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DEVELOPMENT COUNCIL



## **GROWTH WITH EQUITY IN MINDANAO 2 PROGRAM**

### **COMPLETION REPORT**

October 2002 to December 2007



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# A Partner in Mindanao's Development

Through its infrastructure development, governance, education, business growth, and former combatant reintegration programs, GEM 2 helped accelerate economic growth and strengthen peace in Mindanao.



The Growth with Equity in Mindanao 2 (GEM 2) Program, a partnership between the government of the Philippines and the United States Agency for International Development (USAID), was initiated on September 15, 2002, and implemented under the guidance of the Mindanao Economic Development Council (MEDCo). Technical assistance in the implementation of GEM 2 was provided by the Louis Berger Group, Inc.

GEM 2 continued and expanded the work carried out in the first GEM Program (GEM 1) and also launched several new activities. Like its predecessor, GEM 2 was designed to help sustain and expand peace and to accelerate economic growth in Mindanao, while ensuring that the benefits of growth were distributed widely among Mindanaoans.

Under this umbrella-type program, a range of activities was undertaken in the areas of infrastructure, governance, business growth, education, and former combatant reintegration.

GEM 2 saw the construction of 830 *barangay* infrastructure projects (BIPs), such as boat landings, roads, footbridges, water systems, trading centers, warehouses, and solar dryers, and 40 regional impact projects (RIPs), such as ports, roads, and bridges in the Autonomous Region in Muslim Mindanao (ARMM) and other conflict-affected areas in Mindanao (CAAM).

GEM 2 worked with and strengthened 15 Mindanao-based business support organizations (BSOs), representing more than 135,000 producers and firms working in sectors important to the Mindanao economy. During GEM 2, the membership of these organizations increased by 70 percent. Twelve of these BSOs are now financially sustainable and are providing useful services to their members.

Through its Targeted Commodity Expansion Project (TCEP), GEM 2 helped attract investments of \$7 million for new cool and cold chain facilities and another \$4.9 million for other postharvest support





facilities. With GEM 2, the volume of selected Mindanao vegetables outshipped to other areas of the country increased more than fivefold. Exports of fish, seaweed products, fruits, and other commodities to the large and growing China market quadrupled.

GEM 2's Sustainable Aquaculture and Fisheries Effort (SAFE) helped create a better investment climate for the fisheries industry, resulting in investments of \$77 million in upgraded processing facilities, an expanded fish port in General Santos City, and 3,300 new processing jobs. SAFE also promoted and provided technical assistance leading to the construction of a multispecies hatchery in Tawi-Tawi that will improve the incomes of thousands of fish farmers, including more than 1,000 former Moro National Liberation Front (MNLF) combatants, who will be the initial customers for the fingerlings bred in the hatchery. Technical assistance was also provided to create new seaweed gene banks and nurseries in Zamboanga and Tawi-Tawi, which will provide good-quality planting materials to more than 20,000 seaweed growers throughout Mindanao.

GEM's Livelihood Enhancement and Peace (LEAP) Program helped more than 28,000 former MNLF combatants and their families to take up the commercial production of hybrid corn, rice, and seaweed. Some 130 MNLF communities received preharvest and postharvest equipment and facilities. GEM 2 also helped 7,400 former MNLF combatants to more than double their incomes by producing and selling higher-value commodities such as cardaba bananas, mangoes, vegetables, and marine products such as grouper, tilapia, and prawns.

Through the Computer Literacy and Internet Connection (CLIC) Project, GEM 2 provided computers, computer peripherals, and high-speed

internet connections to 668 high schools, thereby benefiting 16,000 teachers and 570,000 students. Through its Education Awareness Support Effort (EASE), GEM 2 matched funds raised by Parent-Teacher Community Associations (PTCAs) and community organizations, to help them expand and upgrade libraries, science laboratories, and multimedia or computer centers in 546 schools.

GEM 2's Congressional Internship Program for Young Muslim Leaders (CIPYML) provided 123 recent graduates of colleges in the ARMM and other CAAM with hands-on training in public policy formulation and legislation.

The GEM 2 Program met or exceeded all targets for all of its components: infrastructure, education and governance, business growth, and former combatant reintegration. The strong support provided to the Program by former MNLF combatants, farmers, fisherfolk, business organizations, national government line agencies and local governments in conflict-affected areas helped create an environment that encouraged peace, even during times when fighting erupted between the Philippine army and insurgent groups.

GEM 2's primary Philippine government counterpart was MEDCo, which was created to promote and coordinate the activities of all sectors supporting development in Mindanao, strengthen interregional linkages, and accelerate efforts to make the economy more globally competitive. MEDCo provided continuous and timely guidance for all of GEM's activities and facilitated successful collaborations with other national government agencies and local government units. MEDCo's support was critical to the success of the GEM 2 Program.

# Progress and Transformation

Mindanao is the second largest island in the Philippines, comprising roughly 34 percent of the country's land area. In 2007, Mindanao had a population of about 22 million, approximately 25 percent of the Philippines' total population.

Through the decades, Mindanao has lagged behind the rest of the country economically, despite its comparative advantages for agro-enterprise development due to favorable climatic and soil conditions, absence of typhoons, and abundant natural resources. The two principal reasons for the slow economic progress in Mindanao are:

1. The island has been historically shortchanged in the allocation of government resources.
2. Conflict has raged in many areas of Mindanao for several decades.

As a result of slow economic growth, most of the ten poorest provinces of the Philippines are in Mindanao, and 50 percent of Mindanaoans live below the poverty line (compared to the national average of approximately 27 percent).

The 1990s saw the beginning of an economic turnaround as the national government shifted to more market-oriented national policies and increased budget allocations for Mindanao aimed at improving the island's physical and social infrastructure. The signing of a peace agreement between the government of the Philippines and the Moro National Liberation Front (MNLF) in 1996 resulted in improved peace and order.



## USAID and GEM in Mindanao

The United States Agency for International Development (USAID) has played a major role in the development of Mindanao since the early 1990s. Its principal vehicle has been the Growth with Equity in Mindanao (GEM) Program. With the 1996 signing of a peace agreement between the government of the Philippines and the MNLF, USAID's efforts were intensified. Although overall security in most of Mindanao has improved significantly over the past several years, the threat of armed conflict, intermittent outbreaks of fighting, the perceptions of risk on the part of potential investors, and the general impression of political instability have posed constraints and challenges to sustainable economic growth in Mindanao.







# The Growth with Equity in Mindanao 2 (GEM 2) Program

As USAID's flagship activity in Mindanao, GEM 2 worked to:

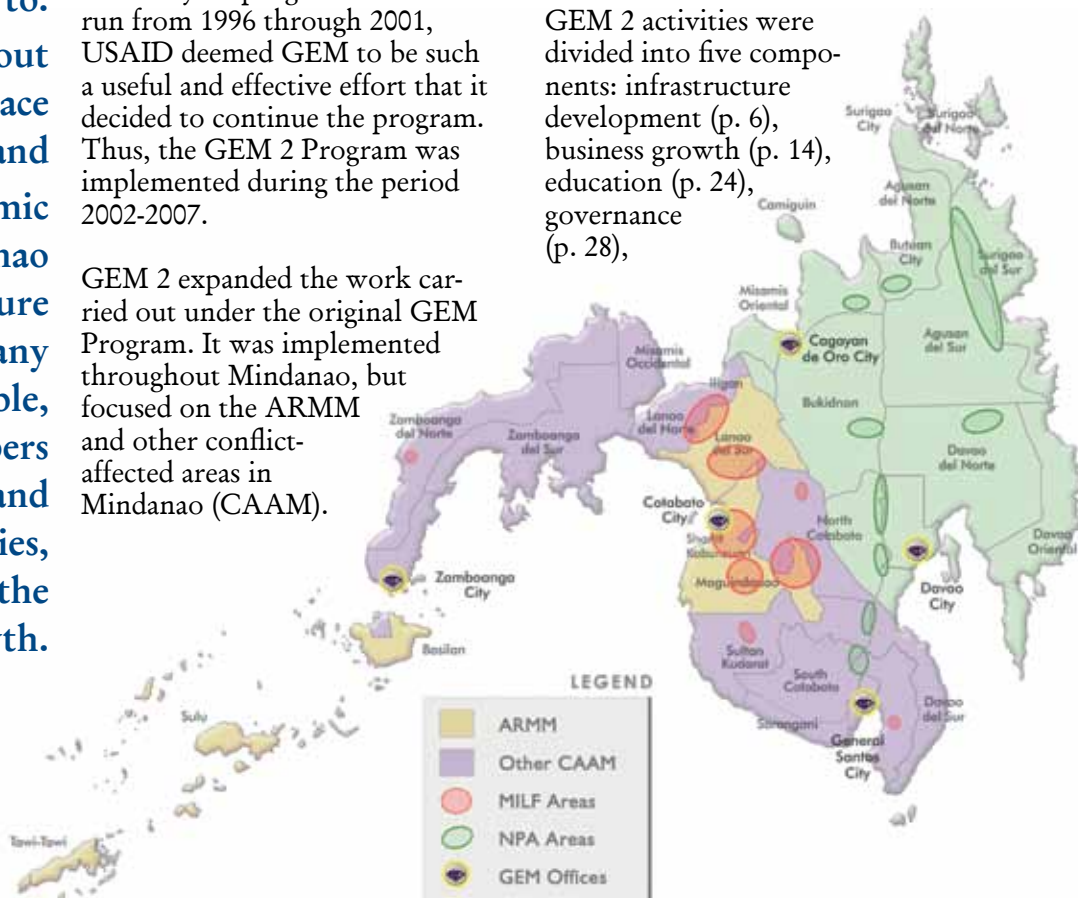
- help bring about and consolidate peace in Mindanao and
- accelerate economic growth in Mindanao and help ensure that as many people as possible, including members of cultural and religious minorities, benefit from the economic growth.

The GEM Program has been USAID's flagship activity in Mindanao since 1995 and is the largest of the various USAID programs and activities in Mindanao. Initially conceived as a five-year program that would run from 1996 through 2001, USAID deemed GEM to be such a useful and effective effort that it decided to continue the program. Thus, the GEM 2 Program was implemented during the period 2002-2007.

GEM 2 expanded the work carried out under the original GEM Program. It was implemented throughout Mindanao, but focused on the ARMM and other conflict-affected areas in Mindanao (CAAM).

Principal offices of the GEM 2 Program were located in Davao City (Project Management Office), Zamboanga City, Cotabato City, General Santos City, Cagayan de Oro City, and Manila.

GEM 2 activities were divided into five components: infrastructure development (p. 6), business growth (p. 14), education (p. 24), governance (p. 28),



and former combatant reintegration (p. 30). GEM also provided a range of support services to USAID and the U.S. Embassy, including communications/information services and event preparation.

## Infrastructure Development

*Barangay Infrastructure Projects (BIPs) and Regional Impact Projects (RIPs).* The existence of essential economic support infrastructure is critical to accelerating Mindanao's economic progress. Under its BIP sub-component, GEM 2 was responsible for the design and construction of 830 *barangay* (community) infrastructure projects, such as small water systems, warehouses, solar dryers, boat landings, culverts, trading centers, footbridges, and roadway improvements. All these projects were constructed in the ARMM and other CAAM and were undertaken in partnership with local governments, community groups, and cooperatives. Under its RIP subcomponent, GEM 2 identified, designed, and carried out 40 larger infrastructure projects such as ports, roads, and bridges, that supported regional economic development in the CAAM.

*Infrastructure Monitoring and Facilitation.* GEM developed and implemented a "beneficial use monitoring" system to assess whether the presence of BIPs were benefiting the intended recipients and were properly operated and maintained by them. GEM 2 also worked with telecommunications providers to substantially increase cellular phone coverage in the Sulu Archipelago.

## Business Growth

*Targeted Commodities Expansion Project (TCEP).* Under TCEP, GEM 2 helped to introduce or significantly expand the production

and marketing of several lucrative, nontraditional commodities in the CAAM. GEM 2 ensured that cold and cool chain, logistics, and marketing systems were in place to allow substantial expansion of shipments of vegetables and fruit to markets throughout the Philippines and Asia. The Program also enabled a major expansion of exports of fish, fruits, vegetables, and nontraditional commodity exports to the large and growing China market. In addition, GEM 2 worked toward sustainability in the harvesting of marine resources, while providing optimal long-term contributions to economic development.

*Business Support Organization (BSO) Development.* GEM 2 helped to ensure that capable and financially self-sufficient BSOs, representing and servicing all significant agribusiness sectors in Mindanao, were in place and functioning effectively. Assisted BSOs have undertaken substantial levels of activity in the CAAM.

## Education Improvement

GEM 2 worked with Parent-Teacher Community Associations (PTCAs) of schools in the ARMM and other CAAM to improve the quality and impact of education services offered to students. Key activities included introducing internet and computer education into high schools, increasing public awareness of key problems facing education, and mobilizing parental participation in solving them.

## Governance Improvement

GEM 2 assisted the ARMM regional government to address several key governance issues, including relations with the national government, relations with donors, infrastructure planning and implementation, and improving the investment climate. The

Program also implemented the highly regarded Congressional Internship Program for Young Muslim Leaders (CIPYML).

## Former Combatant Reintegration

The principal vehicle through which GEM 2 provided assistance to former combatants was the Livelihood Enhancement and Peace 2 (LEAP 2) Project. In October 2003, USAID made the LEAP 2 Project a component of the GEM 2 Program. Since LEAP's inception in 1997, more than 28,000 former MNLF combatants received the training, technical and marketing assistance, and production inputs they needed to become small-scale commercial growers of corn, rice, or seaweed. Over 7,000 of these former combatants were assisted to produce and market higher-value commodities. In addition, LEAP 2 provided 50 MNLF communities (co-ops and organizations) with 111 assorted items of preproduction and postharvest equipment, concrete or bamboo solar dryers, and outrigger boats.

## Support Services

GEM 2 provided a range of support services to USAID and its contractors and grantees working in Mindanao. One of these services was a communications and public relations program that was integrated with, and provided support to, all GEM 2 activities. GEM 2 also facilitated scores of visits to Mindanao by officials from the Philippine government and the U.S. Embassy, and other departments of the U.S. government.

# Infrastructure Improvements Spur Economic Growth

Infrastructure facilities constructed throughout the conflict-affected communities of Mindanao stand as examples of the benefits of peace.



Among GEM 2's most significant achievements was the design and construction of 870 infrastructure projects, including ports, highways, bridges, rural roads, boat landings, grain dryers, warehouses, water systems, and trading centers. The projects were identified by the Mindanao Economic Development Council (MEDCo), local government units (LGUs), and private sector groups including chambers of commerce and producer associations in the ARMM and other conflict-affected areas in Mindanao (CAAM).

### Infrastructure Program Targets

Many observers believed that the ARMM and other CAAM had the least adequate infrastructure base in the Philippines. This lack of infrastructure substantially slowed economic development. These areas had urgent needs: for ports, boat landings, roads, bridges, drainage facilities, and potable water systems. Properly implemented, not only did such infrastructure projects meet immediate needs, they also supported the peace process, generated employment, encouraged economic expansion, and contributed to the capacity-building of the agencies responsible for the operation and maintenance of the infrastructure.

Infrastructure activities represented about half of the GEM 2 Program.

GEM 2's BIP program completed 830 *barangay* infrastructure projects throughout the ARMM and CAAM. These community-based projects—ranging in cost from \$5,000 to \$55,000—have helped improve the lives of an estimated 2.5 million people.

GEM 2 also undertook and completed 40 larger Regional Impact Projects (RIPs), ranging in cost from \$55,000 to \$1 million. These projects, which represent about half of the GEM 2 infrastructure expenditures, improved the lives of more than 1.6 million people.





### Tangible Benefits of Peace

The completed infrastructure projects were concrete examples of the benefits of peace. In the case of BIPs, community residents were reminded daily of these benefits through their use of the facilities. In the case of RIPs, the same level of perception existed, albeit over a wider geographic area. Further, GEM 2 infrastructure and other program-supported facilities provided a strong demonstration effect to nearby communities, (including the Moro Islamic Liberation Front [MILF] communities), making it more likely that they would advocate peace in their own areas in an effort to obtain similar benefits.

### Increasing Economic Development

The positive impacts of GEM-constructed infrastructure on the economies of local communities, and broader regions in the case of RIPs, were widely acknowledged throughout Mindanao and will continue to produce benefits for these communities in the future. The improvement of bridges, ports, boat landings, and roads lowered transport costs, increased the speed of delivery of goods to market, and boosted employment by fostering the development of new and expanded businesses. Residents of isolated areas gained faster and easier access to the health and education services available in the larger towns. Community water systems dramatically reduced the number of hours residents—usually women and children—spent each day in fetching water.

All infrastructure constructed during GEM 2 contributed to the goal of immediate and medium-term economic expansion and also supported the goal of achieving and sustaining peace. People earning enough to meet the financial needs of their families are less likely to take up arms.

### Beneficial Use Monitoring Program

GEM 2's infrastructure projects were intended to improve the quality of life and economic well-being of community residents. To help ensure that completed projects were properly maintained and operated and that they provided the intended benefits to the beneficiaries, GEM 2 provided the LGU owners of the infrastructure facility with operation and maintenance training, manuals, supplies of spare parts, and maintenance tools.

To assess whether or not the projects were being appropriately maintained and operated, and to ensure that they were providing intended benefits to the beneficiaries, GEM 2 designed and implemented the Beneficial Use Monitoring (BUM) system to collect and analyze information from projects turned over to proponents. Based on field visit reports by BUM teams, projects were classified as either fully utilized and properly operated and maintained, fairly utilized and fairly operated and maintained, or marginally utilized and poorly operated and maintained. The reports served as the basis for designing further interventions to improve maintenance or use as necessary. All projects were visited for monitoring purposes within six months of turnover.

### Barangay Infrastructure Projects

As community-based infrastructure projects, BIPs addressed needs at the grassroots level. BIPs served as catalysts for socioeconomic development in the communities and were a key factor in the consolidation of peace in the ARMM and other CAAM.

Postharvest facilities, such as solar dryers (concrete or bamboo drying platforms) and warehouses for grain and seaweed, made up 28 percent of BIPs; at 236 projects this was the largest category of BIPs. These projects benefited farm cooperatives and growers and generated added value to their crops. Other BIPs included: 96 box culverts, pipe culverts, and spillways; 7 irrigation canals; 65 boat landings; 42





**BEFORE**



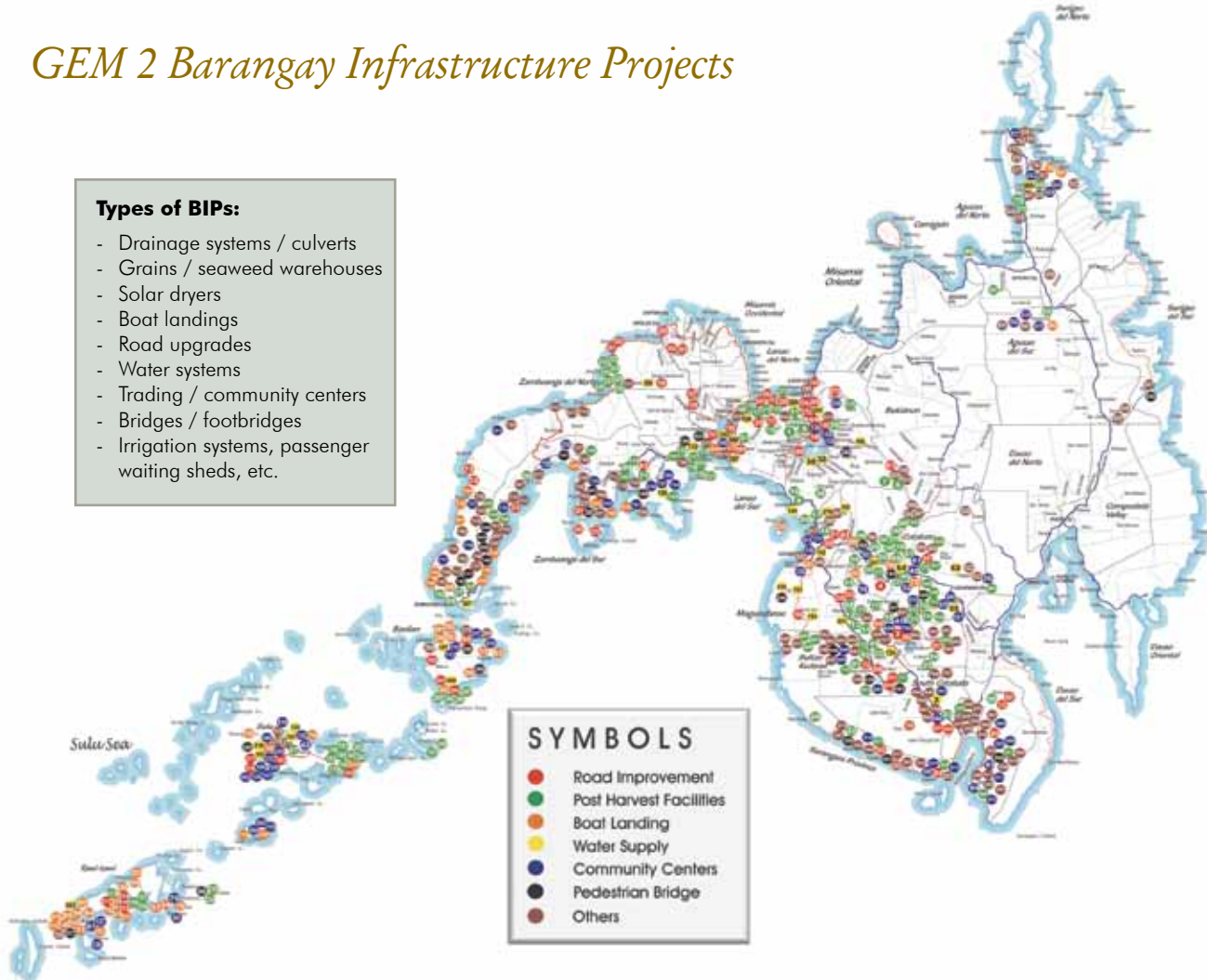
**AFTER**

Damalusay Road Rehabilitation (barangay Damalusay, Paglat, Maguindanao)

## *GEM 2 Barangay Infrastructure Projects*

### **Types of BIPs:**

- Drainage systems / culverts
- Grains / seaweed warehouses
- Solar dryers
- Boat landings
- Road upgrades
- Water systems
- Trading / community centers
- Bridges / footbridges
- Irrigation systems, passenger waiting sheds, etc.



**BEFORE**



**AFTER**

Sipangkot Boat Landing (Tawi-Tawi)





pedestrian footbridges; 102 community centers/trading centers; 40 rural water systems; 52 roads; and 37 miscellaneous other projects.

### Regional Impact Projects

RIPs are larger, higher-impact infrastructure projects that are needed to support the economic development of a city, province, or group of adjoining municipalities. During GEM 2, 40 RIPs

were designed and constructed, ranging in cost from \$55,000 to about \$1 million.

RIPs included bridges, water systems, port facilities, and roads. GEM 2 constructed five concrete bridges; six bailey-type steel bridges; two slab bridges; and a pedestrian footbridge. Maritime facilities comprised six ports, including four roll-on roll-off (RoRo) boat ramps, and five boat landings. Finally, GEM 2 also constructed 13 gravel or concrete roads, or combinations of the two. A major municipal water supply system was expanded and a commercial center for a major city was constructed.

In the three island provinces in the Sulu archipelago, 19 RIPs were implemented: six in Tawi-Tawi, six in

## SULU

### Cooperation Springs from a Community Water System



People in the coastal *barangay* of Taglibi in Patikul, Sulu, earned their living from the region's rich marine life. However, the 1,300 residents did not have regular access to safe, potable water to meet their families' daily needs.

Their situation changed with the construction of a community water system through a partnership between the Taglibi *Barangay* Water Association (TagBA-WASA) and USAID's GEM 2 Program.

Using a nearby spring, GEM 2 constructed a water system that included: intake and collection boxes with electric-driven pumps, storage tanks, transmission pipelines, and 21 communal faucets distributed throughout the *barangay*. GEM 2 also provided a system-integrated water purification facility and trained residents to test the safety of the water daily.

The water system was among the 65 BIPs in Sulu province constructed by GEM 2 in collaboration with municipal and *barangay* governments. In partnership with the regional and provincial

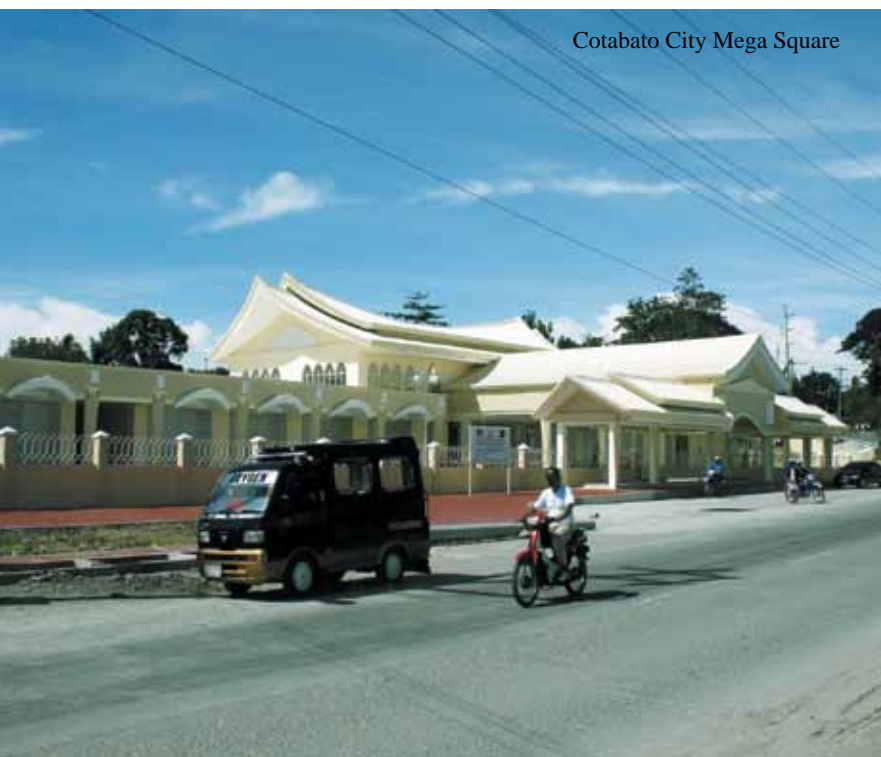
governments, GEM 2 also constructed six larger RIPs in the province.

Ismunlatip Suhuri, Patikul's municipal mayor, was thankful for the water system because it helped to reduce the incidence of waterborne diseases and contributed to the economic development of his municipality.

"Before, access to safe water required so much time and effort. There were long queues at the spring and it would take you more than an hour to get your share," Suhuri said. He added that the water system not only answered a very basic need, but also gave people more time to earn a living. "Now, people are focused on their businesses and they have more time to work," he said.

"Indeed, the water system not only brought potable water to the people, but also resulted in cooperation in the community. Now, we can look forward to a progressive Taglibi, a peaceful Patikul, and a flourishing Sulu," Suhuri concluded.

Cotabato City Mega Square



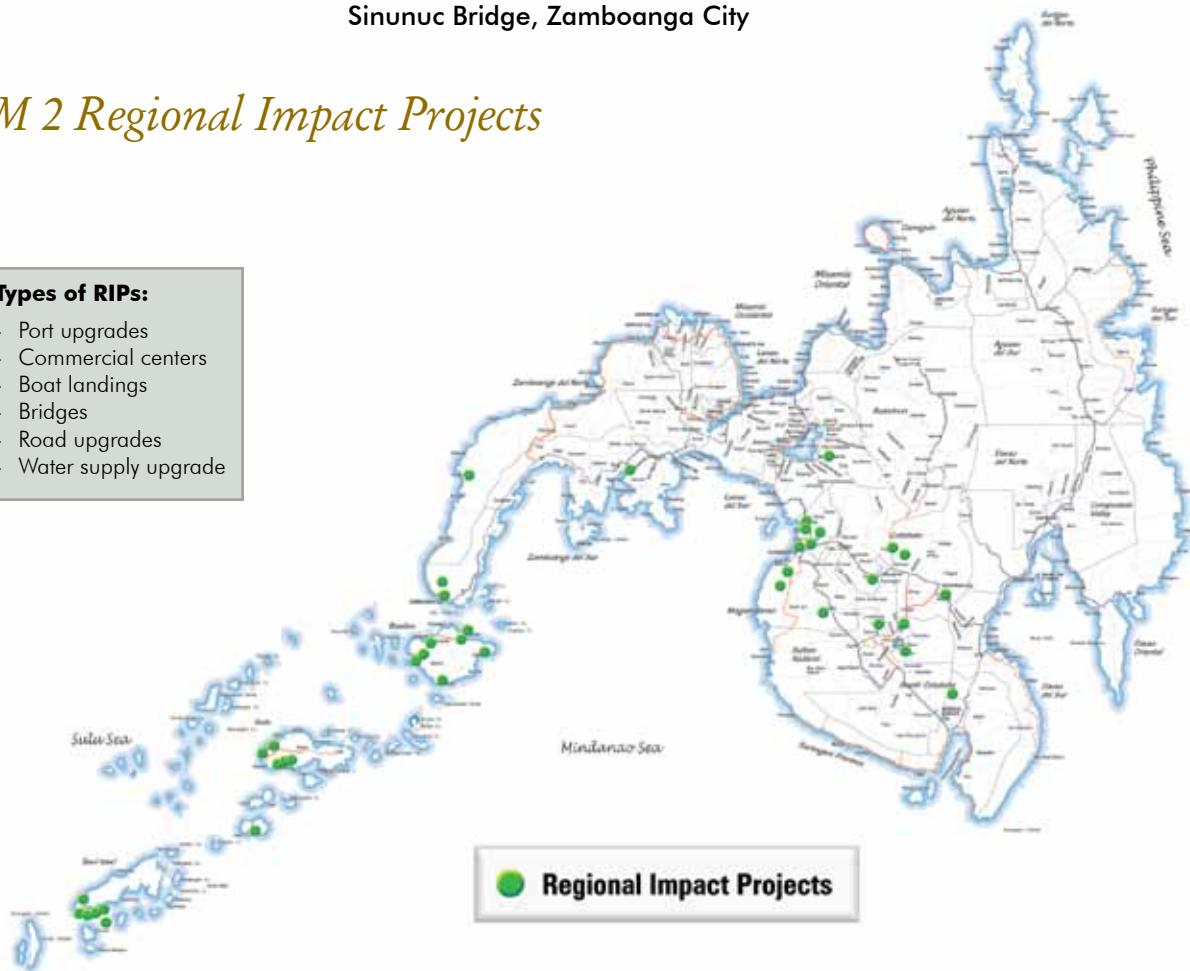


Sinunuc Bridge, Zamboanga City

## *GEM 2 Regional Impact Projects*

### **Types of RIPs:**

- Port upgrades
- Commercial centers
- Boat landings
- Bridges
- Road upgrades
- Water supply upgrade



 **Regional Impact Projects**



Jolo Market Road, Jolo, Sulu Province



Sulu, and seven in Basilan. In the ARMM provinces of Central Mindanao, 12 RIPs were constructed: three in Lanao del Sur, four in Maguindanao, and five in Shariff Kabunsuan. The nine remaining projects were implemented in other CAAM: two in Zamboanga City, one each in Zamboanga del Sur and Zamboanga del Norte, one in Cotabato City, three in North Cotabato (including one in Kidapawan City), and one in South Cotabato.

Altogether, these RIPs benefited more than 1.6 million regional residents.

## Local Partners

All infrastructure projects were implemented in partnership with a project proponent, typically a *barangay*, municipal or provincial government, or a cooperative. Project proponents took active roles in project preparation, and proposed projects were weighed carefully against the capabilities of proponents to manage and maintain the facilities. Memoranda of agreement (MOA) were signed with proponents, stipulating required contributions and the responsibilities of all parties.

## Beneficiary Buy-Ins

Beneficiaries of RIPs and BIPs provided about 25 percent of the project costs. This created buy-in, as proponents were not simply beneficiaries, but invested stakeholders. Collectively, project proponents provided approximately \$11 million as counterpart contributions for GEM 2 BIPs and RIPs.

## Other Infrastructure Activities

*Advocacy for Accelerated Infrastructure Development.* GEM 2 collaborated with the Mindanao Economic Development Council (MEDCo) to establish Infrastructure Monitoring and Advisory Groups (IMAGs). They provide a useful forum for problem solving among implementing agencies, contractors, oversight agencies (such as the National Economic and Development Authority and the Office of the Ombudsman), LGUs, nongovernmental organizations (NGOs) and other local stakeholders. These groups, conceptualized by GEM 1 in 1996 and used for more than 16 projects, proved to be an effective tool for project management.

*Expanded Cellular Phone Coverage in the Sulu Archipelago.* Before 2003, access to cellular phone services in the Sulu Archipelago was limited to the provincial capitals of Sulu, Tawi-Tawi, and Basilan. Cellular phone service was available to about 240,000 residents, or 18 percent of the islands' population. As of

## MAGUINDANAO

# "Bridge of Peace" Links War-torn Communities to Progress



Mayor Karim Langkuno of Paglat municipality in Maguindanao recalled vividly the sound of gunfire that reverberated across the town during confrontations between government troops and rebel forces over the last decade. "Our area was perennially declared a hotspot by the military. It was a difficult period for our people," said Langkuno.

Kumander Patula Gayandang, MNLF municipal chair in the nearby municipality of SK Pendatun, remembered those encounters with government forces. "Before, we were always on the run. It was very difficult, especially for our families," related Gayandang.

With the conflict in the past, residents of Datu Paglat and SK Pendatun worked hard to reverse the ravages of war and improve economic conditions in their communities.

Langkuno believed that better infrastructure would be a major contributing factor to his municipality's march to progress. GEM 2 responded to this need by constructing a two-lane, six-meter concrete bridge that allowed the residents of both municipalities to transport their agriculture and fishery products more cheaply and more quickly from interior production areas to market centers.

The Campo Bridge is among 40 RIPs that GEM 2 constructed in collaboration with local governments across CAAM. Due to its strategic location, it directly served eight major *barangays* of the two municipalities, benefiting approximately 10,000 residents.

Mayor Langkuno and Kumander Patula were unanimous in saying that the partnership between USAID and the government of the Philippines played a key role in their communities' quest for long-lasting peace and genuine development.

According to the mayor, the bridge became a boon to both municipalities and other adjoining areas. "Our farmers and traders coming from far-flung *barangays* are now enjoying higher incomes due to lower transport costs and time savings generated by using the bridge," he explained.

For Patula, who managed a cooperative composed of former MNLF combatants and their families, the Campo Bridge was a concrete indication that progress had finally reached his community and was now within his people's grasp.

## Solar Dryers Raise Farmers' Incomes



Hassan Basso, who tilled his family's farm in *barangay* Datu Tumangong all his life, knew that planting crops and selling crops were two very different efforts. Although farming was backbreaking work, it gave Hassan hope and a sense of purpose knowing his efforts would be rewarded at harvest time. However, negotiating a good price for his produce often presented a more difficult challenge, as traders often dictated the buying price of rice (*palay*) and corn grown by farmers in his community.

Because the farmers lacked an adequate drying facility, they produced inferior-quality grains, resulting in low prices. Basso and his fellow farmers were often forced to utilize fishnets laid on the ground or the town's basketball court as makeshift dryers. The higher moisture content of the insufficiently dried *palay* and corn caused the grains to rot easily. "We were at a disadvantage, as traders decided how much they would pay for grains," related Basso.

Moreover, as only a limited amount of grain could be dried at the basketball court at one time, farmers would be forced to wait for several days, or even weeks, for their turn to dry their crops. Sacks of undried corn rotted by the

roadside, leaving farmers like Basso with high post-harvest losses.

This situation improved dramatically when GEM 2 constructed two concrete solar dryers. The Datu Tumangong Farmers' Association, which managed the facility, devised a schedule to accommodate all farmers from the *barangay* during the same week. The schedule resulted in a more systematic post-production cycle, which not only eliminated tensions among farmers, but also created a stronger sense of camaraderie.

Edwina Desoasida, a municipal planning development coordinator, said that the solar dryers led to increased productivity levels, and consequently, higher incomes. She reported that farmers could now demand better prices due to the improved quality of the grains. Traders were also pleased because Tumangong's farmers were able to regularly meet their volume requirements.

Basso was grateful to USAID and GEM 2 for the assistance they provided to his community. He said that due to his improved income, he was now able to provide for the basic needs of his family and send all of his children to school.

July 2007, the situation had changed dramatically: Almost all municipalities in the three provinces—about 90 percent of the population—had gained access to cellular phone services.

This happened because GEM 2, with the assistance of MEDCo, provided the cellular phone companies with needed economic analyses, identified priority municipalities, conducted site surveys to locate the most appropriate sites, identified local contractors who could provide needed services to the companies, facilitated and organized meetings with key local and national government officials, obtained agreements from business support organizations and chambers of commerce to promote the use of the cell service; and secured commitments from the Armed Forces of the Philippines (AFP) to provide security and to locate cell towers near their facilities.

*Roll-on Roll-off Shipping in the Sulu Archipelago.* As GEM 2-assisted port improvements in Sulu, Basilan, and Tawi-Tawi neared completion, the Program prepared proposals on roll-on roll-off (RoRo) shipping operations in the Sulu Archipelago and, together with the business community and local officials, initiated activities aimed at improving shipping services. A major step forward was President Gloria Macapagal-Arroyo's declaration that the Zamboanga-Basilan-Sulu-Tawi-Tawi link was part of the Strong Republic Nautical Highway (SRNH), an integrated system of roadways and vehicular ferry routes.

GEM 2 helped persuade the management of a private shipping line to deploy RoRo vessels to the port of Lamitan by stressing the advantages and potential revenues of the new service. It helped organize the Western Mindanao RoRo Shipping Conference in Zamboanga City and organized forums with local shippers and LGUs in Sulu, Basilan, and Tawi-Tawi to discuss the new RoRo shipping services. With GEM 2 support, the mayor of Lamitan, Basilan, created a multisectoral task force charged with ensuring the successful operation of RoRo shipping services in Lamitan.



Lamitan City Port, Basilan Province





As of July 2008, the private shipping line vessel makes a round trip daily between Zamboanga and Lamitan's RoRo port, reducing shipping costs of commodities by up to 32 percent. RoRo vessels are currently calling three times a week at Bongao Port and two times a week at Siasi Port.

*Community E-Centers.* Mindanao lagged in information and communications technology infrastructure. It had the lowest telephone density and coverage, and the lowest computer penetration and internet connection availability of any region in the Philippines. To partially address this, GEM 2 promoted the establishment of community e-centers (CECs) as a cost-effective means of providing connections for remote areas in Mindanao. CECs were usually located in small buildings and were equipped with a telephone and fax machine; personal computers; local area networking; broadband internet connection; and a scanner, printer, and web cameras. These centers, which were designed to be self-sustaining, provided the public with communication services for a reasonable fee.

GEM 2 helped set up 11 CECs. The CEC located in Upi, in the ARMM, was a finalist in the APEC Digital Opportunity Center competition in Taiwan, and has been used as a model by the Commission of Information and Communications Technology (CICT).

GEM 2 also helped identify 74 new CECs in Mindanao that were established with funding assistance from the CICT, in partnership with private telecommunications providers.

## INFRASTRUCTURE

### Key Lessons Learned

GEM 2 constructed 830 BIPs and 40 RIPs that had a transformational economic impact and served as concrete examples of the benefits of peace in conflict-affected communities. Important lessons, which can benefit future projects, were learned during the course of identifying, planning, and constructing these projects. Key lessons include:

#### Design

- For lower-trafficked rural roads, a typical section detail with a strip map is generally adequate and will reduce design time and costs.
- Do not rely solely on local standards and specifications.
- Where possible, use standardized designs for certain types of projects: boat landings, pedestrian footbridges, box culverts, and solar dryers.
- Base the design on the assumption that little or no maintenance will be carried out.

#### Beneficiary Contribution

- Ensure LGU buy-in to establish the commitment and responsibilities of the proponent.
- Obtain from the LGU a significant portion of "hard" counterpart contributions, such as construction materials, or construction of a portion of the overall project, which require financial outlays.
- Select counterpart contributions that are required early in the construction process to ensure that the LGU is fully committed to the project.
- Avoid counterpart contributions that are in the critical path of project works to avoid disrupting the contractor's schedule.
- Sanction LGUs that have not met their counterpart obligations by halting assistance to the proponent until counterpart obligations are met.

#### Construction and Contracting

- Do not always select construction contractors from a short list of selected contractors—use full and open competition among all qualified contractors to reduce the chance of collusion.
- When appropriate, bundle similar construction projects into a single package for bidding, both to save time and costs and to attract the interest of additional larger bidders.
- Take into account changing prices of materials to ensure that estimates are in line with current construction costs.
- During construction, closely monitor area supervision engineers and inspectors and provide regular skills-enhancement training.

#### Project Monitoring

- "Beneficial use monitoring" by the project team has been a very useful tool for ensuring post-construction project success.
- Independent monitoring (through USAID site visits) of construction activities is also highly useful and complements internal monitoring.

# Helping Businesspeople, Farmers, and Fisherfolk

**GEM 2 helped quadruple the value of Mindanao's exports of targeted fruits, vegetables, and fishery products to China; increase, by five times, the shipment of selected fruits and vegetables from Mindanao to Luzon and the Visayas; and support the Mindanao fisheries and aquaculture sectors to dramatically but sustainably expand productivity and profitability.**



**G**EM 2's business growth activities were intended to significantly increase the volume and value of Mindanao exports and domestic out-shipments of targeted crops, thus increasing jobs and incomes for growers.

### BUSINESS SUPPORT ORGANIZATIONS

GEM 2 worked extensively with key business support organizations (BSOs) in Mindanao. These organizations—chambers of commerce, producer and industry associations, trade groups—were instrumental in improving the region's business environment and the productivity and profitability of their members.

BSOs served as anchors for GEM 2's priority industries, helping to implement development strategies designed to meet their and GEM 2's objectives. GEM 2 helped strengthen their organizational capacity in financial and program planning, revenue generation, service delivery, communications, policy advocacy, and strategic networking. A number of BSOs were created with GEM 1 and GEM 2 assistance.

GEM 2, often in collaboration with the Philippine Department of Agriculture, assisted producer associations representing Mindanao's major growth industries (fruits, vegetables, tuna, seaweed) to improve their overall competitiveness and to promote increased trade and investments in their sectors. GEM 2 also supported local chambers of commerce in their efforts to improve the local business climate and encourage additional business activity in their respective areas.

GEM 2 provided technical assistance to the Mindanao Business Council (MBC) and other umbrella BSOs as they developed and implemented advocacy efforts aimed at convincing government to take actions favorable to Mindanao development.

With GEM 2 support, these BSOs organized ten major conferences per year, with 300 to 600 business-



people attending each event. They also conducted more than 100 training events per year.

## Support to Business Councils

GEM 2 focused on improving their organizational capabilities, expanding membership, and enhancing capacities to undertake regional policy advocacy initiatives to improve the business climate across Mindanao. Through these advocacy efforts, the councils helped articulate the business sector's views on the provision of additional government resources and improved policies to accelerate Mindanao development, including a higher budgetary allocation in the areas of infrastructure and education, and the establishment of a more competitive interisland shipping industry.

*Mindanao Business Council.* GEM 2 provided capacity-building support to the MBC, whose prominence made it a strategic partner for regional economic development. Assisted by GEM 2, MBC became an important policy advocate for Mindanao firms, farmers, and fisherfolk. Using its annual regional forums to draw together the key BSOs and to bring important issues to the attention of policy makers and opinion leaders, the Council was able to ensure substantive participation by the private sector in vital economic initiatives, such as the development and operation of the region's RoRo system, and the creation of the Mindanao Halal Industry Task Force. The MBC continually widened its outreach through its Web site ([www.minbc.org](http://www.minbc.org)) and promoted trade and investment through regional business conferences and trade events showcasing Mindanao's food, agribusiness, and information technology sectors. The MBC "graduated" from GEM's financial assistance in 2004, becoming financially self-sustaining.

*ARMM Business Council (ABC).* Created with GEM 2 assistance, ABC became the umbrella organization for all chambers of commerce operating within the ARMM. It promoted trade and investment in the region and advocated policies beneficial to the business sector. GEM 2 provided support for ABC's advocacy work in identifying and resolving private sector concerns specific to the ARMM, as well as technical assistance to enable ABC to formulate financial and work plans, implement revenue generation activities, deliver improved services to members, and establish strategic linkages.

## Support to Chambers of Commerce

GEM 2 helped chambers of commerce attain organizational and financial viability and expand their outreach services and memberships. Local cham-

bers played significant roles in helping to improve business conditions in their respective areas and in showcasing local trade and investment opportunities. GEM 2 assistance to chambers included: partial financing of personnel salaries and travel costs; partial financing of communications costs and the conduct of business events, seminars and training, conferences, and trade fairs; the preparation and printing of business promotional materials; conduct of special studies; and limited provision of equipment.

## New Chambers, Associations, Councils

GEM 2 helped organize new vegetable industry groups to promote industry consolidation, disseminate new technologies and best farming practices, and advocate policies conducive to the industry's growth. From two vegetable producer associations covering northern and southern Mindanao, the following new organizations were created: WestMinVeggies, Central Mindanao Vegetable Industry Development Board, and the Caraga Vegetable Industry Cluster.

## Key Business Support Organizations (BSOs) Assisted by GEM 2

### Business Councils

- Mindanao Business Council
- ARMM Business Council\*

### Producer and Industry Associations

- SOCKSARGEN Federation of Fishing & Allied Industries, Inc.\*
- Western Mindanao Seaweed Industry Development Foundation, Inc.\*
- Mindanao Fruit Industry Development Council\*
- Vegetable Industry Council of Southern Mindanao\*
- Northern Mindanao Vegetable Producers Association\*

### Community-level Chambers of Commerce & Industry

- Marawi Chamber of Commerce & Industry
- Tawi-Tawi Chamber of Commerce & Industry
- Sulu Chamber of Commerce & Industry
- Autonomous Basilan Islamic Chamber of Commerce & Industry\*
- Muslim Chamber of Commerce & Industry of Kutawato, Inc.\*
- Metro Cotabato Chamber of Commerce & Industry Foundation\*
- Zamboanga City Chamber of Commerce & Industry Foundation
- Muslim Business Forum

\*Created with GEM assistance



## SELECTED ACCOMPLISHMENTS OF THE BSO DEVELOPMENT PROGRAM

Through a balanced mix of technical assistance in institutional strengthening, industry development, and policy advocacy, GEM 2's BSO development efforts produced significant results.

### Growth and Sustainability of BSOs

Twelve of the 15 key BSOs supported by GEM 2 became financially viable and capable of sustaining operations through self-generated resources. These organizations significantly expanded their memberships in five years, with total membership growing by about 70 percent from 2002 base figures. Producer associations increased their membership by over 140 percent.

These BSOs trained more than 18,000 farmers, fisherfolk, company employees, and small and medium enterprises in improved production technologies, best farming practices, better quality standards, food safety requirements, entrepreneurship, small business management, and/or basic marketing.

### BSOs in the ARMM and CAAM

GEM 2's BSO development program contributed to business growth in the ARMM and other conflict-affected areas in Mindanao (CAAM) by promoting trade and investment opportunities, through the annual ARMM Business Congress. The ABC was instrumental in the creation of a private sector Halal Certification and Accreditation Board. The MinFruit Council and NorMinVeggies expanded their activities to include fruit and vegetable grower groups in the ARMM and CAAM. The Western Mindanao Seaweed Industry Development Foundation implemented productivity-enhancing activities in Sulu, Tawi-Tawi, and Basilan. BSOs supported by GEM intensified activities where the MNLF and MILF had a substantial presence. These activities included

providing training for the Maguindanao Chamber of Commerce and the Iranon Chambers of Commerce, as well as the expansion of support to former MNLF members and MILF-influenced communities.

## FARMERS AND FISHERFOLK

### Targeted Commodity Expansion Project

The Targeted Commodity Expansion Project (TCEP), initially developed during GEM 1, helped significantly increase Mindanao's exports and domestic outshipments of fruits, vegetables, and fishery products. By enhancing critical elements of the value chains, TCEP improved the productivity and competitiveness of key commodities and industries. Through TCEP, GEM helped selected industry and commodity associations expand domestic and international trade, thereby creating jobs and private enterprise opportunities.

GEM 2 supported five producer associations in selected key industries—fish, fruits, vegetables, and seaweed—in order to improve their overall competitiveness and expand trade and investment in these industries. GEM 2 helped these associations represent their industry sectors in dealing with government and other market stakeholders. They also served as focal points of GEM 2's efforts to increase exports and outshipments of key commodities.

TCEP assistance under GEM 2 included: the dissemination of information on new production technologies and sustainable production methods, internationally accepted Good Agricultural Practices (GAP), and food safety standards; the introduction of alternative logistics and transport systems; focused market development and promotion activities; the promotion of private investment in improved production technologies and facilities; and the establishment of additional postproduction facilities, including cold chain systems and value-added processing.







These TCEP initiatives focused on improving the value chain of each commodity or industry, enhancing its competitive position in domestic and export markets,

and increasing exports and outshipments of high-value commodities, particularly by farmers with small landholdings in the CAAM. GEM 2's vegetable industry development strategy recommended crop diversification, cold chain development, and improved production technologies. In the fruit industry, GEM 2's strategies included improving the value chain, promoting off-season production, and implementing good agricultural practices. GEM 2's fishing and aquaculture strategies focused on promoting sustainable production systems, improving product quality and market access, and establishing hatcheries for higher-value aquaculture species.

### Former Combatant Reintegration—TCEP

One component of TCEP enabled graduates of GEM's former combatant reintegration project to diversify into high-value commodities such as cardaba bananas, mangoes, vegetables, peanuts, marine fish, prawns, catfish, and tilapia. Under GEM 1 and GEM 2, approximately 28,000 former MNLF combatants received technical and production input assistance from USAID, enabling them to begin production of hybrid corn, rice, or seaweed. About 7,000 of these former combatants were given further assistance in GEM 2 to diversify into the production of higher-value agricultural crops and aquaculture.

GEM staff closely monitored production activities and conducted periodic evaluations to ensure that the appropriate technologies were being implemented. Graduates were trained in harvesting and postharvest handling. Since the LEAP graduates had limited knowledge of markets, assistance was provided by GEM 2 to link the producers to markets and establish linkages to BSO networks and traders.

Photo courtesy of Southern Philippines Fresh Fruit Corporation



### Fruit

#### *Priority Commodities and Strategic GEM Assistance.*

GEM 2 concentrated on priority fruits that offered strong opportunities for expansion in the domestic and international markets, including mango, banana (non-Cavendish varieties), durian, and pomelo.

GEM 2 assistance was centered on the provision of improved farming technologies, including off-season production techniques, pest and disease management, and postharvest handling. GEM 2 also introduced new production technologies, especially for mango, that complied with stricter food safety standards of important markets including Japan, China, and South Korea. GEM 2 also made substantial efforts to: promote the marketing of commodities by linking growers to buyers, exporters, and processors; encourage the establishment of more processing plants and postharvest facilities, such as vapor heat treatment plants, in strategic areas; and help improve movement of fresh fruits, such as mango, to export markets such as Japan and China.

#### *Mindanao Fruit Industry Development Council.*

The MinFruit Council, created with GEM assistance, successfully undertook a mango off-season production campaign involving more than 1,000 growers. It worked with

the cardaba banana supply chain, disseminated GAP in fruit farming, introduced improved logistics for fruit shipment (such as the RoRo system), and organized fruit festivals in Cebu and Manila.

## TEAM PHILIPPINES AT CHINA FOOD SHOW



Fifteen Philippine food exporters participated in the Food, Hotel and Catering (FHC) Exhibit held at the World Trade Center in Beijing. GEM 2 and the Philippine Department of Agriculture jointly sponsored the participation of 12 Mindanao-based companies in the exhibit. The local exporters showcased a wide range of fruit products, including fresh mango, banana, and pineapple, as well as dried mango and other processed tropical fruits, such as banana chips and desiccated coconut.

FHC Beijing is one of the largest and most established international food exhibits in the northern China region. The show draws an average of 5,000 visitors, mostly buyers from institutional markets like hotels, restaurants, and catering operators from China and other countries. GEM 2 sponsored the participation of more than 50 Mindanao firms in strategic trade exhibits in China, helping local producers to expand food exports to the large Chinese consumer market.



*Mindanao Emerging as Year-Round Supplier of Mango for Local and Export Markets.* Mindanao's typhoon-free climate has helped it to become an emerging supplier of mango for local and export markets. To take full advantage of favorable weather conditions, GEM 2 helped MinFruit spearhead an islandwide "Mango Off-Season Production Campaign" to encourage mango growers to schedule harvests during the second half of the year, when growers in Luzon and the Visayas cannot produce due to the typhoon season.

Mindanao's mango production increased significantly from 1995 (GEM 1) to 2005, jumping from 90,581 to 202,224 metric tons. The island's share of mango production as a percentage of national output expanded from 14 percent in 1995 to 20 percent in 2005. With more exporters sourcing from Mindanao, the value of fresh and processed mango exports from Mindanao to China increased dramatically.



*New Investments in Mango Vapor Heat Treatment (VHT) and Processing Plants.* With Mindanao established as a primary supplier of fresh mango for the export market, investments in new postharvest treatment facilities, such as VHT, were made by a number of private agribusiness companies. New mango processing plants were also built.

*Banana Chip Industry.* The banana chip industry has become one of the country's export winners, with total exports reaching almost \$36 million. GEM 2, through the MinFruit Council, worked with Mindanao banana chip processors and banana growers to improve the supply of high-quality fresh cardaba, the raw material for exported banana chips. Mindanao became home to 22 processing plants. The value of total Philippine exports of banana chips, 70 to 80 percent of which are produced in Mindanao, grew by more than 50 percent, from \$22 million in 2002 to \$36 million in 2006. It is estimated that the banana chip industry in Mindanao directly employed 3,000 workers (mostly in rural areas) and supported at least 30,000 grower-suppliers. These grower-suppliers were concentrated in central Mindanao, the scene of much recent conflict. Many former combatants with small landholdings provided the banana chips sold in American and Chinese supermarkets. In fact, banana chip shipments to China rose from \$100,000 in 2002





to an estimated \$5 million in 2006.

Mindanao remains the country's largest supplier of table bananas for the key domestic demand centers of Luzon and Visayas. GEM 2, through the MinFruit Council, worked with local banana grower associations to promote best farming practices in

banana production, particularly the control of major pests and diseases.

*Good Agricultural Practices (GAP) Training for Mango and Other Fruit Growers on International Food Safety Standards.* In 2005, the Japanese government implemented stricter food safety standards and threatened to ban shipments of Philippine fresh mangoes with higher-than-allowed pesticide residue levels. In response, GEM 2 provided assistance to the MinFruit Council and the Department of Agriculture to design and implement an intensive information campaign on the need to adopt GAP in key areas of mango production. The Mango GAP prescribed a set of production protocols that promoted and ensured food safety, the judicious application of agrochemicals, environmental sustainability, and workers' welfare. Thirteen GAP seminars were conducted by the MinFruit Council with GEM 2 cofunding support. These benefited more than 1,000 growers and local technicians in ten provinces.

*Improved Access of Mindanao Fruit Products to China.* GEM 2 worked with the MinFruit Council to improve access of key Mindanao fruit products to important foreign markets, including China. In light of changes in China's trading policies, BSOs assisted by GEM 2 ensured that these policies would not constrain the entry of Philippine mango and banana chip exports into the Chinese market. The MinFruit Council and other mango producers and exporters, with technical advice from GEM 2, successfully urged the Philippine government to negotiate with Chinese agriculture officials for simpler quarantine procedures. In addition, when Guangdong province imposed a high valuation on imported banana chips from the Philippines, GEM helped MinFruit develop a position paper calling for the Philippine government to pursue bilateral discussions with the Chinese to agree on a mutually acceptable valuation rate. As a result, the customs valuation issue has become one of the discussion points during bilateral meetings between the two countries.

*New Markets for Philippine Fruit.* GEM 2 and the MinFruit Council helped to formulate a supply chain model for exporting fresh mangoes to the Middle East, including a trial shipment to Dubai. The MinFruit Council, with GEM 2 technical advice, also advocated developing a certification system for Mindanao fresh mangoes which are pest-free, for possible entry into the Australian and U.S. markets.

*Durian Festivals Helped Spur Local Consumer Interest and Demand.* Durian is one of several emerging high-value fruit crops in Mindanao. The Philippines has one of the lowest per-capita consumption rates of durian among ASEAN countries. To spur consumer interest and increase local demand, GEM 2 partnered with the MinFruit Council and the Durian Industry Council to conduct durian festivals in the key demand centers of Cebu and Metro Manila.



## Vegetables and High-Value Horticulture

GEM 2's involvement in high-value horticulture was designed to increase the shipment of vegetables to various markets outside Mindanao and to expand exports of selected high-value products to key markets in the Asian region. GEM helped develop this sector by doing the following:

- Working with large agribusiness companies willing to finance export-oriented ventures, to pave the way for possible outgrowership with small farmers.
- Improving culturing and postharvest practices to increase yield, reduce losses, and improve quality.
- Introducing simple mechanization, appropriate production technology, and suitable postharvest management.
- Introducing or expanding production and marketing of lucrative nontraditional commodities in the CAAM.
- Developing or expanding commodity supply chains to China and other export markets.

## HIGH-VALUE HORTICULTURE

### Demonstration Farm Helps Farmers Diversify



“Now that we’re producing high-value vegetables, my weekly income is more than what I earned in three months when we planted native potatoes. GEM taught us what to plant, how to improve our methods, and even how to negotiate with buyers!” - *Ricky Aragua, Sugbongcogon councilor and co-op member*

GEM 2 established a techno-demonstration farm in the municipality of Sugbongcogon, Misamis Oriental Province, to help area farmers diversify into high-value vegetable farming.

The USAID-supported farm introduced appropriate farming technologies to maximize the production of highly marketable crops suited to the area’s agroclimatic conditions.

For the 312 farmer-members of the town’s multi-purpose cooperative, high-value vegetable farming meant increased incomes. Cabbage, sweet peas, and carrots increased the average income of the co-op farmers from about Php 400 (\$8) per week to over Php 4,500 (\$90) per week. This enabled the farmers to reestablish their rural community, which had been abandoned at the height of armed conflict between government forces and communist rebels.

GEM 2 trained the farmers in sustainable farming practices, and helped establish links with input suppliers, traders, buyers, and farm-oriented government agencies. Through marketing training, the farmers were now able to negotiate prices with buyers and schedule the planting of specific crops to coincide with market demand.

Fifteen of the co-op members formalized a contract to supply 500 kilograms of cabbage weekly to the Northern Mindanao Vegetable Producers Association for shipment to institutional buyers in Manila. “Engaging the Sugbongcogon farmers is a big boost to the sustainability of our supply,” said association president Marcelino Remotigue. These GEM-negotiated linkages helped to achieve USAID’s policy objective of peace through development in Mindanao.

*Northern Mindanao Vegetable Producers Association (NorMinVeggies).* NorMinVeggies is a regionwide producer association that GEM 2 helped to become more effective and financially self-sufficient, resulting in more efficient business services being provided to members and the industry. During GEM 2, NorMinVeggies formulated a strategic industry development plan and a vegetable industry road-map; organized the Philippine Vegetable Industry Development Board; created a vegetable wholesale market and retail store; and significantly expanded markets and the variety of crops produced.



*Vegetable Industry Council of Southern Mindanao, Inc. (VICSMIn).* GEM 2 helped create VICSMIn (NorMinVeggies’ counterpart in the south) and improve its services to members. VICSMIn’s membership increased from 45 registered members in 2002 to 104—and 1,164 indirect beneficiaries—in 2007. During this period, ten farmer-groups established a new regional vegetable council for Region 12. This new council was assisted by VICSMIn in its organizational development efforts.

*Cold Chain and Cool Chain Systems and Domestic Outshipments.* There was a growing market for Mindanao-produced semitemperate vegetables in the Visayas and Luzon, so GEM 2 worked with private investors and government agencies to facilitate additional private investments in cold chain storage facilities. GEM 2 also prepared analyses identifying







the potential benefits of a reliable cold chain system, working with key stakeholders.

To enhance the competitiveness of Mindanao's veg-

etable sector, GEM 2 worked primarily through NorMinVeggies to promote crop diversification and to introduce appropriate cold and cool chain technologies. GEM 2 promoted GAP through training, technology demonstrations, farm trials, and publications. It also facilitated market development activities such as business meetings between producers and institutional buyers, farm visits by buyers, trial shipments, trade exhibits, and the distribution of product catalogues.

Due to improvements in cold and cool chain systems, domestic outshipments of semitemperate vegetables from northern Mindanao increased from 10 metric tons per week in 2002 to about 50 in 2007. GEM 2 assisted private investors who invested PhP 896 million in new cold and cool chain facilities. GEM-assisted Mindanao producers diversified their range of products, from one key crop (iceberg lettuce) to 12 core vegetables for institutional markets. Mindanao growers, with marketing assistance from



GEM 2, also entered the Visayas market. With only one institutional buyer in 2002, Mindanao growers were selling to more than 10 institutional buyers in 2007, including

fast-food chains, supermarkets, department stores, hotels, restaurants, and processors.

## Sustainable Aquaculture and Fisheries Effort (SAFE)

The Sustainable Aquaculture and Fisheries Effort (SAFE) was initiated to help achieve sustainability in the commercial fisheries sector and to optimize the contributions of fisheries and aquaculture to the economy. SAFE initially focused on the commercial tuna industry, high-value aquaculture, and the seaweed industry. Assistance to the commercial sardine industry was incorporated into the program in 2005.

## VEGETABLE CONSOLIDATION

### Putting "Heads" Together to Reduce Costs



"We wanted to supply big institutional buyers, but they had stringent lettuce quality and volume requirements that we were unable to meet due to handling problems and high transport costs. We were lucky to get assistance to meet these requirements. We didn't think that eventually we would become one of the country's major lettuce suppliers." - Totong and Joan Uy, Bukidnon lettuce growers

GEM 2 and the Department of Agriculture implemented a "vegetable consolidation initiative" that helped lettuce growers in Bukidnon address a key problem they faced when marketing their product: producing shipments large enough to bring transport costs down. Growers were encouraged to combine their harvests so that they could fill a 20-foot reefer van to its 3.3 metric ton capacity. In addition to helping preserve the lettuce, transporting the vegetables by reefer van cost only PhP 11 (\$.22) per kilogram, compared to PhP 20 (\$.40) per kilogram in airfreight charges, which the growers had been paying. Given the volumes being shipped, this translated to annual savings of more than PhP 1 million (\$20,000).

GEM 2 also introduced the farmers to improved postharvest practices that allowed their produce to meet the requirements of big institutional buyers. One particularly important postharvest practice was the use of "nestable" plastic crates to protect the produce. By reducing product damage and lowering transport costs, Bukidnon growers could ship tons of iceberg lettuce and other temperate vegetables to Manila every month.

The success of the improved postharvest system in Bukidnon encouraged other growers to investigate the benefits of consolidation, thereby creating new opportunities for productive, economic agriculture and expanding the temperate vegetable industry in northern Mindanao.

## Promoting a Sustainable Fishing Industry



“The GEM Program has helped us tremendously to improve the quality of our fish catch: raising the incomes of local fishermen; enhancing the production capacities of canneries; and boosting the performance of the fishing industry.” - *Domingo Teng, president of the SOCKSARGEN Federation of Fishing Associations and Allied Industries*

The GEM 2 Program successfully introduced efficient and sustainable fishing and processing improvements that helped transform southern Mindanao’s fishing industry into a major economic force in the Philippines and a leading player in the international tuna trade. Under GEM 2, USAID implemented comprehensive and integrated fishery development programs.

One of the initiatives carried out by GEM 2 led to the use of nets designed to reduce the catch of subjuvenile tuna, thus protecting the future of the industry. Fisherfolk were taught that using larger mesh nets made economic sense, as larger-sized tuna commanded higher prices from local canners.

GEM 2 also encouraged the use of long-line fishing and nighttime hand-line fishing as part of its effort to improve existing local

fishing methods. Boat operators who adopted these practices reported higher efficiency levels and a 20 percent increase in the value of their catch.

GEM 2 played a key role in introducing the HACCP system to address the problem of fish quality degradation due to poor handling practices aboard vessels. Following its introduction, there was a major improvement in fish quality, allowing fishermen to obtain better prices for their catch. For instance, large yellowfin tuna that was previously sold by fishermen to local fish processors at PhP 80 (\$1.60) per kilogram, now sold at PhP 180 (\$3.60) per kilogram. Moreover, the seven canneries operating in General Santos City earned HACCP accreditation from the Bureau of Fisheries and Aquatic Resources and experienced marked improvements in production capacities.

*SOCKSARGEN Federation of Fishing and Allied Industries, Inc. (SFFAI).* GEM 2 helped create the Federation and supported its activities to sustain the development of the fishing industry. SAFE worked with SFFAI and the Department of Agriculture to promote sustainable fishing practices within the local fishing industry and to advocate for government regulations to improve resources management. SFFAI achievements included: a reduction of tariffs on Philippine canned tuna exports to the European Union; fish quality improvement through Hazard Analysis and Critical Control Point (HACCP) training; inputs to the National Tuna Management Plan; and the signing of a bilateral fishing agreement between the Philippines and Indonesia.

*Sustainability and Economic Growth in the Tuna Industry.* GEM 2 provided assistance through SFFAI and the Department of Agriculture’s Bureau of Fisheries and Aquatic Resources (DA-BFAR) to increase the value of landed and processed tuna, while ensuring sustainable levels of the tuna catch. Because of SAFE, a national tuna management plan was adopted and implemented by key fishing industry groups and the Philippine government, which led to the stabilization of the tuna catch at sustainable levels. Companies have enrolled in SAFE training programs and have followed fish quality enhancement measures and standards. This has improved quality, thereby helping to increase the tuna export value from \$197 million to \$264 million in the last five years. SAFE also helped create an improved investment climate, resulting in \$77 million in investments in upgraded processing facilities, an expanded fish port, the replacement of obsolete fishing vessels, and 3,300 new processing jobs. The significant improvement in facilities and practices resulted in the accreditation of Philippine seafood exports by the European Union. These results were all achieved without a substantial increase in the total local catch, indicating a more sustainable fishing industry.





*Assistance to the Sardine Industry.* MEDCo requested that GEM 2 assist the beleaguered sardine industry to find solutions for an economic crisis caused by increasing costs, static retail prices, and slumping canned sardine sales. The Zamboanga sardine fishery alone produced 200,000 metric tons of sardines annually, with a value of \$54 million, and provided 15,000 jobs. SAFE prepared an assessment of the sardine industry and helped the industry develop a Sardine Industry Management Plan to ensure the sustainability of sardine resources in western Mindanao. The Management Plan identified “permitted” fishing zones in the Sulu Sea, stipulated total allowable catch based on maximum sustainable yields and minimum size of fish, and developed closed fishing seasons.

*Development of High-Value Aquaculture.* High-value aquaculture activities began with GEM 2 training more than 1,000 former MNLF combatants in the raising of humpback grouper, tiger grouper, green grouper, and, recently, tropical abalone, in cages. The biggest constraint to the viability of this new industry was the lack of a hatchery. SAFE’s high-value



aquaculture development program and DA-BFAR conceptualized a network of marine hatcheries and grow-out sea farms (mariculture parks) to produce high-value marine products for the Asian market, primarily China. To meet expected demand, SAFE developed a high-value aquaculture model that included a network of production

facilities. The “Philippine Mariculture Highway” was adopted by government and industry and resulted in the construction of a government-built, privately operated, multispecies hatchery and grow-out complex in Tawi-Tawi. GEM 2 also assisted the Mindanao State University in Tawi-Tawi to establish an abalone R&D and training facility, which trained TCEP beneficiaries on abalone cage culture and which produced abalone spats for R&D purposes.

*Assistance to the Seaweed Industry.* Mindanao’s seaweed industry is a significant export-earner (\$165 million in 2006) and a major employer in remote areas, particularly the war-ravaged Sulu Archipelago where 40,000 families are employed by the seaweed industry. GEM 2 worked to improve the income of farmers through interventions in the value chain, to triple Mindanao exports of dried seaweed and carrageenan



to China, and to increase shipments to processing plants in the Visayas and Luzon markets.

*Western Mindanao Seaweed Industry Development Foundation, Inc. (WMSIDFI).* Despite the Philippines’ position as the world’s largest producer of the seaweed derivative carrageenan, seaweed farmers struggled with marginal earnings. Together, WMSIDFI and SAFE prepared an assessment of the seaweed industry. SAFE provided technical assistance in establishing new gene banks and nurseries in Zamboanga and Tawi-Tawi to provide good-quality planting materials to more than 20,000 seaweed growers. WMSIDFI and GEM 2 conducted 40 training sessions on improved farm production, benefiting 3,000 seaweed farmers, and GEM 2 funded the construction of 51 postharvest solar dryers for coastal villages.

## BUSINESS GROWTH Key Lessons Learned

GEM 2 strengthened BSOs, increased the outshipment of major fruits and vegetables to key local and export markets, promoted sustainability of Mindanao’s fishery and high-value aquaculture industries, and assisted former MNLF combatants in diversifying into higher-value crops. Key lessons include:

- Focus on improving the value chain for specific priority commodities.
- Utilize BSOs as anchor groups for overall industry development and policy advocacy collaboration with key government agencies and private sector groups.
- Use past successes to generate current credibility with industry stakeholders.
- Be willing to adapt program models to accommodate emerging needs and changing circumstances.

# Improving Education Through Partnerships

**GEM 2 introduced computer and internet education in 668 high schools in conflict-affected areas of Mindanao, and provided more than 500 matching grants to Parent-Teacher Community Associations to improve education quality.**

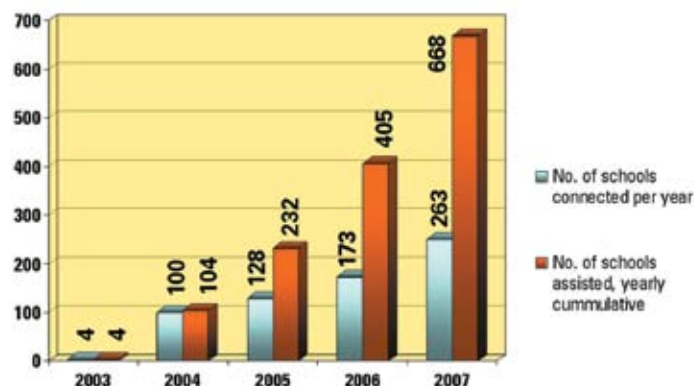


GEM's education and governance component worked with schools, Parent-Teacher Community Associations (PTCAs), and local and provincial governments to improve the quality of education available to students in conflict-affected areas in Mindanao (CAAM). In addition to installing high-speed internet connections in hundreds of schools, most of which also received computers under GEM 2, the Program also awarded 546 matching grants to PTCAs to improve the quality of specific education programs and resources at individual schools.

GEM 2 implemented two education programs: the Computer Literacy and Internet Connection (CLIC) Project and the Education Awareness Support Effort (EASE). Both programs established partnerships with PTCAs of individual schools and both worked with PTCAs and school administrators to improve the educational quality of specific schools.

## Computer Literacy and Internet Connection (CLIC) Project

CLIC provided computers, computer peripherals, high-speed internet connections, and teacher training to 668 schools, with a collective enrollment of approximately 570,000 students and 16,000 teachers, throughout the CAAM. Initial assessment results indicate that CLIC may be associated with increased class attendance and increases in the number of students applying to colleges and universities.





Working with PTCAs and school administrators, GEM provided each school with up to 10 computers, as well as software, a printer, a local area network, internet access, e-books, manuals on computers and internet usage, and, through GEM's partners, extensive information technology training for teachers. CLIC worked not only with the PTCAs of public schools, but also with those of selected madaris (schools that integrate Koranic studies into the standard curriculum) and private schools offering an integrated secular curriculum, as long as they were licensed by the ARMM or National Department of Education.

PTCAs have served as the primary partners of the CLIC Project since its inception. The installation of computers and internet connections were contingent upon the willingness of PTCAs to assume the continuing costs of internet subscriptions once the twelve-month subscription provided by GEM expired. CLIC secured PTCA contributions of approximately \$1.4 million, which included the cost of internet subscriptions, expenses incurred in constructing or refurbishing computer laboratories, electricity payments, and the purchase of computer laboratory furnishings.

Private sector partnerships valued in excess of \$2 million added value to, and extended the reach of, the CLIC Project.

With CLIC support, students and teachers have established e-mail accounts, communicated with other students and teachers throughout the world, and used the internet to conduct research on various academic topics. Teachers enhanced the students' learning experiences by augmenting their lessons with software and information downloaded from the internet. Many schools transformed their CLIC laboratories into after-school internet access centers, accessible to the residents of the community for modest fees.

### Education Awareness Support Effort (EASE)

EASE was designed to increase public awareness of the problems the education sector faces in the ARMM and other CAAM, and to mobilize private sector support for activities directed toward solving some of these problems. This objective was achieved largely through the matching grants of EASE, which matched, peso for peso, funds raised by PTCAs for the improvement of specific school programs and/or facilities. EASE provided 546 grants worth approximately \$575,000 to schools in the CAAM. An equivalent amount was raised by the PTCAs as their

## Private Sector Partnerships

### Computer Literacy and Internet Connection Project



Microsoft provided CLIC schools with discounts worth \$1,393,040 for computer software purchases and \$112,000 for a Microsoft Office Teacher Training Project.

Innove, a Globe Telecom data services company, provided 12-month internet subscriptions, valued at \$280,000, to 300 CLIC schools.

The Ayala Foundation provided 71 CLIC schools with a server and LAN peripherals, at a value of \$130,000.

AZCom Technologies, Inc. provided six-month internet subscriptions worth a total of \$82,000 to 179 CLIC schools.

STI provided basic computer and internet literacy training worth \$72,000 for 849 teachers.

Intel Philippines provided discounts worth \$54,000 on the price of microprocessors for computers provided to CLIC schools.

The IBM E-Mentor Training Program provided training valued at \$45,000 to CLIC teachers and members of PTCAs.

Cisco Systems provided \$35,000 worth of training in work-force preparation to eight teachers, and computer laboratory upgrades to eight schools designated as CISCO Local Academies.

The Makati Business Club provided computers to the first four CLIC schools; the British Embassy provided computers, internet connections, and teacher training to Sulu National High School; and the University of the Immaculate Conception and Ateneo de Zamboanga University made their computer laboratories available for CLIC teacher training.

### Education Awareness Support Effort



The Ronald McDonald's House of Charities provided EASE schools in Tawi-Tawi with Bright Minds Read program kits and teacher training, worth \$48,840.

About 400 EASE-assisted schools received book donations worth approximately \$25,430 (an average of 500 books per school) through partnerships with Books for Philippine Schools, National Book Development Board, Brothers Brother Foundation, The Asia Foundation, Abiva Publishing House, Adarna House, National Bookstore, One Network Bank, Phil Com, and PTCAs.

IBM provided 22 teachers with an EduQuest Teacher Training Program for Early Childhood Educators, worth \$1,653.

## Bridging the Digital Divide in Remote Schools

A few years ago, Lamitan, a small town in the island province of Basilan, was featured in the international news when it became the site of fighting between government forces and the Abu Sayyaf terrorist group. When the conflict ended, this remote community suffered from a depressed local economy, lingering security fears, and the absence of basic infrastructure, such as phone lines.

Now, though the geography of the town remains unchanged, Lamitan is no longer isolated. Through GEM 2's CLIC Project, the Lamitan National High School received a satellite dish, computers, and 24-hour access to the World Wide Web. Students and teachers could now freely roam the universe through the internet.

CLIC bridged the digital divide between schools in "wired" cities and schools in hundreds of impoverished and conflict-affected communities of Mindanao, previously without access to the internet. As of 2007, 668 schools in Mindanao had become CLIC beneficiaries, provided with in-

ternet and computer access for approximately 16,000 teachers and 570,000 students.

Within days, CLIC transformed the Lamitan school community. Teachers who were using a few tattered and outdated textbooks quickly downloaded classroom exercises in science, math, and English to spark their pupils' interest in learning. Students who used to spend half a day traveling by bus and ferry to Zamboanga City (across the Basilan Strait) in order to send an e-mail, were now performing internet research and chatting with peers across the globe.

"My favorite Web sites are educational, like MathWorld and National Geographic," said 14-year-old student Rea Tarro.

"I really don't know how to thank you people for connecting us to the world," wrote math teacher Violeta Jurhayda Arreola, in her first post-CLIC e-mail.

For Mindanao students who had been left behind in the information revolution, a whole new world was now just a "CLIC" away.



Teacher Violeta Jurhayda Arreola (standing, at right) with students and CLIC computers.



counterpart share. As with other GEM 2 activities requiring counterpart matches, no funds were given directly to beneficiaries. Rather, EASE staff procured materials and supplies equivalent in cost to materials and supplies provided by PTCAs and delivered those items directly to the schools. Under EASE, matching grants were used to establish and/or expand 190 school libraries, 38 science laboratories, 54 home economics laboratories, 31 multimedia centers, and 38 computer laboratories (including the procurement of 474 desktop computers).



As with CLIC, a key success factor of EASE was the partnerships forged with private sector organizations, local and national government agencies, and other groups working on education improvement in Mindanao. Collaborating with various partners, EASE was able to provide hundreds of thousands

of additional books to school libraries. EASE trained hundreds of teachers in the use of scientific apparatus purchased through matching grants.

### Promoting English Proficiency (PEP) Project

An English-language training program, Promoting English Proficiency (PEP) offered computer-based English-language training using software developed by an American company, DynEd. The program was pilot-tested in two universities in Mindanao: the University of Mindanao in Davao City, and the Notre





Dame University of Cotabato. Classroom sessions were enhanced by the students' interaction with software and were reinforced by DynEd-trained instructors. Initial results of the pilot program indicate that student proficiency levels are encouraging and may warrant future

iterations of the program for longer periods of exposure.

## EDUCATION Key Lessons Learned

**GEM 2's CLIC and EASE projects have helped to improve the quality of educational resources in partner schools and to mobilize community resources for the benefit of education. Key lessons learned include:**

### Computer Literacy and Internet Connection (CLIC)

- Increasing access to computers and the internet helps to motivate teachers and students alike.
- Parents understand the value of the computer and internet resources and are willing to provide financial support to ensure that students and teachers retain access to them.
- Allow schools to be utilized as alternative information access points for the community.
- Provide training for teachers to ensure that they, and their students, derive the maximum educational value of computer systems.
- Maximize the chances that teachers will use the internet to develop enhanced instructional materials by creating partnerships with other organizations and programs that can provide assistance in this area.
- Create networking opportunities and linkages to allow the sharing of best practices and instructional materials.
- Expand telecommunications and/or information infrastructure to provide affordable internet access in remote areas.

### Education Awareness Support Effort (EASE)

- Establish a specific time frame during which PTCAs must raise all counterpart funds.
- Whenever possible, limit bulk purchases to those distributors and suppliers that can deliver directly to schools.
- Expand training partnerships to ensure that the maximum educational benefits are derived from materials and/or supplies.
- Raise public awareness of exemplary practices to spur further local initiatives in educational improvement.

## EASE

# Galvanizing Communities to Improve Education



Abdul Jabbar Dato (far left) and other PTCA and ex-combatant farming cooperative members examine the books they purchased for the Tambo Elementary School.

In a small classroom deep in the highlands of Lanao del Norte in the ARMM, Abdul Jabbar Dato leafed through glossy pages of an English picture dictionary, fresh from its bookstore wrapper, and nodded in approval. "Good quality," he said. As head of the Tambo Elementary School PTCA and chair of a farming co-op of former MNLF combatants, he had helped collect funds to set up a library for the school, with books on science, math, and English. The Tambo PTCA was given a grant through GEM 2's EASE Project, which matches funds raised by PTCAs and other community groups to improve education in local schools.

The Tambo activity was a small but significant success story in this part of the Philippines. After decades of armed conflict between the government and MNLF, many communities in the region remained effectively cut off from the rest of the country; children received only minimal levels of education. The five provinces of the ARMM remained among the poorest in the country, with the lowest functional literacy rates. The impact of a successful matching grant activity

extended beyond the immediate benefit of a new microscope or overhead projector. The substantial contribution from the community also helped to alter public perception of the ARMM people, who had often been accused of lacking concern for their children's education.

Bucking these negative stereotypes, parents and teachers, mostly from isolated, poverty-stricken areas like Tambo, came through with their 50 percent commitment for matching grants by raising funds through members' contributions, talent contests, donations from local firms and civic groups, and the sale of crops grown on campus.

Many of the parents, like Dato, were also among the more than 28,000 former MNLF combatants who got a start in agriculture through the USAID-assisted Livelihood Enhancement and Peace Program. Having a decent livelihood enabled them to plan for their families' future. Dato himself never finished school, but he strongly believed in the importance of education: "How else will our children know the right way to live?"

# Nurturing Leaders

**GEM 2's governance activities focused on assistance to various departments of the ARMM Regional Government and the design and implementation of a Congressional Internship Program for Young Muslim Leaders.**

GEM's governance component worked with the ARMM Regional Government to increase the effectiveness and transparency of government departments and services in the ARMM. GEM 2 provided extensive technical assistance and training in a broad range of areas and instituted a highly regarded congressional internship program. Governance activities also supported MEDCo in its role as the Secretariat of the multi-donor Mindanao Working Group.

Key results from GEM 2 activities included the creation of an operational ARMM Overseas Development Assistance office, which served as the central point of coordination for donors and line agencies alike, and the facilitation of the passing of legislation enabling the establishment of Special Economic Zones in the ARMM. GEM 2 also helped the ARMM Regional Government to obtain Php 100 million to rebuild 4,000 conflict-damaged houses in





14 municipalities of Maguindanao Province. In the history of the ARMM, this was the first time the national Department of Social Welfare and Development (DSWD) had turned over project funds to the autonomous region's DSWD.

### The Congressional Internship Program for Young Muslim Leaders (CIPYML)

CIPYML was initiated by the Philippine House of Representatives, Mindanao State University, and USAID, at the request of the Speaker of the House of Representatives of the Philippines, to help improve governance in the ARMM by creating a nucleus of promising young leaders committed to the creation and sustainability of democratic institutions. CIPYML had two components: academic and applied learning. For the academic component, interns studied theories of democratic governance; practical skills and techniques for public policy analysis; and selected models and principles of governance, leadership, and management. During the applied learning component, interns spent at least three months in the House of Representatives, where they attended congressional hearings, helped committees with policy research, attended House sessions, and performed administrative work.

CIPYML ran for six cycles, during which a total of 123 interns, 56 of whom were women, completed the program. The interns' experience in preparing reports, engaging in policy studies, and drafting legislation, in addition to their close interaction with members of the House of Representatives, prepared them to become advocates for their regions. Subsequently, some of the CIPYML graduates were employed by the Mindanao Economic Development Council, by donor-funded programs in the ARMM such as the ACT for Peace Program and the Local Governance Support Program, and by Planning and Development Offices in the provinces of Sultan Kudarat, Tawi-Tawi, and Sulu. Others have accepted positions as teachers in ARMM academic institutions, taken up careers in business, or pursued further studies. Two graduates became public prosecutors in Cagayan de Oro and Iligan City.



## CIPYML

### Shaping Future Muslim Leaders through Congressional Internships



Intern Alih Samsa of Basilan thanks USAID, the House of Representatives, and individuals involved in the CIPYML.

Due to decades of conflict on the island of Mindanao, only a few young Muslim professionals had the opportunity to develop the skills needed to shape public policy.

Many young Muslims from conflict-affected areas in central and western Mindanao are committed to sustaining the peace through democratic processes and want to learn more about how governments convert policy into legislation. To help bring this about, a Congressional internship program was established by USAID and the House of Representatives of the Philippines to enable future Muslim leaders to acquire practical knowledge, skills, and perspectives on public policy making and on national and local governance systems.

The Congressional Internship Program for Young Muslim Leaders (CIPYML) was a partnership between the Philippine House of Representatives, Mindanao State University, and USAID's GEM 2 Program. Each year some 30 to 40 competitively selected interns immersed themselves for three to four months

in legislation-based policy formulation and project implementation. They worked with various Congressional committees on specific policy interests and also participated in special training programs and field visits to local governments and Cabinet agencies. The interns interacted regularly with members of the House of Representatives and officials, which gave them a chance to serve as advocates for their region and develop an informal network of contacts for the future. In addition, these interns were an important resource for policy development and effective governance.

"I realize now that problems in our region are not always addressed at the national level because they aren't well understood," said intern Isman Abdurahman, "On our visits to government agencies, we took the opportunity to clarify the situation for them."

Added Mohammad Alih Samsa, another intern, "It was a chance to work with Filipinos from other places and denominations. Through our interaction we found common ground."

# Livelihood Enhancement and Peace (LEAP) Program

**GEM 2's contribution to peace and development in Mindanao has been recognized by the President of the Philippines, business leaders, and leaders of the Autonomous Region in Muslim Mindanao and the Moro National Liberation Front. GEM's Livelihood Enhancement and Peace Program helped more than 28,000 former MNLF combatants make the transition from being guerilla fighters to being productive farmers and fisherfolk.**

One of the most significant GEM 2 initiatives was the provision of support to former MNLF combatants in conflict-affected areas. At the heart of this effort was GEM 2's "Arms to Farms" Livelihood Enhancement and Peace (LEAP) Program, which helped former MNLF combatants to become productive farmers or fish/seaweed producers. In addition, other program components provided assistance in infrastructure development, education and business growth to communities affected by conflicts with the MNLF, MILF, New People's Army, and other groups.

At the height of the armed conflict with the government of the Philippines, the MNLF had an estimated 40,000 armed combatants. Continued hostilities would have had dire consequences for Mindanao and the region's development. The LEAP Program was designed to prevent further conflict by providing former combatants with an economic stake in ensuring the permanence and stability of the peace—and to demonstrate to former combatants the benefits of a durable peace. Because of the success of LEAP and similar programs, the MNLF, as a whole, has never again engaged government forces in combat.

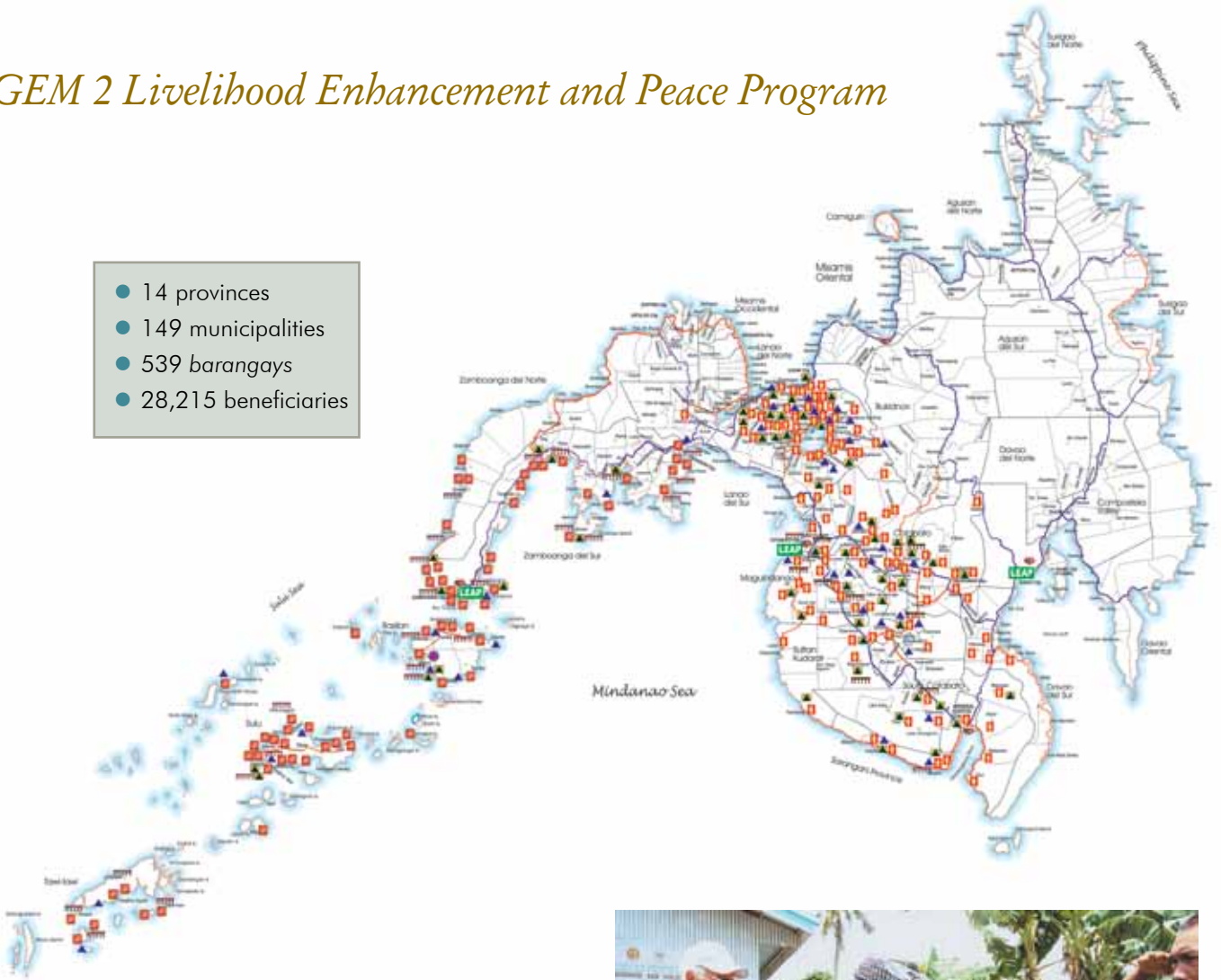
Implementation of the LEAP Program to assist former combatants of the MNLF began in July 1997 in





## GEM 2 Livelihood Enhancement and Peace Program

- 14 provinces
- 149 municipalities
- 539 *barangays*
- 28,215 beneficiaries



response to a request by the government of the Philippines. In support of the 1996 Final Peace Agreement between the Government and the MNLF, the LEAP Program, which for its first four years was called the Emergency Livelihood Assistance Program (ELAP), provided approximately 24,000 former MNLF combatants with the means to begin sustainable, small-scale commercial agricultural production, thereby transforming them into productive farmers or fish/seaweed producers and enabling them to begin earning sufficient funds to support themselves and their families. The program assisted only economically deserving former MNLF combatants who stood down at the signing of the 1996 Final Peace Agreement and who were not integrated into the Philippine army or the national police.

In October 2003, USAID incorporated the LEAP Program as a component of GEM 2—under





## Former MNLF Commander Rebuilds War-Ravaged Town in Lanao del Sur



“When we returned to our town, the place was almost deserted. It was a wasteland with tall grass reaching as high as three meters. It had been a battleground during the height of the armed conflict between the MNLF and the Philippine Government. Now it is very productive.”  
- Mangoda Salam (Commander Tiger)

Mangoda Salam, known as Commander Tiger in his native town of Maguing in Lanao del Sur, turned to farming when the USAID-funded LEAP Program provided him and 74 other former MNLF combatants in the area with the production inputs and technical assistance needed to become small-scale commercial rice farmers. USAID’s LEAP Program was established to support the peace agreement signed between the Philippine government and the MNLF in 1996, ending over two decades of conflict in Mindanao.

“Establishing a productive farming community in Maguing was not an easy task,” he recalled. Most of the residents had already relocated to the provincial capital, Marawi City, and other towns.

Yet, with perseverance and hard work, the result was a successful farming community. Commander Tiger and his comrades established the Strivers Multi-Purpose Cooperative, a body through which they could collectively market their harvests. “We realized that we could accomplish more things if we organized ourselves,” he said. The cooperative was able to procure a tractor and other postharvest facilities including a warehouse and a solar dryer.

With their earnings, they were able to construct decent houses for their families and send their children to school. They diversified their crops to include cassava, mungbean, and peanuts. “We want to expand our market,” Commander Tiger said. “This way, we can look toward a more productive future for all.”



the name LEAP 2—with the objective of assisting, through March 2005, the 4,400 former MNLF combatants who had yet to receive assistance. In addition, capacity building, training, and Transition Assistance Grants (TAGs) for postharvest equipment, solar dryers, and outrigger boats were provided to an additional 50 MNLF communities. The program was extended by USAID through December 2005 to provide additional TAGs for up to 80 of the most successful MNLF communities, which had engaged in continuous farming under the program.

### The LEAP Approach

The primary reason for the program’s success was that it directly addressed the needs of beneficiaries. Survey results revealed that before receiving assistance, beneficiaries had engaged in little economic activity because they lacked both the funds to engage in productive ventures and the modern farming skills and access to technology that would help them succeed. LEAP provided capital and technology to individual beneficiaries in the form of in-kind assistance. The approach was simple and generated quick results. LEAP focused on quick-maturing production crops such as hybrid corn, rice, seaweed, and cultured fish, which required relatively simple technology and had readily available markets. Assistance was





also focused on “production clusters” of relatively contiguous beneficiaries of 50 to 100 participants, which facilitated the delivery of services. Inputs were provided for only two cropping cycles in the case of corn and rice, and one cycle for seaweed and cultured fish. The beneficiaries then “graduated” from the program. Production inputs were complemented with technology training, which helped ensure the sustainability of the program’s economic thrust.

## Participatory Management and Valued Partnerships

LEAP 2 was implemented under special management arrangements with the stakeholders. A management committee provided oversight of operations both inside and outside of the ARMM. Its members included the MNLF chair, the MNLF secretary general, and representatives of the Bangsamoro Women’s Foundation for Peace and Development, Inc. (BMWFPDI), MEDCo, and USAID. The management committee was responsible for allocating the number of MNLF beneficiaries by province, for monitoring and ensuring equity in the selection of beneficiaries, and for resolving implementation problems. LEAP was actively supported by the MNLF leadership. The LEAP management team, working with the management committee and the BMWFPDI, maintained regular contacts with the MNLF leadership of each of the four MNLF factions and advised them of program assistance activities.

The BMWFPDI, a nongovernmental organization whose members are MNLF women, was able to draw upon its influential position within the MNLF to help formalize links between program graduates and other development programs; provide socioeconomic data for the first set of LEAP production clusters; and provide institutional support and training to selected clusters. The BMWFPDI also assisted the management and implementation committees to carry out program oversight functions and served as



## Beyond Subsistence Farming



Rebels-turned-farmers diversify into higher-value commodities, such as catfish.

After laying down his rifle and becoming a farmer six years earlier, Omar Tacuken, an MNLF commander and chair of the Sebastian Irrigators Farmers Association (SIFA) in Carmen, North Cotabato, could be found on most days driving a tractor loaded with rice to the local mill. He then added a new activity to his daily routine: feeding catfish. SIFA’s 43 members stocked 2,700 square meters of ponds with catfish and began regularly tending the ponds and harvesting their product.

Further down the road in *barangay* Kibines, MNLF commander Tamson Antolin and 21 other members of the Sitio Bulakan Multi-Purpose Cooperative were doing the same in an 800 square-meter pond stocked with 5,000 catfish fingerlings.

They were two of the 13 co-ops in North Cotabato, Maguindanao, and Sultan Kudarat provinces in Central Mindanao trained through TCEP in catfish production technologies. In their first effort, SIFA members harvested about 10 metric tons of catfish valued at PhP 500,000 (\$9,260). SIFA’s income of PhP 90,000 (\$1,670) was used to build a shed for a rice mill and buy a “turtle” tiller; the cooperative in *barangay* Kibines used its income to expand its ponds and buy more fingerlings and feed.

GEM 2 assisted over 7,000 rebels-turned-farmers to diversify into higher-value commodities, such as catfish, and move beyond subsistence farming. Its TCEP component conducted a series of catfish production technology workshops to teach former combatants how to design, construct, and prepare their ponds and to culture catfish. TCEP also helped find buyers for their new products, negotiating a marketing agreement between the cooperatives and a hatchery operator and live catfish buyer in Kabakan, North Cotabato.

As the catfish farmers gained technical proficiency and expanded the size and number of their ponds, production was expected to reach 240 metric tons per year, valued at about PhP 14 million (about \$260,000) with an annual net income of PhP 6 million (\$111,000) or an average added income of PhP 18,000 (\$330) per participant.

“We started small, but this is the beginning of something big for us. We have rice but now we also have fish which before was very scarce in our area. But above all we now have knowledge. My son and I are proud to have learned how to culture fish and I thank the GEM Program for making this possible,” said Commander Antolin.

## Other GEM Assistance to Conflict-Affected Communities

GEM 2 also provided significant assistance to former MNLF combatants and other conflict-affected communities, including some areas affected by the presence of the MILF and the New People's Army (NPA), through its BSO, TCEP, education, and infrastructure development initiatives.

### Business Support Organizations (BSOs)

- ARMM Business Council provided training for the Maguindanao and Iranon chambers of commerce, which operate in MILF-influenced areas.
- Sulu and Basilan chambers of commerce provided technology training to local growers who were former MNLF combatants.
- MinFruit Council conducted training sessions on mango and banana production for TCEP-LEAP beneficiaries in Maguindanao, Lanao del Sur, and Lanao del Norte.
- MinFruit also provided technical assistance to its member organization, Maguindanao Fruit Growers Association, in distributing fruit seedlings to about 800 farmer-beneficiaries in Lanao del Sur, Maguindanao, and Lanao del Norte.
- An ARMM Fruit Investment Forum Series was conducted by MinFruit, GEM, and DA-ARMM in Sulu, Maguindanao, and Lanao del Sur.
- NorMinVeggies assisted producer cooperatives in Lanao del Sur in their production trials of ginger.
- Western Mindanao Seaweed Foundation implemented technology training and market promotion activities benefiting thousands of seaweed growers in Sulu, Basilan, Tawi-Tawi, and Zamboanga Peninsula.

### Targeted Commodity Enhancement Project (TCEP)

- Approximately 7,000 successful LEAP graduates were introduced to new agriculture and/or aquaculture production technologies, enabling them to diversify to higher-value crops.
- TCEP-LEAP activities generated close to 6,000 jobs in the CAAM as its beneficiaries intensified farm activities and hired more farm labor.



### Computer Literacy and Internet Connection (CLIC)

- Out of 668 schools in Mindanao provided with computers and high-speed internet connections, 255 were in MNLF communities. These schools had a combined population of approximately 232,000 students and 6,500 teachers, and received a total of 1,295 computers.
- Approximately 1,560 teachers, principals, and PTCA presidents associated with these schools received training in basic computer repair and maintenance, internet security and networking, Web research, "Web mining", and sustainability.
- The approximate value of the GEM investment in these schools was \$1,800,000. The value of the PTCAs' and schools' counterpart contributions was approximately \$750,000.
- Assistance was also provided to 25 schools located within or adjacent to *Kalahi Para Kalayaan* barangays, or areas of conflict between the Armed Forces of the Philippines (AFP) and the NPA, in the provinces of Zamboanga del Norte, Lanao del Norte, North Cotabato, Sarangani, and the City of Zamboanga.

### Education Awareness and Support Effort (EASE)

- Out of 546 schools in Mindanao provided with EASE matching grants, 213 were in MNLF communities. These schools had a combined population of approximately 144,000 students and 4,000 teachers.
- Training, in conjunction with partners such as IBM and the Australian Agency for International Development (AusAID), was provided to 23 teachers from these schools.
- The total EASE matching grant investment in these schools was approximately \$244,000, roughly equivalent to counterpart contributions from the PTCAs.
- EASE was provided to approximately 17 schools located within or adjacent to *Kalahi Para Kalayaan* barangays in the Caraga Region, consisting of the provinces of Surigao del Norte, Surigao del Sur, Agusan del Norte, and Agusan del Sur.

### Infrastructure Development

- Out of 830 BIPs constructed, 120 were in MNLF communities and 144 in MILF-influenced areas.
- GEM 2 also provided infrastructure development assistance to areas affected or influenced by the NPA in the Caraga Region.





the management committee secretariat. The BMWF-PDI further helped to ensure the equitable allocation of LEAP assistance among the four MNLF factions and conducted program briefings for, and consultative meetings with, the core members of all MNLF groups to resolve conflicts arising from allocation issues.

## Program Results

With the support of its partners, the LEAP 2 Program assisted 4,475 beneficiaries. Types of program assistance provided included the provision of all needed production inputs (such as seeds, fertilizer, materials for making rafts/cages, seaweed planting material); production training; and marketing assistance needed to produce improved varieties of corn, rice, and seaweed. From October 2003 through December 2005, 130 MNLF communities received, through TAGs, 274 preharvest and postharvest equipment and facilities. This consisted of 50 corn shellers, 22 rice threshers, 42 power tillers, 7 pavement-type grains solar dryers, 19 stilt-type seaweed solar dryers, 1 multicrop harvester, 119 workboats, and 14 scales.

LEAP was able to leverage additional resources through partnerships with other donors and multilateral assistance programs. For instance, a German NGO, Hanns Seidel Foundation, provided 75 MNLF participants from Zamboanga Sibugay with seaweed production inputs, and the British Embassy, New Zealand Embassy, Philippine Department of Agriculture and others provided preharvest and postharvest equipment and other facilities to LEAP communities.

## Appreciative Beneficiaries

- “LEAP provided the best example of the dividends of the Peace Agreement,” remarked Benjie Galo, MNLF national unit commander and leader of a production cluster in Kidapawan City.
- Datu Dima Ambel, chair of the MNLF Sebangon Kutawato State Revolutionary Committee, praised the LEAP Program as “the best among peace and development assistance programs for the MNLF” and as the “foundation of peace and development in Mindanao.”
- The late Alano Bansawan, former chair of the Central Kutawato State Revolutionary Committee, commented that LEAP’s success “served as motivation for other armed groups to consider accepting a peace agreement with the government.” His successor, Larry Sinagandal, asserted that LEAP was “the most beneficial program that reached the former combatants.”

## ASSISTANCE TO FORMER COMBATANT REINTEGRATION Key Lessons Learned



The LEAP Program helped more than 28,000 former MNLF combatants produce and sell commodities suitable for the areas in which they lived. Key lessons learned through contributing to this success, which are potentially relevant to other former combatant assistance programs, include:

### Program Approach

- Address beneficiaries’ needs directly, and use in-kind assistance instead of cash.
- Adopt a simple approach that generates quick results.
- Set a time limit on the assistance and then “graduate” the beneficiaries.
- Complement input support with technology training to ensure sustainability.
- Provide equipment and facilities only to well-organized groups with good leadership.

### Program Management

- Know the program and be consistent in explaining program objectives and implementation plans to counterparts and target recipients.
- Hire local staff who are aware of, and sensitive to, local cultural and social norms and structures, and who are acceptable to the target beneficiaries.
- Adopt a multidisciplinary approach.
- Maintain a visible field presence.
- Forge partnerships with local leaders to facilitate program activities in remote areas, and develop relationships with other local and national government agencies, donors, NGOs, and private firms to leverage program resources.
- Establish well-defined, clear security procedures and strictly follow them.

### Organizational Training

- Workshops and participatory methodologies work best for postharvest facility training activities.
- The presence of LEAP Program staff in training activities is essential.
- The ability to speak the vernacular, competence, and commitment are important qualities for a trainer, especially in more remote areas.
- Follow-through, whether through the program or through leveraging of other resources, is critical.

# Public and Private Partnerships

**GEM 2 forged public and private partnerships, leveraging additional resources for the implementation of activities.**

**The total value of private sector contributions was over \$32 million. Virtually all GEM 2 assistance required “buy-in” by stakeholders or local counterparts.**

**G**EM 2 linked other donors and USAID projects to various beneficiary groups and private and government partner organizations in conflict-affected areas in Mindanao (CAAM) to successfully expand the overall impact of the Program.

GEM 2 provided technical assistance in preparing proposals for funding by other donors; prepared technical documents and project designs; provided information on needs, priorities, plans, and the prevailing social, political, and economic situations in specific areas; arranged briefings and meetings; and provided technical inputs and data to donor missions in Mindanao.

### Private Sector Partnerships and Counterpart Contributions

GEM 2 worked primarily with the private sector to help accelerate economic growth in Mindanao. While GEM 2 also worked with government agencies and departments, its activities were premised on the assumption that only through the actions of the private sector could the required sustainable investment, trade, and jobs be realized. GEM 2 leveraged its efforts by providing technical assistance to private sector firms and organizations to help them increase the production of high-value commodities, expand markets, and provide opportunities for improving incomes and jobs. These objectives were attained, in part, by GEM 2’s successful approach to building strategic partnerships, especially with key producer organizations.

GEM assistance to various industry development activities was provided to proponents or partner organizations on a cost-sharing basis. Thus, local proponents or partner organizations were required to finance a counterpart share in these activities. For instance, for GEM 2’s business growth activities, local counterpart funds exceeded the value of GEM 2 support by a ratio of 1.25 to 1. For GEM 2’s CLIC Project, the PTCA cost-share from 2004 to 2007 was







approximately \$1.4 million. For infrastructure, the total value of counterpart contributions was more than \$11 million. In the former combatants reintegration program, fertilizer companies provided inputs for former MNLF combatants that led to crop yields double the area average. For these input suppliers, it was an opportunity to expand their market and the first time they had access to these conflict-affected areas.

### Local Businesses

GEM 2 designed and implemented a comprehensive program of assistance to BSOs, primarily chambers of commerce and producer associations, serving more than 100,000 direct beneficiaries. Many of these organizations were created with GEM 1 assistance. These BSOs, cooperatives and firms were GEM 2's primary partners. Almost all business growth activities were undertaken in partnership with the local business community.

### National Businesses

Links to national business occurred primarily through the professional and business networks of GEM 2 staff members. GEM assistance to Mindanao chambers of commerce put the Program in direct contact with the major national business groups and their leadership. Additional contacts were established while implementing a value chain approach to business expansion for key commodities and through an extensive communication effort that employed radio, print media, the Web, "investment-oriented maps," and the promotion of VIP visits and business events. GEM 2's communication efforts have attracted a number of processing investments. For example, Profoods Corporation, a supplier of dried mango to Wal-Mart, was convinced to establish a processing plant in Davao through a series of GEM-generated articles on the Mindanao fruit industry that were published in national newspapers.

## Private Sector Partnerships (contribution value in \$)

Education—CLIC	PTCAs	\$1,400,000
	Microsoft volume licensing and software	1,393,040
	Microsoft Office specialist training	112,000
	Innove	280,000
	Ayala Foundation	130,000
	AZCom Technologies	82,000
	STI	72,000
	Intel People's PC Program	54,000
	IBM E-Mentor	45,000
	CISCO	35,000
	Makati Business Club	21,600
	British Embassy	8,900
	Universities (Immaculate Conception, Ateneo de Zamboanga)	3,400
<b>Subtotal CLIC</b>		<b>\$3,636,940</b>
Education—EASE	PTCAs (through Matching Grant Program)	\$547,757
	Ronald McDonald's House of Charities	48,840
	Book donors	25,430
	IBM EduQuest/KidSmart	1,633
	<b>Subtotal EASE</b>	<b>\$623,660</b>
Infrastructure	Smart Communications/Globe Telecom—cellular phone expansion, Sulu	\$14,600,000
	Various farmer cooperatives and associations—postharvest facilities	988,000
	Chiquita Unifrutti—Bumbaran Road upgrading	286,000
	RoRo shippers in Sulu—new vessel	2,000,000
	Smart Communications/PLDT/AZCom/DCTech—community e-centers	13,300
<b>Subtotal Infrastructure</b>		<b>\$17,887,300</b>
Business Growth	NorMinVeggies and Cold Chain Association of the Philippines	\$10,000,000
	Mega Fishing—Tawi-Tawi high-value multi-species hatchery	222,000
	NorMinVeggies Consolidation Center	12,000
	<b>Subtotal Business Growth</b>	<b>\$10,234,000</b>
<b>Total</b>		<b>\$32,381,900</b>

## Creating Jobs Through Collaboration

In 2004, GEM 2 and the International Fund for Agricultural Development (IFAD)-funded SPICCNZ-PARC Project, collaborated to provide livelihood assistance to LEAP graduates in Tawi-Tawi. By 2005, GEM 2 had trained 1,000 LEAP graduates in Panglima Sugala, Tawi-Tawi, in high-value marine fish production. SPICCNZPARC provided fish cages and hatchery-bred fingerlings to get production going.

Since the GEM-SPICCNZ-PARC intervention, 600 LEAP graduates have harvested over 6,700 kilograms of high-value finfish and earned revenues of PhP 1.9 million. Many graduates pooled their earned revenues to invest

in inputs to help increase their competitiveness. The LEAP graduates in the Batumanga cluster, for example, harvested 1,200 kilograms of grouper and snapper, earning a net income of PhP 400,000. Rather than dividing the profits among themselves, cluster members purchased a cargo boat for PhP 80,000, enabling them to transport and sell their products directly to markets in Bongao. Another cluster bought a secondhand passenger jeepney, which serviced the Bongao-Sitimpa route, ferrying passengers and farm and fishery goods, and adding an additional source of revenue to the group's total income.

## THE BRITISH EMBASSY

### Complementing USAID's Efforts through LEAP

The GEM Program has a history of cooperation with the British Embassy. In the early stages of LEAP, the British Embassy financed postharvest and food-processing facilities and equipment to complement LEAP's contributions to the most successful agricultural production clusters. This partnership continued under GEM 2.

The British Embassy financed the construction of a warehouse in tandem with USAID port and seaweed production inputs

in a community of 200 former MNLF combatants in Lamitan.

The British Government also provided 50 program participants in Basilan with production inputs, complementing LEAP-funded solar dryers.

And in partnership with USAID's production inputs to corn farmers in Maguindanao, the Embassy provided a warehouse, solar dryer, and technical/management training to 50 former MNLF combatants.

## U.S. and Other Foreign Investors

GEM 2's primary links to the U.S. business community were formed through the establishment of contacts with the U.S. Chamber of Commerce and the American desk of the Philippine Board of Investments, working with local subsidiaries, and articles written for trade journals. For example, Phillips Seafood, a U.S. fish processor, credited a GEM article and GEM 2 support with their decision to establish a plant in Southern Mindanao. GEM 2 also worked with a major foreign agribusiness investor (Chiquita-Unifrutti) in the ARMM, which is now producing highland banana and pineapple on about 600 hectares in Lanao del Sur. GEM 2 also cofunded, together with Unifrutti, improvements to the road leading to the remote community in which the plantation is located, improving access for local residents and the firm. GEM 2's communications program and referrals also help expand GEM's interaction with other foreign investors.

## Local Government

GEM 2 worked directly with provincial and municipal agricultural officers and with local government officials in the infrastructure program for which LGUs provided 25 percent counterpart contributions. To date, these contributions have exceeded \$11 million.

## National Government

GEM 2 worked directly with the Mindanao Economic Development Council and the Office of the Presidential Adviser on the Peace Process (OPAPP), both of which were linked to the Office of the President. GEM 2 also worked with a wide range of national line agencies, including the Departments of Agriculture, Trade and Industry, and Public Works and Highways. National government agencies provided substantial cofunding support to GEM economic growth activities for technical training and market promotion.

## Other Donors

GEM 2 directly supported the initiatives of a number of donors by enabling them to work in conflict-affected areas in Mindanao. GEM's experience (including working with former combatants), physical presence, and extensive network helped other donors establish offices, make contact with reliable proponents, obtain needed data, identify contacts, and implement field activities. In addition, GEM 2 implemented jointly funded field activities with the British, New Zealand, and Australian aid agencies and other foreign donors (United Nations Develop-



ment Program, European Union, Japan International Cooperation Agency, and International Fund for Agricultural Development). For instance, the British Embassy provided warehouses to complement LEAP-funded solar dryers granted as production inputs for 250 MNLF farmers in Basilan and about 50 rebels-turned-farmers in Maguindanao. Because of GEM's intervention, the German NGO, Hanns Seidel Foundation, provided funding for production inputs and training to LEAP seaweed farming clusters in Basilan and Zamboanga Sibugay, benefiting more than 140 former MNLF combatants, including 31 women. GEM also provided assistance to bilateral international multilateral institutions such as the Japan Bank for International Cooperation (JBIC), Asian Development Bank (ADB), and the World Bank. For instance, GEM assisted ADB with the identification and design of projects included in the Intermodal Transportation Development Project study, collaborated with the World Bank on improvements to the Bongao Port, and facilitated the field data gathering of JBIC consultants for the Awang-Upi Road Upgrade.

### Other USAID Programs

Other USAID programs also benefited from GEM's insights and expertise. For example, GEM 2 helped identify eligible municipalities for assistance under USAID's Last Mile Initiative, providing socioeconomic data and links to LGU officials, and accompanying USAID staff and consultants to the pilot municipalities, resulting in faster implementation of the project. GEM 2 also benefited from the expertise and experience of other USAID projects. USAID's EcoGov project, for example, provided significant inputs for the preparation of a project monitoring plan for one of GEM's major road projects.

GEM assisted other USAID programs in their communication efforts by providing, on request, photo coverage, press release writing and editing, and the placement of news and photo releases. Among the recipients: Micro-enterprise Access to Banking Services (MABS), Private Sector Mobilization for Family Planning (PRISM), Well-Family Midwife Clinics (TANGO II-WMFC), Enhanced and Rapid Improvement of Community Health (EnRICH), Local Enhancement and Development for Health (LEAD), SUCCESS, Credit Union Empowerment and Strengthening (CUES), Education Quality and Access for Learning and Livelihood Skills (EQuALLS), and the Alliance for Mindanao Off-Grid Renewable Energy (AMORE).

## AusAID's BEAM

### Partnering with CLIC and EASE

GEM 2 and AusAID undertook a collaborative project in Jolo, Sulu, to provide internet connections for eight schools. AusAID's Basic Education Assistance for Mindanao (BEAM) Project provided the Sulu Division Office of the ARMM Department of Education (DepEd) with computers, while GEM's CLIC Project provided computers to the eight schools adjacent to the DepEd office. Thanks to this collaboration, the DepEd office and the schools could share internet connection facilities and the cost of the various supporting hardware and inputs. The total investment for this project was approximately PhP 405,000 (\$8,100), which GEM and BEAM shared equally.

Using six CLIC schools, BEAM piloted its *Learning Guide System*, a computer-based, internet-dependent package of software that enables teachers to create instructional materials for use in their classrooms. BEAM planned to use a broader segment of CLIC partner schools during the full-scale implementation of the project. In support, GEM provided BEAM staff with a complete list of CLIC schools in the target area. Following the pilot test, GEM received all of the

materials developed by the teachers and disseminated them to the entire community of CLIC schools.

Most of the teachers responsible for teaching science in the ARMM and CAAM have not been trained as science educators and are unfamiliar with the types of supplies appropriate to high school and/or elementary school science laboratories. To provide guidance to these teachers and to PTCAs, EASE staff worked with BEAM's science educators to identify standardized elementary and high school science laboratory requirements in line with DepEd and DepEd-ARMM's science curricula. A reference guide developed by EASE is used by PTCAs for setting up science laboratories and by BEAM staff in ongoing efforts to improve the quality of science curricula in their target areas of Mindanao. In addition, EASE and BEAM staff collaborated to design and implement workshops for science teachers. The *Science Teachers' Apparatus Skills Training* workshops have, to date, trained 45 science teachers from 42 EASE partner schools in western and central Mindanao.



# Public Diplomacy—Spreading the Good News About Mindanao

**GEM 2's communications program generated a steady stream of positive news stories about Mindanao, helping to correct public misconceptions and raising public awareness of improving peace and economic opportunity. Through its media relations efforts, GEM 2 placed more than 5,000 news stories and feature articles in local, national, and international newspapers.**

One of the most important elements of GEM 2's support services has been its communications program, which has supported all GEM activities, other USAID programs in Mindanao, and other U.S. and Philippine government initiatives in the region. The primary communications objective throughout GEM 2 has been to call public attention to Mindanao as a promising trade and investment destination, highlight the efforts of USAID and the government of the Philippines in Mindanao, and increase public awareness of its improving peace-and-order situation.

This was accomplished through a comprehensive information campaign that included regular dissemination of press releases detailing Mindanao and GEM Program activities. GEM 2 also publicized and managed media coverage of GEM-supported public events, such as business conferences, trade shows and the formal turning over of GEM assistance, such as infrastructure facilities, to beneficiaries; arranged interviews for Mindanao officials and business leaders on TV talk shows and radio programs; maintained a Web site ([www.mindanao.org](http://www.mindanao.org)); produced communications materials (brochures, investment maps, videos, posters, CD-ROMs); developed training materials and buyers' guides for Mindanao producer associations; and planned and implemented an information campaign that supported the policy reform activities of BSOs.

GEM's performance in communications earned the Program two Merit Gold Quill Awards from the prestigious International Association of Business Communicators.

### Media Relations

*News Stories, Feature Articles, and Press Releases.* A core component of GEM 2 communications was the dissemination of GEM-generated





news and positive messages to national and local media, wire service agencies, and selected international publications. Successful placement of feature articles, news stories and photos helped publicize the broad spectrum of economic activity in Mindanao, and underscored the role played by different stakeholders (GEM BSOs, farmers groups, MNLF cooperatives and others) in driving the engine of Mindanao's economic growth, thus helping to ensure peace and stability.

*Enhancing Public Knowledge of Mindanao.* To help correct misconceptions about Mindanao and to draw attention to improving peace and economic opportunity, GEM 2 regularly provided information to an extensive network of media contacts, including columnists, editors, writers, and opinion leaders. The Program also sponsored familiarization tours for Manila-based editors and foreign journalists to broaden their perspectives on Mindanao issues.

*Developing Advocates for Mindanao.* The Program arranged meetings and interviews for journalists with important Mindanao stakeholders and GEM beneficiaries, including leaders of communities which had benefited from infrastructure projects, MNLF ex-combatants who had become successful entrepreneurs; key figures in agriculture and aquaculture; and students, teachers and parents of CLIC and EASE partner-schools. They served as effective advocates for Mindanao, and their various perspectives gave journalists a deeper and more nuanced understanding of the region. Such trips also generated goodwill and respect for USAID's programs and activities in Mindanao.

## Capacity-Building

GEM 2 helped BSOs to develop their media and public relations skills and prepared them to continue their communication outreach independently. GEM provided communications support for BSO events and activities (such as trade shows and business conferences), and arranged for them to appear on national and local TV talk shows, radio programs, and media forums to talk about important issues and concerns. GEM 2 also collaborated with MEDCo in the creation of a "Peace Communicators Group" composed of communication specialists from donor agencies and programs.

## Web-related Activities

GEM's Web site ([www.mindanao.org](http://www.mindanao.org)) is regarded as one of the top internet sites in Mindanao. The website was redesigned in 2006 in response to requests from partners, media, government agencies,

## Key Communication Results

From 2002 to 2007, GEM 2:

- Placed 800 front-page stories; 985 full-page stories, and 1,044 banner stories in the national broadsheet newspapers.
- Placed 1,573 stories in Mindanao-based newspapers.
- Arranged about 20 hours of appearances and interviews of GEM staff and Mindanao personalities in national and local television and radio shows to promote Mindanao events and GEM 2 activities.
- Organized and managed 125 media roundtables, press briefings, and other media forums for the Manila-based national and international media—an average of two per month.
- Organized 18 media visits, resulting in improved understanding by media about development issues in Mindanao.
- Arranged 140 guest appearances on TV talk shows or news broadcasts and 110 radio appearances.

and other donor programs for a site dedicated to the objectives and accomplishments of the Program. The Web site was upgraded to accommodate more development stories. It has been linked to Yahoo!, News web pages featuring Mindanao-related news.

## Media and Communications Events

GEM 2 organized special events to enhance the media's understanding of Mindanao and to strengthen the capabilities of BSOs to effectively communicate with media and their stakeholders. These events included:

*Manila Media Forums.* GEM 2 sponsored and organized media forums from 2002 to 2007 in Manila, providing an opportunity for Mindanao private sector and local government leaders to discuss the Mindanao situation. These forums were well-attended by the tri-media, drawing national TV networks and foreign journalists.

*MinBizTalk.* This monthly TV talk show, organized by MEDCo and supported by GEM, was aired throughout Mindanao by local cable networks. The show focused on Mindanao economic development and featured business and government leaders who discussed agriculture, business activity, the peace process, and security issues.

*Media Briefings.* Special briefings for specific media organizations and journalists' associations were frequently conducted by GEM 2 in Manila. These groups included Agence France Presse, Reuters, The Associated Press, IBC-13, Philippine Informa-

tion Agency, ANC News and ANC News & Public Affairs, Journal Group of Companies, Kapisanan ng mga Brodkaster ng Pilipinas, Metrobank Foundation, Economic Journalists Association of the Philippines, Agriculture Reporters of the Philippines, and the Philippine Star editorial team.

## Mindanao Conferences and Trade Events

GEM 2 provided communications support to education and governance activities, infrastructure turn-over ceremonies, business conferences, trade shows, and other Mindanao events organized by business organizations. This assistance included event public-

### Events

GEM provided assistance to hundreds of conferences, trade events, and “VIP events” throughout Mindanao, including:

- U.S. Embassy and USAID official visits from 2002 to 2007
- CIPYML launching and completion ceremonies in Manila
- CLIC turnover ceremonies
- BIPs and RIPs turnover ceremonies
- USAID-Intel MOU signing
- USAID-Innove MOA signing
- 12<sup>th</sup> to 15<sup>th</sup> Mindanao Business Conference
- 5<sup>th</sup> to 9<sup>th</sup> Mindanao Mango Congress
- Mindanao Export Road Show
- 5<sup>th</sup> to 7<sup>th</sup> Mindanao Food Congress
- Mindanao Budget Summit
- Mindanao Investment Forum
- 3<sup>rd</sup> to 6<sup>th</sup> Mindanao Fruit Industry Conference
- 5<sup>th</sup> to 8<sup>th</sup> National Tuna Congress
- 1<sup>st</sup> to 4<sup>th</sup> Aquaculture Expo
- 1<sup>st</sup> to 4<sup>th</sup> DavSur Mango Congress
- Davao Agri-Industrial Trade Fair and Exhibit
- Go Mindanao! Travel and Tourism Expo
- Davao Business Conference
- 4<sup>th</sup> to 7<sup>th</sup> Mindanao Seaweed Congress
- Philippines and East ASEAN Weavers Expo
- 1<sup>st</sup> Mindanao Forum on Muslim Economic Initiatives
- 1<sup>st</sup> BIMP-EAGA Muslim Business Summit
- 2<sup>nd</sup> to 5<sup>th</sup> ARMM Business Congress
- 2<sup>nd</sup> to 6<sup>th</sup> Mindanao Information and Communication Technology Congress
- 1<sup>st</sup> to 3<sup>rd</sup> Mindanao Vegetable Congress
- ARMM Educators Congress
- Western RoRo Conference
- Mindanao Banana Congress
- 3<sup>rd</sup> to 7<sup>th</sup> Mindanao Shippers Conference



ity through GEM-generated news, press conferences and tri-media guest appearances; the design of event-related promotional materials; photo-documentation; media coordination and press room management; assistance in writing and editing speeches and presentations; and the staffing of trade exhibit booths.

## Investment Maps and Specialized Maps

Among GEM 2's most effective tools were the highly detailed and colorful GEM Investment Maps, which have been widely used by both government and the business sector to promote trade and investment in the region. The Mindanao-wide Investment Map and the six different Economic Growth Area Maps include information on political boundaries, road networks (primary, secondary and tertiary), ports and airports, industrial and agro-industrial centers, fishing grounds, tourist attractions, business opportunities, and land use classification.

## Key Promotional Materials

**GEM Updates.** Initially conceptualized as an internal publication to announce administrative news, personnel issues, project accomplishments, and events, the GEM updates were later circulated to partners and other government offices.

**GEM Project Maps.** These internally produced maps were updated periodically to reflect the activities of each component of the Program. In particular, the



maps pinpointed infrastructure projects that had been completed and schools that had been connected to the internet. The maps were given away as part of information packages used for visits, media coverage, presentations, events, and briefings, to illustrate where GEM 2 projects were located.

*Agriculture Training Materials.* These included technical guides on improved technologies for crop production and postharvest handling; buyer's guides profiling fruit and vegetable buyers for producers; production guides on crops and production sites for buyers; and brochures to meet the needs of growers and producer associations.

*Multimedia Presentations.* GEM prepared and continuously updated briefing materials on program objectives, activities, and accomplishments for U.S. and Philippine government officials visiting Mindanao. From 2002 to 2007, GEM 2 produced 164 PowerPoint presentations for the U.S. Embassy and USAID, as well as several edited videos of visits by government officials to GEM project sites.

*Brochures, Posters, Panel Displays, and Flyers.* Materials were designed, produced and/or edited, and distributed by GEM 2 to promote business in Mindanao, including investment; to champion trade with Mindanao in China; and to provide information on GEM projects. These materials carried logos with Mindanao motifs to "brand" individual BSOs and regional programs.

## SUPPORT SERVICES

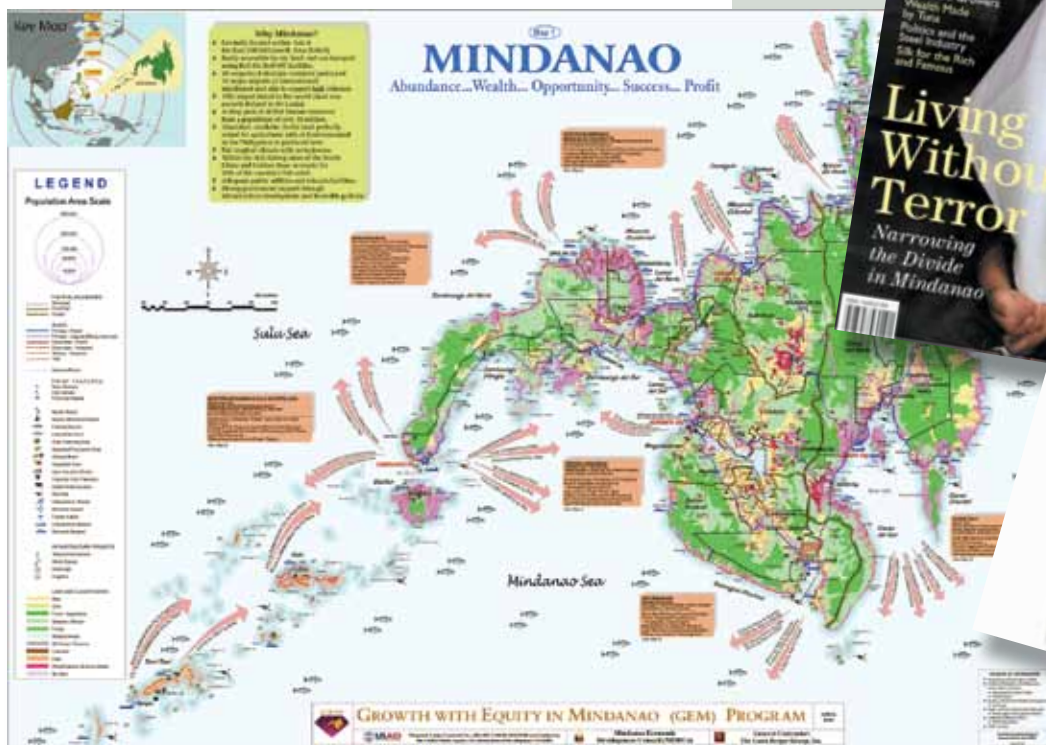
### Mindanao-wide Assistance

GEM 2 provided strategic support services including events logistics and management, security reports and updates, and support to other USAID programs operating in Mindanao.

GEM 2 managed the logistics of VIP visits, arranging the introductions of key USAID and U.S. government staff to local officials and private sector leaders to help ensure that the peace and economic development message of USAID and the U.S. and Philippine governments was broadly disseminated. Since 2002, GEM has managed the logistics for almost 200 visits by Philippine government officials and U.S. officials from USAID, the U.S. Embassy, State Department, and others. Support has included the preparation and management of visit itineraries,

the preparation of schedules and suggested remarks, the provision and coordination of vehicles, and the management of security-related issues.

GEM assisted other USAID programs in their communication efforts by providing, on request, photo coverage, press release writing and editing, and placement of news and photo releases. USAID programs assisted by GEM 2 included MABS, PRISM, TANGO II-WMFC, EnRICH, LEAD, SUCCESS, CUES, EQuALLS, and AMORE.



# Best Practices

**GEM 2's accomplishments would not have been possible without the support of the Program's partners.**

GEM 2's accomplishments are due largely to its collaboration with MEDCo, other Philippine government agencies, and LGU leadership and staff, as well as tens of thousands of Mindanaoans that GEM 2 worked with. A number of key factors contributed to the implementation of the GEM 2 Program, including the following:

### **"Buy-In" required**

Most GEM 2 activities required a counterpart contribution, or buy-in. Counterpart contributions for infrastructure, CLIC, EASE, and business growth activities exceeded \$42 million. The contributions received from LGUs, PTCAs, cooperatives, and business associations were important not only for the financial resources they brought to the Program. Their buy-in ensured that beneficiaries had a real stake in, and responsibility for, the success of GEM 2 initiatives. The proponents' ownership of activities provided a greater motivation toward getting the work done efficiently and effectively and, ultimately, led to GEM 2's success.

### **Continuous Monitoring**

GEM 2 activities were constantly monitored through an internal Beneficial Use Monitoring system. Under this system, a GEM monitoring team periodically





visited all completed infrastructure projects to determine which were functioning well and which showed signs of actual or potential problems, and to generate for management attention monthly reports on their findings, with recommended actions. USAID provided an independent two-person team that constantly monitored ongoing and completed projects. These teams were crucial in identifying problems which may have initially been overlooked but were subsequently corrected or resolved. GEM's extensive field presence facilitated the implementation of the monitoring efforts.

### **GEM's Special Activity Fund (SAF) Facilitated Rapid Response and Flexibility**

The GEM 2 budget included a line item for a Special Activity Fund (SAF). The SAF was intended to fund a wide range of activities identified in the contract. To access the fund, GEM staff would submit a scope of work and detailed budget to USAID, and within a day or two, would be notified whether the proposal was approved or not. This resource allowed GEM to act quickly and with flexibility. Several successful GEM projects that were not included in the original scope of work, including CLIC, EASE, and CIPYML, were implemented with SAF funds. In many instances MEDCo, OPAPP, or USAID requested a new activity, which, by accessing the SAF, could be implemented within a week of receipt of the request. This flexibility provided partners with confidence in seeking GEM assistance for their most urgent projects. In turn, GEM was able to utilize interim activities to introduce longer-term and broader industry-focused strategies and programs.

### **Quick Reaction**

The multidisciplinary nature of the GEM 2 Program, the decentralized field presence, and GEM 2 staff's extensive local knowledge also contributed to the speed with which it could respond to problems and opportunities. This rapid response capability resulted in an increased level of trust in GEM's ability to deliver timely and beneficial services.

### **"Licensed" to Operate in Many Fields**

GEM 2 was an "umbrella program" with targets and activities in a number of sectors. Although the targets for the program were in many cases specific, the range of areas in which it worked was broadly defined. This umbrella structure allowed for significant and important collaboration between and among GEM 2 components, which maximized the benefits of GEM activities.

## **Strategic Communications Program**

GEM 2's communication program supported and greatly enhanced all GEM activities. By increasing public awareness of the "steady stream of positive results," the communications program helped to correct public misconceptions about Mindanao and projected an image of improving peace and increased economic opportunities. The importance of this program, which placed over one hundred stories and photographs per month in local, national, and international newspapers, as well as radio and TV coverage, cannot be overemphasized.

## **Local Staff and Partners**

During its peak program periods, GEM 2 was staffed by 300 Filipinos, helped by six to eight expatriates. Filipino staff were recruited, whenever possible, from the areas of Mindanao where they were assigned. This strategy ensured a broad base of local knowledge and cultural sensitivity. Expatriate staff also had extensive previous experience in Mindanao.

## **GEM 2 Key Results**

- Construction of 830 BIPs and 40 RIPs in the ARMM and CAAM
- Fifteen BSOs provided with institutional development and industry-related assistance and more than 60 others with technical and financial support for holding events, training, and conferences
- Fourfold increase in exports of fish; seaweed—carrageenan, other aquaculture products; fruits; and vegetables to China (from \$3.2 million in 2002 to \$14.4 million in 2007)
- Fivefold increase in vegetable outshipments via cold chain (from 10 metric tons/week in 2002 to 52 metric tons/week in 2007)
- \$7 million new investments in cold chain facilities and \$4.9 million in other support facilities
- Establishment of high-value multispecies hatchery in Tawi-Tawi and seaweed gene banks and nurseries in Zamboanga City and Tawi-Tawi
- 7,400 LEAP graduates trained and now selling higher-value commodities such as cardaba banana, vegetables, and fish cultured in cages and fishponds
- 668 schools provided with CLIC packages benefiting 570,000 students and 16,000 teachers
- 546 schools provided with EASE Matching Grants benefiting 350,000 students
- 123 CIPYML graduates
- 28,000 former MNLF combatants trained in rice and corn farming or seaweed cultivation; 130 MNLF communities provided with preharvest and postharvest equipment and facilities

# Strengthen Peace and Accelerate Economic Growth

The GEM 3 program continues and expands the work carried out under GEM 1 (1995-2002) and GEM 2 (2002-2007). GEM 3 got underway in January 2008 and is expected to operate until the end of 2012.

Like its predecessors, GEM 3 operates throughout Mindanao, with a special focus on the Autonomous Region in Muslim Mindanao (ARMM) and other conflict-affected areas in Mindanao (CAAM).

### GEM 3 has two related principal objectives:

- Accelerate economic growth in Mindanao and ensure that as many people as possible benefit from the economic growth and that the benefits are equitably distributed.
- Help bring about and consolidate peace in Mindanao.

GEM 3 works with producer associations and cooperatives; the Mindanao Business Council; the ARMM Business Council; chambers of commerce; private firms; the Mindanao Economic Development Council; the Government of the Autonomous Region in Muslim Mindanao; national government line agencies; provincial and local governments; bilateral and multilateral donor agencies; and other organizations and individuals working to bring about equitably distributed economic growth and strengthened peace in Mindanao.

### GEM 3 Components include:

- Infrastructure Development
- Business Growth
- Workforce Preparation
- Governance Improvement
- Former Combatant Reintegration

### Infrastructure Development Component

#### Principal activities include:

*Barangay Infrastructure Projects (BIPs).* These “small-scale” infrastructure projects are constructed to help

increase economic growth in *barangays* and to demonstrate the determination of the Philippine government and USAID to be responsive to the needs of Mindanao’s religious and cultural minorities. GEM 3 will undertake the construction of approximately 1,000 BIPs, located primarily in the ARMM and other CAAM.

*Regional Impact Projects (RIPs).* These high-visibility economic infrastructure projects are designed to catalyze the expansion of existing businesses or industries in a region or make possible the emergence of new businesses or industries. GEM 3 will undertake the construction of 15 to 20 RIPs located primarily in the ARMM and other CAAM.

### Business Growth Component

#### Principal activities include:

*Business Support Organization (BSO) Development.* GEM will identify and increase the effectiveness of selected BSOs with a focus on assisting chambers of commerce that have not yet received USAID support; assisting BSOs working in the tourism, aquaculture, and BPO sectors; helping previously assisted chambers of commerce in their advocacy for improved LGU performance in revenue generation, corruption control, and improved quality of education; and assisting BSOs to plan and implement strategic events.

*Targeted Commodity Expansion Project (TCEP).* TCEP will help to triple international exports and domestic outshipments (volume and value) of targeted commodities like fresh and processed fruits and vegetables, tuna, carrageenan and high-value marine products such as abalone, grouper, and sea cucumber. TCEP will also help to expand warehousing, cold storage, and VHT facilities to support the increased export and outshipment of targeted commodities. It will also help previously supported producer-associations to improve their competitiveness through training and information on improved production, packaging, and marketing.



*Exploratory Investments in Key Industries.* Under this activity, GEM 3 will help to “jump-start” investment in two key industries—tourism and business process outsourcing (BPO)—and will help to improve the community outreach activities of selected responsible mining firms.

## Workforce Preparation Component

### Principal activities include:

*Computer Literacy and Internet Connection (CLIC) Project.* CLIC will provide internet-connected computers to additional high schools in CAAM. It will also provide additional computers to selected high schools that previously received CLIC assistance. For high schools receiving computers from other GRP Programs, CLIC will provide internet connections and, through the Teacher-CLIC Program, will provide internet-connected computers to selected elementary schools primarily for teachers’ use.

*Education Awareness and Support Effort (EASE).* EASE will provide peso-for-peso matching grants to the PTCAAs of up to 1,000 schools to improve education programs, such as the establishment of libraries, science laboratories, and multimedia computer centers.

*Job Enabling English Proficiency (JEEP) Project.* JEEP will improve the effectiveness and utility of the English language instruction programs of colleges and universities in Mindanao, enhancing graduates’ employability in industries requiring English language proficiency.

*Scholarships and Business Internships.* GEM 3 will provide selected secondary/tertiary students with financial support that will enable them to take advantage of training opportunities or to remain in school. Qualified recent college graduates will be eligible to participate in internship opportunities in Filipino or multinational firms.

## Governance Improvement Component

### Principal activities include:

*Incentive-based Revenue Enhancement Program.* GEM 3 will help ARMM LGUs substantially increase the revenue collected through property and business taxes and will provide successful LGUs with material benefits (such as additional BIPs and CLICs) when they reach jointly agreed upon annual revenue increase targets.

*Congressional Internship Program for Young Muslim Leaders (CIPYML).* GEM 3 will provide qualified recent graduates of colleges in ARMM and other

CAAM with the opportunity to acquire hands-on experience in legislation and policy formulation through an internship at the Philippine House of Representatives.

## Former Combatant Reintegration Component

### Principal activities include:

*Moro National Liberation Front (MNLF)—Livelihood Enhancement and Peace (LEAP) Program.* TCEP activities under GEM 3 will provide selected communities of former MNLF combatants with the preharvest and postharvest facilities needed to achieve more profitable farming/fishing and will implement community development activities for selected *barangays* in the Sulu Archipelago.

*Possible Moro Islamic Liberation Front (MILF)—Livelihood Enhancement and Peace (LEAP) Program.* This optional activity may be implemented when an acceptable final Peace Agreement between the GRP and MILF has been reached. The objective will be to transform former MILF combatants into small-scale commercial farmers, thus enabling them to begin earning sufficient income to support themselves and their families. This goal will be achieved by providing production inputs, training, technical support, and marketing assistance and by providing selected successful LEAP–MILF cooperatives with preharvest and postharvest facilities.

### “Other” Activities

GEM 3 will also address other problems or take advantage of opportunities that may emerge during program implementation.

*Communications.* GEM 3 will continue to implement communications and public relations efforts that enhance the prospects of attaining GEM Program objectives.





**Kristie A. Kenney**  
U.S. Ambassador to the Philippines

*Congratulations to the GEM team on the successful completion of the GEM 2 Program. Your dedication and unwavering effort in helping promote peace and development in Mindanao, even through difficult times, has been a source of pride for the U.S. Mission here in the Philippines.*

*To the Philippine government, and MEDCo in particular, we are grateful for the opportunity to be of assistance in improving the lives of Mindanaoans. The recent inauguration of the third phase of the GEM Program is a testament to the U.S. government's continuing commitment to support the Philippine government's efforts to bring peace and prosperity to Mindanao.*



**Janet M. Lopez**  
Executive Director, Mindanao Economic Development Council (MEDCo)

*Let me congratulate the GEM team and everyone behind the success of the GEM 2 Program for effectively pursuing the noble and worthwhile endeavor of securing peace and development in Mindanao. The continuation of this project under the Mindanao Peace and Development Program speaks clearly of the burning desire of both the Philippine Government and USAID to transform proposed programs and projects into actual investments for peace.*

*With the main thrust of the Arroyo government for Mindanao anchored on laying the strong foundation for sustainable peace and development, it is particularly rewarding to note that the various efforts pursued by USAID in Mindanao are clearly moving along this direction. Let us then continue in our joint efforts in pursuing a well-developed and peaceful Mindanao. Mabuhay!*



**Hon. Sec. Jesus G. Dureza**  
Former Presidential Adviser  
on the Peace Process

*The partnership between the Philippines and the United States through USAID has, over the years, generated much goodwill among the people of Mindanao, particularly in conflict-affected areas whose progress and transformation are central to the pursuit of a strong Philippine Republic.*

*The broad range of development initiatives implemented through USAID's flagship project, the GEM Program, have successfully met the challenges of bringing tangible benefits to the communities affected by armed conflict.*

*By building institutions that allow peace to prosper, economic opportunities to grow, education to improve, and strategic collaboration to emerge among multiple stakeholders, this USAID program has indeed evolved into a Mindanao gem.*



**Robert F. Barnes**  
Economic Growth Adviser  
USAID/Philippines

*I was honored to have the opportunity to congratulate the GEM team for a job well done on the first phase of the GEM Program back in 1998. I am very glad that now, as the second phase of the GEM Program ends and we embark on the next phase, I have the opportunity to congratulate you again.*

*The past five years have been filled with major challenges and important accomplishments. It is certain that the future will be no less eventful. GEM has already made an important contribution to progress in Mindanao in a wide range of areas, and I very much look forward to what the future will bring.*



**Hon. Virgilio Leyretana, Sr.**  
Chair, Mindanao Economic Development Council (MEDCo)

*My warmest congratulations to USAID and the GEM team for a very successful project. Despite the challenges, the GEM Program was able to help improve the business environment in Mindanao. In the Autonomous Region in Muslim Mindanao, the GEM Program was a partner that supported us in our efforts to improve transparency and governance in the region. I am especially grateful to the GEM Program for being one of the first foreign-assisted programs that responded to the call of the National Government to help provide economic relief to the former combatants of the Moro National Liberation Front after the signing of the 1996 GRP-MNLF Peace Agreement.*

*It's a pleasure working with you and we'll always treasure your utmost cooperation and support. We look forward to a more enriching and satisfying partnership in pursuing peace and development in Mindanao.*



**Dr. Charles E. Feibel**  
Program Manager, GEM

*The GEM team would like to thank the governments of the Philippines and the United States for giving us the opportunity to help accelerate economic growth and support the peace process in Mindanao.*

*The significant accomplishments of GEM in regional economic development, former combatant reintegration and poverty alleviation can be attributed to the dedicated staff of GEM, USAID, the government of the Philippines and LGUs, and to the tens of thousands of Mindanaoans who worked with and helped us. While many challenges remain, we are proud of what we have achieved and are determined to continue helping foster equitable prosperity and peace in Mindanao, to the best of our ability.*



**Jon D. Lindborg**  
Mission Director  
USAID/Philippines

*GEM is about partnerships – which have been key to its success in promoting peace and economic and social development in Mindanao over the past decade.*

*USAID values our many partnerships in Mindanao with the national and local governments, civil society, the private sector and the international donor community. We are proud of these partnerships, and look forward to future opportunities under GEM 3 to enhance the conditions for peace and development throughout Mindanao.*



**Christian Hougen**  
Chief of the Office of Economic Development and Governance  
USAID/Philippines

*My congratulations to the GEM team. By any measure, the GEM 2 Program has been a success and has created a basket of best practices for nation-building in a conflict-affected area. GEM 2 has worked well to support the Mission's programs in Mindanao and helped to create an environment of development cooperation, which has leveraged significant investments by both public and private sectors. GEM 2 has really contributed to Mindanao's sustainable development, and we look forward to working together for an even better and more robust third phase of the program.*



# GUIDE TO ACRONYMS AND ABBREVIATIONS

ABC	ARMM Business Council	JBIC	Japan Bank for International Cooperation
ADB	Asian Development Bank	JEEP	Job Enabling English Proficiency Project
AFP	Armed Forces of the Philippines	LEAD	Local Enhancement and Development for Health
AMORE	Alliance for Mindanao Off-Grid Renewable Energy	LEAP	Livelihood Enhancement and Peace
ARMM	Autonomous Region in Muslim Mindanao	LGU	local government unit
AusAID	Australian Agency for International Development	MABS	Microenterprise Access to Banking Services
BEAM	Basic Education Assistance for Mindanao Project	MBC	Mindanao Business Council
BFAR	Bureau of Fisheries and Aquatic Resources	MEDCo	Mindanao Economic Development Council
BIP	<i>barangay</i> infrastructure project	MILF	Moro Islamic Liberation Front
BMWFPDI	Bangsamoro Women's Foundation for Peace and Development, Inc.	MinFruit	Mindanao Fruit Industry Development Council
BIMP-EAGA	Brunei Darussalam-Indonesia-Malaysia-Philippines-East ASEAN Growth Area	MNLF	Moro National Liberation Front
BSO	Business Support Organization	NorMinVeggies	Northern Mindanao Vegetable Producers Association
BUM	Beneficial Use Monitoring	PLDT	Philippine Long Distance Telephone Company
CAAM	conflict-affected areas in Mindanao	PRISM	Private Sector Mobilization for Family Planning Project
CICT	Commission of Information and Communications Technology	PTCA	Parent-Teacher Community Association
CIPYML	Congressional Internship Program for Young Muslim Leaders	RIP	regional impact (infrastructure) project
CLIC	Computer Literacy and Internet Connection	SAF	Special Activity Fund
CUES	Credit Unit Empowerment and Strengthening	SAFE	Sustainable Aquaculture and Fisheries Effort
DA	Department of Agriculture	SFFAI	SOCSKSARGEN Federation of Fishing and Allied Industries, Inc.
EASE	Education Awareness Support Effort	SOCSKSARGEN	South Cotabato, Sultan Kudarat, Sarangani and General Santos City
ELAP	Emergency Livelihood Assistance Program	TAGS	Transition Assistance Grants
EnRICH	Enhanced and Rapid Improvement of Community Health	TCEP	Targeted Commodity Expansion Program
EQuALLS	Education Quality and Access for Learning and Livelihood Skills	UDP	Upland Development Programme for Southern Mindanao
GAP	Good Agricultural Practices	UNDP	United Nations Development Programme
GEM	Growth with Equity in Mindanao Program	USAID	United States Agency for International Development
HACCP	Hazard Analysis and Critical Control Point	VICSMIn	Vegetable Industry Council of Southern Mindanao
IFAD	International Fund for Agricultural Development	WFMC	Well-Family Midwife Clinics
IMAG	Infrastructure Monitoring and Advisory Group	WMSIDFI	Western Mindanao Seaweed Industry Development Foundation, Inc.





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