive. However, the MNLF-MILF unity agreement makes possible a unified peace process as well. This point is further discussed in the sub-section on "Attention to MNLF-MILF Combatants, their Families, and Support Structures" the section on "Consensus on Bottom-Up, Grass Roots Rehabilitation and Development" (2.7). An organization for joint attention to their structures would also allow the MNLF-MILF an institutional base for further articulation of their unity and simultaneously of their relationship with the GRP. It is essential that the unity agreement and the GRP-MNLF-MILF relationship strengthen the effective leadership of both organizations. The leadership variable is essential for the acceptance of the peace and development process by their combatants, support structures, political constituencies, and broader communities.

2.5) MNLF Leadership Strengthening

On April 18, 2001 a resolution removing Nur Misuari as chairman was signed by 38 members of the Central Committee of the MNLF, including the Vice Chairman, the Secretary General, the Foreign Affairs Secretary, and the Chief of Staff of the Army. The resolution states:

"We members of the MNLF Central Committee hereby declare loss of trust and confidence in the leadership of Nur Misuari as Chairman of the MNLF and Governor of ARMM and Chairman of the Southern Philippines Council on Peace and Development (SPCPD).

"**Resolved** that with this declaration we are withdrawing our collective support from him at all levels of organizational responsibility and obligations.

"**Resolved** that all functions and responsibilities of the Chairman of the MNLF Central Committee shall now be taken over by the 15 members of the Executive Council of the MNLF Central Committee. All dealings, communications or transactions of the MNLF will now be directed to the Executive Council through the Office of the Secretary General."

"**Resolved** further that Nur Misuari be named Chairman Emeritus of the MNLF and that the Executive Council or the Central Committee be activated as the main policy making body or the pivotal organ of the MNLF to manifest our bold decision to depart from Misuari's monopoly of power or dictatorship."

The reasons cited for the change were lack of accomplishments in ARMM and a centralized, non-consultative leadership style, as well as the loss of top level cadre across the years due to the latter:

"**Whereas**, Nur Misuari's personal style of leadership has proven to be the main cause of division and split within the MNLF leadership and its rank and file, as evidenced by the split on MNLF senior leaders and commanders, namely, Ustadz Hashim Salamat, former MNLF Foreign Affairs Committee Chairman; Dimas Pundalo, former MNLF Central Committee Vice Chairman; Melham Alam, former MNLF Bangsamoro Army Chief of Staff; Al Hj. Murad Ebrahim, former Deputy Chief of Staff, Bangsamoro Army; and a host of other Central Committee members, lenders and commanders of the Bangsamoro Army."

The resolution further states that copies should be sent to the OIC committee dealing with the Philippines, the Office of the OIC Secretary General, all OIC member countries, and the Government of the Republic of the Philippines. The Vice President and Secretary of External Affairs of the GRP have subsequently written to the Chairman of the OIC Committee Eight, the Foreign Minister of Indonesia, officially informing of the change in MNLF leadership.

The OIC Committee of Eight might meet on this issue in the Fall, 2001, in the framework of the presence of all of the Foreign Ministers in New York for the opening of the United Nations General Assembly. Libya and Malaysia vigorously support acknowledging the change in leadership. However, it is also as yet uncertain as to whether the schedules of the Foreign Ministers can be compatibilized and a consensus reached by the time of the eventual meeting. The UN General Assembly opening has been postponed due to the lack of sufficient security personnel given the demands on federal security agencies and the New York Police Department (NYPD) in the wake of the September 11th attacks in New York and Washington D.C.

The MNLF leadership controversy brings into the open and moves towards decision issues that were just beneath the surface of the organization for some time. These issues had also constituted a concern in a certain circles of the GRP and the international donor community. Some GRP, MNLF, and MILF officials consider that the leadership change in the MNLF was a pre-condition for the achievement of the unity agreement. Others consider it essential for the renewal of the credibility of the MNLF. Some, however, point out that the administrative deficiencies of the ARMM do not liquidate the 30 year trajectory of Misuari as a charismatic leader. They argue that some form of accommodation with Misuari will be necessary if a divisive, protracted power struggle is to be avoided. Some members of the Committee of 15 are concerned that this position might eventually lead to a GRP-Misuari compromise weakening their political position. The risks involved in the MNLF leadership situation are analyzed below in Section 3.1.

2.6) Positive International Environment But In Context of the International War Against Terrorism

At distinct points in time different countries from the Islamic world supported the insurgent organizations of the Bangsamoro people. The OIC also played a significant role in brokering the 1996 GRP-MNLF accord. Indonesia took a lead role in these processed and was named chairman of the OIC Committee of Eight that has the role to monitor the agreement.

At the current historical juncture Libya and Malaysia have taken the lead role in facilitating the GRP-MILF peace agreement within the framework of the territorial integrity and constitution of the Republic of the Philippines. The negotiations were undertaken between Kuala Lumpur and Tripoli. Likewise, Libya and Malaysia also played proactive roles in the negotiations for the MNLF-MILF unity agreement. The unity document is quite explicit in this regard. Gratitude is expressed to the Libyan leader Col. Muammar al Gaddafi and other Libyan organizations "for their support and encouragement of these unity efforts"; and gratitude is expressed to Dr. Mahatir Mohamad, Prime Minister of Malaysia "for the gracious hospitality of the Government of Malaysia in hosting and facilitating the dialogue that resulted in this agreement."

The new agreements and the positive international environment surrounding them could lead to further and much needed financial support from the Islamic world, a subject dealt with subsequently. A first step in this direction would be palm oil plantation land for up to 270, 000 hectares that would be developed with the participation of Malaysian investors.

However, it is necessary to take advantage of the positive international window of opportunity immediately. Given the volatility of the current international

environment new elements could present themselves literally overnight. The international war on terrorism is going to be fought principally in Muslim countries. This will have a polarizing effect in the Islamic World. This is already visible within Pakistan that will be on the front line of the war in Afghanistan. Extremist forces are going to be mobilized from Morocco to the Philippines, as well as in Europe and the Americas. Hence, in addition to current positive international tendencies, negative forces will also make themselves felt. One of their objectives would be to make it appear that Muslims throughout the world are rising up in arms, and in this context stronger sources of support for extremists in Philippines will become available.

Another possibility is the erosion of the current positive support. Islamic countries will be faced with polarization within their own societies, and in some cases this will be violent. In other cases countries will come to the assistance of embattled neighbors and friends. Demands for humanitarian assistance will be great within the Islamic World as refugee flows and other humanitarian disasters unfold. Finally, there will be increased demands for rehabilitation and reconstruction. According to the US Secretary of State, the international war could take as long as 10 years. Heavy alternative demands on the resources of Muslim countries this year and next followed by lower but continued demands throughout the decade will obviously become very significant. Overseas Development Assistance (ODA) will also experience changes in volume, composition, and direction as a result of the anti-terrorist war and the situations that will present themselves in different countries. In sum, competing demands for resources in regard to ODA, and even the investment critical for financing recovery in Mindanao, could experience radical reductions in coming years. This is a vital reason to conclude peace and put viable peace and development institutions immediately. To start next year might be too late. As a matter of fact it might even be too late now. The volatility of the international situation at present is near total. The only thing certain is that there already is a war.

2.7) Consensus on Bottom-Up, Grass Roots Rehabilitation and Development

The MNLF, the MILF, the Armed Forces of the Philippines (AFP), the SPCPD, the Southern Philippines Development Authority (SPDA), religious leaders, local NGOs, and POs all agree that the next phase in the peace process should be a massive rehabilitation and development effort. This consensus is also extensive to LGU leaders outside the Special Zone for Peace and Development (SZOPAD), such as the governor and mayors of North Cotabato who included this top priority in their annual planning conference. There is also agreement that a bottom-up, grassroots process is necessary with ample participation and community prioritization.

The rehabilitation and development effort should be undertaken in relation to four concentric circles of priority:

1. *Attention to MNLF and MILF Combatants, Their Families, and Support Structures Through A Successor Organization to SPCPD*

It is important for all parties to realize that the MNLF and the MILF need to attend to their own structure themselves and not through intermediaries. This is also important for the maintenance and strengthening of their command structures, a process that is vital for the minimization of worst case scenarios (further developed in point 3.1 below). MNLF-MILF coordination will probably be a "second story operation" concerning the finance, organization, and logistics of this support. For this purpose the MNLF and the MILF would have to cohabit the same organization. The good news is that with the unity pact that does appear to be possible. That organization would have to have governmental authority and sufficient governmental support. This is because in form and substance the support should not be less than what the MNLF structures received in the past. That is extremely important for the MILF structures whose yardstick for measuring their own demobilization will be the prior experience of their MNLF colleagues. It will also permit the MNLF-MILF a governmental platform from which to relate to ARMM, LGUs, and NGAs, as well as projects. Given its very partisan nature, this type of structure should be temporary and only cover the initial period of the reintegration process. Once successful projects are consolidated this type of structure will lose the reason for its existence.

The existing conduit for MNLF support is the SPCPD. It has the accumulated experience in dealing with the demobilization of politico-military organization structures. It also has a positive working relationship with the two principal donors who have supported that process, the UNDP-led Multi-Donor Support Group and USAID. However, the SPCPD is a transitory structure scheduled to end with the initiation of the new ARMM government. UNDP and USAID have confidence in SPCPD and feel completely comfortable with its current management. They would consider it a risk and a potential complication to have to relate to a new entity or worse yet new entities.

Given all of the above, the best option for an assistance mechanism to MNLF and MILF combatants is to transfer the key assets of SPCPD and the personnel experienced in rehabilitation, development, and business projects, as well as the current management and the necessary support staff, to a new successor organization with a different name and mandate. In this fashion there would be no disruption in attention to MNLF combatants, families, or support structures, either within ARMM or in the rest of SZOPAD. This structure would assure their basic well-being and promote their progressive integration into broader

community development programmes. They should also be linked to productive investment projects and other business opportunities.

The abolition of SPCPD without creating the successor organization would leave open the possibility that MNLF structures might fall through the cracks of effective assistance. Even a temporary interruption in attention at this juncture would immediately lead to post-conflict conflict that would contribute to the development of worst case scenarios. MNLF protests against delays in assistance would ensue at the worst possible time in the peace process, just prior to eventual MILF demobilization. If SPCPD were to be abolished without a successor organization formed to absorb the expertise, at great risk to the assistance to the MNLF, a similar new entity would have to be created almost immediately anyway to attend to the demobilization of approximately 15,000 MILF combatants, their families and support structures. Hence it would be highly counterproductive at this point in time to lose the accumulated experience in precisely this type of operation.

The question does arise as to whether MNLF and MILF can work together within the same structure. This would represent one of the first opportunities to articulate the new unity agreement in an area of vital concern to both – attention to their rank and file.

Another group that could "fall through the cracks" with the abolition of SZOPAD and the SPCPD are the Muslim Communities outside of ARMM within SZOPAD. Community development assistance to them could also be channeled through the successor organization. Especially if the new ARMM were to prove successful, these groups might begin to feel even more deprived than they do now (a point further discussed in 3 below).

The Inter-Agency Committee for the Relief, Rehabilitation and Development of Mindanao (INTERACT-MINDANAO) should coordinate the new entity as it does all entities related to the Mindanao Peace Process. ARMM should have close relations with the new entity on activities undertaken within the autonomous region. Neither, however, should attempt to supplant the new entity. That would involve them in directly partisan activities, while they should be neutral in their service to all of the people of their jurisdictions. It would also be tantamount to trying to supplant the MNLF and MILF leadership. This would create conflicts with these leaderships with disastrous consequences for the peace process.

2) *Attention to Communities Affected by the Conflict*

The top priority is the urgent situation of the 8000 families still to be returned home or relocated from among persons internally displaced as a result of last years "all out warfare" (down from 35, 000 families in March, 2001). Approximately

9, 000 homes were destroyed and social infrastructure was seriously damaged or otherwise affected (many schools are still being uses as evacuee centers).[5] Productive assets, especially animals, were lost and productive circuits have been disarticulated. As a result very few of the over one million people who were internally displaced last year due to the conflicts in Central Mindanao, Sulu, and Basilan have returned to any semblance of "antebellum" normality.

3) *Attention to Muslim Mindanao, Indigenous Peoples, and other Poor Communities*

Several factors indicate that this is the critical time to demonstrate the benefits of peace to the population throughout Muslim Mindanao and the rest of the poor and economically depressed areas of the region. These factors include the end of the period of militarization of the conflict with the signing of the MILF peace agreement and the MNLF-MILF unity agreement, as well as the formation of the new ARMM. Attention to these communities is critical for going to the root causes of past conflicts and in order to proactively preclude a social base for potential future conflicts and armed organizations. This implies working in the full universe of barangays in ARMM and in extensive areas of SZOPAD. Non-attention to the Muslim population not included in ARMM would once again generate a high potential for post-conflict conflict and the emergence of new armed organizations linked to these conflicts. The successor organization to SPCPD could also assume this function. Once again this is "directed assistance" that should be left to a transitory post-war entity and not to permanent governmental organizations that should be impartial and benefit all citizens equally.

4) *Mindanao Economy: Depressed and Dynamic Areas*

The global economic environment of Mindanao, and the overcoming of the sharp dichotomy between dynamic and depressed areas on the island, will create a positive environment for the livelihoods segments of the rehabilitation and development programmes. INTERACT-Mindanao is the organization designed to promote regional development in Mindanao in all of its aspects, from rehabilitation and development programmes to large-scale economic development initiatives. The coordination of the rehabilitation and development programmes can be with ARMM and LGUs for poverty and conflict reduction as well as community development. In relation to MNLF and MILF ex-combatants, their families and support structures, as well as Muslim communities outside of ARMM (partisan and directed assistance) the coordination should be with the successor organization of SPCPD. INTERACT-Mindanao is also involved in overcoming the bottlenecks in the current pipeline of large-scale economic development projects

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[5] The figures are from the August 2001 report of the Department of Social Welfare and Development (DSWD).

financed by international financial institutions. INTERACT-Mindanao is further promoting foreign investment in Mindanao, especially through the BIMP-EAGA initiative. Ways and means should be found to ensure MNLF-MILF and Muslim community participation in one form or another in these private sector investment projects. This is for poverty and conflict resolution purposes and in order to ensure an economic stake in the future of the Mindanao and Philippine economies. It is also because other forms of financing of the peace process, national budgetary allocations and overseas development assistance, have serious constraints and are going to be insufficient. It is absolutely essential therefore that private investment cover the gap. For this to effectively contribute to the peace process it is necessary for MNLF and MILF, as well as for the broader Muslim community, to participate in these projects.

INTERACT- Mindanao should coordinate as a neutral, impartial governmental agency that benefits all of the people of Mindanao's society. It should coordinate with ARMM and the LGUs on the same basis. It should coordinate with the successor organization to SPCPD as the platform for partisan and directed participation in the investment projects by the MNLF, the MILF, and Muslim communities.

Finally it should be noted that INTERACT-Mindanao will need to undertake public sector investment and promote public-private sector partnerships in investment projects in areas where it is currently impossible to attract investment (for example, Basilan). These projects could be subsequently privatized, but it is essential that they play crucial economic, social, and political development roles precisely at this point in time. The donors should support these activities vigorously. They are essential to combat the social base on that island of kidnap for terrorism gangs and especially their recruitment capacity. Donors who have problems with supporting governmental actions in the private sector might consider supporting a possible UNDP-led Peace and Development Trust Fund that could channel funds to INTERACT-Mindanao projects.

3) Risks

The risks involved in the current situation include the exclusion of insurgent forces from political and economic processes vital to the achievement of peace and development and an "autonomy" unacceptable to one or another or both sides in the conflict. Another risk is insufficient financing for the peace and development process. There is also the risk of a weakening of the MNLF-MILF leadership structures and the threat of new armed groups. Finally, there is the threat of a weakening of support for peace among the Christian majority.

3.1 *Political and economic exclusion of insurgent groups*
3.2 *Unacceptable autonomy*
3.3 *Insufficient financing*
3.4 *Weakening of MILF and MNLF leadership and the threat of new armed groups*
3.5 *Weakening of support for peace process among the Christian majority in Mindanao and the Philippines in general*

3.1) Political and Economic Exclusion of the MNLF and MILF

It is necessary to posit a series of premises first before presenting the scenario of the political breakdown of the peace process. Since the political breakdown scenario would occur as the result of MNLF-MILF perceptions of GRP actions, it is essential to present the scenario from the viewpoint of these MNLF-MILF perspectives.

The conflict in the Southern Philippines was originally separatist, about the independence of Muslim Mindanao from the Republic of the Philippines. The compromise found between the status quo of the unitary state and independence has been "autonomy for peace and development." This involves the integration of the belligerent forces into Philippine society. It is about inclusion.

In the current historical juncture the MNLF leadership has just been changed and the new leadership is seeking to consolidate its position. The MILF leadership faces the challenge of avoiding internal division as it makes peace with the GRP. Both the MNLF and MILF leadership are also embarking on constructing unity between the two organizations. The GRP entities involved in the peace process are sympathetic and supportive of all of these processes.

However, at the same time an autonomy law has been passed in the form of Republic Act 9054 that does not satisfy the MNLF. It considers that it violates the 1996 peace agreement. For this reason the MNLF also sought to have the 14th August plebiscite postponed again but the government went ahead anyway. The results of the plebiscite were far from satisfactory from the GRP or MNLF point of view.

ARMM elections are now scheduled for 26th November. In ARMM elections in the past, the candidate supported by Manila has always won, and most political observers in Mindanao, including the MILF, consider that this is the basic dynamic of these elections. In this policy assessment it is argued that ARMM elections with a "level playing field" would lead to more genuine political representation, autonomous institution building, and "real autonomy" (see sub-section 4.2.4 below, "Effective Political Institutions" which forms part of the "Affirmative

Action" Section. However, that represents an objective to be obtained, not on-going reality.

The original choice for the support of Manila as governor of ARMM was the mayor of Cotabato City and Secretary General of the MNLF, Muslimin Sema. However, the negative plebiscite vote of Cotabato City precludes that candidacy. MNLF now perceives that the preferred candidate might not be either MNLF or MILF. They also perceive that Manila might support a candidate more directly related to the administration itself than the insurgent forces in Mindanao.

MILF already considers that official influence determined the outcome of the governor's race in Maguindanao. Their perception is that the victorious candidate represented the 6th Infantry Division over a candidate close to the MILF. In a serious escalation of political violence in the course of the year, the Governor has suffered three assassination attempts widely attributed to MILF elements.

The MNLF under its previous leadership had political representation in both ARMM and SPCPD. As may be appreciated from the foregoing the new leadership might have political representation in neither, and the SPCPD might not exist. The new leadership of the MNLF would consider its power and authority undercut by this situation. Its leadership position before its rank and file would be weakened and catastrophically so if the support that had been previously received through SPCPD projects were to be terminated or even interrupted due to reorganization. If that support were to begin to arrive outside of MNLF structures the new leadership would also be undercut. If this were to be the case, the GRP which supports the new leadership would make the prior administration look quite good – it had the political support of Manila, it controlled ARMM, it directed SPCPD, and it delivered support to ex-combatants. In this scenario the new leadership would not be able to demonstrate any of these elements, and its position would be undercut in the internal correlation of forces.

The MNLF leadership in this scenario would feel political exclusion rather than political inclusion. That would have the further implication that its position would be extremely weakened in negotiations for economic inclusion in the investment projects that will form the basic financial mechanism for the peace process. This would also be the case for the difficult and potentially conflictive negotiations over land and mineral rights (see point 3.2 below). In sum their political exclusion would also lead to economic exclusion.

The political representation of the MNLF would be reduced to the LGUs where MNLF members have been elected. In this scenario the GRP's position would be to consider that the transitional or post-war period contemplated in the 1996 peace agreement had been completed. The MNLF would be relegated to

institutional marginality. In this scenario the MNLF would consider that it had not achieved an acceptable autonomy and it had lost its quota of political power and administrative authority. It political exclusion would also further contribute to its economic exclusion. It would consider the peace process to be a failure. The MILF just beginning its peace process would lose confidence in the same way as it witnessed the melt-down of its new partner in unity.

In sum, the GRP-MNLF-MILF partnership would suffer a political breakdown. This policy assessment considers that partnership to the backbone of the peace process whose objective is to obtain "autonomy for peace". If it obtains neither it will be a failure notwithstanding the fulfilment of formal and legal requirements.

3.2) Unacceptable Autonomy

The MNLF considers that the GRP is in default on its commitments to the 1996 final peace agreement with regard to the following issues:

- time frame
- right of representation
- separate units in the AFP for MNLF integrees
- powers of the SPCPD
- economic package
- Mini-Marshall Plan for financing
- Development task forces
- Developmental project implementation

It also considers that Republic Act 9054 does not fulfill the 1996 Peace Agreement for largely the same reasons listed above. Particular attention is given to land and mineral rights. The MNLF critique of Republic Act 9054 states:

"It must be borne in mind that the central issue that drove mainland Mindanao to violently, and with the use of force defend themselves and assert their right to self-determination in the past, was mainly among others, due to land grabbing. The GRP has once again committed a disservice to the cause of peace by removing strategic minerals such as uranium, coal, petroleum, and other fossil fuels, mineral oil and all sources of potential energy; lakes, rivers, and lagoons; and natural resources and marine parks, as well as forest and watershed reservations from the scope of ancestral domain and the jurisdiction of the autonomous government."

With regard to the MILF, after "Rehabilitation and Development" the next item on its negotiating agenda is "Ancestral Lands". This involves the return to the lands taken by the AFP in the 2000 "all out offensive" on one hand and the recognition of the ancestral land rights of Muslim communities on the other hand. The former demand will receive a negative response within the military

that recently took the camps. The risk reduction mechanism here is the careful packaging of the proposal. Instead of "camps", the correct concept should be "peace and development communities" such as those the MNLF have all over Mindanao and which the military are familiar with, and which they consider to be a success story in terms of effective reintegration of ex-combatants to civilian life. On the issue of ancestral lands, both the MILF and the MNLF consider the Bangsamoro people to be included in the rights guaranteed by Republic Act 8371 "Indigenous Peoples' Rights Act of 1997".

As many appreciated, there is a high degree of consensus between the MNLF and the MILF on the land, ancestral domain, and mineral issues that will be highly contentious. The risk is that this issue could prove to be the stumbling block in the peace process even if the other issues were to be resolved. On this issue there is a far broader range of relevant actors and stakeholders that would have to be involved in an eventual settlement. This list of actors and stakeholders goes far beyond the partners to the peace process, GRP-MNLF-MILF. For the purposes of the peace process what is essential is that the interests of the MNLF-MILF, broader Muslim community, indigenous peoples, and other poor groups. Outcomes considered grossly unfair by any of these groups could plant the seeds of further violence.

3.3) Insufficient Financing

There is consensus on all sides, GRP, MNLF, MILF, OIC, and international donor community that there is insufficient financing for the peace process. National budgetary constraints and declining overseas development assistance make the situation difficult. However, it is pointed out in sub-section 4.3 of the section on "Affirmative Action", presented below, that there is considerable potential for foreign direct investment supportive of peace and development in Mindanao. These prospects are also positive from peace and institutional building perspectives. In this area the GRP, MNLF, MILF, OIC, business community, and international donor community can all pool their contacts and work together. The BIMP-EAGA permits this on a regional framework for this purpose. This option though is dependent on the political and economic inclusion of the MNLF and MILF. It is dependent on truly eliminating political violence and working together against worst case scenarios. The current situation is negative. The breadth and depth of the worsening ground situation is illustrated by recent cases. These include three assassination attempts against the governor of Maguindanao, Abu Sayyaf hostages in Basilan and Jolo, the Mal-Mar international personnel kidnappings and killings in North Cotabato, and the killing of a priest in a kidnap attempt in Lanao Sur. Significant investment will not arrive with this level of business and personal risk.

3.4) Weakening of MILF and MNLF Leadership and the Threat of New Armed Groups

After the year 2000 "all-out offensive" MILF troops were deployed as mobile guerrilla forces with more operational autonomy. The central control of the MILF leadership was weakened in this process as compared to the situation in the camps.

The GRP-MILF agreement will be seen by hard core independence advocates as at least a weakening of that cause, if not an abandonment. The ability of the MILF leadership to bring along its rank and file, including the hard liners, will be put to the test. It will be recalled that both the Abu Sayyaf and the MILF itself separated from the MNLF due to peace negotiations with the government.

The MNLF leadership definition process is allowing the organization to face long postponed issues, but it also risks the unity of the organization. A total of eleven of the sixteen of the original State Chairman supported the Committee of 15 in the MNLF division. Four of those who supported Nur Misuari are in areas outside of the ARMM. Misuari subsequently replaced those chairmen who were not loyal to him. Hence there are now two state chairmen in most places. The Chief of Staff of the MNLF military apparatus and now elected Governor of Sulu supports the Committee of 15.

The GRP is working with the Committee of 15 and the letter of the Vice President and Secretary of Foreign Affairs to the Chairman of the OIC Committee of Eight is tantamount to recognition. The OIC has yet to respond but Libya and Malaysia are working for acknowledgement of the leadership change. Indonesia as Chair of the Committee is mediating the production of a consensus among the members.

In sum, internally, with the GRP, and in relation to the OIC, the Committee of 15 would appear to have the stronger hand. However, management and leadership capacity should not be confused. After 30 years of a leadership role the Governor of ARMM certainly conserves some support and could find niche power positions from which to make himself heard. Rumored in this regard are relations with the successor family of the Sultanate of Sulu and Sabah over their claims with Malaysia. There is also a rumor (unconfirmed by Philippine military intelligence or Malaysian sources) of the existence of a Sultanate Army training on a Malaysian island. Other rumors involve a declaration of independence and presentations before the United Nations Committee on Decolonization.

Some GRP officials think that there is no need for further action in relation to the leadership controversy, while others – including some in the AFP – that some form of accommodation with Misuari is necessary. There are some fears

in the Committee of 15 that such a negotiation could go beyond token or face-saving measures.

The risk reduction measures with regard to the MNLF and the MILF is to support their organic integrity and their capacity to meet the needs of their rank and file. This is necessary in order to avoid break-ups of these organizations that could greatly increase the risks of worst case scenarios.

Will the MILF divide as it makes peace? Will the MNLF divide into two or more pieces as a result of the leadership crisis? Will new armed groups appear? Will their leadership be younger, and perhaps with leaders from generation much younger than the average ages of the current MNLF/MILF leadership.

Linked to this also is proliferation in the last two years of extortion and kidnapping for ransom incidents, a theme now considered.

Abu Sayyaf itself is now a confederation of three groups (Janjalani and Abu Sabaya in Basilan and Robot in Sulu). It was born out of disagreements over peace talks with the government by MNLF in the 1980s and its leadership was composed of students who had been studying in Libya and other Arab countries. Its leadership is younger than the MNLF/MILF leadership.

The "Pentagon Group" that kidnapped the Chinese engineers of the Japanese financed Mal-Mar project is reported to have between 60 and 90 members and purported to be a "lost command" of the MILF. An ex-MNLF and subsequently MILF commander has a leadership role, as do reportedly two sons of mayors of Maguindanao.

The killing of an Irish priest, Father Rufus Halley, in an aborted kidnapping attempt was reported to have been carried out by the son of an MNLF leader. A journalistic account further adds[6]:

"Sources from the Army's intelligence community said they were looking into reports that a suspected kidnapper belonging to the Maranaw tribe identified as Faisal Marohomsar, who carries a P1-million bounty on his head, could have masterminded the kidnap attempt on Halley.

"Marohomsar has reportedly admitted responsibility for about a dozen kidnappings in Cotabato City and other parts of Central Mindanao. He claims, however, that the abductions were conducted in protest of alleged government failure to fulfill its promise of livelihood for him and his followers. The MNLF signed a peace agreement with the government in September 1996. Under the accord, the

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[6] "MNLF man's son tagged in priest's murder", The Philippine Star (August 30, 2001), pages 1 and 5.

government would provide livelihood projects and other forms of assistance to enable the former separatist rebels to rejoin the mainstream of society."

The three Abu Sayyaf groups, the Pentagon group, and the Marohomsar group would indicate that there are at least five ex-MNLF or ex-MILF groups in extortion and kidnap for ransom operations. If the Father Rufus Halley killers are not linked to Marohomsar that would constitute a sixth group.

The worst case scenario number is now approximately half a dozen. This number could triple or quadruple rapidly if the MNLF and MILF leadership is undercut and their organizations start to break-up. Proliferation could also occur if there is inadequate attention to MNLF and MILF combatants as the peace process advances. The formation of a successor organization to the SPCPD that would form a support structure to MNLF and the MILF would have as its objectives to ensure precisely all of these interrelated objectives: strengthen the leadership, have a pole of attraction to keep integration high and avoid "lost commands", attend adequately to the rank and file through their organizations, and attend to the broader Muslim community, especially outside of ARMM.

Other groups also need to be directly targeted. One of these critical groups are unemployed and underemployed youth aged 15 to 35 who do not have educational opportunities. This is critically the case in Basilan where the economy has fallen off by one third this year as a result of Abu Sayyaf activities and the military response to them.

Another group that should receive special attention are the sons and daughters of fallen MNLF and MILF martyrs. They are not surprisingly among the most militant organizers and mobilizers in both organizations. If new armed groups are formed from youth with radicalized leadership, many of them sons or daughters of MILF and MNLF militants or martyrs, the 1886 and 2001 peace agreements could simply become pension plans for aging insurgents while a new generation picks up the gauntlet of the independence cause.

3.5) Weakening of Support for the Peace Process among Christians in Mindanao and the Philippines in General

The GRP needs to exercise strong political leadership to strengthen the support of Christians in Mindanao and the rest of the Philippines for the peace process with the MNLF and MILF. This will then allow the GRP and the AFP to work with the MNLF and the MILF and the broader Muslim community, including their active participation, in the persecution of armed actions to eliminate Abu Sayyaf and the other kidnap for ransom groups.

The weakening of support is due to fatigue due to the extreme protraction of the conflict, Abu Sayyaf atrocities against Christians, and a feeling that the insurgents should not benefit from having rebelled against the government. One related argument is that there are areas just as poor as the Muslim areas of Mindanao in other parts of the Philippines that have not rebelled against the government, so why should only the Muslim areas get special benefits.

One answer to this is to link the national funds for rehabilitation and development to the poverty programme and define the application of the poorest provinces. That would include Muslim Mindanao over half of the poorest provinces would be in Mindanao, it would include NPA areas, and it would include some poor areas that are neither Muslim nor NPA, precisely the ones linked to the previous argument.

The poverty programme already contemplates conflict reduction as one of its objectives. This is a matter of putting into such an effort considerable resources and packaging it is equitable poverty reduction so that the political constraints to significant financing to achieve peace and development in Mindanao are overcome.

There is resistance among Christians in Mindanao to a continuation of the SZOPAD and SPCPD. That opposition is based on the fact that they voted not to be included in the new ARMM and now they do not want it to appear in some other form. For that reason it is recommended that the successor organization to the SZOPAD only work with MNLF and MILF structures and Muslim communities. It should have targeted programmes as a temporary entity designed to facilitate the culmination of the peace process. It should have no authority nor role vis-à-vis the Christians and Lumads.

Having said that, it should, by outreach and attraction to its programmes, project the tri-people concept as part of the integration of the communities necessary for fulfilment of the peace process and in order to fight against the isolation of the Muslim communities. When the point is reached where the MNLF and MILF ex-combatants are being integrated into the regular development programmes in their areas that task will be made easier. Of course confidence-building measures between the communities should also be promoted by all others as well. They include religious groups, POs, LGUs, the AFP and PNP, and the GRP. Good inter-community relations are necessary for a sustainable peace process and in order to avoid the nightmare of communal violence.

There are many reasons to move fast to consolidate the MNLF and MILF peace processes. One is the consequence of the international war against terrorism. A war mindset is already being massively propagated through the news and the international media. It is most important to get the MNLF and MILF peace

processes consolidated before that mindset further weakens support for peace among a Filipino population that has major exposure to that media. The threat is that support for the Mindanao peace process will further weaken in coming months and even years.

That same mentality will also pressure for the elimination of the Abu Sayyaf and the other kidnap for ransom groups. Abu Sayyaf itself could find itself as part of the objectives of the international anti-terrorist war given its origins, including Afghan War training and participation, and links to international terrorist organizations, as well as the nationalities of its victims and the outrageous and provocative nature of its actions.

4) Affirmative Action for Peace and Development in Mindanao

The financial situation that will condition the peace process is now described as well as possible responses to that situation:

4.1 Partnership with Unified MNLF-MILF for Peace and Development
4.2 Mutually Acceptable Autonomy
4.3 Financing for Peace and Development in Mindanao
4.4 The Role of the International Community

4.1) GRP Partnership with MNLF-MILF Alliance for Peace and Development

The following is essentially a summary of analysis presented in different parts of the "window of opportunity" and "risks" sections. It is repeated here as a recommendation for positive action rather than as analysis of the situation. The reason for this is that this proposal is considered a lynchpin for the success of the peace process. Without such a mechanism not only the entire peace process would suffer but the probabilities for the worst-case scenarios would considerably increase.

The key to the peace process in Mindanao is the partnership of the GRP with the MNLF-MILF alliance for peace and development. This needs to be based on the political and economic inclusion of the MNLF-MILF. This in turn requires an institutional base. That base should permit the MNLF-MILF to attend to their base of ex-combatants, families, and support structures. As previously argued, this is absolutely necessary for the reintegration of the ex-combatants, the internal cohesion of these two organizations, the minimization of divisions and reinsurgencies, and the active collaboration of these groups in the fight against "lost commands" and other "kidnap for ransom" groups. It is also essential to strengthen the MNLF-MILF leadership so as to be able to better achieve all of the foregoing.

The institutional base for the GRP-MNLF-MILF partnership should neither be ARMM nor INTERACT-Mindanao.

ARMM should be the elected government and administration of all of the people of the autonomous institution. It should not be partisan, and act with neutrality. MNLF and MILF may participate in this governmental structure separately or in alliance, as is also the prerogative of all of the other political forces of the autonomous region. In no case should ARMM be used to exclusively or principally benefit the members or supporters of one or another of the political forces that form the region. Otherwise its political leaders, ARMM, and the new autonomous institutions themselves would be weakened.

INTERACT-Mindanao in turn is the general coordinator of government policy in Mindanao. It coordinates with the national government agencies (NGAs) and the LGUs, as well as articulates the government's partnership for peace with the MNLF-MILF. INTERACT-Mindanao also mobilizes resources for peace and development.

The SPCPD has been the transitory peace and development agency contemplated in the 1996 GRP-MNLF final peace agreement. As such it is the agency that has been directly involved in the demobilization of the MNLF combatants and the design and implementation of the projects designed to facilitate their reintegration into civilian life. MNLF commanders have been directly executing these projects in Peace and Development Communities (PDCs). The substantive expertise on combatant demobilization and reintegration has as its focal point the SPCPD.

In accordance with Republic Act 9054, SPCPD will cease to exist when the new ARMM contemplated in that law is formed. It is essential that when this occurs a successor-organization with new factions be seamlessly initiated. Among those functions should be continued support to demobilized MNLF structures with no interruption whatsoever. This support should be provided to all structures currently receiving it, both within the new ARMM as well as in the old SZOPAD outside of ARMM. The overriding consideration is to ensure the consolidation of support for the peace process, as well as livelihoods, for MNLF combatants.

That continued support be seamless is not only important for the peace process in relation to the MNLF combatants. It is also essential to the MILF combatants who will inevitably view their own eventual demobilization in light of the experience of their MNLF colleagues. To cut off assistance to MNLF combatants at this point in time even temporarily, would send the wrong signal to MILF combatants at the critical pre-demobilization stage of the peace process. At this stage confidence building measures are required while anything that would project the image of an uncertain future should be avoided.

A second set of functions for the successor organization should be the demobilization of MILF combatants. The expertise of the organization that previously demobilized MNLF combatants, and the donors that have worked with that organization, should be availed of to the fullest.

The Multi-Donor Support Group coordinated by the United Nations Development Programme (UNDP) has supported the Peace and Development Communities through the SPCPD. Likewise, USAID has also undertaken livelihoods programmes for MNLF combatants through the SPCPD. Both of these organizations have found the relationship with SPCPD satisfactory and would prefer to continue working with this organization in relation to support for ex-combatants. They also express their confidence in the new management of SPCPD, and both are willing and preparing to assist MILF demobilization.

In sum, attention to MNLF-MILF combatants is a function in the peace process that is best supported by on-going structures. It is also best left to MNLF and MILF structures themselves for direct delivery. These organizations have the political necessity to assure support to their combatants. The GRP as their partner in the peace process should be sensitive to this necessity.

However, can the MNLF and the MILF share a common organization for assistance to their own support to their combatants through their own structures? The new unity agreement and their subsequent work together make that prospect real.

A successor organization to the SPCPD would also give the MNLF and the MILF an institutional foundation upon which to construct their alliance. A focal point for this alliance building could be to use it as a vehicle for their joint participation in the foreign and domestically financed investment projects that are the best option for financing peace and development in Mindanao.

Such an organization should be transitory and limited to the post-war period insofar as national budgetary resources are concerned. Another option would be to privatize the organization at the end of that period, especially if it holds an investment portfolio in the name of the MNLF and the MILF.

In sum, a successor organization to the SPCPD could assure the political and economic inclusion of the ex-insurgent forces in the peace process and in national life during the post-war period.

4.2) Mutually Acceptable Autonomy

The fact that President Gloria Macapagal-Arroyo did not sign Republic Act 9054 presents the opportunity for the administration and the unified MNLF-MILF leadership to renegotiate the autonomous institutions that can constitute

the definitive solution to the Mindanao conflict. This proposal in the form of necessary amendments could then be presented to Congress with support from all of the parties to the peace process.

The GRP-MILF and the MNLF-MILF unity agreements create the foundation for this possibility. If successful, the achievement of effective "autonomy for peace and development" institutions would be without doubt one of the great historical legacies of the current administration. The solution of the Mindanao separatist conflict would open up Mindanao to rapid development and resolve one of the principal handicaps for the Philippines in the areas of foreign direct investment and international tourism.

The redefinition of effective autonomous institutions should be based on the constitution of the Philippines, the 1996 peace accord with the MNLF and the 2001 peace agreement with the MILF. It should also be based on the experience of the previous ARMM. Following are some reflections that might serve as inputs for an eventual renegotiation process based on the experience of the previous ARMM. The points analyzed are the following[7]:

4.2.1 Decentralization within autonomy
4.2.2 Fiscal autonomy
4.2.3 Effective administrative institutions
4.2.4 Effective political institutions

4.2.1) Decentralization within autonomous institutions

The relations of the previous ARMM and of the SPCPD with LGUs have been generally weak and difficult. This has limited their own developmental capacity, their contributions to capacity building within LGUs, and the creation of synergies and partnerships between governmental entities. The new autonomous government should not be less decentralized than the rest of the country. The new autonomous government should provide additonalities to the LGUs, They should perceive financial and administrative financial added from the autonomous government provinces. Decentralization can also make the autonomous government more viable. It is important that ARMM not be seen as "regional centralization" by the provincial, municipal, and barangay levels of government. The new autonomy is not supposed to reduce provincial, municipal, and barangay rights and prerogatives, nor should it in practice. The LGUs should enjoy the same degree of autonomy and receive the same benefits as LGUs in other areas of the country. Only this policy can ensure harmonious relations between the new autonomous government and the LGUs in its territory. Any

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[7] A longer version of essentially this same analysis was presented in the Third Policy Assessment Paper "Toward a Win-Win Situation in Mindanao".

other policy will lead to perennial tensions, conflicts, and centrifugal tendencies within the autonomous region.

Different political interests based on the ethnic diversity of Muslim Mindanao are best articulated and aggregated at the provincial and local levels. To attempt to aggregate them at the level of the regional autonomy is a complicated undertaking that can lead to divisive, debilitating politics. Leaving decision-making on most issues to the provincial and local levels also makes government more responsive to local priorities and interests, and it facilitates the interface between local government and community-based development. In sum, an enabling environment for bottom-up development should be put into place. Whether this happens or not in reality in a given locality will depend on the levels of civil society organization and the characteristics of the local power structure. The enabling environment means in reality that the opportunity is there and that organized citizens can take advantage of it if they wish.

4.2.2) Fiscal Autonomy

The ARMM has had to negotiate its budget at the national level every year. The LGUs, both within the ARMM and in the rest of the Philippines, have had their income from the national level determined by a formula-based transfer system. In this situation the LGUs have had greater fiscal autonomy than the ARMM. However, given transparency, accountability, and effectiveness problems in the previous ARMM administration, increased fiscal autonomy should be accompanied by a strategy for the construction of effective autonomous institutions, the topic of the next section.

4.2.3) Autonomous administrative institutions

True autonomy can only be achieved if there is an effective administration in the new autonomous region. There is a universal dissatisfaction with the levels of transparency, accountability, and effectiveness of the previous ARMM administration. These problems are not only limited the administration but also the degree of reality and satisfaction with autonomy. The universal conclusion in Muslim Mindanao was that this was not "real autonomy". The achievement of the design requisites of "real autonomy" implies the need to learn from the administrative experience of the previous ARMM. The following points address some of these lessons:

4.2.3.1 *Transparency and Accountability*

- The transparency and accountability mechanisms that exist in the rest of the Philippines must be put into place in Mindanao before the initiation of the operations of the new autonomous government and begin to

operate from the very first day. The application of these mechanisms must be a regular operational practice within the new autonomous region, including the presence on a regular basis of auditors. An environment of personal security for auditors should be created and developed. The current situation on the current ARMM of the existence of retroactive problems with the lack of means to deal with them should be avoided at all costs. Transparency and accountability are essential for:

- the rule of law that is the basis of the rights of the autonomy,
- the legitimacy of the autonomous government before its constituency,
- the approval and operation of relations of fiscal autonomy with the Government of the Philippines,
- the possibility for mutually beneficial and efficient inter-governmental fiscal relations between the autonomous, and
- the confidence of the international donor in the autonomous situations.

The transparency and accountability of the autonomous government is also essential for administrative simplicity. If there are problems in this regard, multiple existing entities will become involved in project execution directly and through the LGUs. New parallel entities will also be formed adding to the already complex institutional arrangements in Mindanao.

The objective of the autonomous government should be to have higher levels of transparency and accountability that exist in the Philippines in general. This would add to the legitimacy of autonomy and the autonomous institutions. A necessary condition is that the new structures and systems, including transparency and accountability mechanisms, condition the generation of a new organizational culture and a new political culture. This is difficult, and it will not occur if there is not strong leadership at the top that by word and example supports the values of transparency and accountability. This will be a critical factor in determining the overall degree of effectiveness and success to be achieved by the autonomous administrative institutions.

4.2.3.2 *Capacity Development for Effectiveness*

On the first day of the new autonomous administration it will not have the installed capacity to be effective. This is an obvious point given to the newness of the institution, the track record of the previous ARMM, and the relative weakness of most of the LGUs within the constituency of the autonomous region. The creation of capacity will form a large portion of the process of the constructing autonomous administrative institutions. The new autonomous government will not be able to undertake this process by itself.

The concept of a transitional phase could be useful. After the Second World War, Europe underwent a seven year "post-war phase" in which reconstruction and the forging of new institutions, rather than normal governmental operations, were the top priorities.

A transitional plan could be adopted by the new autonomous government that defines objectives and activities, as well as the phasing and sequencing of the process of constructing effective autonomous institutions. These institutions are the objective of the plan rather than its starting point. Capacity in multiple fields must be created in order to construct effective autonomous institutions.

By-laws, rules and regulations, further development of structures and systems, human resource development, formal training programs, in-service training, on the job tutoring, and consultancy, among other elements, are necessary for capacity building. These activities should be undertaken by people within the autonomous government, from LGUs within the autonomous region, from other parts of Mindanao, from other parts of the Philippines and internationally. The most local options should be employed, but when local talent is non-existent, deficient for the terms of reference, or insufficient, recourse should be made to the next level. Governmental personnel, NGOs, private firms, and international organizations should all be utilized. If these guidelines are implemented the autonomous government's transitional plan would be supported by a mix of personnel from all of the actors from all the levels.

The transitional plan for the "post-war period" is important for operational reasons and also to clarify to the population that there will be a strong presence of persons from outside of the autonomous region advising the autonomous government for the period of time necessary to construct effective autonomous institutions. Subsequently, that presence can be reduced to the level of technical assistance of other governmental units in the Philippines.

Capacity for effectiveness must be created in a systemic and massive manner if effective institutions are to be constructed and autonomy for peace and development consolidated as the win-win solution in Mindanao.

4.2.4) Autonomous political institutions

These are several dimensions to the construction of autonomous political institutions:

4.2.4.1 Bottom-up governance through empowerment
4.2.4.2 Conflict prevention and resolution
4.2.4.3 Legitimacy of political representation

4.2.4.4 Empowerment through political participation

4.2.4.1) *Bottom-up governance through empowerment*

Autonomous institutions can be most successful politically when interests are articulated and aggregated, consensus forged, and disputes resolved at the most levels possible. This bottom-up approach to governance also permits prioritization in accordance with local interests, increasing possibilities for greater governmental responsiveness to citizen demands. This in turn increases citizen satisfaction with government performance, which in turn re-enforces legitimacy. The active principle involved is the empowerment of people at the local level to solve their own problems and seize their own opportunities to the extent possible. The more heterogeneous a people and their interest, or the more complex their local institutions and customs, the more important a bottom-up approach becomes.

4.2.4.2) *Conflict prevention and resolution*

Political institutions are humankind's prime instrument for dispute resolution and conflict prevention. They also permit disputes and conflicts to be dealt with on a case basis rather than linked and accumulated to the point of social explosions. When political measures fail, or where there is a vacuum in political institutions, the potential for violence increases. This is also the case where political institutions leave a vacuum at lower levels in terms of important processes.

One of the detonators among others, of the conflict between the AFP and the MILF earlier in the year was a land dispute over a plantation in North Lanao. The parties to the conflict were Christians on one side and Muslims on the other, but actually the conflict was about land, not religion. The conflict turned violent when MILF forces supported the Muslim party to the conflict and the AFP intervened. Fighting then spread rapidly.

Linkages between land and the conflict in the Southern Philippines are particularly dangerous because land disputes from the backdrop in one way or another of a large percentage of the conflicts in the region. A structural factor was the arrival on Mindanao of settlers from Luzon and other parts of the Philippines. In the attempt to solve conflicts situations in other parts of the Philippines new conflicts were created in Mindanao as settlers pressured the existing local population, especially in the governmental programmes in which there was official favoritism for the settlers. The Muslim and Lumad local populations felt themselves prejudiced by these processes.

Another aspect of conflict over land in Mindanao with violent manifestations is pressure on the lands of indigenous people by mining, logging, and plantation interests. Existing legal protection for indigenous land has been held in abeyance while numerous concessions have been granted. Violent means have been

employed to clear the land of indigenous peoples, including massacres of entire communities by paramilitary forces. These processes have coincided with the appearance of indigenous people, especially youth and children, in forces of the New People's Army. To wind down one conflict in Mindanao only to have another replace it will defeat the purpose of the government's total approach. Always latent also is MILF-NPA collaboration, a possibility whose probability increases with Lumad presence in the NPA in Mindanao.

The conflicts and their origins, as well as their possible solutions, vary greatly in different areas of the Southern Philippines. Even after a global peace framework, has been achieved in Mindanao, there will be a prolonged period of time required to work out peaceful solutions to local situations on the ground. Local political institutions considered legitimate by the local population have the best chance for achieving these results.

4.2.4.3) *Legitimacy of Institutions*

For leadership and institutions to be fully effective they should be considered legitimate by the citizenry. An electoral process with a level playing field for the candidates and in which the winners reflect the will of the electorate are essential pre-requisites for legitimacy. This procedure allows elections to replace less democratic processes for the selection of leaders.

In each of the preceding elections for the current ARMM successive national governments clearly supported an "official candidate" for Governor. The repetition of that practice in the upcoming elections for the new autonomous region would weaken the new political institutions and their capacity to articulate and aggregate the interests of the different groups that form Muslim Mindanao. It would also weaken the essential conflict prevention and resolution potential of the new institution.

Legitimate and strong leadership are essential for the construction of both sound administrative and political institutions. Given that in a first phase the institutions themselves will be weak it is even more necessary to have effective leadership.

The scenario of weak leadership in weak institutions should be avoided at all costs. This fact and the tendency of the national government to want to reduce its risks in the autonomy process will probably lead to a directly proactive approach for the national government in the election of the autonomous government. The historical precedent previously mentioned in the previous ARMM administration increases this probability. All of the persons interviewed as part of the field work for this assessment were of the opinion that Manila would have an "official candidate". This was previously viable because "real autonomy" was neither the objective nor the reality. The downside of having the head of the autonomous government chosen by the national government is quite obvious. It is even a contradiction in terms.

4.3) Financing Peace and Development

Internal budgetary constraints are already acute and uncertain international and national economic prospects for this and coming years make it very difficult to commit sufficient internal resources for the needs of the peace and development process in Mindanao.

Current levels of grant development aid are also insufficient. This form of external cooperation is dropping year by year. Most donors are prioritizing a few concentration recipients, most of them least developed countries (LDCs). One major bilateral donor interviewed indicated Indonesia had been chosen as the priority country in South East Asia given its strategic nature and the depth of its economic and governance crisis. In sum, Philippines has to compete in the international assistance market with countries with lesser development, and countries with deeper crises. Also, proactive preventive strategies attract less support than reactive ones that compensate for past policy mistakes and adverse processes. Finally the international anti-terrorist war and its consequences will also compete for resources, particularly in Islamic countries, as was previously described.

Weak implementation capacity makes less effective major investment project based on the loans of international financial institution. According to the PRIMED study[8] the limited information available indicates that only about 20% (10 out of 49) on-going projects in Mindanao are on schedule. Of 28 overly delayed projects (57%), the delays are due to poor project design in 9 cases, relocation problems in 7, lack of counterpart funds in 7, peace and order situations in 3, and contractor or supplier incompliance in 2. Of the 11 loans expiring in 2001 the disbursement rate is 63% while the rate is 37% for those expiring 2002. Full disbursement would total an additional US$101 million in 2001 and US$349 million in 2002 for a total of US$450 for the two years, but that would require counterparty funds of PHP2.8 billion in 2001 and PHP3.6 billion in 2002[9].

Both grant and loan ODA are further weakened when the support is donor-driven in relation to its objectives, methodologies, and institutional arrangements. This diffuses resources, makes government coordination more difficult, and creates confusion on the ground in local communities barraged by multiple donors with small-scale projects. At the same time other communities are project-less. It also leads to flying the donor's flag over that of the governments. Whether this is intentional or not, it is clearly counter-productive in conflict and post-conflict situations. It is also clearly the case in Mindanao where it is commonplace

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[8] "Peace and Reconstruction Imperatives for Mindanao's Enhanced Development (PRIMED): A Suggested Public Sector Action Plan for 2001-2004" prepared Lourdes S. Adriano and Fermin D. Adriano.

[9] *Ibid,* pages 42-43.

to hear from ex-insurgents, Non-Government Organizations (NGOs), People's Organizations (Pos), religious leaders, and even government officials that the 1996 final peace agreement has only been held together by donor support. The social capital of trust and synergies that need to build up in these situations are horizontally between communities and vertically between local communities and their LGUs and the national government, not between local communities and international donors.

Direct foreign investment has been affected by the high levels of armed conflict in recent months and the negative publicity generated by successive high profile kidnappings. The southern Philippines Development Authority (SPDA) has declared that US$500 million in investment projects in which it was involved have been lost due to the peace and order situation[10]. The Mindanao Business Council reports that following the GRP-MILF peace agreement foreign investors have once again begun to inquire about opportunities[11]. Of course the recent cases of deaths of Chinese Engineers and an Irish priest related to kidnap for ransom gangs are serious setbacks for Central Mindanao in particular and Mindanao in general.

Foreign direct investment is both an economic and security concern in Mindanao, and it should become a community concern as well. The AFP strategy of constructing secure conditions barangay by barangay should be followed in and around major investment projects. Neighboring communities should benefit in the projects, attain consciousness that their economic future will largely depend on their success, and become actively involved in their defense against attack, extortion and kidnap for ransom. Media and direct community communications campaigns should stigmatize these criminal activities as the number one enemy of peace, rehabilitation, and economic recovery and development in Mindanao. MNLF, MILF, LGU, religious, NGO, PO, PNP, and AFP structures should be involved in securing major investment projects, project by project, barangay by barangay. AFP involvement is not only for security considerations which should be as low profile as possible as part of the demilitarization of the conflict, but rather more for its bottom-up, grass-roots approach. It is intensive in information, it factors psycho-social considerations, and it emphasizes tailor-made solutions to each situation's particularities. It furthermore has it field managers (lower level officers) in the field. They are living in the barangay anxious to consolidate it in order to get out. The LGU or NGA officials on the other hand are in the municipal, and most likely provincial, center anxious not to go out, The difference in effectiveness can be readily appreciated.

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[10] "Mindanao peace and problem derails P25B worth of investments, <u>Business World</u>, (August 28, 2001).

[11] *Ibid.*

For this approach to be successful special care should be taken to solve all potential land disputes in the area of the investment project prior to initiation. It should be noted that Malaysian corporations operating in Kalimantan, Indonesia have shifted from stand-alone operations to schemes that involve the recognition of local land rights. The latter have been proven to be more stable. Other mechanisms might also be explored to promote local ownership of the projects and create networks of stakeholders throughout Mindanao. Among them could be the use of labor intensive technologies and giving first priority to local procurement and transportation services. Care should also be taken for good corporate citizenship in not depriving local populations of water and not polluting. This should also be made extensive to paying local taxes and taking other measures to ensure the well being of the barangays, municipalities, and provinces on which they operate. In sum, economic capital and social capital must be combined to work effectively in the socially assertive environment that will characterize post-conflict Mindanao.

Also, due to the security situation the State must take the lead in investment in many areas, either directly or as part of public-private sector partnership. For example, the kidnap for ransom situation in Basilan is such that outside investment will be non-existent for some time. Worst yet, there has even been a flight of local entrepreneurs and local capital. Not surprisingly the local economy has contracted by over a third in the course of the year 2001. This leads to a vicious circle of unemployed young men becoming involved in criminal activities that depress the economy and further reduce opportunities and hope for other unemployed young men. The government must obviously take the lead in reactivating the economy in this circumstance, even if the investment projects are subsequently subsidized at a considerable loss. Social and security concerns are overriding in this case.

It is difficult for donors to operate in Mindanao due to the peace and order situation and especially the high incidence of kidnapping for ransom. A solution to this situation could be a Mindanao Peace Trust Fund. Donors could contribute to rehabilitation and development activities through the fund. The fund could be established by donations from donors and the GRP. An appeal could also be made to the private sector. The trust fund could also be a mechanism to finance a flexible government-driven rehabilitation and development scheme without the dispersion and confusion on the ground generated by multiple, competing donor schemes.

One way to make more politically viable national funds for Mindanao is to link them to the poverty programme. All of the ARMM provinces and municipalities are among the poorest, over 50% would be in Mindanao, others would be in NPA conflict areas, and still others would be in poverty areas of Mindanao, Visayas, and Luzon, where there is no armed conflict. It is important that they receive assistance also and that the message is not sent out that it is only areas with rebellions that receive significant assistance.

All expenditures possible should be accelerated for Mindanao, especially in the areas of rehabilitation and development, as well as in relation to the peace programme. Likewise, the execution problems for loan based projects should be addressed simultaneously with the formulation of new programmes and projects and the undertaking for their approval. The pipeline for such programmes is too long to undertake any delay in these applications. What Mindanao least needs is another generation of studies. What is urgently requires is the acceleration of disbursements and the execution of projects.

A complementary option is to prioritize low and no cost measures that can contribute to the peace process. These include cultural demands (shariah law for Muslims and Madrasah schools for religious education). They also include land titles and the defense of ancestral domain and mineral rights within ARMM. The latter may have long term economic consequences but they have no short-term budgetary implications. They might even lead to a future self-financing capability within ARMM. Finally, they can involve the approval of autonomous institutions-acceptable to the MNLF, the MILF, and the GRP. As previously analyzed, the fact that the President did not sign the Republic Act 9054 represents the opportunity for the administration to jointly work on amendments with its partner in the 1996 and 2001 peace agreements and the present them to the Philippine Congress with its full support.

Autonomy for peace and development is still a viable option in Mindanao. Peace without pesos is not. The worst case scenario on the financial side is to deliver neither acceptable autonomy at a low cost nor high cost rehabilitation and development. The formula for achieving a lasting, sustainable peace once and for all is to deliver both.

4.4 The Role of the International Donor Community

Multi-Donor Group support for peace and development in Mindanao should build on its past successes and at the same time support new initiatives selectively within its area of core competence. The institutional arrangements for the actions are uncertain because they are contingent upon decisions from the GRP. This presentation of actions contemplates the ideal scenario for the Multi-Donor Support Group in which a successor organization to the SPCPD is created as a transitory entity to be the conduit of assistance to the MNLF, MILF, and other targeted assistance. Another element of that ideal scenario would be that an ARMM reform is formulated in order to create effective institutions.

The recommended actions are the following:

a. Continued financial and technical assistance to MNLF ex-combatants, their families, and support structures through Peace and Development Communities (PDCs)

b. Financial and technical assistance to MILF demobilization and the formation of PDCs of ex-combatants, their families, and support structures

c. Financial and technical assistance with emphasis on capacity building for new successor organization to SPCPD (if established)

d. Financial and technical assistance for rehabilitation and development projects for Muslim communities in the ex-SZOPAD outside of ARMM (preferably through successor organization to SPCPD, if established)

e. Establishment and administration of a Trust Fund for Peace and Development in Southern Mindanao with the objective of generating employment and educational opportunities for youth in the war zones of Mindanao, Basilan, Sulu, and Tawi-Tawi

f. Trust Fund project for MNLF and MILF sons and daughters of martyrs undertaken (preferably through the successor organization to SPCPD, if established)

g. Trust Fund project for unemployed youth without educational opportunities formulated in coordination with the new ARMM and LGUs in Basilan, Sulu, and Tawi-Tawi

h. Trust Fund projects for girls and young women formulated in coordination with the new ARMM and LGUs in Basilan, Sulu, and Tawi-Tawi

POLICY ASSESSMENT PAPER 3
(13 NOVEMBER 2000)[1]

OPTIONS FOR A WIN-WIN SOLUTION IN MINDANAO

Introduction

An overall assessment of the peace and development situation in Mindanao is presented[2], followed by a description of the conditions that affect that situation. This is the context for a consideration of five **Options for a Win-Win Situation.**[3] The strengths and weaknesses of key actors, including the Mindanao Coordinating Council (MCC), are analyzed in the relation to the options, as well as potential roles in this process for the Multi-Donor Support Group, the United Nations (UN) System, and United Nations Development Programme (UNDP) external cooperation.

Overall Assessment

This Third Assessment Report (13 November 2000) concludes:

The militarization of the conflict in Southern Philippines has led to a further deterioration in both peace and development, due to the political

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[1] This paper is informed by a field mission undertaken in the period 9-20 October 2000. It included visits to Cagayan de Oro, Iligan City, Tubod, and Marawi City (10 October); General Santos, Cotabato City, and Davao City (12-15 October), Zamboanga City (17 October) and Metro Manila (9, 11, 16, 18-20, 2000). The peace and development mission team consisted of Dr. Paul Oquist (Coordinator, UNDP Paragon Regional Governance Programme for Asia and International Consultant on Peace and Development) and Mr. Néstor Mijares (National Consultant on Peace and Development). At different moments the team was additionally integrated by Mr. Terence Jones (UN System Resident Coordinator and UNDP Resident Representative) and Mr. Clark Soriano and Mr. César Liporada (Staff Members of UNDP/Manila). The current report is the contribution of Dr. Oquist to this team effort, and as such its content is his exclusive responsibility.

[2] "Peace and Development in Mindanao" refers to the conflict situation in the predominately Muslim areas of the Southern Philippines: Mindanao: the Tawi Tawi Group, the Sulu Archipelago, and Basilan Island; as well as Southern Palawan

[3] Options towards a win-win situation form core of the terms of reference for the Third Assessment Mission of the Paragon Regional Governance Programme, around which the other TOR's may be analyzed:
Summary of Terms of Reference for Third Mission
a. The strengths and weaknesses of the current approaches, both by the Government and the MNLF, in moving forward with the provisions of the 1996 Peace Agreement and attendant risks and consequences, particularly the plebiscite and the elections;
b. The strength and weaknesses of the MCC Framework for Sustained Peace and Development, considering global experiences in conflict and post-conflict situations and a consideration of the governance perspective. This shall include a consideration of the effects of the on-going MILF negotiations and armed encounters on the GRP-MNLF Peace Agreement;
c. Options towards a win-win situation;
d. Comments on the draft portfolio on enabling environment for poverty eradication with emphasis on the internal coherence and the strategic role of UNDP in producing the outcomes.

economy of war (disinvestment through destructive consumption), the internal displacement of large numbers of people – some for prolonged time – and the greater unpredictability of warfare involving guerrillas and paramilitaries, as well as further decline in government's already weak implementation capacity in the conflict area. These factors combine to reproduce the conflict and to make a return to "relative normalcy" more difficult. Inversely, the non-viability of "military victory" is increasingly visible to all sides and resource constraints make recent levels of military operations unsustainable. Key actors are expressing interest in negotiations for a political solution to the armed conflict between the Government of the Republic of the Philippines (GRP) and the Moro Islamic Liberation Front (MILF). The latter goal is made more difficult by political uncertainties surrounding the current government and the politics of the peace process. The "win-win" solution of autonomy for peace and development is still viable. However, four options need to be adopted to implement that solution. They are: 1) The genuine operationalization of the autonomy for peace and development concept; 2) The construction of effective autonomous institutions; 3) Communications, consultative, and participatory interfaces between key actors; and 4) progressive demilitarization. These options cannot be achieved without flexibility and concessions from all key actors, and their strengths and weaknesses should be analyzed from the perspective of their contributions to the "win-win solution." If successful, a multi-track, multi-speed peace process would be initiated that will require the rest of the decade to implement and consolidate. The investment in peace and development would be considerable, but the peace dividend for Mindanao and the Philippines in general would be far greater in economic, social, and political terms.

The "further deterioration in both peace and development"" described in this Third Overall Assessment is in relation to the Overall Assessment of the Second Report (7 May 2000)[4]. The latter identified a deteriorated ground situation that could still worsen considerably due to adverse internal and external factors, including the existence of military victory positions on both sides, despite the

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[4] The Second Assessment Mission Report (7 May 2000) concluded:

Credibility issues on autonomy and regional investment are still pending. The situation on the ground has deteriorated. It could still worsen significantly due to adverse internal and external factors. High level governmental and parliamentary attention to the Mindanao peace process has increased, and a more holistic policy framework is in the process of formulation and initial implementation. However, the time required to implement policies and produce results is incongruent with the ground situation. The accelerated development of a strategic policy framework that addresses underlying causes, and the accelerated implementation of key policy components, is advised in order to proactively influence salient processes rather than deal reactively with situations that could spiral out of control and lead to worst case scenarios. The latter entail anarchical conditions. Autonomy for peace and development is the only win-win solution to the conflict in the Southern Philippines. However, six risks, among others, could negatively affect the viability of this solution: They are: 1) an Organic Law that does not offer meaningful autonomy; 2) absolute or relative defeat in the plebiscite on the new ARMM; 3) an ineffective new autonomous government; 4) insufficient government investment; 5) lack of citizen ownership; 6) spirals of violence by the hawks on both sides that lead to anarchical situations.

official commitment to autonomy for peace and development. The military victory position found on the ground in Mindanao sought the military defeat of the MILF and the political defeat of the Moro National Liberation Front (MNLF). It was posited in the Second Assessment Report that the success of such a strategy, given the proven social and political base for Muslim insurgency in Mindanao, would lead to the worse case scenario of anarchic conditions, described as follows:

Instead of the MNLF and the MILF, dozens of Abu Sayyaf –type organizations under mixed national independence and religious extremist banners, moving in a sea of paramilitary and vigilante groups engaged in communal violence. These small groups would form and disband with facility. Penetration would be difficult and intelligence minimal. They would also have new, unpredictable and generally radicalized leadership.

The Second and Third Assessment Reports vary markedly from the First Assessment Report (21 June, 1999) that described a largely successful peace process that was suffering a crisis of credibility over the issues of autonomy and development.[5]

Conditions

Here follows a description of the principal conditions that affect the situation described in this Third Overall Assessment:

a. Militarization
b. The political economy of war
c. Low implementation capacity
d. Politics of the peace process
e. Political uncertainty

Each of these conditioning factors is now examined.

a. Militarization

The militarization of the conflict in the course of the year 2000 has led to deterioration in the peace and development situation.

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[5] The First Assessment Mission Report (21 June 1999) concluded the following:
The successful Mindanao peace process faces a crisis of credibility. Success has consisted of high levels of peace and order after more than two decades of internal war. The demobilization of combatants and their reintegration into civilian life, as well as the assimilation of some into the military and the police, have also been largely successful. The crisis of credibility consists of lack of progress on the issues of effective autonomy and increased investment to redress Mindanao's relegation from the mainstream of Philippine development. The crisis of credibility affects all parties to the peace agreement, the Government of Republic of the Philippines (GRP), the Moro National Liberation Front (MNLF), and the Organization of Islamic Conference (OIC).

The government has successfully reasserted control over areas previously held by the MILF. The break-up of the territorial bases of the MILF has led to the fragmentation of its permanent forces into decentralized and at times independent guerilla commands. Large-scale military operations have also been undertaken in Basilan and Jolo as part of search and rescue operations for Abu Sayyaf hostages held for ransom and as human shields. Terrorist tactics have been utilized by insurgents in central Mindanao and by the kidnapping gangs in Basilan and Jolo.

Increased militarization has led to more civilian than military fatalities. In the period of maximum combat in the year 2000 (January-August), there were 218 soldiers and militiamen killed and 354 civilian fatalities, as well as 457 MILF killed. The government also reports that more civilians died in the evacuee centers than in combat. That figure of over 700 civilian deaths in combat or in evacuee centers is greater than the combined soldier, militia, and MILF losses of 677 in the same period.[6]

Increased militarization has also led to the destruction of over 6,000 homes and the internal displacement of nearly one million persons, 300,000 of whom were in that status in October 2000. The National Peace Forum identified two cases that they consider to constitute intentional destruction of housing by the Army (Nalapaan Pikit, North Cotabato and Matanog, Maguindanao). The same representatives' point out that this should not be considered a pattern in that other cases have not been identified. However, the tactics employed did objectively lead to a large number of houses destroyed and a massive displacement of civilian population. The type of displacement produced is also qualitatively different from those seen in recent years. There now exists a tendency toward longer-term displacements for the first time since the 1970's. Only 10% of the persons whose homes have been destroyed, desire to return to their place of origin as of October 2000. In some cases relocation is being undertaken. The displaced persons do not wish to return to the locations of their previous homes due to the presence of the military, not because they fear the soldiers, but rather because stationary or in transit military draw MILF attacks that frequently place civilians in cross-fire situations. The net result is that human security in the areas affected has deteriorated as a result of militarization.

The levels and types of population displacements produced by the militarization have the potential to reproduce the armed conflict through the expansion of the pool of potential insurgent combatants. In insurgencies with social and political support, acute or chronic civilian casualties, widespread

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[6] Of course some of those who died in evacuation centers might have died at home of the same causes. However, the rigors of evacuation for the infirm and the poor health conditions in the evacuee camps greatly increase health risks, so much so that the adviser of the United Nations High Commission on Refugees considers that the situation that existed in centers for internally displaced people in June constituted a humanitarian disaster, precisely on the basis of the high fatality rate.

destruction of property, and massive population displacements increase the pool of potential insurgents. New combatants may enter either established groups or form new ones. Evacuee camps, especially when they become permanent, often become insurgent recruitment centers. The most critical group is quite obviously young unemployed men whose families have been affected by the conflict.

In Mindanao the evacuee camps were in a crisis situation in June as evidenced by high mortality rates, especially among children.[7] The crisis has subsequently subsided but conditions in many camps remain overcrowded and deficient. Some people are being permanently relocated and some of the housing now considered temporary will most probably become permanent. Most of all the people in the camps can be considered poor in that people with more resources generally find other accommodations. All have suffered economic setbacks as a result of their displacement. The volume of unemployed youth in camps has been further swollen by those who previously studied in the city but who have had to return to their displaced families due to the loss of family income and assets. This group and/or young that have suffered family casualties as a result of army actions form an important part of the pool of potential combatants.

Inversely, there is also a tendency toward the demobilization of some MILF combatants. A major group of over 600 insurgents was demobilized in Cagayan de Oro in October 2000. A critical variable for the reproduction of guerilla warfare is the net capacity for reposition of combatants. This is influenced by the military situation but also economic, social, cultural, and even historical factors. This is what makes a total approach to peace and development an effective strategy. It is also what makes the political economy of war so counterproductive.

b. The Political Economy of War

The political economy of war (destructive consumption and disinvestment) has set back the development agenda in affected areas. This is the result of the loss of productive assets and of housing infrastructure, as well as of the disarticulation of investment projects and services. Prevailing levels of insecurity and the greater unpredictability of guerilla warfare and terrorist tactics are obstacles for a return to the relative normalcy that existed prior to recent escalations. The economy is weakened and social relations disrupted. Emergency relief becomes the top priority of government as other activities are discontinued. This further weakens the already low implementation capacity of government in the area of chronic conflict.

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[7] Information and analysis on the evacuees has been provided by Tabang Minanaw and Mr. Jock Baker of the United Nations High Commission for Refugees (UNHCR)

c. Low implantation capacity

As analyzed in the preceding section, the political economy of war results in the disarticulation of public and private investment as well as of the provision of services. This makes more acute what is already deficient implementation capacity in the conflict area, even in "relatively normal" times. The relativity resides in three decades of low intensity warfare and the rotation of personnel with other options out of the conflict area. In some cases service in central and western Mindanao and the Sulu Archipelago is considered a punishment. [8] The Local Government Units (LGUs) of the area also require considerable capacity building if they are to be able to contribute significantly to local development. Additionally, the multiplicity of entities and levels involved in government in the area reduces the level of responsibility of all actors for developmental results in the area.

d. Political uncertainty

The political crisis affecting the GRP absorbs the time, attention, and energies of government, Congress, other political actors, the media, and public opinion. Other issues are inevitably relegated in this process. This introduces an additional uncertainty in the peace and development situation and complicates the politics of the peace process.

e. The Politics of the Peace Process

Peace processes are always political in that they consist precisely of the search for political solutions to military situations. Therefore, every peace process has its politics. The situation for the GRP is complex. First, it must comply retrospectively with the 1996 Final Peace Agreement and keep the MNLF engaged in the peace process. The MNLF has as its objective the fulfillment by government of the terms of the 1996 Final Peace Agreement. It also seeks to involve the Organization of the Islamic Conference (OIC) as guarantor to that agreement. At the recent meeting of OIC Foreign Ministers held in Kuala Lumpur the MNLF and the GRP presented differing perspectives on the peace process. As a result the OIC Foreign Ministers formed a fact-finding meeting that visited the Philippines in October 2000.

Second, the GRP must prospectively conclude a peace agreement with the MILF. Many observers might consider this a more difficult task than complying with the 1996 peace agreement to the satisfaction of MNLF and the OIC, especially given the independence demand of the MILF. However top government officials consider that the MILF will accept a meaningful autonomy for peace, especially if

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[8] During the period of the October mission Manila newspapers reported that police officials being transferred for ineffective law enforcement related to the jueteng numbers racket in Luzon (with presumptions of corruption), were being transferred to Central and Western Mindanao.

Muslim cultural demands are completely satisfied. More complex are the political uncertainties of the government that increase the risks of the negotiating process for the insurgents.

Third, the government must give participation to non-combatant groups who do not form part of the support structures for armed groups who are increasingly assertive in their demand that not only the armed groups should be government's interlocutors in peace process negotiations that could affect future institutions.

Fourth, the government must rescue remaining hostages in the hands of the Abu Sayyaf, reestablish law and order in the Sulu Archipelago, and isolate Abu Sayyaf from the social structures that facilitate its operations in Jolo. It should be noted that the latter goal is possible. Opposition from the civilian population in Basilan after Abu Sayyaf kidnappings and murders of local citizens contributed to the need for Abu Sayyaf retrenchments to Jolo under military pressure.

The most difficult task for the government is to bring together all of the elements that form the politics of the peace process. The government has announced a total strategy to end armed conflicts in the Philippines that does contemplate economic, social, and political factors, in addition to military ones. However, articulating the total approach in practice requires the implementation of five options for a win-win solution in Mindanao.

Options for a Win-Win Situation

Reversing negative conditions and advancing toward peace and development requires articulating at least five options for a win-win situation in the southern Philippines:

1. The operationalization of the autonomy for peace and development concept as the basis for win-win solution to the conflict in the Southern Philippines. This must be accomplished through the Organic Law, the plebiscite, the elections, and the establishment of the autonomous area and government contemplated in the 1996 peace agreement, adapted to current circumstances to facilitate the effective achievement of peace and development.

2. The construction of effective, autonomous institutions that can satisfy the aspirations of the peoples of Muslim Mindanao, empower citizens and communities, resolve conflicts, demobilize combatant groups (MNLF, MILF), and effectively contribute to peace and development in the autonomous region, Mindanao, and the Philippines.

3. The assignation of sufficient resources for regional reconstruction, economic reactivation, poverty reduction, and the organization and initial operations of the autonomous government.

4. Communications, consultative, and participatory interfaces between institutions, actors, and stakeholders at the local, autonomous, regional and national levels to facilitate understanding, mutual confidence, ownership, and positive synergies.

5. Progressive demilitarization for the simultaneous construction of conditions conductive to peace, order, and development, as well as human rights, security, livelihoods, and social services.

Each of these options is now analyzed utilizing an approach that combines policy and institutional analysis.[9]

1) The Effective Operationalization of Autonomy for Peace and Development

The development of autonomy for peace and development as the win-win solution spans a quarter of a century. Over this period negotiations took place in several phases.[10] The process began with the Tripoli agreement of 1976 and was finalized with the 1996 peace agreement between the GRP and the MNLF. The entire process has had the support of the OIC that serves as guarantor of the agreement.

The operationalization of the Autonomy for Peace and Development process will take place through the Organic Act, the plebiscite on the Act, and the elections that will constitute the new autonomous government.

There is consensus among political observers that majority Christian provinces in the Southern Zone for Peace and Development (SZOPAD) will not vote in the plebiscite for inclusion into the new autonomous region. Given this premise posited as a political reality, consolidation of the process requires an Organic Act proposal that will contribute to peace and satisfy the cultural, social,

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[9] This holistic approach combines economic, social, political, and cultural policy analysis with institutional analysis.

[10] The peace process has spanned over twenty years of negotiations involving the Marcos, Aquino, Ramos and Estrada administrations. The Tripoli Agreement (23 December 1976) between the Marcos Administration and the MNLF was brokered by the Organization of Islamic Conference (OIC). Subsequently there was a referendum-plebiscite over autonomy on *17 April 1977*. A negotiation process was held between the Aquino Administration and the MNLF after the September, 1986 cease-fire in Sulu. This led the Aquino government to promulgate the 1 August 1989 law creating the Autonomous Region in Muslim Mindanao (ARMM), a measure rejected by the MNLF. The Ramos Administration undertook negotiations with the MNLF in Tripoli, Libya (3-5 October 1992). Cipanas, West Java, Indonesia (14-16 April 1993), Jakarta, Indonesia (27 October-7 November 1993; 1-5 September 1994; 27 November-1 December 1995; 3-5 June 1996-OIC Ministerial Committee of Six--; and, 29-30 August, 1996); and, Davao City, Philippines (20-23 June, 1996 culminating in the meeting to sign the final peace agreement at Malacañang Palace (2 September 1996).

political, and economic aspirations of majority Muslim provinces. This in turn makes necessary the consideration of the following issues:

1.1) Autonomy that contributes to peace
1.2) Clusters of municipalities in Muslim minority provinces
1.3) Cultural identity and affirmation with minority rights
1.4) Decentralization within autonomous institutions
1.5) Fiscal autonomy

There is an emerging consensus among key actors, stakeholders, and decision-makers on all of these issues except the "clustering" (1.2). That issue is much more controversial. A brief analysis is now presented on each of these five issues.

1.1) *Autonomy that contributes to peace*

The Organic Act proposal can contribute to peace through an approach that is simultaneously retrospective, prospective, and inclusive, Retrospective in that it must implement the 19996 peace agreement and satisfy the MNLF. Prospective in that it should serve as a vehicle for peace with MILF. Inclusive in that it should fulfill the aspirations of non-combatants in Muslim Mindanao, as well as those of the non-Muslim minorities whose rights need to be protected. The non-combatant groups are becoming increasingly visible in their demands for inclusion. They consider that the positions, interests, and needs of the armed groups should not influence the definition of the new autonomous institutions to the exclusion of non-combatant sectors in Muslim society. The message should not be sent that only insurgent groups have significant influence on national decision-making processes.

1.2) *Clusters of Muslim Municipalities in non-Muslim provinces*

This is perhaps the most controversial of the outstanding issues. On one hand there those who argue that any municipality that votes in favor of the plebiscite in the SZOPAD region should be able to join the new autonomous region. Opponents to this idea argue that it could lead to an unmanageable maze of enclaves across the region. International experience would suggest that a "balkanization" of Mindanao should definitely be avoided. The opposite pole argues all plebiscite outcomes should be at the provincial level. A third position acknowledges the difficulties of isolated enclaves but highlights several contiguous majority Muslim municipalities in North Cotabato that would also be contiguous to the probable new autonomous region. They argue that these municipalities should be included if they vote positively. However, the issue might be a moot point in that the constitution of the Republic of the Philippines maintains that any dissection of a province would have to be approved in a province-wide plebiscite. To change that would require a constitutional amendment and amending the constitutional at this point in time has a very low level of political viability, especially considering the national political crisis. Inclusion of the North Cotabato Muslim municipalities

could occur, of course, if after an initial positive vote in the Muslim majority municipalities if a second province-wide plebiscite were to held in accordance with constitutional provisions. If the results of the second vote were to approve secession from the province the North Cotabato cluster could then enter into the autonomous region. If that were to be the case it would also have to be determined if they would constitute a new province or enter an existing one.

1.3) *Cultural identity and affirmation with minority rights*

The common denominator that unites the Maranao, Maguindanao, and Tausug people, as well as other smaller groups, is the Muslim religion and Muslim culture. The autonomous government through its legal structure, political institutions, and name should contribute to Muslim identity, affirmation, and pride. The expansion of Shariah Law for Muslims is one aspect of this issue. Another is the adverse side of the coin for Muslim rights, and that is the rights of the Christian and Lumad peoples who reside in majority Muslim provinces.

1.4) *Decentralization within autonomous institutions*

The relations of the previous ARMM and of the Southern Philippines Council for Peace and Development (SPCPD) with LGUs have been generally weak and difficult. This has limited their own developmental capacity, their contributions to capacity building within LGUs, and the creation of synergies and partnerships between governmental entities. The new autonomous government should not be less decentralized than the rest of the country. The new autonomous government should provide additonalities to the LGUs. It should perceive financial and administrative financial added value from the autonomous government provinces. Decentralization can make autonomous government more viable. It is important that ARMM not be seen as "regional centralization" by the provincial, municipal, and barangay levels of government. The new autonomy is not supposed to reduce provincial, municipal, and barangay rights and prerogatives in theory, nor should it in practice. The LGUs should enjoy the same degree of autonomy and receive the same benefits as LGUs in other areas of the country. Only this policy can ensure harmonious relations between the new autonomous government and the LGUs in its territory. Any other policy will lead to perennial tension conflicts, and centrifugal tendencies within the autonomous region. The Senate version of the proposed Organic Act would make decentralized prerogatives of the LGUs equivalent to those present in the rest of the Philippines. It would also make this situation irreversible through protection against Regional Government legislation that might debilitate decentralized governance at the LGU level.

Different political interests based on the ethnic diversity of Muslim Mindanao are best articulated and aggregated at the provincial and local levels. To attempt to

aggregate them at the level of the regional autonomy is a complicated undertaking that can lead to divisive, debilitating politics. Leaving decision-making on most issues to the provincial and local levels also makes government more responsive to local priorities and interests, and it facilitates the interface between local government and community-based development. In sum, an enabling environment for bottom-up development should be put into place. Whether this happens or not in reality in a given locality will depend on the level of civil society organization and the characteristics of the local power structure. The enabling environment means in reality that the opportunity is there and that organized citizens can take advantage of it if they so wish. In some cases this may happen immediately. In others it might take a period of years before meaningful grassroots participation becomes a reality.

1.5) *Fiscal Autonomy*

The ARMM created under previous administrations has had to negotiate its budget at the national level every year. The LGUs, both within the ARMM and in the rest of the Philippines, have had their income from the national level determined by a formula-based transfer system. In this situation the LGUs have had greater fiscal autonomy than the ARMM. However, given transparency, accountability, and effectiveness problems in the previous ARMM administration, increased fiscal autonomy should be accompanied by a strategy for the construction of effective autonomous institutions, the topic of the next section.

2) The Construction of Effective Autonomous Institutions

There are basically two sets of autonomous institutions that need to be created:

2.1 Autonomous administrative institutions
2.2 Autonomous political institutions

2.1) Autonomous administrative institutions

True autonomy can only be achieved if there is an effective administration in the new autonomous region. There is universal dissatisfaction with the levels of transparency, accountability, and effectiveness of the previous ARMM administration. These problems not only limited the administration but also the degree of satisfaction with autonomy. The universal conclusion in Muslim Mindanao was that this was not "real autonomy". The new Organic Act represents the opportunity to posit a formula for "real autonomy" that can be effective and have the support of LGUs and public opinion, as well as good operational relations with the national government.

The achievement of these design requisites implies the need to learn from the administrative experience of the previous ARMM. The following points address some of these lessons:

2.1.1 Transparency and Accountability

The transparency and accountability mechanisms that exist in the rest of the Philippines must be put into place in Mindanao before the initiation of the operations of the new autonomous government. They must also begin from the very first day of autonomous government operations. The application of these mechanisms must be a regular operational practice within the new autonomous region, including the presence on a regular basis of auditors. An environment of personal security for auditors should be created and developed. The situation in the current ARMM of retroactive problems that remains un-audited due to fears for the personal security of the auditors fatally debilitates the concept of autonomy. Transparency and Accountability are essential for autonomy in relation to:

- the rule of law that is the basis of autonomy rights,
- the legitimacy of the autonomous government before its constituency
- the approval and operation of relations of fiscal autonomy with the Government of the Philippines
- The possibility for mutually beneficial and efficient inter-governmental fiscal relations between the autonomous government and LGUs, and
- The confidence of the international donor in the autonomous institutions

The transparency and accountability of the autonomous government is also essential for administrative simplicity. If there are problems in this regard, multiple existing entities will become involved in project execution directly and through the LGUs. New parallel entities will also be formed adding to the already complex institutional arrangements in Mindanao.

The objective of the autonomous government should be to have higher levels of transparency and accountability than exist in the Philippines in general. This would add to the legitimacy of the autonomous region and the autonomous institutions. A necessary condition is that the new structures and systems, including transparency and accountability mechanisms, condition the generation of a new organizational culture and a new political culture. This is difficult, and it will not occur if there is not a strong leadership at the top that by word and example supports the values of transparency and accountability,. This will be a critical factor in determining the overall degree of effectiveness and success of the autonomous administrative institutions.

2.1.2 Capacity Development for Effectiveness

On the first day of the new autonomous administration it will not have the installed capacity to be effective. This is an obvious point given the newness of the institution, the track record of the previous ARMM, and the relative weakness of most of the LGUs within the constituency of the new autonomous region. The creation of capacity will form a large portion of the process of constructing autonomous administrative institutions. The new autonomous government will not be able to undertake this process by itself. It will also need time.

The concept of a transitional phase could be useful to gain time for intensive capacity building. After the Second World War, Europe underwent a seven year "post-war phase" in which reconstruction and the forging of new institutions, rather than normal governmental operations, were the top priorities.

A transitional plan could be adopted by the new government with the objective of constructing effective autonomous institutions. These institutions are the objective of the plan rather than its starting point. The Organic Act, the plebiscite, and the elections that constitute the new government create and enabling environment for autonomy. Capacity in multiple fields must be created in order to construct effective autonomous institutions.

By-laws, rules and regulations, further development of structures and systems, human resource development, formal training programs, in-service training, on the job tutoring, and consultancy, among other elements, are necessary for capacity building. National and international technical cooperation should be utilized to ensure the success of capacity building. These activities should be undertaken by people within the autonomous government, from LGUs within the autonomous region, from other parts of Mindanao, from other parts of the Philippines, and internationally. The most local options should be employed, but when local talent is non-existent, deficient for the terms of reference, or insufficient in numbers, recourse should be made to the next level to fill the gaps. Governmental personnel, NGOs, private firms, and international organizations should all be utilized. If these guidelines are implemented the autonomous government's transitional plan would be supported by a mix of technical cooperation personnel from all of the actors from all of the levels.

The transitional plan for the "post-war period" is important for operational reasons and also to clarify to the population that there will be a strong presence of persons from outside of the autonomous region advising the autonomous government for the period of time necessary to construct effective autonomous institutions. Subsequently, that presence can be reduced to the level of technical assistance of other governmental units in the Philippines.

Capacity for effectiveness must be created in a systematic and massive manner if effective institutions are to be constructed and autonomy for peace and development consolidated as the win-win solution in Mindanao.

2.2) Autonomous political institutions

There are several dimensions to the construction of autonomous political institutions:

2.2.1 Bottom-up governance through empowerment
2.2.2 Conflict prevention and resolution
2.2.3 Legitimacy of political representation
2.2.4 Empowerment through political participation

2.2.1) Bottom-up governance through empowerment

Autonomous institutions can be most successful politically when interests are articulated and aggregated, consensus forged, and disputes resolved at the most local levels possible. This bottom-up approach to governance also permits prioritization in accordance with local interests and possibilities for greater governmental responsiveness to citizen demands. This in turn increases citizen satisfaction with government performance, which can re-enforce legitimacy. The active principle involved is the empowerment of people at the local level to solve their own problems and seize their own opportunities. The more heterogeneous a people and their interests, or the more complex their local institutions and customs, the more important a bottom-up approach becomes.

2.2.2) Conflict prevention and resolution

Political institutions are humankind's prime instrument for dispute resolution and conflict prevention. They also permit that disputes and conflicts can be dealt with on a case by case basis rather than linked and accumulated to the point of social explosions. When political institutions fail, or when there is an institutional vacuum, the potential for violence increases. This is also the case when political institutions leave a vacuum at lower levels due to over centralization.

One of the detonators, among others, of the conflict between the Armed Forces of the Philippines (AFP) and the MILF earlier in the year was a land dispute over a plantation in North Cotabato. The parties to the conflict were Christians on one side and Muslims on the other, but logically conflict was about land, not religion. The conflict turned violent when MILF forces supported the Muslim party to the conflict and the AFP intervened. Fighting then spread across North Cotabato and to neighboring areas.

Linkages between land and the conflict in the Southern Philippines are particularly dangerous because land disputes form the backdrop in one way or another of a large percentage of the conflicts in the region. A structural factor was the arrival in Mindanao of settlers from Luzon and other parts of the Philippines. In governmental attempts to solve conflict situations in other parts of the Philippines new conflicts were created in Mindanao as settlers pressured the existing local population, especially in the official programmes in which there was favoritism for the settlers. The Muslim and Lumad local populations felt themselves prejudiced by these processes.

There has also existed a movement for some time that seeks to replace traditional landholding with agro-industrial plantation production. The argument of increased productivity in this form of production has led to support in some circles, while the potential for business deals influence others. When Camp Abubakar was retaken by the government the proposal was considered of converting it into an agro-industrial plantation. The idea was wisely rejected. Whatever the economic merit of such a project the social and political semiotics would be disastrous. It would project the image that the MILF was the defense of the Muslim community against the conversion of their land to agro-industrial projects with governmental support. The abandonment of agricultural land due to the war, and the permanent settlement of some of those whose homes were destroyed, will lead to new proposals to convert these lands to agro-industrial use. Certain, scenarios of such a process could lead to the further reproduction of the conflict.

Another conflict over land in Mindanao with violent manifestations is pressure on the lands of indigenous peoples by mining, logging, and plantation interests. Existing legal protection for indigenous land has been held in abeyance while numerous concessions have been granted. Violent means have been employed to clear the land of indigenous peoples, including massacres by paramilitary forces. The Sitio Dacupila massacre of five Manobos by 15 paramilitaries in Barangay Renibon, North Cotabato is a recent case in point (17 August 2000). This indigenous community had been opposing a mining project on their lands. These processes have coincided with the appearance of indigenous peoples, especially youth and children in forces of the New People's Army. To wind down one conflict in Mindanao only to have another replace it will defeat the purpose of the government's total approach. Always latent also is MILF-NPA collaboration, a possibility whose probability increases with Lumad presence in the NPA in Mindanao.

The conflicts and their origins, as well as their possible solutions, vary greatly in different areas of the Southern Philippines. Even after a global peace framework has been achieved in Mindanao, there will be a prolonged period of

time required to work out peaceful solutions to local situations on the ground. Local political institutions considered legitimate by the local population have the best chance for achieving these results.

2.2.3) Legitimacy of Institutions

For leadership and institutions to be fully effective they should be considered legitimate by the citizenry. An electoral process with a level playing field for the candidates and in which the winners reflect the will of the electorate are essential pre-requisites for legitimacy This procedure allows elections to place less democratic processes for the selection of leaders.

In each of the preceding elections for the current ARMM, successive national governments clearly supported an "official candidate" for Governor. The repetition of that practice in the upcoming elections for the new autonomous region would weaken the new political institution and their capacity to articulate and aggregate the interests of the difference groups that form Muslim Mindanao. It would also weaken the conflict prevention and resolution potential of the new institution.

The ideal scenario consists of elections than can accommodate the MNLF, the MILF, and the non-combatant groups in Muslim Mindanao, and the Christian and Lumad minorities. Elections with these characteristics can be an instrument for peace in Muslim Mindanao.

Legitimate, strong leadership is essential for the construction of both sound administrative and political institutions. The fact that in their first phase the institutions will be weak makes effective leadership even more necessary.

The scenario of weak leadership in weak institutions should be avoided at all costs. This fact and the tendency of the national government to want to reduce its risks in the autonomy process will probably lead to a directly proactive approach for the national government in the election of the autonomous government. The historical precedent previously mentioned in the previous ARMM administrations increases this probability. All of the persons interviewed as part of the field work for this assessment were of the opinion that Manila would have an "official candidate". This was previously viable because "real autonomy" was neither the objective nor the reality. The downside of having the head of the autonomous government chosen by the national government is quite obvious. It is even a contradiction at the level of terms.

3) The Allocation of Extraordinary Resources

Extraordinary resources are required for compensatory investment and economic reactivation, as well as poverty reduction and the organization and initial operations of the autonomous government.

Compensatory investment and economic reactivation should be based on the concepts of historical relegation and post-war reconstruction and rehabilitation. The latter should include not only productive and social infrastructure destroyed in the war but also those projects not undertaken due the existence of the armed conflict. This programme should not be restricted to the area of the new autonomous region. It should be based on three criteria: 1) a historical relegation grant to be utilized throughout Mindanao; 2) post-war grant to be applied to areas that have been scenarios of armed conflict across the years, into intense, average, and below average areas; and, 3) a demobilization grant for the reintegration into civilian productive life of combatants and their families.

These grants should be made at the municipal level in order to ensure a proliferation of small and medium-sized projects throughout Mindanao. There should be simple but strict criteria to avoid their utilization for operation expenses.

The MCC could design the historical relegation and post-war grant proposals. These activities would be complementary to its role of coordinating over-all development plans for Mindanao. MCC also has Mindanao as its unit of analysis and action. Mindanao is much discussed, but it does not really constitute a developmental unit as such. It is divided into planning regions, provinces, municipalities and barangays without an over-arching political or administrative authority short of the national government. To partially fill this vacuum the MCC needs increased communications, consultations, and participation from local authorities and communities, a point analyzed in the next section.

The MCC, along with the planning regions, can play a crucial support role for the new autonomous government. It would be a major developmental mistake to attempt to create an enclave economy in the new autonomous region. It would sacrifice participation in the peace dividend that the Mindanao economy will reap once peace is achieved. It would reduce the efficacy of investment and also fail. Mindanao is an integrated economic reality. Autonomy should be essentially cultural and political, while the economy should be Mindanao, Philippines, and export oriented. Hence, the MCC and the regional planning entities can assist in the compatibilization of the policies of the autonomous region with over-all strategies for economic and social development in Mindanao.

The demobilization grant should be designed by the teams supported by the SPCPD and the multi-donor support group, based on the learning experience of the successful MNLF demobilization. If an eventual peace agreement with the MILF were to include the assimilation of some their personnel into the police and the army, as was the case in the 1996 peace agreement with the MNLF, they should be included in the design of the demobilization as well. Even if peace had not been achieved with the MILF at the time of the consideration of the grant, it

could be approved for a determinate number of combatants to be demobilized and a determinate number of dependents. It could also apply to partial, phased or total demobilization and thus become an element in the peace process itself, in addition to an instrument for reconstruction and reconciliation.

In addition to the three types of grants that would ensure a series of projects across the territory of Mindanao, there should be a concerted effort to reach and benefit the poorest of the poor. This should be undertaken in consonance with more structural definitions of poverty that analyze economic, social, political, and cultural aspects of poverty in relation to individuals, households, communities, social services and local power structures, and local governments. The criteria should be to the poorest provinces.

If a poverty programme for one depressed area in Mindanao, that of the new autonomous region, is politically difficult to accomplish given the existence of others equally poor areas in Mindanao and the rest of the Philippines, the solution could be a nation-wide poverty programme for depressed provinces in general. The coverage of the autonomous region would be extensive, over half would probably be in Mindanao (depending on the criteria employed), and both Luzon and Vizayas would also be represented. This programme would thus combine a social category, the poorest of the poor, with a geographical one, the greatest territorial concentration of the social category.

Finally, a fifth fund should be established for the one off expenses of organizing the new regional government and its initial investments and operating expenses, including capacity building investments. The undertaking of the start-up of the autonomous government could produce an early crisis of credibility for the new phase of the peace process which should be the vehicle for lasting peace.

The scenario of five funds described will require a large quantity of resources for at least a decade. However, the costs of the war and weak governance in Mindanao, and their implications for the rest of the Philippines, are far greater. The loss of foreign investment, tourism, and the sub-optimal functioning of one of the country's prime productive assets – Mindanao – represent macro-economic costs above and beyond the cost of the war and destruction due to the war. These direct costs in and of themselves are not inconsiderable at the level of military operations of the year 2000. The methodology to determine the macro-economic impact of the war on GDP exists and could be used to demonstrate the growth in GDP that could be expected from the ending of the war and the consolidation of peace through the five funds described.[11] The value added that could be generated by investing in the five funds could also be established.

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[11] The methodology was developed by the Presidency of the Republic of Nicaragua with technical assistance from the United Nations Economic Commission for Latin America and the Caribbean (Santiago, Chile) as part of the preparations of evidence for the World Court case. "Military and Paramilitary Actions in and against Nicaragua"

The Second Assessment Report had as one of its conclusions "Autonomy for peace and development as the win-win solution in Mindanao is still viable, but peace without pesos is not". To which it might be added, "The peace dividend in increased foreign direct investment and tourism throughout the Philippines, and especially in Mindanao which will also experience increased production, will produce a value added that far exceeds over a ten year period the costs involved in effectively consolidating peace and development."

4) Communications, Consultative and Participatory Interfaces

The First Assessment Report indicated that there was not sufficient governmental attention to the peace and development process in the Estrada Administration as compared to the Ramos Administration. The latter considered the 1996 peace agreement as its own and as one of its major achievements, while the Estrada administration had inherited the process. The Second Assessment Report concluded that both governmental and congressional attention had increased considerably. It also mentioned that this was not only the result of the MILF combats and the Abu Sayyaf kidnappings in that the higher level of attention had begun before these events. The MCC represents another augment in the level of attention, as well as a more proactive role by the top level of the government. This is so much the case that the government seems to have left behind many layers within Mindanao. In Mindanao, governors, mayors, and civil society leaders felt that they did not know the intentions of MCC or what it was doing. They also questioned its composition and especially that of the Mindanao representations. The latter were not considered to be truly representative of the region and much less of the various forces within it. The government sensitive to these comments subsequently expanded the MCC, but to some in Mindanao that measure also failed to duly recognizes the political and social forces of Mindanao, as such. For example, Mayor Muslimin Sema of Cotabato City was named to the MCC but not in his role as Mayor or as Secretary General of the MNLF, but rather as a representative of the private sector.

When the MCC was viewed in combination with the centralized management of relief support to the evacuee camps, the image was projected of a centralization of governmental attention to Mindanao with a concomitant decrease in the role of officials in Mindanao. The government and international relief authorities on the other hand pointed out that the ad hoc structure was created because, despite the capacity problems of the municipalities, it was still faster and more effective than the normal structure. They also point out that a humanitarian disaster existed in the camps in May and June. A high mortality rate, including high child mortality, was the indicator of the gravity of that crisis.

Other groups that increasingly demand attention are the non-combatant groups in Muslim Mindanao. One manifestation of this is the Bishops-Ullam

conference. NGOs that are active in the peace movement also demand that peace not only be achieved on the terms of the combatants, but also taking into account the needs, interests, and positions of pacific groups. The existence of several umbrella organizations could facilitate this process.

Quite obviously greater levels of communications and consultation are necessary to make the peace process effective. This is part of confidence building. How peace and development are achieved is just as important as the substance of the issues that lead to peace. Participatory processes can in and of themselves facilitate the formation of the new institutions needed to consolidate the peace process.

Confidence building to achieve peace and institutional building to consolidate peace, both require communications and consultations between all key actors and stakeholders, as well as participation in policy formulation and implementation. This requires more time and energy but it leads to higher quality outcomes, and in peace processes sustainability is everything.

5) Progressive Demilitarization

The fact that militarization was undertaken in the course of the year 2000 without any side eliminating the other and given that a high level of operations is not sustainable, the stage is set for the progressive demilitarization of the conflict. Within the framework of the peace process, the GRP and the MILF are engaged in the search for negotiations in a neutral venue. The current national political uncertainties are a complicating factor in the effort to commence meaningful negotiations.

Demilitarization should begin with reductions in the levels of affectation of the civilian population. The creation of the conditions necessary for the return of large numbers of evacuees is a first goal. Subsequent military operations should incorporate into their planning the level of disruption of the population. There are more and less disruptive tactics. The application of more disruptive tactics often has as its objective the reduction of military casualties, a critical element in the planning of all operations. However, a not uncommon feature in warfare in recent years in different parts of the world has been a trade-off between military casualties and civilian casualties. In the period of maximum combat in the year 2000, January-August, 215 soldiers and militiamen were killed as compared to 354 civilians. Government also reports that more civilians died in the evacuee camps than in the combats. When doubled to factor in this consequence of militarization, the 700 civilian deaths is even a higher than the government's count of 457 MILF fatalities in the same period.

Civilians have been the biggest losers in militarization. It leads to civilian casualties, the destruction of civilian property, and the disruption of civilian lives, all factors that contribute to the vicious circles that lead to the reproduction of guerilla warfare.

Civilians should be the first winners in demilitarization. It should lead to virtuous circles of improving human security in all of its manifestations---physical, legal, political, cultural, social, economic, and ecological. This would create the conditions that permit government to truly apply its total strategy. It would create conditions that would inspire confidence that peace negotiations and demobilization can be successfully undertaken.

Human security as posited here is not utopian. Even at the height of the conflict the Peace and Development Communities (PDCs) of the MNLF were islands of relative tranquility in a sea of fighting. Neither government (which benefited from this simplification of the tactical terrain) nor the MILF wanted to add the MNLF to the fighting equation, and the MNLF communities were respected both sides. MNLF militia also defended key infrastructure in some areas.

A cessation of hostilities between the GRP and the MILF is the critical event in terms of demilitarization in Central Mindanao. That would constitute the arrival of peace and the need to undertake actions to consolidate the peace process. There will remain for some time high levels of residual violence, including revenge violence and increases in other types of violent crime. This is a common phenomenon in post-conflict societies. Important in this regard is the transition from military to police attention to these forms of violence.

An important part of the post-conflict process of consolidating is de-linking of other conflicts (for example, land disputes) from the war mentality. The conflicts typical of an agrarian society will remain, and they are best dealt with by local political and judicial structures considered legitimate by the local population.

Political violence is another type of conflict that needs to be de-linked from the war mentality. As previously described, Muslim Mindanao is formed of several ethnic groups, each having complex social structures. Local politics can be highly conflictive, and at times violent, a fact that is both a cause and an effect of the existence of numerous private armies. These forces interact in complex form with the insurgent forces (MNLF, MILF) and the kidnapping gangs (Basilan and Jolo factions of Abu Sayyaf). They also interact with paramilitary groups and the military. The armed groups have deep historical roots reaching back into time to the sultanates of Sulu and Maguindanao, as well as Maranao traditions. The tenancy of arms is widespread and adamantly defended. The eruption of the original MNLF insurgency in Jolo is widely interpreted as having been triggered

by an attempt by the Marcos Administration to disarm the population. There are two conclusions with regard to demilitarization with regard to this analysis:

a) Once again, the consolidation of legitimate, local political institution is the best way to deal with local political conflict. Intromission of other forces tends towards linkage of conflicts rather than de-linking political conflicts from the war mentality.

b) Disarmament, which is often considered an important first step toward demilitarization in Mindanao, should be left for last. It is too explosive an issue and can lead to rekindling of high levels of violence. Additionally, it is not realistic to expect groups that consider themselves vulnerable to disarm in a highly violent society. Levels of violence need to be wound down considerably, and confidence building on personal and human security consolidated, before disarmament proceeds. The MNLF has demonstrated that.

Strengths and Weaknesses of Current Approaches

Government of the Republic of the Philippines (GRP)

Strengths

1) There is a growing realization that the military option has been played and that it does not lead to a knock-out punch to neither the MILF nor the Abu Sayyaf. To avoid a prolonged stalemate situation and perennial war in Mindanao the total approach adopted by the government needs to be implemented in all of its dimensions. That implies the implementation of the 1996 peace agreement, the achievement of an additional agreement with the MILF, and the isolation of Abu Sayyaf from the social structures that make its existence possible.

2) The government is now attempting to give an institutional basis at the highest level for its total approach to peace and development in Mindanao through the Mindanao Coordination Committee (MCC). Mindanao now has one of the highest priorities within the government.

3) The GRP is fully willing to engage MILF in negotiations and subsequently seek a peace agreement. It has shown flexibility in creating a positive environment by dropping criminal charges against MILF leaders and agreeing to a neutral venue for initial informal talks.

Weaknesses

1) The political uncertainties that threaten the existence of the government, and serious power deflation even if the government survives the current challenges.

2) Lack of dedication heretofore of sufficient financial resources for the Mindanao peace process. The donors have compensated for inadequate financing but continuation of high levels of donor support will depend on more serious financial commitments from the government, to the threshold that will permit the consolidation of a successful peace process.

3) Lack of adequate communications, consultation, and creation of a participatory enabling environment for the formulation, implementation, and evaluation of peace and development policy in Mindanao.

Moro National Liberation Front (MNLF)

Strengths

1) The MNLF has proven to be a reliable partner in the peace process that has demonstrated its commitment to the autonomy for peace and development process in practice, even in the circumstances of full-scale combat between the MILF and the GRP.

2) The MNLF has demonstrated the discipline and viability of the peace and development communities that in general remained cohesive, disciplined, and oases of peace, even in the face of full-scale combat between the MILF and the government. Both of these forces respected the MNLF communities that were not affected by the fighting like their neighbors.

3) The MNLF has sought alliance building with other communities in this process and is willing to forego exclusivity in favor of community development involving all ethnic and religious groups. A mainstream political manifestation of this is the Cotabato Mayor's Office's management of a city-wide constituency and the proposal to make this even more inclusive through the promotion of a Metro Cotabato concept.

Weaknesses

1) The MNLF is fully within its rights in demanding that the 1996 peace agreement be fully honored, but it needs to show at the same time greater flexibility in order to ensure that its over-riding objectiveness of autonomy for peace and development is achieved in the current circumstances, particularly through a peace agreement with MILF within the autonomy for peace and development concept.

2) The MNLF needs to adapt faster its theory and practice to rapid changes in Muslim Mindanao, the Philippines, and the world, in which new and diverse actors are now on the scene, and for which new leadership knowledge and skills are required.

3) MNLF needs to accept the importance of management capacity, transparency, and accountability, as well as fortify its capacity and image in these areas.

Mindanao Coordinating Council (MCC)

Strengths

1) The MCC represents the institutionalization of the government's assigning a top priority to Mindanao and the peace and development process.

2) Mindanao is constituted as a unit of analysis and action for developmental purposes, and all partial work on different areas and/or topics or sectors are integrated into a comprehensive vision and approach.

3) The MCC seeks to be representative, consultative, and participatory, and is open to revisions to strengthen these characteristics

Weaknesses

1) Important actors and stakeholders in Mindanao, including governors and mayors, consider that the MCC is not representative of Mindanao, does not adequately communicate its purposes and activities, and is insufficiently consultative and participatory.

2) Important actors and stakeholders in Mindanao, including governors, mayors and civil society leaders consider that the MCC concept, along with collateral governmental actions (for example, the relief effort for evacuees) represent a centralization in governmental practice vis-à-vis Mindanao that reduces the roles of local leadership.

3) The weakness of government in Mindanao and in the current ARMM is not so much a lack of developmental vision and plans, but rather too many levels of actors and complex institutional arrangements, as well as capacity deficiencies, that make implementation slow, deficient, and sometimes non-existent. The MCC to date is addressing more another generation of visions and strategies, rather than practical capacity building and implementation-facilitating actions. From a certain perspective, MCC can be considered yet another attempt to solve problems by creating new institutions rather than making the existing ones work.

Comments on the Draft Portfolio for Poverty Eradication

1. The comments are the following, with a special emphasis given to synergies between poverty reductions[12]

2. As previously proposed, a structural approach to poverty combining the social category of the poorest of the poor and the territorial category of the provinces with their greatest concentration could combine three additional elements: a) a more structural approach to poverty reduction; b) a strong synergy with peace and development in Mindanao given the most conflict areas would be included; and c) greater political viability in that a significant national programme is easier to justify than a major poverty reduction effort for only one region.

3. The type of programme described in the previous point should be undertaken at the same time as the initiation of activities of the autonomous government. It should also be undertaken through the autonomous government and the LGUs in its jurisdiction. It is very important that poor citizens identify that the peace and development process is benefiting them in tangible ways.

4. Capacity-building is the key in the autonomous government and in the LGUs of the autonomous region as well as for the rest of the LGUs participating in the national poverty reduction programme for the poorest of the poor in the poorest provinces. This is and of itself a poverty reduction action, especially from the point of view of the sustainability of these efforts. Given the selection criteria, participating provinces and municipalities need to have poverty reduction as one of their principle priorities. To enhance their capacity to deal with this issue and execute actions is thus high leverage.

5. The consolidation of indigenous land rights is a high leverage poverty reduction mechanism for an important category of the poorest of the poor. It is also conflict reduction and conflict protection, in that the struggle for land has led to massacres of indigenous peoples by paramilitary forces on one hand and an increasing presence of indigenous people, including children in insurgent leverage.

6. Land titles for precarious land holding is a poverty reduction mechanism for poor peasants in that occupied land becomes a productive asset with a credit capacity. It is also a conflict reduction mechanism. Insecurities

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[12] The term "poverty reduction" is preferred to "poverty eradication" in that the latter sounds somewhat utopian in developing societies

over land tenure has been one of the root, structural causes of high levels of conflict in Mindanao, as tends to be the case in societies where settlers have colonized areas previously occupied (although with low levels of exploitation) by other peoples.

The role of UNDP could be to take the lead in proposing external cooperation support to the actions of the GRP in these areas. If there are GRP approvals, UNDP could then provide leadership for the initiation of external cooperation in conjunction with other agencies of the UN system, and/or the Multi-Donor Support Group and/or other donors.

AUTONOMY FOR PEACE AND DEVELOPMENT

Executive Summary

The *first assessment report (21 June 1999)* concluded that the Mindanao peace process had been largely successful (high levels of peace and order after more than two decades of internal war, demobilization of combats and their reintegration into civilian life, and the assimilation of some into the military and the police). However, the peace process faced a crisis of credibility on the issues of regional autonomy and development. *This second assessment report (7 May 2000)* concludes that the autonomy and the development issues are still pending while the situation on the ground has deteriorated significantly. It could also worsen still further due to **adverse internal and external factors.** Autonomy for peace and development is still *the* **win-win situation** in Mindanao, but it faces a series of **immediate risks** that require action to avoid **worst case scenarios.** The assessment report concludes by analyzing **possible roles for the international donor community and the UN system** in the peace process.

Adverse Internal Factors

Increasing numbers of displaced persons are prevalent, as well as the tendency of the internally displaced not to return to their places of residence as rapidly as was previously the case. There also exists a growth in paramilitary and vigilante activity. Both of these processes are spurred by the perception that a 1970's type war situation is re-emerging. Paramilitary and vigilante activity will heat up the war, and it can also spin out of control and lead, once again, to communal violence between ethnic and religious communities. Recent events in Moluccas in Indonesia and in ex-Yugoslavia illustrate the dangers of risk.

Negative External Factors

External factors were a positive influence on Government of the Philippines (GOP)-Moro National Liberation Front (MNLF) negotiations from the original Tripoli Agreement through the 1996 peace accord. Today the external factors are mostly adverse. The Moro Islamic Liberation Front (MILF) witnesses the East Timor process and calls for a plebiscite despite the fact that the post-colonial invasion situation is not analogous. The same cannot be said however of the ceasefire between the Aceh rebels and the Indonesian government. If an independence plebiscite were to be held in Aceh, the pressure on the Philippines would mount. If Aceh were to obtain independence and Indonesia started to break-up, the pressure in the Southern Philippines would be intense. On the terrorist

side of the ledger, Abu Sayyaf is part of an international network of Islamic jihad organizations. Most of these organizations sprang out of the Afghan War and still find a common point of reference in that country. They practice solidarity among themselves, and Abu Sayyaf is currently one of the active nodes in the network. Some of its more irrational demands ("release of World Trade Center Bombers") are indicative of the importance that Abu Sayyaf attributes to standing among its terrorist peers.

Win-Win Situation

Peace for autonomy and development is the only win-win situation in the Southern Philippines. That is why this position should be defended at all costs. The arrangements of the peace process have proven to be quite wise. If there had not been a transitory institutional arrangement, there would not be the opportunity to adjust the new ARMM institutions to the needs of the autonomy for peace and development at this point in time. That opportunity does exist. It should be taken advantage of to guarantee both the form and substance of the autonomy for peace and development concept. The form consists of meaningfully autonomous institutions. The substance consists of the value added that the new autonomous government can offer the people of the new Autonomous Region of Muslim Mindanao (ARMM), a subject dealt with in the next section.

Immediate Risk for the Win-Win Situation

The autonomy for peace and development process could fail due to one or more of the following risks.

1) *An organic Law that does not offer meaningful autonomy*

The organic law should be based on an analysis of the problems and short-comings of the previous ARMM.

Key issues are a decentralized regional government in which the provinces and municipalities have the same level of autonomy as local government units (LGUs) in the rest of the Philippines. This would relieve the regional government of highly conflictive and divisive ethnic and political rivalries that are the best dealt with at the local level, as well as discontent in the LGUs over ARMM as merely an additional level of bureaucracy. The new ARMM should be based on positive additionalities rather than bureaucratic controls. Some options conclude:

- Religious and cultural pride, legal norms, and social mores that provide for unity in diversity;

- A regional police force to improve citizen-police liaison and strengthen law and order;

- Participatory infrastructure and human development for poverty reduction (Mini-Marshall Plan).

2) *Absolute or relative defeat in the plebiscite on the new ARMM*

The existing ARMM area should not be asked whether it accepts the new organic law or not in order to not run the risk of absolute defeat (no province ARMM). Relative defeat (only a few additional provinces and cities in ARMM) is the realistic objective in that what began as a regional policy is in reality an ethnic policy---votes for inclusion are only possible in proposal including significant additional resources for public works and poverty reduction (Mini-Marshall Plan) and work actively for the inclusion of new areas in that it is a party to the peace agreement that the plebiscite is being asked to confirm. The government and the MNLF can vigorously propose this option, and the citizenry who will emit its decision through the electoral process. On the other hand, the government should be absolutely neutral in subsequent ARMM elections to ensure genuine representation and the legitimacy of the new ARMM government. The advantages and disadvantages of incumbency should fall as they may.

3) *An ineffective new autonomous government*

A start-up phase of the new ARMM should be contemplated in which there are systems development and implementation and intensive capacity-building in the new departments. The new elected officials and administrative personnel should receive formal training, in-service training, and mentoring by consultants. Among the systems should be effective transparency and accountability mechanisms. They should be put in place a *priori* and consolidated as a pre-condition to the Mini-Marshall Plan by both the government and the donors. The current situation in which a *posteriori* accountability is proving difficult and must be avoided at all cost.

4) *Insufficient government investment*

Peace with autonomy is still possible in the Southern Philippines, but peace without pesos is not. Linking public works and poverty reduction in a "Mini-Marshall Plan" would address both current symptoms and root causes of the conflict in Mindanao. The trade-off is clear: investing in peace versus endless expenditures for military operations. One policy problem is that, in a first stage, investments in peace and development and expenditures for the on-going war must be made simultaneously. A second policy problem is justifying to the rest of the regions of the country the prioritization of one region for a "Mini-Marshall Plan", when there exists equally poor areas in need of new infrastructure. However, at stake are the strategic interests of the Philippine nation, including territorial integrity,

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internal and external image that affects investment and specially tourism, and the productivity of Mindanao is one of the country's principal productive assets.

5) *Lack of citizen ownership or support*

Public opinion in ARMM, Mindanao and in the Philippines in general is just as much a part of the war and peace process as the combats and the negotiations. New breakthroughs in points 1-3 should be used for a social communication offensive. Two groups that must never be neglected are ex-combatants and support structures, especially given the on-going war and re-mobilization processes. The new ARMM should avoid exclusivity absolutely and attend equally to all citizens in its territory. The current Southern Philippines Council for Peace and Development (SPCPD) in the Special Zone for Peace and Development (SZOPAD) should be continued, or a successor organization created, for attention to current ex-combatants and those that may result from future peace agreements both inside and outside of ARMM areas.

6) *Spirals of violence on both sides that lead to anarchical situations.*

Hawks on both sides think that military victory is possible and desirable. On the ground there are governors, military officers, and government officials who do not support the autonomy for peace and development process and would prefer to see the MILF defeated militarily, and the MNLF defeated politically (or who think that it has already defeated itself politically in the ARMM administration). It is argued in this report that such a "military victory" thesis grossly underestimates the proven capacity of independence movements in Mindanao to generate a political base in the population over a thirty year period. It is also argued that even if this objective were obtainable, it would lead to anarchical conditions that constitute one of the worst case scenarios. Likewise, the "military solution" strategies of the insurgent and terrorist groups would also lead to worst case scenarios.

Worst Case Scenarios

If in contrast to the autonomy for peace process the MNLF and the MILF were both defeated, there would still be thousands of combatants and considerable support structures committed to the ideal of independence in Muslim Mindanao. The result would be dozen of Abu Sayyaf-type organizations under mixed national independence and religions extremist banners, moving in a sea of paramilitary and vigilante groups engaged in communal violence. These small groups would form and disband with facility. Penetration would be difficult and intelligence minimal. They would also have new, unpredictable and generally radicalized leadership. This assessment is not exaggerated if one considers the number of private armed groups that already exist in Mindanao, as well as international experience in Nicaragua and Columbia.

Another worst case scenario is that spirals of violence and atrocities destroy hard-built confidence among key actors and stakeholders and/or harden public opinion to the point that autonomy for peace is no longer a variable option. Terrorist atrocities have already hardened public opinion and increased calls for military solutions, or simple revenge violence. They can also lead to fatigue in citizen support for both the peace process and the war. In Western Canada public opinion adopted a "let them go" attitude toward Quebec independence after decades of constitutional debates. The 1968 "Tet Offensive" ended the Viet Nam war in U.S. public opinion. These types of processes can constitute a "military victory" scenario for pro-independence and terrorist forces that seek a "military solution". A second worst case scenario would be that terrorist atrocities achieve their political objective of destroying the peace process, leaving independence as the only banner standing the insurgent camp.

Role of Donor Assistance and the UN Community

There is no possibility for the GOP to fully finance peace for autonomy and development in Mindanao. Neither is there any way for it to finance a major war whose probable outcome would be protracted stalemate. Over a quarter century of history, and the volatile events of recent weeks, combined as evidence for this assertion. Peace would appear to be the better investment. However, the GOP must demonstrate considerably higher levels of commitment to ensure continued and increased donor support for the Mindanao peace process. This assistance can be channeled through the existing multi-donor support group. Three priorities are recommended for that assistance: 1) Capacity-building in the new ARMM regional government; 2) A regional police force within the new ARMM regional government; and, 3) Community-driven, participatory infrastructure and human development for poverty reduction (Mini-Marshall Plan).

The United Nations (UN) System already has a leadership in the Multi-Donor support group. UN agencies should aspire to an integrated programme in Mindanao, and not just the summation of their existing programmes. The UN System has and can continue to play an important role in the confidence-building necessary for a successful peace process. It can also contribute to the difficult task of aid coordination. These interventions can be made effective if strong government support and coordination exist. Many actors and stakeholders are of the opinion that the current autonomy for peace and development process would have failed long ago if it had not been for international donor and UN system support. In the current climate, the opportunity for peace will be lost without significantly increased GOP support, complemented by assistance from the international donor community and the U.N system.

Overall Assessment

The first Assessment Mission Report (21 June 1999) concluded the following;

"The successful Mindanao peace process faces a crisis of credibility. Success has consisted of high levels of peace and order after more than two decades of internal war. The demobilization of combatants and their reintegration into civilian life, as well as the assimilation of some into the military and the police, have also been largely successful. The crisis of credibility consists of lack of progress on the issues of effective autonomy and increase investment to redress Mindanao's relegation from the mainstream of Philippine development. The crisis of credibility affects all parties of the peace agreement, the Government of Republic of the Philippines (GRP), the MNLF, and the Organization of Islamic Conference (OIC)."

This Second Assessment Mission Report (7 May 2000) concludes:

Credibility issues on autonomy and regional investment are still pending. The situation on the ground has deteriorated. It could still worsen significantly due to adverse internal and external factors. High-level governmental and parliamentary attention to the Mindanao peace process has increased, and a more holistic policy framework is in the process of formulation and initial implementation. However, the time required to implement policies and produce result in incongruent with the deteriorating ground situation. The accelerated development of a strategic policy framework that addresses underlying causes, and the accelerated implementation of key policy components, is advised in order to proactively influence salient processes, rather than deal reactively with situations that could spiral out of control and lead to worst case scenarios. The latter entails anarchical conditions as well as loss of confidence in the peace process among key actors and in public opinion. Autonomy for peace and development is the only win-win solution to the conflict in the Southern Philippines. However, six risks, among others, could negatively affect the viability of this solution. They are: 1) and Organic Law that does not offer meaningful autonomy; 2) absolute or relative defeat in the plebiscite on the new ARMM; 3) an ineffective new autonomous government; 4) insufficient government investment; 5) lack of citizen ownership or support; and, 6) spirals of violence by the hawks on both sides that lead to anarchical situations.

The terms of reference (TOR) of this second assessment mission contain an analysis of ten issue-oriented challenges, based in a part of the first assessment report. They also posit five areas for actor-oriented recommendations. These issue/challenges and action recommendations for actors organize this second report.

Issues/Challenges

1. **Meaningful autonomy under the new Organic Act for ARMM and uncertainty in the outcome of the plebiscite.** There are uncertainties that create apprehension over the fiscal power that will be vested in the new Regional Autonomous Government. Currently the ARMM is under the Office of the President and there is thinking that under the evolving amendments to the Organic Act, there may be a dilution of the authority of the ARMM Government over LGUs, given the authorities vested by the Local Government Code to LGUs. The uncertainty over the final version of the law and the outcome of a plebiscite is a cause for serious concern among many sectors in SZOPAD.

2. **Lack of national government visibility.** In July 1999 a Cabinet Supervisory Committee was established to coordinate national and local government efforts. In the absence of a clearly defined government commitment in this complex peace and development effort, even the existing contributions of government have been poorly recognized by stakeholders. Despite its acknowledged financial difficulties, greater participation by high visibility GRP players would contribute to acknowledgement of government contribution and leadership. Neither the Government nor the donor agencies are comfortable with the high profile that the SPCPD-UN-Multi-donor assistance has established.

3. **Need to increase investment for the development of SZOPAD.** Most stakeholders accept the need for additional assistance to the SZOPAD but the budgetary reality of the GOP appears to preclude a major realignment of budgets to provide more assistance to Mindanao. In light of the financial shortfall, special assistance to one area at the expenses of others in the country appears problematic in   the short term. Private sector investment in this potentially productive area is limited by business concerns over existing and potential conflict. MNLF officials agree that the needs of the SZOPAD are medium and long term, requiring a long-range plan of development assistance. To address this problem, the Government convened a Mindanao Budget Summit last year to put a focus on investment in Mindanao.

4. **Weak institutional and human resource capacity.** SPCPD and the Government of the ARMM have a weak human resources base that

affects their ability to mobilize and coordinate the agencies under their supervision. Related weak financial accounting compounds the lack of technical and management skills. The financial need at the local level is blocked by unresolved questions from the central government over financial reporting. Regardless of goodwill on all sides, the slow, fitful or non-appearance of additional resources adds to mistrust among former combatants and their families.

5. **Complex institutional arrangements.** Decision-making is complex with four Regional Development Councils and their NEDA regional offices secretariats, the Mindanao Economic and Development Council (MEDCO), the Office of the Presidential Advisers, SPCPD and its 81-person Consultative Assembly and a newly formed Cabinet Supervisory Committee. In addition, the laudable and desirable devolution of powers to local governments requires a high level of information sharing and coordination about national policies and local programs and among Regions, Provinces, SPCPD, States and Communities. Coordination and allocation of this order is a major task.

6. **Widespread perception of patronage and corruption on all sides.** This perception might be ameliorated by installing mechanisms for improved transparency in reporting on use of resources.

7. **Moving away from exclusivity.** There is a widely shared agreement within the MNLF and Government that MNLF members or former combatants should not be a program focus. Muslims, Christians and Lumads who share similar problems of isolation and unmet basic human needs should share in programs of development on the basis of need. While this is a positive perception toward the integration of development, it presents real problem of scale and coverage for all the poor communities in the SZOPAD.

8. **Unmet, unrealistic expectations.** In an area in which few regular government programs are available, MNLF expectation of a major peace additionality has not been met. The achievement of "regular" program coverage to the entire SZOPAD area by LGUs would be a major a desirable change and is achievable. While the economic benefits from peace, in general, are significant, former combatants and their families understood that peace would be followed by a special program to address what they see as years of neglect by government agencies.

9. **Healing old wounds and social fractures.** The conflict and its causes will not be easily forgotten. The stakeholders continue to need education about the peace process and help with learning non-violent and effective techniques of conflict resolution and cultural co-existence.

10. **Continuing armed conflict between the Armed Forces and the Moro Islamic Liberation Front (MILF).** The continued armed struggle of the MILF for an independent Islamic State poses a major threat to the stability of the region. It also present itself as a fallback for disaffected and disgruntled MNLF members who have not been able to participate in or benefit from the various measures of reintegration; who may perceive the government to be insincere; or who perceive their leaders to have been ineffective in representing their interest.

Against the backdrop of the issues/challenges, the UNDP has commissioned a short-term special mission from the PARAGON Regional Governance Programme to help the UNDP and consequently, the key partners in Peacebuildingincluding the donors, to draw an independent reading of the current situation in the following areas:

(a) the strengths and weaknesses of the current approaches – both by the Government and the MNLF - in moving forward with the provisions of the 1996 Peace Agreement and attendant risks and consequences, particularly the plebiscite and the elections;
(b) options toward a win-win situation;
(c) effects of the ongoing MILF negotiations and armed encounters on the GRP-MNLF Peace Agreement; and
(d) options for positioning and strategies of donor assistance in the Peacebuildingprocess;
(e) particular roles for the UN.

The issues/challenges and actions areas raised are analyzed in the remainder of this document.

Challenges/Issues

1) ARMM Organic Law / Plebiscite / Elections

Time Horizon for Organic Law, Plebiscite, Elections

There is an emerging consensus among governmental and parliamentary decision-makers that the Organic Act cannot be finalized in time for a plebiscite in the year 2000. The legal drafting process will take the better part of the year. There is also an emerging consensus that it would be highly desirable to hold the elections for the new ARMM concurrently with the national elections in May, 2001. Hence, the plebiscite would be held in February, 2001.

The MNLF does not object to the delay, and it would even prefer a longer one. It argues that inadequate budgets and time have been provided for the existing

ARMM to produce the results necessary to generate a favorable response in the upcoming plebiscite and elections.

There is consensus on the need for more time. However, to go beyond next year could be counterproductive. It is argued in this paper that policy breakthroughs are necessary to revert the deteriorating situation in Mindanao. New institutions with significant autonomy, adequate financing and enhanced capacity would constitute a breakthrough in and of themselves, as well as a platform for further breakthroughs in the peace process.

Security for the Plebiscite, Elections

The deterioration of the situation on the ground has created a fluid security situation. Freedom from fear and intimidation must prevail for a meaningful plebiscite and elections. Hence the security situation on the ground must be analyzed area by area. Only in the most extreme cases, however, should elections not be held. Insurgent or terrorist forces should not be allowed to hold the plebiscite hostage nor block the road to democratic, autonomous institutions.

Organic Law: Opportunity for the base of an Autonomous, Effective ARMM

The ARMM experience in autonomous government is not considered successful by any of the concerned parties. Their interpretations of the causes of the limitations of ARMM vary. It is recommended that a thorough policy and institutional analysis be undertaken as part of the process of producing the new Organic Law. There are two reasons for this recommendation:

1) The limitations of the current ARMM do not make it a particularly attractive entity and places in jeopardy the success of a plebiscite that should be the culmination of a prolonged, arduous peace process that spans four Philippine administrations.

2) The success of the new ARMM government is essential for the consolidation of the autonomy for peace and development concepts as the solutions of the conflict in the Southern Philippines. Hence, the deficiencies of the current ARMM should be thoroughly analyzed and measures adopted to overcome them when establishing the legal framework for new autonomous institutions. This analysis should also be made taking into account provisions of the Local Government Code of 1991 and the rules and regulations of the Commissions on Audit (COA), the Department of Budget and Management (DBM), and the Civil Service Commission (CSC). The autonomy process in Southern Philippines is an opportunity to improve local governance that could in turn provide important lessons for the country in general.

ARMM-LGU Relations: Enabling Environment for Bottom-Up Development

A major issue with regard to the current ARMM is the widespread view that it is an additional level of bureaucracy with little value added for LGUs or the citizenry. It is important that ARMM not been seen as "regional centralization" by the provincial, municipal, and barangay levels of government. ARMM is legally not supposed to reduce provincial, municipal, and barangay rights and prerogatives, nor should it in practice. The LGUs should enjoy the same degree of autonomy and receive the same benefits as LGUs in other areas of the country. Only this policy can ensure harmonious relations between ARMM and the LGUs in its territory. Any other policy will lead to perennial tensions, conflicts, and centrifugal tendencies within ARMM.

Different political interests based on the ethnic diversity of Muslim Mindanao are best articulated and aggregated at the provincial and local levels. To attempt to aggregate them at the ARMM level is a complicated undertaking that can lead to divisive, debilitating politics. Leaving decision-making on most issues to the provincial and local levels also makes government more responsive to local priorities and interests, and it facilitates the interface between local government and community-based development. In sum, an enabling environment for bottom-up development may be put into place. Whether this happens or not in reality in a given locality depends on the levels of civil society organization and the characteristics of the local power structure.

The Additionalities of the New ARMM: Addressing Root Causes of the Conflict in Southern Philippines

It is important to define the 'additionalities' that the new ARMM can offer the sub-region. The new ARMM should not be seen as 'taking away' but rather as 'adding on'. It is thought that the new ARMM could have four additionalities:

- Religious and cultural rights
- Infrastructure budget above and beyond the national average
- A "Mini-Marshall Plan" for poverty alleviation
- An expanded role in citizen's rights and security through regional police

Religious and Cultural Rights

The additionality of the autonomy are obvious with regard to religious and cultural rights and pride, as well as issues revolving around related legal norms and social mores that can be dealt with through autonomy. Some specific issues need to be addressed with regard to Shariah Law, but it will be included in the Organic Law.

Infrastructure Budget

An additionality is also obvious with regard to an infrastructure budget above and beyond that which would normally be executed in any Philippine territory. If it is not "above and beyond" there is no value added, rather only higher administrative costs due to an additional level of bureaucracy.

House Bill No. 7883 of the First Special Session of the Eleventh Congress in its original version contemplates a budget of P.2 billion per year for five years to fund infrastructure projects, while an amended version would determine the amount annually through the annual appropriations act[1]. It is thought that a stipulated amount would be preferred for the following reasons:

- The original ARMM had an annual transfer for a stipulated amount for a stipulated period of time;
- A specified amount is more attractive than an undefined commitment for plebiscite purposes;
- An annual approval from the national congress is less congruent with the objective of autonomy;
- Approval by a Regional Planning Board, the Regional Assembly, and the National Congress is excessive;
- The annual approval of the infrastructure budget could lead to perennial conflicts between the Moros and "Imperial Manila", not the image or type of relation sought through autonomy;
- Predictable resources can facilitate a more effective administration.

The financial provisions should also include strong mechanisms to ensure transparency, accountability, and effectiveness. If sets amounts for financially prolonged time periods are stipulated (for example, five years) maintenance of value-for-money auditing mechanisms should be included. Base amounts should be set for the existing ARMM with increments for additional territories and populations that might be added to the new ARMM as a result of the plebiscite.

Mini-Marshall Plan for Poverty Reduction

Every effort should be made to differentiate the new ARMM from the existing entity. First, the law is effectively abolishing the old ARMM and creating a new entity. Second, the Organic Law offered to the electorate should offer substantially new elements. Three, the formation of the new entity is the ideal scenario for meaningful political and administrative reform. Rather than replicate the old ARMM or Philippine local governments in general–with their merits and vices–the new institutions could provide a laboratory for new organizational and operational

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[1] Section 57

modalities. This is not a question of experimentation for experimentation's sake. It is rather for the purpose of making successful the concept of autonomy for peace and development. It could also provide experiences of utility for the rest of the Philippines as well.

One option is an ARMM administration that is more programmatic and network-oriented than bureaucratic and hierarchical. If the provinces and municipalities were to have the same relations with the national government as the other LGUs, a strong ARMM administration could be based on programmatic value-added.

One programmatic option is to formulate and implement a significant poverty reduction campaign in ARMM. Historical relegation and poverty were the underlying causes of conflict whose solution the new ARMM represents. For the solution to be real and sustainable, the root cause of the conflict should be addressed. The current ARMM areas are among the poorest in the Philippines. A bottom-up approach to poverty reduction could mobilize large numbers of people in support of autonomous institutions that directly benefit them and generate ownership.

The combination of a poverty alleviation program with the public works facility could lead to a ''Participatory Infrastructure and Human Development for Poverty Reduction Program.'' This could provide a common focus, and coordinate and generate positive synergies between the various departments of the new ARMM. It could set the stage for visible results and clear value-added for the new ARMM government.

In sum, the deterioration of the security situation in the current ARMM, adverse internal and external conditions, and the lack of effective results from current policies point to then need for bold policy breakthroughs in Mindanao. One such option is to launch the long awaited Mini-Marshall Plan as redress for the historical relegation and extreme poverty of the new ARMM region. The Mini-Marshall Plan could cover physical and social infrastructure with a sustainable human development approach, linked to a major poverty reduction effort. This should be undertaken only in the ARMM region in order to fortify the option of autonomy and development for peace.

Citizen Rights and Security

Another programmatic area of great importance contemplated in the draft Organic Law is Public Order and Security.

Two versions are presented. Version ''A'' is the original one and version ''B'' is a proposed amendment.

Version ''A'' Reads:

[SEC.2. The Regional Assembly shall, by law, create a Regional Police Force as an integral part of the Philippine National Police under the administration and control of the National Police Commission. It shall be headed by a police commissioner with two deputies, who shall all be inhabitants of the Autonomous Region, to be appointed by the President of the Philippines upon recommendation of the Regional Governor.]

[SEC.3. The Regional Police shall be under the supervision of the Regional Governor, provided, that the city or municipal mayors, who are hereby constituted as representatives of the National Police Commission, shall have operational control and supervision of the police force within their constituent units in accordance with law and appropriate rules and regulations.]

Version ''B'' Reads:

SEC.2. When the Autonomous Regional Government shall have been established in accordance with the act, there shall be created or constituted a Philippine National Police (PNP) Regional Commance for the Autonomous Region, which shall be the Special Regional Security Forces (SRSF).

SEC.3. The Regional Assembly may enact laws governing the PNP Regional Command for the Autonomous Region/SRSF consistent with the Constitutional Provision that there shall be one police force in the country which is national in scope and civilian in character provided, that the Moro National Liberation Front (MNLF) integrees shall only be deployed in the jurisdiction of the area of autonomy.

The involvement of the regional autonomous government with the support of the citizenry in achieving public order and security is an essential part of the autonomy for peace process. Peace must be real for the process to be successful, and real peace is a necessary pre-condition for economic recovery and development. Additionally, the achievement of peace and stability will require citizen support that could be more easily mobilized through a regional police force officered and manned with local personnel under ultimate national command. A position is taken in this report against the employment by either the authorities or others of paramilitary and vigilante groups. That is not what is being recommended here. The recommendation is rather for the massive generation of community support for police functions and police-community liaison in fighting terrorist organizations and their support structures, as well as organized crime and common crime. It is a matter of citizen-police liaison in support of citizen's rights, security, and services.

The opposite polar situation is when the police and military are almost exclusively external to a region and have the appearance in the eyes of locals of being practically occupation forces. Given the current state of law and order in some

current ARMM no other activity will be possible until the public order situation improves. The ARMM government should be able to be proactive in this regard.

Questions such as warlords, private armies, and eventual reductions in the levels of arms in Mindanao should be handled with deep understanding of historical and sociological dynamics. It was a Martial Law attempt to disarm Mindanao that created a social base receptive to the political message of insurrection for independence in the 1970's.

Plebiscite

A defeat of the concept of autonomy for peace in the plebiscite would be a defeat for the MNLF, the Philippine State (given considerable investments of political capital by four successive administrations), the OIC as the guarantors of the peace agreement, and the international community that has supported the process. Most importantly it would be a defeat for the people of Mindanao and peace itself. The beneficiaries would once again be detractors of the autonomy process. Assimilation or independence would be the only options in the eyes of Bangsamoro nationalists.

The defeat of the autonomy process in the plebiscite has three variants: absolute defeat, relative defeat, and partial defeat:

Absolute Defeat

This would be the situation if the existing ARMM provinces were given the vote on whether to remain or not, and opted to leave while no other entity voted for inclusion. In this scenario there would be nothing left of the autonomy for peace process. An amendment to House Bill 7363[2] contemplates this option. Other legislators oppose this position. From the perspective of the objectives of the peace process, the possibility of a secession vote is an unacceptable risk. It creates the possibility of absolute defeat. However, it is democratic and necessary that voters in the current ARMM vote on whether they are in agreement with the amendments to Republic Act 6734 that forms the basis of their autonomous government.

Relative Defeat

This is the scenario if no other entity opts to enter the new ARMM.

Partial Defeat

This is the scenario if the plebiscite question is exclusively on expansion, and very few entities opt to enter.

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[2] Section 12 of Article XIX

Partial defeat is the most likely outcome of the plebiscite. Widespread acceptance of ARMM would not appear viable for two reasons. First, ARMM and SZOPAD were originally posited as regional development policies, but in practice they have proven to be ethnic policies. In the first ARMM plebiscite only overwhelmingly Muslim areas entered ARMM, whereas others opted out. It will be recalled that the MNLF opposed the formation of ARMM at that time.

The idea of changing the name of ARMM to ARSP, Autonomous Region in the Southern Philippines, could have merit. Quite obviously "Muslim Mindanao" has a ring of exclusion to it for Christians and Lumads. More than a name change, of course, is necessary for wider acceptance, but names are important.

SZOPAD formed after the peace agreement with MNLF includes an explicit alliance-building approach between Muslims, Christians, and Lumads. The current ARMM administration has also attempted alliance-building. These efforts have had successes at the micro level of peace and development communities. However, this has not changed the macro situation. There is a consensus among informed observers, including Senators who held hearings in all SZOPAD provinces and cities on the proposed Organic Law, that support for inclusion in the new ARMM is only found in predominately Muslim areas. Even there support for inclusion is not certain. The plebiscite will be the test of truth in this case.

The objective that would bring together all of the ethnic and religious communities in Mindanao, and which is not contradictory to ARMM, is federalism. Indeed, it is argued in this report that the new ARMM could be an experimental base for the creation of regional structures within a federalist arrangement. This would constitute a major political change and take a constitutional amendment, but there is already political movement in this direction.

Additional considerations with regard to the plebiscite are the following:

1) Provisions and proposed amendments to the draft Organic Law contemplate a public information campaign to disseminate and explain the proposed Organic Law[3]. A budget of P10 million is also proposed for this purpose. A proposed amendment describes the public education campaign in the following terms:

    SEC. 13 Information Campaign – The National Government shall conduct intensive campaign in every barangay in the provinces and cities participating in the plebiscite. Assemblies or meetings on any dates before the plebiscite shall be held for the purpose of enlightening the residents thereof regarding the significance and meaning of the plebiscite to enable them to cast their votes intelligently. Free, full and constructive discussion and exchange of

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[3] Section 9 of Article XIX and the proposed amendment on Section 13 of Article XIX

views shall be encouraged for this purpose, assistance of knowledgeable persons from both the public and private sectors may be enlisted to act as speakers or resource persons.

2) The public information campaign should place the Organic Law and the new ARMM proposal in their historical context, highlight the autonomy for peace concept, and inform about the commitments assumed by the Government of the Philippines in the peace process.

3) The public education campaign to be mandated by the Organic Law should logically be undertaken in equal terms (considering population and territory) in all of the circumscriptions in which the plebiscite is to be held.

4) The government should organize a publicity campaign out of the Presidency of the Republic in addition to the public information campaign mandated by the Organic Law. The executive, as opposed to the legislative, is not a neutral party in relation to the expansion proposal. It is a signatory to the international agreements that commit the government to creating an autonomous region in the Southern Philippines. The plebiscite is a critical step in that process. It is a critical event for the success of the peace for autonomy and development concept as the foundation for the government's increasingly holistic policy in Mindanao. The success or not of that policy is a national security issue that government should not leave to chance.

5) The government's strategic interest in the results of the plebiscite is also a part of the armed conflict in Mindanao. The peace process cannot be separated from the on-going multi-dimensional war. The MILF, Abu Sayyaf and other current or potential extremist groups will actively oppose the new ARMM institutions, as they do the autonomy for peace and development process that it represents. Intimidation and sabotage will also be present. The government's publicity campaign should counteract psychological operations undertaken by these groups.

6) The government campaign should be focused to produce maximum success. Public opinion research should identify productive issues and the provinces, cities, and municipalities where there are possibilities for pro-expansion success. The government campaign should be a professionally managed political campaign.

7) The people's verdict will determine where the legislature's proposal and the government's political commitment are to be implemented.

Elections

Unlike the plebiscite the government's position in the ARMM elections should be absolutely neutral. The electoral field should be as level as possible. The advantages and disadvantages of incumbency should be the same as in all of the other elections that will most probably be held concurrently. The new autonomous government should be able to accommodate representation from all of the principal political forces in the ARMM sub-region.

2) Need for More National Government Visibility

High level governmental and parliamentary attention to the Mindanao peace process has increased, and a more holistic policy framework is in the process of formulation and initial implementation. This goes beyond, but includes, a military strategy for peace and development. The government's actions to conclude projects of the existing ARMM prior to the plebiscite are a case in point. The combination of elements involved in the government's interactions with the MILF in recent months also demonstrates the increasingly holistic approach.

Government visibility on the Mindanao issue is well warranted considering that war and peace in Mindanao is the most acute national security and citizen's rights and security problem the country faces. Peace in Mindanao is also the necessary pre-condition for the full incorporation into the national economy of the potentially most productive region of the country. Finally, it is the most serious international image problem the Philippines faces, prejudicial to foreign investment and tourism in the entire county and fatal for both in Mindanao.

3) Need to Increase Investment for the Development of the New ARMM (as Successor to SZOPAD)

A ''Mini-Marshall Plan'' was discussed at the time of signing the 1996 peace agreement, but the concept did not find its way into writing. One problem is that the combination of the terms ''Mini'' and ''Marshall Plan'' leave interpretation open to worst fears and wildest dreams. It is always politically difficult in any country to explicitly favor one region above the others in terms of the proportion of development financing, but there are several historical justifications for extraordinary support to local development in the new ARMM above and beyond the national average:

-Historical relegation
-War damage
-Economic disruptions due to the war
-Lack of a post-war program

Mindanao has been historically relegated from the mainstream of Philippine development through two colonies and the republic. War damage tends to be much greater than direct damage due to the disruption of productive and distribution circuits and the relative absence of investments in war zones. In some countries the analysis of the impact of war on the economy has been analyzed in terms of the Gross Domestic Product (GDP) loss[4]. Regional and sub-regional impact of war damage and economic disruptions on GDP can also be calculated. Another factor is the rapidity with which normalcy was declared after the hostilities with the MNLF IN 1996. It would seem that both parties considered that an immediate appearance of normalcy was a critical success factor for the peace process. This contrasts with Europe after the Second World War, where a concept of "post-war" resulted in exceptional measures and resources for a prolonged period (1945-1952). This was to compensate for war damages and economic disruptions due to the war, as well as to articulate new institutions.

There are also four practical reasons that support the dedication of substantial financial resources to new ARMM:

- Institutional precedents comparing the original ARMM and the new ARMM
- The success of the autonomy for peace concept in the plebiscite
- The possibilities of success of the new ARMM government
- The ultimate success of the peace process

The original ARMM did receive an annual development transfer from the national government. The stipulated time period of that support ended at about the time the MNLF assumed the ARMM administration. It was not renewed in the context of the impact in the Philippines of the South East Asian financial crisis. It is essential then that the new ARMM be launched in at least the same conditions as the previous institution and preferably in more promising ones.

Re-expansion of ARMM is not an easy sell in the plebiscite. The deficiencies of the current ARMM have conditioned this situation. It is therefore necessary that there be compensatory incentives for joining ARMM. A significant development budget above and beyond normal resources can form one such incentive.

The ultimate consolidation of the autonomy for peace and development concept as the strategic solution in Southern Philippines depends on the success of the new ARMM government. Sufficient resources to facilitate that success would constitute an investment in the peace process. International experience in recent

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[4] The Presidency of the Republic of Nicaragua, with the assistance of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), undertook such an analysis. The results were presented in the compensation phase of the case "Nicaragua vs. the United States: Military and Paramilitary Actions in and against Nicaragua" (The Hague: United Nations International Court of Justice, 1987).

decades has seen many instances of autonomy, devolution, or decentralization with un-funded or under-funded mandates and insufficient capacity-building. In many cases the shifts in legal status, power, and authority were related to eliminating or reducing central functions and programs by sending them to LGUs without adequate funding or capacity-building. These movements were frequently related to budget deficit reduction objectives at the central level. In the Philippines this is quite obviously not the case. However, the lessons of failure in these international experiences should be borne in mind when empowering the new autonomous institutions of ARMM. Unfunded and under-funded mandates lead to failure. Autonomy in the Southern Philippines must not be an unfunded mandate.

4) Weak Institutional and Human Resource Capacity

For the success of the new ARMM government capacity-building is just as important as financing. Lessons in this regard should be drawn from the current ARMM administration. A transitional phase of intensive capacity-building should be contemplated in which formal training, in-service training, and mentoring could be provided to all departments and officials. This action requires substantial internal and external technical assistance and financial resources. Organizational culture, transparency, and accountability issues should be given top priority from the inception of the new ARMM. The current situation in which ex-post facto accountability is proving difficult should be avoided at all costs. The achievement of credibility by the new institutions will require transparency, accountability, responsiveness to community demands, and effectiveness. These factors must generate widespread support for the new autonomous institutions. This in turn will create conditions for the success of the autonomy for peace process.

5) Complex Institutional Arrangements

The opportunity for experimentation to improve existing institutional arrangements should be utilized for simplification. For that purpose the principle of subsidiarity is useful. Everything that can realistically and economically be undertaken at lower levels should be undertaken at those levels.. The nexus at the most local levels between local government and community based organizations (CBOs) and non-governmental organizations (NGOs) is another simplification. All of these relations are well developed in the Philippines where there are world-class public-private partnership success stories.

More challenging for institutional simplification are the intermediate levels of the government. It is posited in this report that devolution to autonomous institutions should not lead to sub-regional centralization. The new ARMM should also benefit from the devolution of political power, the decentralization of authority, the deconcentration of functions, and the redistribution of resources to more local levels. This is the first of three factors that can contribute to coordinated,

harmonious relations between the new ARMM government and LGUs in its jurisdiction. The second is that ARMM not serve as a simple intermediation between the LGUs and national programs. There should always be some ARMM value added or the relationship should be direct. Third, there should be functions, programs, and project where ARMM offers significant additionalities for sub-region. Apart from religious and cultural additionalities, this report recommends a considerable, compensatory public works plan, a closely related and highly significant poverty alleviation program, and a regional police force offered and manned by locals, and responsive to local authorities, under the ultimate command for professional standards and performance of the national police. Other high value added sub-regional programs should also be conceived.

With regard to the elimination of intermediation, a governmental business process re-engineering study should be undertaken to generate recommendations. The terms of reference of such a study should include an analysis of both regulatory and developmental functions to determine which should be exercised by national governmental entities in Mindanao or in Manila. Another study could analyze the ARMM-national government interface in search for possibilities for simplification and rationalization. This should include the exemption of the new ARMM from redundant approval and control processes to facilitate agile decision-making, execution, and controls. In the spirit of autonomy, ARMM should have lighter requirements than other structures.

Another simplification is that with the realization of the plebiscite and the constitution of the new ARMM the governmental functions of the SPCPD will be assumed by the new regional government in the new ARMM. A subsequent role for SPCPD or a successor organization is recommended in relation to attention to demobilized combatants and support structures.

None of the recommendations contained in this section should be interpreted as weakening accountability, a point developed in the next section.

6) Widespread Perception of Patronage and Corruption on All Sides

Complex institutional arrangements and procedures often blur transparency and dilute responsibility. In the end no one is accountable for decisions or their execution because in the worst traditions of bureaucracy everyone ''has covered their back.'' More promising for strong transparency are simplified institutional arrangements and procedures combined with strong, transparent systems and a small but effective set of checks and balances that do not dilute responsibility.

The reversal of the perception of patronage and corruption is essential for the credibility of the new ARMM and the avoidance of the danger to autonomy for peace of an ineffective autonomous government. Inasmuch as the new

ARMM government should work closely with the LGUs in the sub-region and several national government entities in the region, the effort for increased levels of accountability and transparency must be extensive to them as well. It is not possible to conceive of one organization within an operative system that can isolate itself permanently from the prevailing political and organizational culture of the broader system.. Also, no structure in the ARMM region should be singled out for closer scrutiny on accountability matters than the others.

Too much is at stake, however, for the Philippines and the people of Mindanao for transparency and accountability in the structures in the new ARMM to be left to chance. From the very inception of the new ARMM strong systems and both internal and external auditing should be put in place in all of the governmental structures (of whatever type) operating in the region. This is should be a pre-condition for the ''Mini-Marshall Plan'' for public works and poverty reduction recommended above. That pre-condition is also necessary to have any hope of achieving the approval of such a proposal by the Philippine Congress or attracting significant donor financing.

7) Healing Old Wounds and Social Fractures

Wounds need to be healed between the Armed Forces of the Philippines and revolutionary combatants. The incorporation of MNLF combatants into the police and the army demonstrate the viability of this process. SZOPAD Peace and Development Communities, as well as a series of other NGO and external cooperation projects, demonstrate the viability of healing processes between the ethnic communities of Mindanao at the micro-level. At the macro level neither the old ARMM, SZOPAD, nor probably the new ARMM regional government, are effective mechanisms for healing between Mindanao's ethnic communities. The Christian and Lumad communities do not identify with them. Despite this the new ARMM should continue the old ARMM and SPCPD policies of reaching out to all ethnic groups to guarantee minority rights in ARMM and promote harmonious community relations.

The new ARMM should be a mechanism for healing within the Muslim community. It must be an open mechanism that can incorporate all factions of the insurgent Muslim community as they reintegrate into legality as part of possible future peace agreements.

However, the current deterioration in the ground situation has one of its casualties a loss of confidence between the diverse actors in the peace process. Prolonged and difficult processes of confidence-building are being debilitated as the conflict escalates. The danger is that the opinion that the peace process is a failure can become a self-fulfilling prophecy. This can affect key actors and stakeholders and also public opinion.

New wounds and social fractures are also being created by the escalation in violence. Atrocities have led to a hardening of positions among actors and stakeholders, more acute divisions between the religions and ethnic communities in Mindanao, and a hardening of public opinion. New wounds and social fractures are evident in public opinion that increasingly supports military as opposed to peace measures and that increasingly stereotypes all of the armed organizations in Muslim Mindanao without differentiation.

The foregoing has the implication that atrocities are becoming an effective terrorist tool for sabotaging a peace process that is their principal enemy. It is in the chaos of renewed conflict that their desired power scenario is enhanced.

8) Moving Away from Exclusivity

The new ARMM must be an open governmental structure that does not demonstrate any exclusivity whatsoever. The realization of the autonomy for peace concept requires that all of the economic, social, political, and religious groups, as well as clan, tribal, and ethnic communities of the ARMM region feel themselves represented by the new autonomous government. The proposal that the new ARMM autonomous government not diminish provincial, municipal, and barangay prerogatives, that should be the same as enjoyed elsewhere in the country, and rather provide an additional value added, is also a measure to provide for greater diversity within ARMM. Effective decentralized local governance without exclusivities is important to reduce the levels of tension and conflict around the politics of the new ARMM. For this same reason the design of the new ARMM government should be such that relations with the provinces and municipalities are not contradictory but complementary.

The exclusivity that should remain is special attention and programs for ex-combatants and support structures. Nothing could be more counterproductive and more potentially costly than discontinuing support for ex-combatants and support structures, especially considering the continuing insurgency and terrorist situations, as well as the phenomenon of increased common crime that accompany both conflict and post-conflict situations.

9) Unmet, Unrealistic Expectations

The deterioration of security is leading in many areas to the situation where the absence of peace is the greatest unmet expectation. Earlier, autonomy was not considered meaningful or effective by the MNLF and large portions of the population. However, there was a relative peace to show for the process. Now the situation is emerging where there is neither one nor the other. Hence, a major developmental offensive, such as the proposed Mini-Marshall plan on participatory infrastructure and human development for poverty alleviation, executed through

autonomous governmental institutions, could satisfy unmet expectations for development and contribute to peace. Neither peace nor poverty reduction must ever be considered as unrealistic expectations.

10) Continuing Armed Conflict Between the Armed Forces and the Moro Islamic Liberation Front (MILF)

One of the reasons for the absolute necessity of a holistic approach to the Mindanao situation is the simultaneity of multiple processes. They include conflict prevention, latent conflicts, paramilitary and vigilante activity, insurgency, counter-insurgency, terrorism, anti-terrorism, cease-fire zones, peace negotiations, a peace process, re-insurgency of demobilized combatants, post-war integration of combatants, post-war reconstruction, and the design and implementation of autonomous institutions as the solution to the situation. Recent government policy towards the MILF has been iterative with regard to several of these elements. The military peace and development plan is also iterative with regard to most of them.

All of the processes described influence the others. The peace process conditions the war and the war conditions the peace process. The continuing insurgency and the fact that terrorist activity is on the increase is a threat to the peace process. The fact that a new autonomous government is to be implemented in Muslim Mindanao is a threat to those who undertake insurgency under the banner of independence and those who realize terrorist acts under the guise of religious extremism. The further combination of attention to demobilized combatants and support structures and a mini-Marshall Plan on infrastructure and human development for poverty reduction could hopefully be a decisive threat to the war and contribute to isolating terrorist elements.

A.) Strengths and Weaknesses of Current Approaches

A.1) Government of the Philippines (GOP)

Strengths

1. Top level government officials are now giving greater priority to the Mindanao situation in general and the peace process in particular. This level of attention has not only been due to the Abu Sayyaf hostage cases and increased levels of both negotiations and combat with MILF. In reality it began before recent events.

2. The higher level of attention is combined with the articulation of a more holistic policy toward insurgencies in general and the Mindanao peace process in particular. The holistic policy focus has far greater breadth

and profundity than previous policies. It combines military, political, and developmental elements, as well as coordinated government and armed forces action. The policy framework includes a policy towards insurgencies in the country in general with policy differentiation in Mindanao for the MNLF and the MILF, as well as the definition of Abu Sayyaf as a terrorist organization. The policy toward MILF has combined constructive engagement, including humanitarian and development assistance, with the delimitation of combat areas and military actions to enforce the delimitation. One high-level government official mentioned that ''the MILF is a bureaucracy and we are a bureaucracy, we can relate and negotiate.'' The new 'Peace and Development Plan' of the Armed Forces of the Philippines stresses social factors and the value of respect for human rights as imperatives for operational success.

3. The government is demonstrating the willingness to further postpone the plebiscite and elections to more realistic dates and hopefully more auspicious conditions in the first semester of the year. The government has demonstrated the willingness to ''crash complete'' unfinished ARMM investment projects prior to probable elections next year. This will be positive for the credibility of the government, MNLF, the current ARMM, and prospects for the expansion of the new ARMM. This follows the successful integration of the MNLF combatants into the AFP and the PNP. In sum, the government has honored and continues to honor its commitment to the peace accords and the autonomy for peace and development concept.

Weaknesses

1. The universal dictum of the political economy of defense that financing for war is more forthcoming than for preventive or curative actions (''Zillions for Zeus/ Peanuts for Peace'') would seem to hold true in the Philippines. The past cost of the war in Mindanao, or the current level of operations projected into the future, represent expenditures incommensurate with what has been spent on ARMM and SPCPD, or what is contemplated for the new ARMM government.

2. The Secretary of Defense argues persuasively against paramilitary or vigilante groups and states that the AFP must do the job themselves, but reports indicate that the army is organizing paramilitary groups. The temptation of the army to have ex-MNLF combatants fight the MILF is very great (the CIA's ''Nicaraguan Strategy'' of Nicaraguans fighting Nicaraguans). This dichotomy introduces an element of incoherence in government policy.

3. Some military officers and local government officials, as well as some legislators, are in favor of a military and political victory in Mindanao. They believe that the MILF can be defeated militarily and the MNLF defeated politically. The latter would include no entity opting for ARMM and the autonomy for peace and development process failing. They hold that the Bangsamoro people were pacific prior to being influenced by nationalist and religious zealots and would return to being so if the latter were removed from the military and political scene. This position also leads to occasional incoherence vis-à-vis the policy being pursued by the administration.

A.2) Moro National Liberation Front (MNLF)

Strengths

1. The MNLF has honored the peace agreement and demobilized with only marginal problems. It has shown political resolve in defending the peace accords and the autonomy for peace and development concept in the face of violent opposition from other groups in the Bangsamoro community.

2. The MNLF has demonstrated organizational strength in maintaining organized and largely united its combatants, support structures, and communities, even in the face of pressure from violent groups in the Bangsamoro community and despite occasional incidents perpetrated by the AFP and cross-fire situations.

3. The transition from revolutionary movement and guerilla army to civilian organization has begun with the assumption of the ARMM administration and SPCPD activities. The latter is from the top of the organization down to the grass roots level, with ex-commanders undertaking community development roles. The MNLF has sought alliance building with other communities in this process and is willing to forego exclusivity in favor of community development involving all ethnic and religious groups. A mainstream political manifestation of this is the Cotabato Mayor's Office's management of a city-wide constituency and the proposal to make this even more inclusive through the promotion of a Metro Cotabato concept.

Weaknesses

1. The MNLF transition is still incomplete and the organization needs to make ''existential decisions'' with regard to its future roles. Options include political party, community development organization, cooperative movement, or any combination of the above. There is a

certain urgency to these decisions given the possible realization next year of ARMM elections and the May 2001 national elections.

2. The MNLF needs to strengthen its management capacity, transparency, and accountability. It's image has suffered from problems in these areas in the ARMM administration and at the local level. It's future outreach will be conditioned by its capacity to transform itself in these areas.

3. The inability of the MNLF to date to deliver significant results from the peace accords, whatever the reasons may be, make the organization vulnerable to possible divisions in its own ranks and /or incursions into it's support base by other organizations. The latter have comfortable ''opposition position'' that permit them to only criticize rather than produce results.

A.3) Risks and Consequences

1) Hawks on Both Sides

The hawks on both sides of the conflict have ample social base, and they each have hope for victory despite thirty years of empirical evidence to the contrary. They also have the capacity to heat up the war. The risk is that they thrive on each other as well as on negative internal and external factors. Increased levels of activity spawn more and more armed groups, including insurgents, paramilitaries, and vigilantes. The risk here is the worst case scenario of the appearance of anarchical conditions.

2) Negative Internal Factors

These factors include increasing numbers of displaced persons, and the tendency of the internally displaced not to return to their places of residence as rapidly as was previously the case. Another factor is the increase in paramilitary and vigilante activity. Both of these processes are spurred by the perception that a 1970's-type war situation is building up. Paramilitary and vigilante activity can heat up the war. They can also spin out of the control of the principal parties to the conflict. Communal violence between ethnic and religious communities is the risk. The neighboring Moluccas in Indonesia and the distant ex-Yugoslavia demonstrate how serious the consequences of this risk can be.

3) Negative External Factors

External factors were a positive influence on GOP-MNLF negotiations from the original Tripoli Agreement through the 1996 peace accord. Today, the external factors are mostly adverse. The MILF witnesses the East Timor process and calls for a plebiscite despite the fact that the post-colonial invasion situation is not

analogous. The cease-fire between the Aceh rebels and the Indonesian government is more analogous. If an independence plebiscite were to be held in Aceh the pressure on the Philippines would mount. If Aceh were to obtain independence and Indonesia were to begin to break-up the situation in the Southern Philippines could deteriorate rapidly. This is not only in Mindanao, but also potentially in the rest of the Philippines as well. A Western Canada type reaction to Quebec independence demands could emerge. In Canada, fatigue with the independence issue has led to a "Let them go, we are tired of it" reaction. This without a prolonged war at great human and economic expense. This risk in the Philippines cannot be discounted completely given the combination of prolonged war, atrocities, and the image of an endless, deteriorating situation.

On the terrorist side of the ledger, Abu Sayyaf is part of an international network of Islamic jihad organizations that practice solidarity among themselves. Most of these organizations sprang out of the Afghan War and still find a common point of reference in Afghanistan.

4) Military and Political Victory Position

There are those who believe that the MILF can be defeated militarily and that the MNLF has politically defeated itself with the current ARMM administration. These forces desire vigorous military offensives and to hold a plebiscite on continuation in ARMM in parallel with the one on expansion. Victory is thought possible without the necessity of autonomy or any concessions beyond village development schemes as part of counter-insurgency actions. These groups place great faith in the AFP's new ''Peace and Development Plan'' that combines military, economic, social, and political actions, while coordinating military and governmental structures. This strategy undoubtedly will lead to greater effectiveness. Whether it is capable of achieving the objectives sought by these groups remains to be seen. The strategy is so new that motivational levels are still high and limitations are still not apparent. The proponents of victory do not consider that the loss of the autonomy for peace and development banner to be particularly grave. They do not consider that it would lead to a strengthening of the social base of the independence insurgency or the terrorist movement. They consider the Bangsamoro social base to be superficial and largely coerced. Three decades of support for independence movements is hard to explain away that easily. However, for purposes of argumentation let us concede that it could be possible to break-up both the MILF and the MNLF. That would still leave thousands of combatants without umbrella organizations. The result could be the worst case scenario.

5) Worst Case Scenario

Instead of the MNLF and the MILF, dozens of Abu Sayyaf-type organizations under mixed national independence and religious extremist banners, move in a sea of paramilitary and vigilante groups engaged in communal violence. These small groups would form and disband with facility. Penetration would be difficult and intelligence minimal. They would also have new, unpredictable and generally radicalized leadership. This assessment is not exaggerated if one considers the number of private armed groups that already exist in Mindanao, as well as international experience. In Nicaragua in the early 1990s, in a post-conflict situation, there were over 30 armed groups in the North of the country for several years. Some were ex-Contra combatants (Re-Contras), some were ex-Sandinista combatants (Re-Compas) and some were even mixed Contra/Sandinista groups (Revueltos). Successive negotiations were undertaken to demobilize most of them to diffuse an anarchic situation, while residual groups were dealt with militarily. In Colombia, the Medellin and Cali drug cartels were effectively broken but the situation did not improve. It is now infinitely worse. Dozens of smaller, more agile, local cartels on which there is incomplete intelligence operate over wider territories. Alliances with communist guerrillas and paramilitary groups further complicate the situation. Colombia is now the third largest recipient of US aid in the world (after Israel and Egypt) as part of an impending war against drug production defended by guerilla and paramilitary armies with access to financial resources beyond their capacity to assimilate. Neither of these cases are analogous to the Southern Philippines. They do illustrate, however, that the break-up of large armed organizations can lead to worsening situations if underlying causes are not addressed. The conclusion is that the situation in Mindanao could get infinitely worse.

A second variation on the worst case scenario is that national public opinion reaches a point of fatigue with the peace process and the conflict itself. This can lead to pressures for irrational escalation in which the damage done is the criterion for success rather than instrumental goals. This type of "social catharsis violence" can lead to continual escalation of revenge and counter-revenge violence. It also provides the space for terrorist groups to be able to sabotage the peace process to their advantage through horrendous atrocities.

Another possible reaction to fatigue is "withdrawal with resignation." In this variant, public opinion ceases to support both peace and the war. "Let them leave if they want to but let's get this over with" is the state of opinion that emerges in such a situation. In the Canadian West, this state of opinion has emerged in relation to "Quebec independence" after years of constitutional debate devoid of armed conflict. This scenario is not probable in the actual circumstances of the Philippines, but it does not constitute a worst case scenario if the "win-win" autonomy for peace and development option were to fail. There are those who will

proactively seek to create this scenario in that it is the "military victory" situation for independence forces. The asymmetry of population and resources does not permit any other scenario for "military victory." The example of Viet Nam in which the "Tet Offensive" of February, 1968, defined the outcome of the war in U.S. public opinion is a point of reference for these forces.

6) Top-Down Peace Process

The autonomy for peace process has been essentially top-down. SPCPD has undertaken peace and development community projects in SZOPAD beginning with MNLF combatants, support structures, and communities. It is also seeking to work beyond exclusivity and toward outreach to all communities. SPCPD also has representation from all communities. However, coverage has been limited and current levels of resources will never allow the critical mass necessary to make a significant, sustainable contribution to autonomy, development, and peace. Some other initiatives, such as the Canadian CIDA-supported local government program, also have a bottom-up perspective. However, for most citizens of SZOPAD, and hence the universe of potential new ARMM areas, autonomy and development are quite simply abstractions. They have not affected their lives in tangible ways. A brief exposure to a window of opportunity for peace in the period 1996-2000 is being lost and that leaves nothing to show for the peace process for a majority of the citizenry.

Peace is a disappearing reality, and the peace process is not something over which people feel either ownership or involvement. The people are the key to the issues of war or peace in Mindanao. They can form part of the social base for peace or the social base for war. They can also retreat into religious fundamentalism. And Informed sources report that there is an increase in Muslim fundamentalism in Mindanao. This should not be equated with politically motivated religious extremism. To do so would be to push fundamentalists into the extremist camp and accomplish for the extremists one of their prime political goals.

What is needed is to involve people of all religious persuasions in the autonomy for peace and development process. What is needed is for them to directly participate in autonomous institutions that tangibly benefit them, and for which they can eventually feel ownership. This is what can generate a political and social base for peace. This is what can erode the political and social base for war. This is what can create a win-win situation.

B) Win-Win Situation

Peace for autonomy and development is the only win-win situation in the Southern Philippines. That is why this position should be defended at all costs. The

arrangements of the peace process have proven to be quite wise. If there had not been a transitory institutional arrangement, there would not be the opportunity to adjust the new ARMM institutions to the needs of the autonomy for peace and development at this point in time. That opportunity does exist. It should be taken advantage of to guarantee both the form and substance of the autonomy for peace and development concept. The form consists of meaningfully autonomous institutions. The substance consists of a value-added that the new autonomous government can offer the people of the new ARMM. The following additionalities are a preliminary list to elicit debate:

- Religious and cultural pride, legal norms, and social mores that provide for unity in diversity;
- A regional police force to improve citizen-police liaison and to improve the law and order situation;
- Participatory infrastructure and human development for poverty reduction.

The latter program would constitute the ''Mini-Marshall Plan'' discussed at the time of signing of the 1996 peace agreement. It would be designed to address historical relegation and the incidence and levels of poverty to be found in the region. It should be a bottom-up, people-centered, pro-poor, participatory program that empowers communities to set and achieve objectives that improve their life situations. It would generate ownership of the new autonomous institutions and common interests that provide a platform for unity in diversity. Community-driven social transformation would change the perceptions on autonomy of the people of ARMM from ''nothing to gain'' to ''something to lose''.

It would change the situation in Mindanao from ''loss-loss'' to ''win-win''. The rest of the Philippines could gain back a relatively peaceful territory, one of its prime productive assets, higher levels of foreign investment, and a revitalized tourist industry, nationally and in Mindanao. The international image of the country would be enhanced and citizen's rights, security and services would be strengthened.

Despite recent setbacks and adverse internal and external factors, peace for autonomy and development is still possible in Mindanao. Peace without pesos is not.

C) Effects of the on-going GRP-MILF Negotiations and Armed Encounters on the GRP-MNLF Peace Agreement

This point is dealt with as one of the challenges/issues earlier discussed in this paper.

D) Donor Assistance

There is no possibility for the GOP to fully finance peace for autonomy and development in Mindanao. Neither is there any way for it to finance a war whose probable outcome would be protracted stalemate. Over a quarter century of history and the events of the last month combine as evidence for this assertion. Peace would appear to be the better investment.

This is also the case in that an international donor community increasingly attuned to the concept of "fungibility" might conclude that it was the prevailing level of external cooperation to the country that permits the government the budget necessary to wage the war. For example, the donors were fast reaching that conclusion in Sri Lanka, even before the latest offensives. In the Philippines, the negative image would be that there is a division of labor with the government financing the war with donors supposed to finance the peace through the Multi-Donor Support Group. There must be a true partnership for financing peace.

The international community can contribute to the investment in autonomy for peace and development in the Southern Philippines through the existing multi-donor support group. Three priorities are recommended for that assistance:

1. Capacity-building in the new autonomous government to construct devolution of power and decentralization of authority, participation and representation, transparency and accountability, responsiveness to citizen demands and effectiveness.
2. A regional police force to avoid an occupied territory perception on the part of local inhabitants and more effective citizen-police liaison on citizen's rights, security and services;
3. Community-driven, participatory infrastructure and human development for poverty reduction.

The assistance should be channeled through the new autonomous government in the new ARMM. That focalization in and of itself is sufficient to provide decisive support for the autonomy for peace and development concept. The interest of the international community in this concept for successful conflict resolution, as well as the methodologies and programs necessary for its implementation, extend beyond the Philippines to include Indonesia, Sri Lanka, and eventually Myanmar, to cite only Asian examples.

The World Bank and the Asian Development Bank that have recently made poverty alleviation their mandate could be invited to participate in this effort. Another bold initiative would be to invite the ex-colonial powers, the United States and Spain, to participate as part of their quota of responsibility for the historical relegation of the Bangsamoro community and the Southern Philippines. They may

or may not like this concept, but there are also other possible interests. The United States classifies Abu Sayyaf as a terrorist organization that represents a threat to U.S. citizens. The ''Mini Marshall Plan'' could win back the social and political bases from both terrorism under religious guises and nationalist insurgencies seeking independence.

E) Roles for United Nations

The United Nations System already has a leadership role in the Multi-Donor Support Group. On the issue of support for police, a successful precedent on the organization of a police force as part of a peace process with intensive United Nations assistance exists in El Salvador. The challenges of autonomy for peace and development require more than the current coordination in a given region of parallel programming by different UN agencies. To be successful it would require an integrated program in accordance with a common set of national government-determined objectives at the macro level. At the meso level capacity-building for the new autonomous government of the new ARMM should be prioritized, as well as continued direct support for demobilized combatants and support structures. At the micro level support should be given for community-driven objectives.

The UN System has and can continue to play an important role in the confidence building that is a critical success factor for the peace process. In this role, the UN system can influence actors, stakeholders and public opinion.

Aid coordination requires inordinate energy from both government and the donors themselves. If both sides work in the same direction, advances can be made. An integrated program to deal with a specific process in a focalized area is quite obviously the best option. However, it is generally unobtainable. The more important the objectives, the greater the difficulty of the conditions, and the more serious the security considerations, the more necessary is integration. Government power and energy moving in that direction can make a difference. United Nations can be of assistance in facilitating that same movement among the international donor community.

PEACE PROCESS, AUTONOMY AND DEVELOPMENT IN MINDANAO

Overall Assessment

The successful Mindanao peace process[2] faces a crisis of credibility. Success has consisted of high levels of peace and order after more than two decades of internal war. The demobilization of combatants and their reintegration into civilian life, as well as the assimilation of some into the military and the police, have also been largely successful. The crisis of credibility consists of lack of progress on the issues of effective autonomy and increased investment to redress Mindanao's relegation from the mainstream of Philippine development. The crisis of credibility affects all parties to the peace agreement, the Government of the Republic of the Philippines (GRP), the Moro National Liberation Front (MNLF) and the Organization of Islamic Conference (OIC). The following report includes assessments of the peace process, autonomy, development, institutional arraignments and issues, donor and government support, and a concluding note.

Peace Process

There now exists a historic opportunity to overcome a 23 year old insurgency with roots that span centuries.[3] The ground still to be covered is minimal, compared to the long and arduous road to peace already travelled over a period of more than two decades.[4]

The Tripoli Agreement of December 23, 1976, between the GRP, MNLF, and OIC, created the basis for a "just, lasting, honorable, and comprehensive solution" through the recognition of "sovereignty, territorial integrity, and the Constitution of the Republic of the Philippines." The MNLF goal of independence for the

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[1] This paper is a product of a mission undertaken in Cotabato City, Mindanao (7-10 June 1999) and Metro Manila (10-11 June 1999) by Dr. Paul Oquist (Coordinator, UNDP Paragon Regional Governance Programme, Asia-Pacific). Ms Elena Panganbian, Executive Director, Local Government Academy) Mr. Cesar Liporada (Programme Manager, Governance Unit, UNDP/Manila) and Ms. Cynthia Guerra (HRD Technical Assistant, SPCPD-NEDA-UN Multi-Donor's Programme/Cotabato City). The report is the exclusive responsibility of Dr. Paul Oquist. The interviews and visits undertaken are annexed.

[2] "Mindanao peace process" is a short-form statement of a process in the Muslim regions of the Southern Philippines comprised of Western Mindanao, Palawan, and the archipelagos of Basilan, Sulu, and Tawi-Tawi.

[3] Islam was introduced in the Sulu archipelago, Mindanao and Palawan on the 13th century by Arab missionaries. Muslim sultanates, including the historically significant Sultanate of Sulu organized politically and militarily the population who resisted foreign domination across the centuries, as well as the influence of the neighboring islands of the Visayas and Luzon

Bangsamoro people was replaced by that of achieving autonomy and development support. Disagreements over implementation led to the continuation of the conflict. Intense negotiations in the period 1992-1996 led to the signing of a "final agreement" on the implementation of the 1976 peace accord on September 2, 1996. Notwithstanding the "Final Peace Agreement" countervailing political forces are significant, and the outcome of the peace process is still uncertain.

At this stage, the peace process requires the passage, by the Philippine Congress, of an autonomy law acceptable to the MNLF and the Moro Islamic Liberation Front (MILF). The MILF official position is for independence and not autonomy. However, this does not obviate that the formula for a peace agreement between the GRP and the MILF would have to be based on an autonomy proposal acceptable to the MILF. This, inasmuch as independence is no longer a viable option after MNLF and OIC acceptance of the "Final Peace Agreement".

The timing of a plebiscite concerning provincial acceptance of the proposal should also be agreeable to the insurgent forces. This would afford the previous and current insurgent forces the opportunity to take their case for autonomy to the people, in conditions where they feel they maintain a fair chance and sufficient time for success. The opposite scenario runs counter to the letter and spirit of the peace agreement. It consists of the ex-combatants faced with an unacceptable proposal submitted to the local population in a time period insufficient to undertake an effective campaign. Such a situation would not be considered a solution to the conflict by one of the parties. The objective is to obtain peace; this requires a "win-win" solution with which all parties can identify. The Philippine Congress will consider both of these issues, the autonomy bill and the timing of the plebiscite, at a special session to be held 12-16 July 1999.

Even with an acceptable proposal and time-frame, the task of securing approval for an Autonomous Regional Government (ARG) from the population of the various provinces of the South will be difficult. This statement is based on the difficulties of previous plebiscites in the Marcos and Aquino administrations, as well as the problems of previously created autonomous institutions (ARMM and SPCPD). The credibility of the MNLF has also been affected by its administration of these autonomous institutions, both of which are now transitory in nature. These factors are analyzed in the section "Institutional Arrangements and Issues".

The temptation in some political quarters to seek victory over the insurgent forces through the peace process is short-sighted. It will only defeat the peace process itself. MNLF elements who now openly call for a return to armed struggle in the jungle, view the manoeuvres of politicians as detrimental to the MNLF. A return to the jungle is feasible in that the peace process failed to include disarmament. Further, thousands of combatants maintain expertise in both

guerrilla warfare and jungle survival. However, such a move would be difficult, but not impossible, for the now middle-aged MNLF leadership exercising positions of political power. It would be more feasible for those rank and file who have only marginally been reintegrated into productive civilian life.

A salient point, however, is that an MNLF return to the jungle is unnecessary. Armed pressure politics is undertaken in many conflict situations by coalitions or organizations with political and military wings (for example, in Colombia, Spain and Northern Ireland). The recent rapprochement between the legal MNLF, with positions in governmental entities, and the still insurgent MILF opens the door to this possibility. The 15 May meeting between MNLF leader Professor Nur Misuari and MILF Chairman Ustadz Salamat Hashim was the first since the separation of the MILF from the MNLF in 1978. A second meeting will take place under international auspices at the OIC meeting in Burkina Fasso on 28 June 1999.

After violent encounters early in the year with the Armed Forces of the Philippines (AFP), the MILF has agreed to a ceasefire, and it has also consented to re-initiate peace talks with GRP in the next four months. The negotiations with both the government and the MNLF involve the transit of the MILF from its current official position in favor of full independence to acceptance of autonomy. There is no other entry point for peace. The issue for the MILF then resolves, as it does for the MNLF, to the definition of autonomy and the type of institutional arrangements. There can be no peace with the MILF, nor lasting peace with the MNLF, without addressing the issue of autonomy in a form acceptable to both. That is the price for peace in Mindanao. Less than that would not be considered peace by the Bangsamoro rank and file insurgents.

For the MNLF, there is the added aggravator that they have already negotiated autonomous arrangements in both the 1976 agreements, the latter being quite specific on the matter. The current congressional debates re-open issues already accorded by the executive in internationally backed agreements. Of course, the agreements also specify that they will be implemented in accordance with the Philippine Constitution, and that requires Congressional approval of the enabling legislation for autonomy. The issue is not a legal one. Congress can pass the law of its choice. The issue is rather one of political sensitivity to the dynamics of a

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[4] The peace process has spanned over twenty years of negotiations involving the Marcos, Aquino, Ramos and Estrada administrations. The Tripoli Agreement (23 December 1976) between the Marcos Administration and the MNLF was brokered by the Organization of Islamic Conference (OIC). Subsequently there was a referendum-plebiscite over autonomy on *17 April 1977.* A negotiation process was held between the Aquino Administration and the MNLF after the September, 1986 cease-fire in Sulu. This led the Aquino government to promulgate the 1 August 1989 law creating the Autonomous Region in Muslim Mindanao (ARMM), a measure rejected by the MNLF. The Ramos Administration undertook negotiations with the MNLF in Tripoli, Libya (3-5 October 1992). Cipanas, West Java, Indonesia (14-16 April 1993), Jakarta, Indonesia (27 October-7 November 1993; 1-5 September 1994; 27 November-1 December 1995; 3-5 June 1996-OIC Ministerial Committee of Six--; and, 29-30 August, 1996); and, Davao City, Philippines (20-23 June, 1996 culminating in the meeting to sign the final peace agreement at Malacañang Palace (2 September 1996).

twenty-year peace process. If the culmination of two decades of negotiations is an Autonomy Law unacceptable to the insurgent forces, the peace process will be discredited. The Bangsamoro insurgent rank and file will view their leadership as having been politically defeated by a "good cop-bad cop" routine undertaken by the powers of the Philippine State.

The definition of success for the peace process is to create institutions that pacifically channel the issues that have formed the basis of the conflict. These channels should be mutually acceptable to the parties to the conflict and create a win-win situation for the peace to be sustainable.

The core issues in the Southern Philippines are autonomy and developmental assistance. Failure to adequately address them would give new life to an expiring insurgency. It would lead to greatly diminished levels of confidence between the GRP and the Muslim population of the Southern Philippines. The most tragic result of this scenario would be that peace, having been discredited, would no longer be considered a viable option for a considerable period of time.

Such a scenario should be avoided at all costs. Such a historic mistake would be all the more lamentable because it can be easily avoided. The opportunity that presents itself to the Philippines is that a relatively low cost solution has already been negotiated and only need be specified in terms acceptable to the relevant parties. Once accomplished, it would be up to the citizens of the Southern Philippines provinces. They would have the final say on whether they want to live in those institutions or not as the result of a democratic plebiscite. To not present them with an autonomy option acceptable to the parties of the ''Final Peace Agreement'' would be to abort the peace process.

Autonomy

The two elements required for sustainable peace in Mindanao are unequal. Development is a broad-based, long-term concept. What can be done in the short-term for development is investment and capacity-building. Even with a high priority development results are not automatic. Autonomy, however, is a concept that can be sharply focused as well as achieved in the short term. It is, therefore, the more sensitive of the two issues. It is also the issue that has precluded the success of all of the Mindanao peace initiatives undertaken by previous Philippine administrations.

Marcos Administration

The Tripoli agreement of 1976 provided for the establishment of an area of autonomy in the Southern Philippines. The Special Development Planning Task Force[5] describes the subsequent process as follows:

"Then President Fernando E. Marcos issues PD No. 168 forming Autonomous Regions IX and XII. Many ranking MNLF commanders returned to the folds of law. Some were appointed to various government positions. The majority of the Bangsa Moro Front's members, however, continued to pursue their revolutionary ideals. They were convinced that the Philippine governments actions were not in accordance with the provisions of the Tripoli Agreement."

Aquino Administration

After a September 1986 cease-fire in the province of Sulu, negotiations ensued on autonomy arrangements. The MNLF wanted an autonomy area of 13 provinces by presidential decree while the government insisted on a law by Congress and a plebiscite. On 1st August, 1989, Congress enacted into law Republic Act (RA) No.6734 creating the Autonomous Region in Muslim Mindanao. In the ensuing plebiscite four out of 13 provinces accepted the autonomy arrangement: Lanao del Sur, Maguindanao, Sulu, and Tawi-Tawi. ARMM Authorities were elected in February 1990 and have been re-elected every three years thereafter. ARMM consists of autonomous executive, legislative, and judicial institutions. Nineteen agencies were devolved from the national administration to ARMM. The MNLF boycotted both the plebiscite and the subsequent elections until after the 1996 peace agreement. At that time MNLF, Chairman Nur Misuari ran for and won the elections for ARMM Regional Governor.

Ramos Administration

The 2nd September 1996, "Final Peace Agreement" contemplates a two stage implementation of autonomy. The first stage (1996-1999) is mandated through Executive Order (EO) No 371 (2nd October 1996), which establishes the Special Zone of Peace and Development in the Southern Philippines (SZOPAD) covering 14 provinces and nine cities[5]. The zone's implementing mechanism is the Southern Philippines Council for Peace and Development (SPCPD). In addition to its executive, SPCPD maintains an advisory body, the Consultative Assembly (CA). Both the Council and its Consultative Assembly are administratively within the Office of the President. The constituting Executive Order is based on Section 14, Article X of the 1967 Constitution. This empowers the President to provide regional development councils or similar bodies within the regions to strengthen decentralization and autonomous units, as well as to accelerate economic and social growth and development. The specific functions of the SPCPD are to promote, coordinate, and monitor development efforts in the SZOPAD.

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[5] The 14 provinces are Basilan, Cotabato, Davao del Sur, Lanao del Norte, Lanao del Sur, Maguindanao, Palawan, Sarangani, Sultan Kudarat, Sulu, South Cotabato, Tawi-Tawi, Zamboanga del Norte, and Zamboanga del Sur. The nine cities are Cotabato, Dapitan, Dipolog, General Santos, Illigan, Marawi, Pagadian, Puerto Princesa, and Zamboanga.

The second phase of the "Final Peace Agreement" contemplates Congress amending or repealing the Organic Act of ARMM (Republic Act 6734), in order to create a ARG subject to a plebiscite to be conducted in each province to determine the specific area of the autonomy. In accordance with this requisite, a draft bill was completed and certified by the Ramos Administration as a priority administration measure for immediate passage. However, passage did not occur before the expiration of both the administration and the sitting Congress.

Estrada Administration

Given the failure to pass the bill in the old Congress, the Estrada Administration recertified as a priority administration measure House Bill No. 2577 filed by Maguindanao Representative Didagen Dilangalen, and it requested urgent passage. The MNLF considers that the bill, certified by the administration, conforms with "The Final Peace Agreement." The Dilangalen proposal further seeks the postponement of the elections in ARMM until the second Monday in March, 2000. This would follow a plebiscite on the creation of the ARG that Dilangalen proposes be held between September and November of this year. Thus, the terms of the current ARMM officials would be extended by six months. It also implies that the new officials to be elected by the electorate are destined to support the new ARG and not the ARMM.

In addition to the bill certified by the administration, two other proposals have been presented. These and proposed amendments are currently being consolidated into a revised draft bill, to be presented to an Extraordinary Session of Congress held for five days beginning 12 July 1999. The MNLF considers that the draft being prepared differs from "The Final Peace Agreement" in two important ways. One is that the peace agreement specifies the functions that the central government will conserve, while all others are left to the ARG by default. The revised draft specifies functions for the ARG and leaves all other functions to the National Government by default. The other major variation is that regional mineral rights, present in the "Final Peace Agreement", are absent in the draft. These two issues render the bill unacceptable to the MNLF.

The International Peace Agreement and Congressional Positions

In two years following the amendment to RA 6734, the MNLF argues that the non-approval to create an organic base for a proposed Regional Autonomous Government is a violation of the peace agreement. Government officials do not disagree but point out that legislation is a constitutional prerogative of Congress. It is now apparent that there is no consensus in Congress on the autonomy proposals. Furthermore, there is congressional opposition to the proposal to postpone the ARMM elections scheduled for September. The opponents of this include some Muslim legislators from Mindanao. MNLF leaders have announced

that not to stage the plebiscite on the Regional Autonomous Government prior to the ARMM elections would constitute a violation of the "Final Peace Agreement" serious enough to kill the peace process.

Development

Mindanao's developmental indicators are behind those of the rest of the Philippines. In the SZOPAD, per capita Gross Regional Domestic Product is P7, 100 as compared to an average in the other regions of the country of P11, 400. The incidence of poverty is estimated at 52.8% of the population, as compared to 35.7% nationally. Health and education indicators are only slightly lower than the national average, but still reflect the Philippine's relatively high indices for a developing country. For example, the SZOPAD literacy rate is 90% compared to the national figure of 95%. Even the province with the lowest literacy rate in SZOPAD, Lanao del Sur, has a literacy rate of 88%.

In sum, Mindanao and adjacent areas are significantly less well-off economically than the rest of the Philippines. The impact of that difference in basic social indicators is, however, less than would normally be the case in other developing countries. This is positive in that the current emphasis on sustainable human development can facilitate economic growth if adequate capacity-building is undertaken.

The economic gap is attributable to at least four factors:

- Historic relegation
- War damage
- Economic disruptions due to the war
- Lack of post-war programme

It has not been possible in the short time period of this assessment to engage an analysis of historical investment patterns in the Philippines. Such a study is vital to achieve an understanding of the economic impact of the different processes that Mindanao has experienced. However, there is an absolute consensus among all consulted that Mindanao has been historically relegated from the mainstream of Philippine development.

Neither is there information on war damages or economic disruption due to the war in Mindanao. The latter of course tends to be much greater than the direct damages. This involves both the disarticulation of productive and distributive circuits and the relative absence of investments in war zones. In some armed conflict situations, the analysis of the war's impact on the economy has been taken to the level of the analysis of the Gross Domestic Product (GDP).[6]

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[6] The Presidency of the Republic of Nicaragua, with the assistance of the United Nations Economic Commission for Latin

The incidence of a war over a two-decade period leads to chronic disruptions but also creative adaptations to the situation. Notwithstanding the lack of empirical evidence, it is indisputable that the combination of war damage and the economic disruptions of war add another dimension to historical relegation as causes of Mindanao's developmental gap.

Another factor is the rapidity with which normalcy was declared after the cessation of hostilities. It would seem that both parties considered that normalcy was a critical success factor for the peace process. This contrasts with Europe after the Second World War, where a concept of "post-war" resulted in exceptional measures and resources for a prolonged period (1945-1952). This was to compensate for war damages and economic disruptions due to the war, as well as to articulate new institutions where necessary.

In the Southern Philippines, the Ramos Administration spoke of a "Mini-Marshall Plan" at the time of the negotiation of the "Final Peace Agreement". This did not materialize. On the contrary, the advent of the South East Asia economic crisis led to the curtailment of investments throughout the Philippines, including Mindanao. One of the six points of non-fulfilment of the peace agreements cited by the MNLF is the disappearance of the "Mini-Marshall Plan" concept.

The support of external donors has made itself felt in the region (a point analyzed below), but there is no information available of the "peace additionality" of domestic or international investment. The question to be posed is how does Mindanao compares with similar regions in other parts of the Philippines. Are the investments in execution or in the pipeline lower, the same, or greater? If the latter is not significantly the case, then there is no real investment priority being given to the post-war reconstruction of Mindanao. The further implication of this situation would be that the gap between SZOPAD and the rest of the Philippines would not narrow in the future.

Institutional Arrangements and Issues

The institutional arrangements in the Muslim Mindanao region resemble geological strata. Each successive layer has been created across time with none being subtracted. The line agencies that have not been devolved or only partially devolved continue to operate normally (especially if they control donor financing), as they also do in the rest of the Philippines. The same is true of the LGUs. The regional structures created in the Marcos administration are playing a role, especially at the planning level. The Autonomous Region in Muslim Mindanao, created in the

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America and the Caribbean (ECLAC), undertook such an analysis. The results were presented in the compensation phase of the case "Nicaragua vs. the United States: Military and Paramilitary Actions in and against Nicaragua" (The Hague: United Nations and International Court of Justice, 1987).

Aquino Administration, is in force in the four provinces that accepted that autonomy. These same four, along with 10 other provinces and 9 cities, also form part of the SZOPAD with its Southern SPCPD and Consultative Assembly (CA).

Some of these institutions are too light while others are too heavy. SPCPD's role of coordinating line agencies, LGUs, and others in the developmental process without significant authority, functions or investment budgets is predestined to produce modest results in the best of circumstances. ARMM on the other hand has Executive, Legislative, and Judicial branches. The executive branch contains 19 devolved agencies and 9 regional planning committees, while the legislative branch has an additional 27 committees. This totals 52 entities to govern four provinces that also have elected provincial and municipal governments, as well as barangay sub-municipal structures. What ARMM does not have is either fiscal autonomy or investment budgets. These funds overwhelmingly come from the national government and in conditions in which they need to be negotiated annually. The amounts received cover only the cost of the bureaucracy, with minimal funds available for investment purposes.

Prior to the assumption to the ARMM administration by the MNLF in 1996, the organization received a P500 million per year special investment budget. That five-year extraordinary budget was scheduled to expire by law, and its non-renewal coincided with the advent of the financial crisis. The net result, however, is that ARMM had more investment resources during the armed conflict than during the peace and reconstruction process. This circumstance could lead to the interpretation that the ARMM investment budget had a counter-insurgency motivation that lost its usefulness with the "Final Peace Agreement". A ranking MNLF leader interviewed admitted to a "lingering suspicion" in this regard, but also added that they "tried not to think about it". This was due to the significant implications of such a supposition for the good faith of the parties on which the entire peace process is based.

The internal processes of complex organizations also seem to inordinately consume the time and energy of the prime actors. The minutes of meetings and evaluation reports devote much attention to representation on different collegial bodies and the process being undertaken by them. Far less time seems to be devoted to questions related to the provision of different types of services, the execution of specific investments, and the solution of the concrete problems related to them. Bureaucratic organizations tend to progressively absorb the actors who work in them in process logic. Decentralized, field-oriented, hands-on approaches can help to ameliorate some of these tendencies.

Given the complexity of the institutional arrangements, it is not surprising that there are relational difficulties. This is particularly the case between the LGUs and the autonomous institutions. The 1991 decentralized process in the

Philippines devolved considerable power, authority, functions, and resources to the local level. The existential problem of the autonomous institutions is proving their "value-added" to the provinces and municipalities. The LGUs compare this to the situation of directly relating to the national government. From the viewpoint of the LGUs, there could be more autonomy by relating directly to the national government than through the intermediation of an autonomous level of institutions. This is offset, on the other hand, by the "symbolic value added" of the autonomous institutions for the Bangsamoro population and their identity, culture, value, and mores.

The balance between the instrumental and symbolic elements varies from place to place and from situation to situation. It is also conditioned by the fact that the current institutions are neither fully autonomous, especially given their financial dependence, nor acceptably efficient. The negative evaluation of the institutions is shared by their high level officials who point to a lack of authority and resources. Only a fraction of the resources requested are approved and then only a part of that effectively arrives. This reality, however, should also be placed into the context of the utilization of the limited resources that do arrive. From that analysis, it is possible to launch the hypothesis that there is limited capacity to execute significantly large budgets. To do so would require additional capacity-building and a strategy to deal with corruption.

Corruption is a serious and growing problem. The autonomous institutions have not proven immune to the less attractive aspects of the national political and public sector organizational cultures. Nepotism, favoring compadres and comadres, and SOP (Standard Operating Procedure payments for bureaucratic services) are all present.

Corruption not only affects the efficiency of budgetary execution but also the symbolic value of autonomy. Part of the identity of many of the ethnic groups that conform the Bangsamoro people, including the Tausug of Sulu, is that their Islam has made them more honest and less corrupt than their neighbors from other parts of the Philippines. The current image of the autonomous institutions, however, reflects the same political and administrative practices as elsewhere.

Another aspect of inefficiency is patronage. When a group of officials in the autonomous institutions were asked what has been learnt since 1996 the first answer to arise was the "damage done be the dole." It was inevitable that the demobilization of thousands of combatants and their families required emergency assistance. However, the transition from that modality---and mentality---to productive activities has been difficult. This, of course is also conditioned by the lack of a dynamic investment environment.

The MNLF is itself in transition. This is sometimes described as the shift from a revolutionary military organization to a development organization. A network of cooperatives is being put into place. An essential aspect of that transition is the political one. Revolutionary organizations are politico-military entities. Part of the transition of the MNLF is to shed the "military" from the "politico" and adapt the latter to electoral politics, legislative lobbying and oversight, and programmes to guide executive action. The multiple role shifts being undertaken by the MNLF simultaneously are complex. However success stories are already visible. The elected Mayor of Cotabato City, Muslimin G. Sema, who is also MNLF Secretary General, is widely recognized as managing an effective city administration. He is also proactively promoting a Metro Cotabato alliance with neighboring municipalities to confront developmental challenges of mutual interest.

The Mayor of Cotabato City has clearly adopted the territory, and potentially a metropolitan territory, as his unit of analysis and action. This is very important for the transition of the MNLF. Many of the projects and activities of the autonomous entities are still focused on MNLF combatants and the MNLF political and social base. Once again this was normal in the demobilization and reinsertion stages of the peace process. However, it is essential to move beyond that and focus on regional, provincial, municipal, and barangay development without exclusions. This would make it easier for the autonomous entities to relate to LGUs who have a territorial mandate. The position is encountered in evaluations that the LGUs are not adequately prioritizing the MNLF community in support of the peace process. It is not the nature of the LGUs to prioritize one community over others. It could lead to the solution of one set of problems at the cost of creating another.

A more effective strategy than insisting that the LGUs support programmes that will increasingly be seen as "sectarian" as the war and demobilization phases fade from memory, is for the autonomous institutions to increasingly adopt the territory as the unit of analysis and action for their programmes and activities. This could also make it easier for the autonomous entities and the MNLF to relate to LGUs and the Muslim and non-Muslim politicians from Mindanao who are currently questioning autonomy.

More decentralized autonomous entities would also make it more possible for programmes and activities to be adapted to the needs of diverse communities in light of local circumstances. This would facilitate greater space for Christian and Lumad communities within the autonomy process. Finally, development plans are more effective when they are articulated territorially.

A corollary to this is that the MNLF move from an "inward-looking" to a more "outward-looking", alliance-building perspective. This is part of the long-term adaptation of the MNLF to electoral and legislative politics, as well as to

governmental responsibilities. A lack of adaptation of the MNLF in this regard would be detrimental to the success of the peace process.

Donor and Government Support

The role of the Multi-Donor Support Group, as well as of the donors working in parallel fashion, has been critical in the peace process. So much so that there is a consensus in Mindanao that the process would have failed without the donor support.

Donor funding has been critical because government funding has been insufficient. That is not to say non-existent, but it is telling to repeat the point that there was more investment budget available in ARMM before the "Final Peace Agreement" than afterward. Also, a significant part of ARMM investments are carry-overs from the previous ARMM administration. On its side, the SPCPD coordinates government and donor projects most of which would function more or less the same whether the SPCPD existed or not. The hypothesis posed is that the level of public investments is currently being undertaken are not significantly different from what they would have been if there was no peace process. In sum, there is a "missing additonality" of the peace process in developmental terms. In this context the donors have been compensating for the lack of an adequate government resource allocation priority for the region.

The level of donor and government support is not only a matter of financial assistance but also moral support and mentoring in a complex, difficult process. Donor support in this regard has assumed additional importance after the change of national administration. The Mindanao Peace Process received a very high priority in the previous administration in which confidence building was patiently and effectively undertaken. This was so much so that a series of difficult issues were never formalized. They were postponed for the future based on mutual trust. The change in administration has required time for the re-establishment of working relationships. The political support for peace in Mindanao that the new administration has manifested requires articulation into effective legislative and resource mobilization priorities. A group of champions of the Mindanao peace process in influential positions in the administration is required to undertake this time urgent task.

Increased government support is necessary to ensure the success of the investment component of the peace process, avoid donor fatigue, and mobilize the support of additional donors. The initiation of economic recovery in the Philippines in 1999 creates favourable conditions for government support to

accelerate investment and growth in SZOPAD. This is also necessary to avoid donor fatigue. The situation of lower than expected government support with the donors partially covering the expectation gap is not sustainable in the long-run. What is sustainable is a partnership in which all parties consider that each one is significantly contributing to the success of a mutual endeavour. This scenario could also lead to the mobilization of additional resources. A promising source of such support is some of the OIC countries considering that their organization is a co-signatory of the peace agreement. The viability of their financial contributions to the implementation of the agreement, as is the case with the donors in general, depends on the perception of adequate government financing and acceptable financial accountability.

The MNLF also expects the support of the signatories of the peace agreement in the campaign for acceptance of the ARG proposal. It was not only the MNLF but also the government and the OIC who committed themselves to the position that autonomy is the best solution for the Southern Philippines. Hence, all of the parties, as well as the donors who are supporting the process, should see the autonomy initiative through to its successful conclusion.

A Concluding Note

The crisis of credibility of the successful Mindanao peace process presents both a challenge and an opportunity. The challenge is to achieve the formation of a ARG acceptable to all parties. The opportunity is to be able to capitalize in the short run on the experiences of ARMM, SPCDP, and three years of peace process implementation. These learning experiences should inform the design and implementation of structures that are meaningfully autonomous as well as effective vehicles for development. This is an unusual opportunity. The structures of a complex socio-political process are undergoing a programmed revision. The citizenry of each province will decide if they wish to live in the new institutions or not. The potential rewards of this unique, democratic opportunity are considerable. They are the definitive end of a war, the consolidation of peace, legitimate institutions, and a development pole in the Southern Philippines.

HUMAN SECURITY: ISSUES AND POLICY OPTIONS FOR THE 21ST CENTURY
(Undated Paper)

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Humane Governance for Human Security and Sustainable Human Development

UNDP defines governance as the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations, and mediate their differences. Several definitions exist and the concept is under constant refinement. But most observers agree that governance is the primary mechanism for achieving human development, a key component of which is human security/security of livelihoods (UNDP, 1996).

Governance theory, however imperfectly articulated, attempts to enjoin all actors in society to the problematic of government as it includes the state, the private sector and civil society (media, academia, NGOs etc.). In this way, governance puts a premium on inclusion and participation which creates incentives for societal ownership of government policies which can lead to policy effectiveness, continuity and sustainability.

The primary challenge facing the countries of Asia is to create humane governance systems that promote and protect the security and rights of their citizens. Sustainable human development can only be realized if citizens enjoy the freedom and security to fully participate in the political and economic progress of their country.

The concept of human security is closely linked with development. On the positive side, high levels of human development can enhance the capacity of individuals and communities to protect and promote human security. In a negative sense, poverty (deprivation of income and capability) makes individuals more vulnerable to both direct and indirect threats to their security.

The human security concept is also linked to the promotion and protection of all human rights. Article 3 of the Universal declaration of Human Rights proclaims the right to security of persons as a fundamental human right, together

with a right to life and liberty. People have a right to feel secure in the basic needs that affect their existence: food, health, employment, population, human rights, environment, and education. Hence it is not enough to protect people from fear but also from want. This means that while it is necessary to promote and defend their civil and political rights, it is equally imperative to ensure their economic, social and cultural rights, as well as the Right to Development. Just as people should be liberated from the threat of political oppression or persecution, they should likewise be free from the worry of unemployment, lack of education, inadequate health care, etc.

The interface between development, rights and human security calls forth a nation's capacity 'to exercise political, economic and administrative authority' to set and achieve vital survival and development objectives. Promoting humane governance is key to building a society's institutional capacity to manage conflict without violence. The social unrest and violence that accompanied the Asian financial crises demonstrated that there are clear socio-economic underpinnings to human security. Contextualising the notion of human security in a governance framework requires that policy formulation be based on both the assessments of threats (human security) and the capacity to deal with those threats (governance). Policy responses to human security threats can be evaluated in terms of their impact on safety, well being, satisfaction and hope.

Threats to human security essentially derive from deficits in governance i.e., weaknesses in political, economic and social systems/processes. Citizen's rights and security is the minimal responsibility of State toward its citizens. The degree of inclusion and participation of the citizenry in these processes can strengthen or weaken citizen's rights and security. The exclusion of citizens from these processes on ethnic, linguistic, religious, class, caste, or other discriminatory grounds, undermines governance institutions, produces conflicts and generates violence. Policies that promote inclusion and participation can strengthen governance structures and institutions, resolve conflicts and overcome violent situations. Understood in this sense, governance entails strengthened capacity to collect, disseminate and utilize information for the discharge of the state's welfare functions, on the one hand, and community empowerment for protection against the state's violation of civil liberties and basic human rights, on the other.

In sum, effective governance (institutions, norms, and policies) that facilitates capacity building for and empowerment of all societal stakeholders can create an environment in which citizen rights and security are protected, promoted and sustained. In other words and to put it simply, good governance creates conditions, which are auspicious for enhancement of the human condition and sound development.

Threats to human security can be dealt with by individuals, communities and states through fostering norms and institutions (governance) that privilege peace, democracy, empowerment, participation, legitimacy, ownership, social equity and welfare, fundamental freedoms and human rights, protection, rule of law, transparency and accountability. As discussed earlier, however, there are human security dimensions to a broad range of transnational challenges, such as mass migration in the face of state violence, environmental degradation, terrorism, transnational organised crime, infectious diseases and natural disasters. All of which require cooperative governance arrangements at the sub regional, regional, international and global levels. Where the use of force or threats of use of force is required to manage these threats, international institutional arrangements may be utilized.

HUMAN SECURITY: OVERVIEW

The components of human security are not new. Victimisation and impunity are as old as time, infectious diseases as old as the plague. War, crime, drugs and terrorism are age-old phenomena. What is new is globalisation - the extent to which our fates have become intertwined with those of people who previously would have remained isolated from us. Also new is the fact that most wars are now intrastate. Regionalism, ethnicity, mass migration and communal violence are more threatening than before. Ninety percent of the casualties are civilians, predominantly women and children. In essence, human security means safety for people from both violent and non-violent threats. It is a condition or state of being characterised by freedom from pervasive threats to people's rights, their safety, or even their lives. It is an alternative way of seeing the world, taking people as its point of reference, rather than focusing exclusively on the security of territory or governments. Like other security concepts - national security, economic security, food security, and environmental security - it is about protection. Human security entails taking preventive measures to reduce vulnerability and minimise risk, and taking remedial action where prevention fails.

HUMAN SECURITY: HISTORICAL PERSPECTIVE

As said earlier the concept of security is as old as civilisation itself. Emerging first in the doctrines of Hobbes it was stated that the state is supported by the people for fear of anarchy; certain powers are given (or surrendered) by the individual to a larger body or state authority. With these enlarged powers, the state in turn protects the individual. In this sense, a social contract between the individual and state is established. While "existence" and "security" were distinctly important issues for people in Hobbes's time, individual rights and liberty were also highly valued. It was argued that the state should not interfere with or threaten individual

liberties in any way. At the same time, social rights and rights to exist also came to be stressed. In a Hobbesian world, the state is the primary provider of security: if the state is secure, then those who live within it are secure.

The political use of the term "human security" dates from the Enlightenment, when notions of individual liberty and freedom were advanced to counter the dictates of government. Incorporating themes of human rights and individual well being, the term collided in 19th century political discourse with the rise of the nation state. The ideas that underpin the concept are far from new. As regional alliances were formed to enforce particular global regimes, the term began to be used to describe collective strategic security, enforced through diplomatic or military collective action. Since then a doctrine based on the security of people has been gathering momentum. Core elements of this doctrine were formalised in the 1940s in the UN Charter, the Universal Declaration of Human Rights, and the Geneva Conventions. The term has been employed in this sense throughout most of the 20th century.

In the last 25 years, the discussion of human security has turned again to pick up strands from its early usage, incorporating insights from the peace and disarmament debate, assessments of the impact of demographic change, and critiques of economic development. Moving beyond a preoccupation with the territorial integrity and safety of nation-states, the human security concept has been reinvigorated by the recognition that the multifaceted concerns of individuals and groups, including human rights, are also most relevant to an understanding of what constitutes national and collective security. This evolution was advanced initially to dispel narrow nuclear weapons-based notions of security. It was argued that common security, the stability and well being of communities and nations, rested as much on factors associated with human development, economic growth, and democracy as on acquisition of weapons and escalation in the arms race.

Human security in the 1990s emerged as a conceptual response to two changing dimensions of the international order, referred to as globalisation and the end of the Cold War. These political and economic transformations have increased the risk of internal conflict and shifted the locus of 'insecurity' from the nation state and its allies to the individual and community. As mentioned earlier the specific phrase "human security" is most commonly associated with the 1994 UNDP Human Development Report, an attempt to capture the post-Cold War peace dividend and redirect those resources towards the development agenda. Human security was defined as the summation of seven distinct dimensions of security: economic, food, health, environmental, personal, community and political. By focusing on people and highlighting non-traditional threats, the UNDP made an important contribution to post-Cold War thinking about security. This shift has led to the recognition that to protect and promote human development in the

future, emphasis has to be on the issue of human security--the question of security in people's daily lives.

HUMAN SECURITY: DIMENSIONS

More recently, the issue of the relationship between national security and demographic change has attracted the attention of academics and policy makers. Although the perspective taken is explicitly at the level of potential state destabilisation resulting from mass migration, rapid population growth, or sudden population decline, the debate looks closely at the ways in which the security of people and their states are inter-connected. Human security at the level of the individual or community does not figure prominently in these discussions. Still, the problems dealt with (population movement, disease and public health, morbidity and mortality of populations, economic opportunity, war, social conflict, ethnic tensions, international policies towards sovereignty and intervention) are most relevant to a treatment of human security, even at a higher level of aggregation and theory.

The range of potential threats to human security should not be narrowly conceived. While the safety of people is obviously at grave risk in situations of armed conflict, a human security approach is not simply synonymous with humanitarian action. It highlights the need to address the root causes of insecurity and to help ensure people's future safety. There are also human security dimensions to a broad range of challenges, such as gross violations of human rights, environmental degradation, terrorism, transnational organised crime, gender-based violence, infectious diseases and natural disasters. The widespread social unrest and violence that often accompanies economic crises demonstrates that there are clear economic underpinnings to human security. The litmus test for determining if it is useful to frame an issue in human security terms is the degree to which the safety of people is at risk.

EVOLUTION OF HUMAN SECURITY

The human security policy framework is a work in progress. This is not to say that it is new. In the sense of societies working for their survival and development, defining rights and responsibilities for individuals and society, and developing institutions, it is as old as civilisation. Freedom from want, fear, and humiliation are hardly new on the human agenda. However, the formulation of these age-old precepts in an integrated, holistic framework does seem new to us. This is due in part to the sectorialization and hyper-specialisation of bureaucratic forms of thought, organization, and behavior. Integration is thus novel to us, as is the wider range of actors and the loosely knit networks of networks related to these issues.

The interdependence between levels of society, from the local to the global level, is also a fast-moving process that is increasingly new to us. Our consciousness of its full dimensions is struggling to catch up with reality. The processes have been fast moving but our comprehension of them has been relatively slow. The problems and opportunities that are holistic and operate at all levels are new to us, and the truth is adequate responses have not been developed for any of them. This perhaps is the greatest motor in the search for a new holistic framework that could guide policy at all levels. Several groups have contributed to this search from different dimensions. Three of them are now presented.[1]

The group first group consists of **developmental analysts** who have moved beyond the narrow GDP growth concepts of development to broader people-centered concepts such as "sustainable human development" and "human security". In the forefront of both interrelated concepts was the late Mabub ul Haq, Special Advisor to the United Nations Development Programme Administrator. In a 1993 address Haq stated. "we cannot meet the new threats to human security through ideas and weapons of yesterday."[2] The 1994 UNDP Human Development Report that was produced under Haq's direction proved a milestone in this regard with the definition of seven oft-cited categories of human security that have impacted in official policy in several countries:[3]

1) Economic security	Freedom from poverty
2) Food security	Freedom from hunger
3) Health security	Freedom from disease
4) Environmental security	Availability of clean air, water, others
5) Personal security	Freedom from fear of violence, crime, drugs
6) Community security	Freedom to participate in community, ethnic group
7) Political security	Freedom to exercise one's basic rights

A second, and very much related, group consists of **environmental analysts and activists** who give emphasis to the global governance and governance interrelations necessary to confront contemporary environmental challenges. This

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[1] Others not mentioned here, but previously mentioned in the text, are the tendency toward greater policy and operational integration in the field of conflict management, we well as the need to progress beyond perennial improvisation in the disaster field.

In the applied economics field, the analysis of comprehensive competitiveness leads to the conclusion that all policy levels and spheres influence the competitiveness of a society and should be analyzed in a holistic fashion. The new institutional economics also links well with its combination of institutions, people, and behavior.

[2] Mahbub ul Haq, "New Compulsions of Human Security", (New York: Address to NGO/DPI Conference, 8 September 1993).

[3] United Nations Development Programme (UNDP), <u>Human Development Report 1994</u>, (New York: UNDP, 1994)

group identifies human insecurities that can be addressed by a human security policy framework that can "bring it all together" at different levels.[4] They also find that the human security concern of "save our species" is a more productive call to action than "save our planet". The latter seems to have difficulties in convincing the extensive "what's in it for me" set who have mentally reduced saving the planet to spotted owls versus loggers, miners versus indigenous peoples, and energy companies versus emission standards.

A third group consists of **international relations analysts** who have moved beyond the narrow national security concept based on territory to a broader human security concept that is people-centered. This transition has occurred for several reasons. One is the limitations of the territorial concept.[5] Another is the "mutual vulnerability" that results from greater interdependence. What happens in the weakest links of the international chain has ramifications for even the strongest. Domestic and international events are increasingly intertwined. National security based on territorial concepts does not capture new security realities. Then there is the fact that conflicts are increasing intra-national rather than international.[6] Still others conceptualise that they have no real military defence and that their real defence lies in networks of human security internally, sub-regionally, regionally, and internationally. This is certainly the case of Mongolia and to certain extent Japan as well. Mongolia has also had the United National General Assembly declare Mongolia a nuclear arms free zone as part of its human security approach. Finally, there are those who subscribe to the broadest concept and consider that peace and stability, both internally and internationally, can only be assured through human security in all of its dimensions.

The broadest conceptualisations of human security have been incorporated into the foreign policies of Japan and Canada. It has also been adopted as the basic policy framework of the Mongolian government.

In the case of Japan, Prime Minister Obuchi in a policy statement in Hanoi in December, 1998, in the wake of the Asian financial crisis, stated that the 21st

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[4] The annual World Watch Report of the World Watch Institute has a human insecurity focus. A more comprehensive example is Michael Renner, Fighting for survival Environmental Decline, Social Conflict, and the New Age of Insecurity (Washington: Worldwatch Institute, 1996).

[5] Raimo Väyrynen points out that the "realistic" concept of security linked to the territory ignores conflict producing phenomenon such as social and economic fragmentation, environmental degradation, and loss of cultural identity to which correspond well-being, survival, and identity as positive values. The "realistic" national security position is defined in negative coercive terms and ignores the value of positive, non-violent efforts to increase safety through economic, environmental, and cultural measures. See "Multilateral Security: Common, Cooperative, or Collective", op. cit.

[6] An antecedent is Robert Keohane and Joseph Nye, Power and Interdependence: World Politics in Transition , (Boston: Little, Brown and Co., 1977). The issue is more fully developed in Ivan Head, On a Hinge of History: The Mutual Vulnerability of South and North, (Toronto, University of Toronto Press, 1991). The direct human security link is in Jorge Nef, Human Security and Mutual Vulnerability, (Ottawa: IDRC, 1995).

century should be an age of peace and prosperity based on human dignity, or "in other words a people centered century". The Japanese Diplomatic Blue Book 2000 identified "the growing importance of human security concerns as one of the major developments in the globalized world". Japan also has facilitated and financed a United Nations Trust Fund for Human Security to support projects that address human security concerns.[7]

Director General Yukio Takasu of the Ministry of Foreign Affairs states the Japanese position as follows:

> "The Japanese understanding of human security is very similar to the comprehensive and inclusive concept advocated by UNDP. …We are confident moreover that this is the direction in which the world will be heading in the 21st century.

> "We are gratified that the Secretary General of the United Nations takes a similar broad view, as described in his recent report for the Millennium Summit. Although he does not specifically use the term human security, the secretary general accords equal importance to measures to achieve freedom from want and those to achieve freedom from fear…."[8]

In the case of Canada, the Department of Foreign Affairs and International Trade, has an official policy document, <u>Human Security: Safety for People in a Changing World,</u> published in April, 1999. A key concept in this document is that although state security is a necessary condition for human security, "it does not follow that when states are secure, people are secure." This then opens considerations with regard to personal security, human rights, discrimination, basic needs, and the environment. In his forward to the document the Canadian Minister of Foreign Affairs, Lloyd Alexworthy, writes the following:

"For more than two years now I have been advocating an international political agenda would include the idea of human security, The changing nature of violent conflict and intensifying globalisation have increasingly put people in the centre of world affairs. As a result, the safety of the individual—that is, human security—has become both a new measure of global security and a new impetus for global action.

"As is often the case in public policy, practice has led theory. Efforts to promote greater human security including the Ottawa Convention on Anti-

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[7] All quotes and information from this paragraph are from "Statement by Director-General Yukio Takasu at the International Conference on Human Security in a Globalized World" in Human Security in a Globalized World (Ulaanbaatar; Government of Mongolia, UNDP, SIDA, Ochirbat Foundation, 2000), pages 38-39.

[8] Idem, page 39.

Personnel Landmines and the Rome Treaty creating an International Criminal Court have attracted overwhelming support, As momentum gathers around the idea of human security greater clarity on the meaning of the term is required."[9]

The Fall 1999 issue of the journal <u>Canadian Foreign Policy</u> is devoted to this "paradigm shift" in Canadian Foreign Policy. This shift has not been free of controversy as described by George MacLean:

"Perhaps more than any other country, Canada has consistently emphasised the role of human security efforts in its foreign relations. Early in his tenure as Foreign Minister, Lloyd Alexworthy positioned human security as a central pillar in his department's policy. Often criticised in his own country for a foreign policy position that some argue is 'beyond fiscal reach'[10], Alexworthy has nevertheless strongly advocated human security as a policy base, arguing that often in international affairs 'practice has led theory'[11]

"The Canadian Government's position[12] is not that human security can supplant national security, but rather that human security is a logical expansion of the established debate about security in international affairs. Canadian foreign policy has accepted the UNDP criteria regarding human security-economic, food, health, environment, personal, community and political-though these criteria contribute to a concept that is 'unwieldy as a policy instrument.' [13] However, Canada's position has been that the UNDP criteria do not pay sufficient attention to the threats encountered by people as a result of violent conflict. In projecting human security as a policy option, the Canadian position has been that people are the point of reference, and their protection is to be secured, just as protection of the state, the economy, or access to resources accompanies national security, economic security and security of resources."[14]

Mongolia's first official human security policy was the "The Concept of National Security in Mongolia" adopted by the State Great Hural (Parliament) on 30 June 1994. "The concept is structured in such a way that each of the areas of national security concern is provided with a definition of security, enumeration

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[9] Lloyd Axelworthy, "Foreward" (29 April 1999), <u>Human Security: Safety for People in a Changing World</u>, (Ottawa: DFAIT, 1999), hereafter cited as "Safety for People"

[10] Heather Owens and Barbara Arneil, "The Human Security Paradigm Shift", <u>Canadian Foreign Policy, 7</u> (Fall, 1999), page 1.

[11] DFAIT, "Safety of People", op. cit, page 1.

[12] It should be noted that the author (i.e George MacLean) is not a Government spokesperson, and the views held here are not necessarily those of DFAIT, or other official Canadian agencies

[13] DFAIT, "Safety for People", page 3

[14] Geoge MacLean, "Instituting and Projecting Human Security: A Canadian Perspective", <u>Human Security in a Globalized World,</u> op. cit., page 54.

of external and internal factors that may affect the given category of security and the ways and means to ensure the security concerned."[15] In sum, a comprehensive policy framework for each of the following security areas:

- Security for the existence of Mongolia
- Security of the social order and of the State system
- Security of citizen's rights and freedoms
- Economic security
- Scientific and technological security
- Security of information
- Security of Mongolian civilisation
- Security of population and its gene pool
- Ecological security

Mongolian foreign policy has also incorporated a human security approach and the concept that it could only be achieved through a global policy that goes beyond foreign policy itself. [16]

The new government that assumed power in July, 2000 under the leadership of Prime Minister L. Enkhbayar, adopted a comprehensive "Good Governance for Human Security Programme" to ensure policy focus, prioritisation, coherence, continuity, and sustainability. The programme is chaired by the Prime Minister with the Foreign Minister chairing a Programme Advisory Committee and the Minister of Finance and Economy a Donor Coordination Committee. The Minister-Secretary of the Cabinet Secretariat is the National Programme Director. The programme consists of the government's eleven top priorities organised into four components: Economic Transition, Equity and Social Policy, Environment and Sustainable Development, and Sound Governance. The ministers of Finance and Economics, Social Welfare and Labour, Nature and Environment, and Justice coordinate the four components, respectively.

The approach is to involve in programme formulation and implementation the other powers of state, the media, academia and other opinion makers, civil society, the private sector and public opinion. One of the mechanisms for this purpose are mission-specific, time-bound, ad hoc working groups that bring together the best national and international talent available on a particular issue. The programme is highly consultative and participatory. UNDP is co-ordinating

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[15] Ambassador J. Enkhsaihan, Permanent Representative of Mongolia to the United Nations, "Human Security Factor in Mongolia's National Security Concept" in Human Security in a Globalized World, op. cit., page 321

[16] Mongolia's current Minister of Foreign Affairs, L. Erdenechuluun, both in his tenure as Mongolia's Permanent Representative to the United Nations and subsequently as Presidential National Security Adviser Ambassador has developed the human security concept for Mongolian foreign policy and the position of the need for a global policy.

support to this programme from the international donor community. The programme was approved by both Cabinet and Parliament in 1999 and a four-year mid-term work plan has been elaborated. Six monthly action plans will be the main operative mechanism, as well as systematic monitoring and evaluation. Mongolia is interested in receiving technical cooperation for this effort as well as to share its experience with other countries.

A common denominator in all of the approximations at forming a human security policy framework, from whatever group or country, is that the old, well-known paradigms function less and less. This is an indicator of an age of transition, and we are definitely in a macro-transition between stages of history. It might be of utility to close on a note of reflection on the magnitude of the historical significance of this transition.

In the age of mercantile nation-states that emerged from feudalism everything was absolute. The king ruled by divine right, theocracy provided state religions, physics was Newtonian, and in epistemology one could choose between the absolutism of idealism and the absolutism of materialism.

With the rise of the industrial age and democracy politics became pluralistic, religion ecumenical, physics embraced Einstein's theory of relativity, and epistemology the uncertainties of both pragmatism and the logical positivism that superseded the naïve empiricism of early science.

We are now in transition between the industrial age and the knowledge age in which holism is increasingly becoming the legit motif. Physics is searching for the theory of everything, religion is seeking to overcome historic divisions, and epistemology is combining the probability of positivism with the effectiveness criterion of pragmatism, while science and technology are becoming less distinguishable. Information, communications, and media are merging into a consolidated knowledge field. Expanding networks of networks are replacing formal organizations as the most effective way to get things done, and the policy framework required for such an era is holistic.

That does not mean to say that necessity will guarantee that it will be holistic, or that it will necessarily be based on "human security". However, we hope that such will be the case in order for policy to be both people-centered and institutionally-based. We join with Director General Yukio Takashi in being confident that human security is the "direction in which the world is heading in the 21st century". That is what could combine the human needs for survival and development with the opportunity to move beyond these dimensions into a knowledge age whose potential defies our comprehension.

HUMAN SECURITY FRAMEWORK

Human security is a policy framework in construction. It is a work in progress, but it is clear that it can operate at all levels, contributing to vertical integration. It can also operate holistically, contributing to horizontal integration. Each of these subjects, (1) vertical integration and (2) horizontal integration is now examined, prior to presentations of (3) the integrated policy framework, and (4) policy framework analysis.

(1) Vertical Integration

Vertically, the lack of policy integration weakens policy focus, prioritisation, coherence, continuity, and sustainability at the local, national, sub-regional, regional, international, and global levels, as well as in relation to necessary linkages between these policy levels.

Policy is weakest at the global level despite the increasing vulnerabilities our species faces. Ultraviolet rays from the sun piercing a depleted ozone layer, rising ocean levels due to global warming, and the accumulation of toxic waste in the oceans, particularly in low evaporation polar areas, all constitute global threats. Water is increasingly polluted and clean water is becoming increasingly scarce most everywhere. We have fouled our global nest without having global policies to deal with the consequences.

Pandemics such as HIV/AIDS, antibiotic resistant tuberculosis, and malaria also have no respect for national borders. The potential effects of nuclear interchanges or accidents form another vulnerability of potentially global consequences. Terrorism and organised crime have globalized faster than the policies to deal with them. The counter measures are more international than global with all of the complications of relations between the entire members states of the United Nations immersed in a complex power structure.

The international level does have a legal base, institutions, and organizations, but they are weak. In the past century great effort was undertaken to strengthen the international level but with very mixed results. The relations between political power and administrative or judicial authority, largely institutionalized in nation-states have not been susceptible to institutionalisation at the international level. The primacy of power over authority, or even force over authority, continues to prevail. The international has also proved incapable of solving protracted international conflicts that have caused the world much grief in the last half-century, namely the Middle East and Kashmir conflicts.

Institutionalisation has taken place at the regional level in one case (Europe) and to a much lesser extent in two others (NAFTA and ASEAN). Other regional processes have mixed results at extremely low levels of effective integration.

The state at the national level has been weakened in the past 20 years. This has been due to various processes, including globalisation itself, the primacy of international markets, and for most developing and transitional societies the increasing extent to which international financial institutions determine their policies. Not unrelated to these processes are losses in the credibility and legitimacy of political systems, governments, political parties, and political leaders. This phenomenon affects developed and developing as well as transitional societies.[17]

With globalisation the local level has increased in relative importance. It is at this level where people can still affect issues related to the quality of their lives. It is at this level where psychosocial needs such as identity, spirituality, family, and community, in sum the elements of belonging, are expressed. With globalisation perceived threats to these elements have increased making the local level the bastion for their defence. This is visible in fundamentalist movements in all religions and the increase in intra-national ethnic, religious, and regional conflict.

Either globalisation or localisation is a partial process; the total process is globalisation/localisation. The intermediary levels have generally decreased in importance. Global policy is useless without local application and local policies are increasingly unviable without linkage to global dimensions. The same may be said for all of the intermediary levels as well. Vertical policy integration is increasingly necessary for policy success at any level.

(2) Horizontal Integration

Horizontally, the lack of policy integration weakens policy focus, prioritisation, coherence, continuity, and sustainability in the international, military, internal, judicial, disaster, environmental, economic, social, cultural, and political spheres, as well as in relation to necessary linkages between these policy spheres. This also operates at all levels, from the local through the global.

Internationally, the United Nations Security Council has increasingly recognised legal attributes in relation to international conflict situations and military interventions. This is weakened by great power selectivity in relation to recourse or not to this institution, as well as by the criticism of the undemocratic nature of UN institutions and demands for international democratisation.

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[17] Gallup International conducted a Millennium Survey in August-October 1999 (60 countries with 57,000 respondents) with this being the major finding in countries of all levels of development. The survey results were presented at the meeting "The United Nations in the New Millennium" (Tokyo, Japan: United Nations University, January, 2000).

Nationally, international relations and national security are generally dealt with by two interrelated teams in most governments. Internal security and justice tend to form two additional interrelated teams, linked tangentially and on occasion to international/national security.

Disaster prevention, preparedness, and response tend to be exceedingly weak when compared to international/national security and internal security/justice. The exception tends to be when civil defence has a link to the military or to internal security, but this tends to be exceptional in that it tends to be only truly activated in times of great emergency.

Locally, nationally, and internationally natural or man-made disasters are still looked upon as "accidents" and dealt with on a largely improvised ad hoc basis rather than as events that occur every year in one place or another. The latter perspective can lead to some preventative action and much more effective preparedness, emergency response, and post-disaster assistance. Every year there will be cyclones, typhoons, and hurricanes in predictable sub-regions. High-risk flood and earthquake areas are well known. Drought and desert expansion areas are fairly predictable and also present earlier signals and longer maturation times. There is no need for the perennial improvisation approach. There is no reason national and international disaster policy cannot be much more effective.

The same may also be said of man-made disasters. Conflict prevention, conflict management, conflict resolution (peace-making), conflict resolution maintenance (peace keeping), humanitarian assistance, post-conflict reintegration and reconstruction, post-conflict conflict (recalcitrant group reinsurgency, terrorism, common crime increases), and post-conflict development, have often been dealt with as distinct stages. Separate teams of specialists have dealt with each segment with clumsy hand-offs of functions and resources rather than dealing with the conflict cycle as such in an integrated fashion. Sensitivity to this situation is increased by cases such as Mindanao and the Sulu Archipelago in the Southern Philippines where all of the stages of the conflict cycle are occurring simultaneously.

Civilian refugee movements are also becoming more and more predictable. This is especially the case given the inversion of the Geneva Convention in contemporary warfare. Instead of the minimisation of civilian casualties, indiscriminate bombing and/or shelling is undertaken with high tolerance for collateral civilian casualties in order to completely eliminate or radically minimise any casualties whatsoever on the side of the bombing or shelling belligerent. This has reached the point where in recent wars 90% of the casualties have been civilians as compared to 10% at the beginning of the century. We believe ourselves to be more civilised, but our treatment of civilians is much less considerate than

that of our 19th century or even first World War forefathers. The breakdown began with World War II on all sides. [18]

Environmental risks are the domain of a specialized team in national governments, generally with a relatively low level of institutionalisation or power or authority. These teams tend to be bogged down in scientific debates with a higher epistemological threshold than is the case for any other policy area. International or military risks need not be scientifically proven beyond a reasonable doubt before actions are taken. On the contrary, they are often taken seriously with the flimsiest of intelligence. The basic assumptions of the environmental debates also often tend to be fallacious from a policy point of view. For example, take the debate as to whether global warming is due to carbon emissions and the greenhouse effect or to a natural climatic process. If the latter were to be proven the case, it does not invalidate the importance of reducing carbon emissions. The bottom line is that the polar ice cap is breaking up. If we are faced with a dangerous natural process all the more reason not to accelerate or accentuate by our own hand. Internationally, the response to environmental risks is practically non-existent, as is also the case globally where the consequences accumulate. The area where a truly global institution is most urgently required is in the environmental area on issues where the survival of the species itself might be at stake.

Economic and social issues have increasingly been dealt with separately in developing and transitional societies. There has even been the tendency to form separate cabinets. This was largely to get the social sectors out of budgetary allocations in the period when international financial institutions were cutting spending on health, education, and subsidies of all kinds as the basic strategy for budget deficit reduction. At that time pressure was not put on cuts in military spending because that was "too political", another symptom of the compartmentalisation of policy with some areas being considered "taboo". This period has largely, but not completely, passed at the operational level. Markets and privatisation are now the cutting edge in social sector service delivery policy.

Internationally, the World Trade Organization (WTO) is creating international institutions on economic policy issues with a controversial tendency to expand to social and environmental issues as well. The potential impact of this organization is such that it could be global in impact even if its composition remains by international membership.

Cultural and political rights and activities have international legal cover through the Universal Declaration of Human Rights and the covenants that give

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[18] James Gustave Speth, "New Dimensions of Human Security: The Human Development Report 1994" in Human Development Report 1994, (New York: UNDP, 1 June 1994)

it force. The issue now is the effective application of the rights based approach within the legal frameworks and political practice of signatory countries. Another issue is the extent to which the international community can demand compliance on a global basis, a controversial cutting-edge issue in process of definition (for example, international war crimes tribunals on crimes committed within countries, the Pinochet case in the United Kingdom). The universality and indivisibility of human rights would indicate that economic and social rights should also be receiving similar treatment. However, the "generations of human rights" analysis is an accurate depiction of the order of formulation of the covenants and now of their implementation despite the doctrine of universality and indivisibility. The eventual acceptance of the "right to development" will crown the rights based policy framework.

Separate policy areas and teams have led to separate prioritisation and competition for resources based on political power. In some nations the military get an unquestioned first priority with all else falling into place subsequently as best they can. In other countries large-scale development projects get top priority with all else making do with what is left over. In still others the enrichment of the ruling elite is the real first priority with society benefiting from the works or services that result from whatever contracts are best for rent seekers. An overall consideration of priorities generally does not take place because of the lack of an integrated policy framework and because the beneficiaries of the current situation are quite content with opaque priorities rather than greater policy transparency and accountability.

(3) Integrated Policy Framework

Human security analysis integrates the following policy spheres:

INTERNATIONAL SECURITY

A stable world order, rule of international law, respect for treaties and covenants, peaceful resolution of conflicts

NATIONAL SECURITY

Protection from aggression and the threat of aggression, defence of national territory and sovereignty, defence of national interests

INTERNAL SECURITY

Protection from violent internal conflicts, terrorism, organised crime, drug trade, money laundering, common crime, domestic violence, and child abuse. When a conflict becomes intense or has violent expressions, a sub-area emerges:

CONFLICT SECURITY

Conflict prevention, peace making, peace keeping, humanitarian assistance, reconstruction, post-conflict conflict (including recalcitrant group re-insurgency, terrorism, and increases in common crime) and post-conflict development, as well as phase-out and termination of conflict cycle assistance.

DISASTER SECURITY

Prevention (to the extent possible), preparedness, emergency response (including search and rescue), humanitarian assistance, and reconstruction in relation to both natural and human produced disasters and accidents

ACCIDENT SECURITY

Industrial, building, transportation, fire, and other forms of safety standards and accident prevention, inspections, and linkage to disaster security in case of accidents, including those that accentuate natural disasters (for example, sub-standard buildings in earthquake or tropical storm-prone areas).

ENVIRONMENTAL SECURITY

Protection from water, air, soil, and noise pollution, as well as waste and nuclear and toxic waste, and other forms of environmental hazards, including those that accentuate natural disasters (for example, deforestation as related to flooding or building in environmentally unsound places as related to earthquakes or tropical storms).

HEALTH SECURITY

Health education, protection from preventable diseases and health risks, adequate treatment for curable diseases, and humane treatment for the chronically or terminally ill.

ECONOMIC SECURITY

Macroeconomic stability, financing of national budget, savings, investment, productive and social infrastructure, provision of food and shelter, economic growth, livelihoods and employment, and poverty reduction

SOCIAL SECURITY

Provision for the welfare of children, the elderly, the disabled, the unemployed or without livelihood, and the homeless through family, extended family, community, or social mechanisms, as well as the provision of infrastructure for community integration, solidarity, and social, cultural, and sporting activities.

CULTURAL SECURITY

The right to language, religion, identity, education, and the development to the fullest of physical, emotional, intellectual, artistic, and sporting capabilities

DEMOCRATIC SECURITY

The right to organization, information, leadership, participation, representation, empowerment, and leadership in public affairs without any form of discrimination

Democratic security is the value preference of this policy framework inasmuch as it is congruent with core value that underlies the human security concept. This is the full protection of human beings in all spheres in order to create an enabling environment for the full realisation of the potential of human beings.

(5) Policy Framework Analysis

The application of the framework to any society at any level will produce different results. However, certain forms of vulnerabilities require special attention in any one of them can rapidly lead to a national crisis that requires attention above and beyond all other priorities. The specific contents even of these categories, of course, also vary from country to country. Some of the types of insecurities include:

- International order insecurity
- War insecurity
- Domestic armed conflict insecurity
- Terrorism insecurity
- Criminal insecurity
- Disaster insecurity
- Environmental insecurity
- Epidemiological insecurity
- Water insecurity
- Food Insecurity
- Shelter insecurity
- Economic recession or depression insecurity
- Livelihood or employment insecurity
- Social insecurity for large numbers of citizens
- Poverty insecurity
- Cultural, religious, and identity insecurity
- Democratic insecurity

A sub-regional, regional, or wider breakdown in the international order can pose a vital threat to many nations, as can a war in their area or the direct threat or reality of war. Likewise, internal armed conflicts, terrorism, and high levels organised or common crime can also affect all other activities in a society. When a natural or human-made disaster of great dimensions strikes the entire society is reoriented to this priority. The same can also occur in varying degrees with regard to associated, or independent, environmental, epidemiological, health, water, food or shelter insecurity. Economic depression and widespread unemployment, or the massive loss of livelihoods due to changing policies and/or market conditions, can negatively affect the human security of large human groups with consequences for the entire society. Poverty is the greatest threat to the human security of the greatest number of people in the world, due to its comprehensive nature that includes almost all of the other forms of insecurity, including powerlessness. Cultural, religious, and identity insecurity, as well as democratic insecurity for determinate social groups, or for society in general, are to be found at the root of most of the internal armed conflicts in the world today.

Policy framework analysis has the following advantages as compared to multiple, separate policy frameworks:

1) An integrated analysis of human security strengths and vulnerabilities and an integrated opportunities and risks analysis across all policy spheres and at different policy levels.

2) An integrated prioritisation of human security policy across all policy spheres and potentially at different policy levels. This allows for more systematic comparisons in the prioritisation process.

3) Resource allocation in accordance with comprehensive societal analysis and priorities across policy spheres and potentially at different policy levels.

4) Possibility of integrated policy actions at different policy levels and in different policy spheres, opening the possibility for a more holistic approach in the operational as well as in the planning stages.

5) Greater sensitivies to trade-offs between policy priorities (defence and economic development, defence and poverty reduction, low building code standards and cities destroyed completely in earthquakes, discrimination or weak inclusion of ethnic or regional groups and internal armed conflicts, etc.)

6) Attention to "Dror's Dilemma" that consists of how much to invest in policy contingencies that are very low risk but that would have catastrophic consequences.[19]

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[19] Name given by Dr. Paul Oquist to this dilemma which has been highly developed by Professor Dror of Yeshiva University in Jerusalem, based on his previous experience in Israeli Defense Planning. Subsequently, Professor Dror undertook multiple policy consultancies for UNDP.