



SWIFT
Support With Implementing Fast Transition



From Arms to Farms

Activity Completion Report

Philippines Initiative -- Emergency Livelihood Assistance Program (Mindanao, Philippines)

Contract No.: AOT-I-00-98-00199-00 Task Order No. 02
Contractor: Development Alternatives Inc.
USAID Project Office: Office of Transition Initiatives (BHR/OTI)

Submitted by: Todd R. Johnson, Field Representative,
Development Alternatives, Inc.
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DEVELOPMENT ALTERNATIVES, INC.
2750 WOODMONT AVE., SUITE 200, BETHESDA, MD 20814 USA
(301) 718-8699 • (301) 718-7968 • INFO@DAI.COM • [HTTP://WWW.DAI.COM](http://WWW.DAI.COM)

PREFACE

In 1999, Development Alternatives Inc. (DAI) was contracted by the United States Agency for International Development (USAID), through its Office of Transition Initiatives (OTI) to implement Task Order No. 2 under the Support Which Implements Fast Transition (SWIFT) Indefinite Quantity Contract (USAID AOT-I-00-98-00199-00, awarded September 29, 1998). Task Order #02 required DAI to assist OTI in implementing the Philippines Initiative activity, entitled Emergency Livelihood Assistance Program (Mindanao, Philippines), and hereafter referred to as SWIFT/Mindanao. OTI and DAI signed the Task Order contract on April 29, 1999 with effective dates of March 25, 1999 through March 24, 2000. Two contract modifications resulted in additional funding and an extension of the estimated completion date to March 31, 2001. The OTI Cognizant Technical Officer approved a 30-day period-of-performance extension on March 19, 2001 that made April 30, 2001 the final Project Activity Completion Date.

DAI is required under the SWIFT IQC to submit a Completion Report to USAID within 30 days after the completion of a Task Order. The Completion Report “summarizes accomplishments of the assignment, methods of work used, and recommendations regarding unfinished work and/or program continuation.” This document is the Completion Report for the Philippines Initiative – Emergency Livelihood Assistance Program (Mindanao, Philippines), or simply SWIFT/Mindanao.

The Report consists of three major sections. The first is an overview of the activity, including the post-conflict context for OTI assistance as well as detail on the nature of assistance provided. This section closes with a summary of accomplishments throughout the 25-month period of performance.

The second section details impacts achieved during implementation, focusing on both positive and negative results, as well as lessons learned in the process. It is organized according to the three OTI strategic objectives of the activity. This section also contains discussion of the methods or processes used by DAI to implement the activity, documenting “best practices” that may be useful for possible adaptation to other OTI country program contexts.

The final section provides a look forward, covering the USAID/Manila Livelihood Enhancement and Peace (LEAP) follow-on activity, with recommendations for other local or international organizations hoping to assist the Philippine government in consolidating gains made toward broad-based and lasting peace and development throughout Mindanao.

Several annexes to the main Report provide contractual and statistical data for readers interested in a more detailed examination of the activity. These include a listing of all Transition Assistance Grants approved by OTI (Annexes A and B) and results of their implementation (Annex C), an index of all reports and information products produced during the activity (Annex D), detail on the DA-SWIFT Village Partnership (Annex E), and results of an analysis of “delivery performance” by local government units who had pledged counterpart resources (Annex F).

Todd R. Johnson
Field Representative
Development Alternatives, Inc.

April 30, 2001

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ADB	Asian Development Bank
AFP	Armed Forces of the Philippines
BMWF	Bangsa Moro Women’s Federation
DA	Department of Agriculture (Government of the Philippines)
DAI	Development Alternatives, Inc
ELAP	Emergency Livelihood Assistance Program
GEM	Growth with Equity in Mindanao – program of USAID/Manila
GOLD	Governance & Local Democracy – program of USAID/Manila
GRP	Government of the Republic of the Philippines
IQC	Indefinite Quantity Contract
LBII	Louis Berger International, Inc.
LEAP	Livelihood Enhancement and Peace – USAID/Manila follow-on program to SWIFT
LGU	Local Government Unit – provincial, municipal, and <i>barangay</i> government of Philippines
MILF	Moro Islamic Liberation Front (continues to wage armed rebellion in central Mindanao)
MNLF	Moro National Liberation Front (signed Peace Agreement with GRP September 2, 1996)
MOU	Memorandum of Understanding
NDBRC	Notre Dame Business Resource Center Foundation, Inc.
NRMP	Natural Resources Management Program – program of USAID/Manila
OIDCI	Orient Integrated Development Consultants, Inc.
OTI	Office of Transition Initiatives (USAID/Bureau for Humanitarian Response)
PAT	Progress Analysis Team – SWIFT/Mindanao monitoring & evaluation unit
PDO	Project Development Officer
PNP	Philippine National Police
SPCPD	Southern Philippines Council for Peace and Development
SWIFT	Support Which Implements Fast Transition
SZOPAD	Special Zone of Peace and Development – 14 provinces and 10 cities of Mindanao, the Sulu Archipelago, and Palawan in southern Philippines
TAG	Transition Assistance Grant
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

I. Program Overview

I.1. Background

On September 2, 1996, the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF) signed a peace agreement putting an end to almost thirty years of secessionist conflict. In the agreement, the GRP committed itself to military, political, and development measures designed to establish a framework for peace and economic growth within a Special Zone of Peace and Development (SZOPAD) composed of 14 provinces and ten cities with significant Muslim populations in central, southern, and western Mindanao, Palawan, and the island provinces of Basilan, Sulu and Tawi-Tawi.

Key measures of the Peace Agreement called for: (1) establishment of a Southern Philippines Council for Peace and Development (SPCPD), representing the Muslim, Christian, and highlander communities, to monitor, promote and coordinate development efforts in the area; (2) incorporation of 7,500 MNLF elements into the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), and (3) a political formula for Muslim autonomy to be implemented through a plebiscite to determine the area and form of a new autonomous government in the region under the authority of the President of the Republic.

In terms of economic development activities, the agreement promised that "...public and private investments shall be channeled to these areas to spur economic activities and uplift the conditions of the people therein." In early 1997, the GRP requested assistance from the international donor community to support the development provisions of the Peace Agreement. As part of the US Government response to this appeal, the USAID Mission in Manila requested the USAID/Office of Transition Initiatives (OTI) to review the situation and develop a transition program to augment ongoing Mission activities in the area. The subsequent OTI assessment designed an Emergency Livelihood Assistance Program (ELAP) to facilitate reintegration of former combatants into Philippine society.

SPCPD and the US Embassy signed a Memorandum of Understanding (MOU) on August 8, 1997, establishing the ELAP program. Implementation was assigned to USAID's Growth with Equity in Mindanao (GEM) contractor, Louis Berger International Inc. (LBII), which had offices in Mindanao and was well positioned to support activities with former combatant communities. OTI assigned a senior officer (Asia Regional Manager) to assist with monitoring and supervision of the effort.

The program commenced in September 1997 with three main components: (1) livelihood assistance (inputs and technical support for corn and seaweed production), (2) participant-managed self-help community funds, and (3) a pilot functional literacy program. During the 18-month implementation period of Phase I, the program assisted almost 4,000 MNLF ex-combatants in eight mainland Mindanao and three island provinces of the SZOPAD. GEM/ELAP Phase I was successful in that it achieved its immediate purpose quickly, with high visibility, at a time when other donor efforts were still on the drawing board. Readers are referred to the OTI Project Evaluation report for additional detail on Phase I of the GEM/ELAP program¹.

Following the completion of Phase I in March 1999, OTI established its own delivery system – independent of the GEM/LBII arrangement – through its Support With Implementing Fast Transition (SWIFT) indefinite quantity contract (IQC) with Development Alternatives, Inc. (DAI). At the same time, the GEM/ELAP program continued with Mission funding independently of OTI.

The SWIFT/ELAP activity (now just called "SWIFT") began in April 1999 under IQC Task Order #02, the subject of this Activity Completion Report. SWIFT provided the GRP assistance in implementing the 1996

¹ SWIFT/Mindanao Project Evaluation, John Heard and Lisa Magno, USAID/BHR/OTI, October 2000.

peace agreement by assisting former MNLF combatants to initiate livelihood and skills building activities that lead to economic self-sufficiency. The program had two components: one addressing the micro-infrastructure needs of MNLF villages, especially in post-harvest infrastructure; the other component involved providing technical assistance to the development and management of community self-help funds.

The program was designed with the following GRP goals in mind: 1) Improve the country's food security; 2) Improve the well being of the rural poor; 3) Improve the basic infrastructure in rural areas; and 4) Promote peace and order throughout the country. USAID's SWIFT program, in partnership with GRP line agencies and local government units, directly assisted the GRP in accomplishing these goals. The objectives of SWIFT were to provide timely village-based assistance that promoted self-help concepts to enhance the agricultural economic and social well being of former MNLF combatants, their families, and other members of their communities.

The stated purpose of the Task Order was "to provide technical and other support required for implementation of the SWIFT-ELAP activity." The activity was designed to be a flexible vehicle for delivering "targeted and focused assistance that will result in enhanced economic and social well being of the target families," hereby "strengthening the peace process." As described in the Scope of Work, the Objective of the activity follows:

"The objective of the SWIFT\ELAP activity is to provide needed supplementary support (small-scale infrastructure, pre/post harvest facilities, [and] technical assistance for "community fund" organizations, etc.) to those villages in Mindanao which have received or are receiving agricultural production assistance from the GEM\ELAP activity, or other communities with significant MNLF associated communities where the provision of SWIFT-ELAP assistance could result in a reduction of religious/political tension. It is estimated that some 280 villages will receive SWIFT-ELAP support, with approximately 7,000 families benefiting from the assistance (the majority of which will be Muslim)."

Specific objectives included: (1) improving group livelihood opportunities by establishing post-harvest facilities and social infrastructure within former combatant communities; (2) improving group capacity for self-directed development in recipient communities; and (3); and establishing tangible linkages between MNLF communities and local, provincial and national government units to improve relations between target communities and other non-combatant, Christian and indigenous elements of society. Section II is a report on impacts achieved toward these objectives.

I.2. Implementation Mechanism

Implementation of SWIFT/Mindanao assistance was through Transition Assistance Grants (TAGs) awarded to communities for rebuilding economic and social infrastructure, in the form of in-kind contributions or technical assistance or other capacity building. Transition Grants are an important tool for OTI programs worldwide. Under the Philippines Initiative, TAGs were used to leverage counterpart contributions from local, regional, or national agencies of the Government of the Republic of the Philippines (GRP), from private sector organizations or entities, from other donor programs, and from the communities themselves.

TAG implementation was to result in tangible benefits to the local populations and, to the extent possible, tie in or be linked to GRP-provided resources. TAGs were envisioned as a means to bridge the gap between under-served communities, especially those with majority Muslim populations including former MNLF combatants, and GRP agencies at all levels (municipal, provincial, regional, and national). The tangible benefits provided through a TAG were intended to address the highest priority need of a village, while also helping community members learn how to access further assistance from various levels of government so that their other needs may be addressed over time.

USAID contributions were in the form of in-kind materials or through the provision of services or training. Each village-based project required at least three partners: the village group, the GRP/LGU, and SWIFT. Resources expected from the village groups were typically the labor inputs (sweat equity), with GRP and

SWIFT providing support through the procurement and delivery of equipment or construction materials. TAGs primarily supported the design and construction of post-harvest facilities, design and construction of micro-infrastructure, and training programs.

SWIFT field staff – Project Development Officers (PDOs) – held primary responsibility for formulating TAG proposals, in direct consultation with community members. PDOs facilitated the communities' identification and prioritization of needs, and then assisted the community in developing a project that would help address the highest priority or most urgent needs. For most communities, this involved projects related to their agricultural activities. For this reason, a large part of SWIFT assistance was targeted toward processing and/or storage of crops, or other post-harvest facilities. This strategy also facilitated smooth coordination with ongoing or completed GEM/ELAP activities in the same or neighboring communities.

All TAG proposals were required to adhere to the following principles:

1. Facilitate local, provincial, and national government agencies' delivery of assistance to Muslim areas;
2. Reduce tensions between key population groups; and
3. Provide a tangible demonstration that the peace process has enhanced the well being of groups of previously under-served people.

The broader impact of TAG assistance was to be the promotion of political stability, reconciliation, participatory democracy, and an open economy.

I.3. Implementation Targets – Geographical and Numerical

SWIFT staff worked directly with former MNLF combatant communities, GRP line agency representatives, and local government units (LGUs) in developing tangible village-based micro-infrastructure TAG projects that assisted the entire village in becoming more productive and profitable. The original goal was to have provided, by March 2000, more than 300 *barangays* (villages) and 9,000 families tangible evidence that the Government of the Republic of the Philippines is delivering on the 1996 Peace Agreement.

SWIFT assistance focused on seven provinces in north central, central, and south central Mindanao, the second largest island of the Philippines and the poorest region of the country (please see map on page 4). The following table shows these provinces and corresponding States under the MNLF structure:

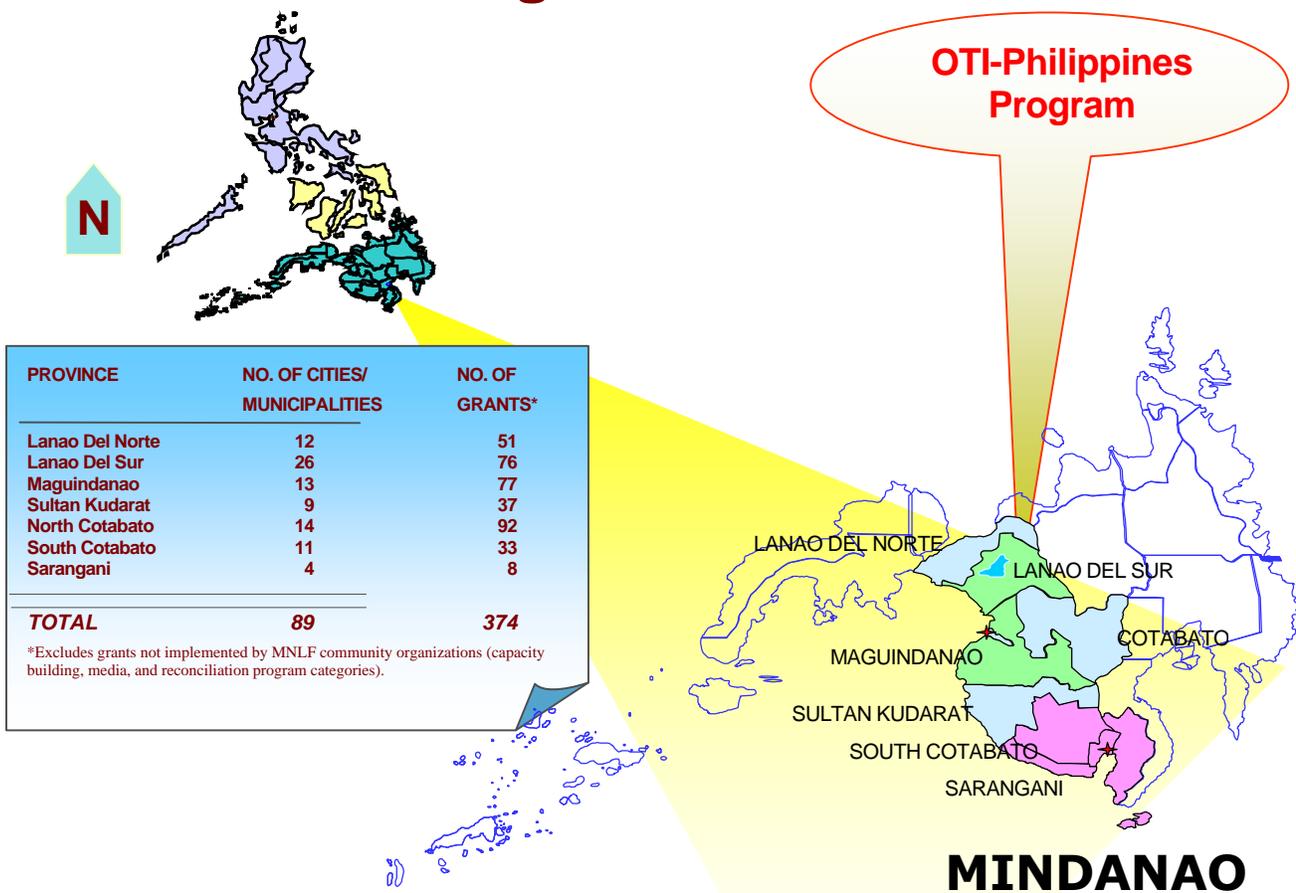
<i>GRP Province</i>		<i>MNLF State</i>
1.	Lanao del Norte	1. Ranao Norte
2.	Lanao del Sur (eastern & southeastern) (western & southwestern)	2. Central Ranao 3. Ranao Sur ²
3.	Maguindanao (northern) (southern)	4. New Utara Kutawatu 5. Central Kutawatu
4.	North Cotabato (western) (eastern)	New Utara Kutawatu 6. Sebangon Kutawatu
5.	Sultan Kudarat (eastern only)	Central Kutawatu
6.	South Cotabato	7. Selatan Kutawatu
7.	Sarangani	Selatan Kutawatu

² OTI and SPCPD suspended assistance to Ranao Sur State in January 2000 due to noncompliance by local MNLF leaders with programmatic requirements, including provision of community counterpart resources. The State was not reopened.

For ease of field operations, SWIFT assigned one PDO to each MNLF State (except New Utara Kutawatu, where terrain and distances made two PDOs more practical), with an at-large PDO serving as Program Engineer providing technical assistance on infrastructure design and construction to geographically assigned PDOs. In 2000, OTI added another at-large PDO to the team. The Institutional Development Specialist led monitoring and evaluation efforts that resulted in nearly all TAG sites undergoing a project impact analysis as well as an assessment of the managerial capacity of each community organization assisted.

USAID/OTI expected each PDO (except the two at-large specialists) to accomplish a target number of approved TAGs each month. The actual numerical targets were revised several times during implementation, going from the initial eight projects per PDO per month to an eventual five approved grants per month per PDO. These revisions reflected both the difficulty in garnering counterpart support in the initial months of the program, and a shifting emphasis on the quality of grant projects balanced against quantity. The final actual number of grant projects approved per MNLF State is reported in Section II.

SWIFT Program Area -- Provinces



I.4. Summary of Accomplishments

The primary purpose of the SWIFT/Mindanao program was to provide small grant assistance to MNLF communities to assist in rebuilding their economic and social infrastructure. USAID/OTI approved 423 grant projects during the life of the program, with 413 completely implemented³ by March 2001. As noted above, TAG assistance was primarily used to reintegrate former combatants and their families into the agricultural economy of Mindanao. Therefore, 41.84% of all grants were in the Post-Harvest Facilities category, with another 23.88% in the Agricultural Production category. Village Infrastructure, which included solar grain-drying pavements as well as water systems and other micro-infrastructure, accounted for another 20.57% of the total grants approved. The remaining 13.71% of completed grants were in the other four categories. The table below summarizes all SWIFT/Mindanao grant activity by category. Please refer to TAG Reports by Program Category in Annex A for more detail, including grant approvals by month and quarter.

<i>PROGRAM CATEGORY</i>	<i>Agricultural Production</i>	<i>Capacity Building</i>	<i>Gender & Dev't</i>	<i>Media</i>	<i>Post-Harvest Facilities</i>	<i>Reconciliation</i>	<i>Village Infrastructure</i>	<i>TOTALS</i>
TOTAL GRANTS APPROVED (#)	101	3	16	1	177	38	87	423
VALUE GRANTS APPROVED (\$)	257,261	172,090	35,251	17,650	433,569	54,124	246,253	1,216,198
TOTAL GRANTS DELIVERED (#)	101	3	15	1	174	35	84	413
VALUE GRANTS DELIVERED (\$)	235,663	152,562	32,993	17,650	409,168	40,604	228,590	1,117,230
FAMILIES (#)	3,776	n/a	521	n/a	6,458	n/a	5,940	16,695
COMBATANTS (#)	2,564	22	99	n/a	4,692	n/a	2,579	9,956

USAID/OTI established an additional program category midstream during the project period (April to August 2000). The Reconciliation category of grants sought to promote peace in Mindanao and reduce tension through activities implemented by civil society groups at a time of open conflict in central and southern Mindanao between the AFP and the Moro Islamic Liberation Front (MILF), another Muslim secessionist group that was not a signatory party to the 1996 Peace Agreement. Consulting assistance provided by USAID's Governance and Local Democracy (GOLD) project identified and developed the majority of these grants. This short-lived effort succeeded in dampening heated rhetoric from all quarters and supporting the voices of peace.

The 413 completed grants directly assisted 16,695 families, including 9,956 MNLF former combatants. These were the actual members of the grantee organization, typically a farmers' organization, cooperative, or similar multi-purpose community organization. When the entire household of each family assisted is considered, the program indirectly benefited more than 100,000 individuals, including 47,359 males and 61,280 females. This does not include the uncounted number of at-large community members who benefited from improved access to post-harvest equipment or a village water system, although not members of the grantee organization. Further details of the SWIFT/Mindanao grant-making activity and impacts are provided in the Section II.

³ Ten TAG projects were cancelled after approval, therefore not implemented. The reasons for cancellation were either site security issues (e.g., evacuation of the community as displaced persons) or refusal by one or more partners to provide their counterpart resources. The number of families and MNLF combatants from the cancelled projects has been removed in the above table to avoid overestimating overall beneficiary counts.

Another of the major accomplishments of the program was capacity building. Although the number of grants in this category was low (three), two of these were large institutional grants designed to provide training services to all grantee organizations. Subtracting the 35 Reconciliation grants implemented with civil society groups, three Capacity Building grants, and one Media project, there were 374 village-based projects implemented. These projects received 845 training sessions on a variety of topics, most related to financial management of the assets provided through TAG projects. An estimated 4,753 individuals participated in training activities, including an estimated 1,446 women. A fuller discussion of the capacity building activities is provided in Section II (pg. 15).

The third objective of the SWIFT/Mindanao program was to begin healing the wounds of war in the relations between MNLF communities and the GRP. Creating the linkages necessary for this to happen was another important field activity undertaken by staff on a daily basis. SWIFT facilitated an estimated 2,844 interactions between MNLF community members and government representatives. An additional 1,450 GRP-MNLF interactions took place later, without SWIFT intervention or facilitation. These interactions contributed significantly toward a measured increase in perceptions by MNLF community members about GRP delivery of basic services. An important factor in this shifting perception was the DA-SWIFT Village partnership forged between USAID and the Philippine Department of Agriculture (DA). Under this Partnership, the DA provided 396 pieces of counterpart agricultural equipment to 256 grantee organizations. An estimated 10,158 families in 85 municipalities directly benefited from these additional investments in their economic livelihood. Detailed information about the GRP linkage success of SWIFT/Mindanao is described in the following Section (pg. 18).

Overall Results / Impact Measurement

USAID/OTI developed the Strategic Objectives Framework for SWIFT/Mindanao seen in the next section. Most of the results and impacts reported in Section II have been derived from compilation and consolidation of 336 individual project assessment reports performed by the internal monitoring and evaluation unit, called the Progress Analysis Team (PAT). This three-member team interviewed as many grantee community members as practical in each of the project sites.

Using a standardized questionnaire as their guide, PAT members recorded qualitative responses to basic input-delivery and other similar questions, while also asking a series of questions related to communities' perceptions about improvements to their quality of life, their groups' managerial capacity, and their relationship with the GRP. Drawing on their individual experiences as veteran community development workers, the PAT members then made "judgment calls" about the accuracy of the information they were provided. These filtered responses were then recorded on a four-point scale for each of the qualitative indicators, followed by an overall assessment by the evaluators of the groups' potential opportunity. The results of these 336 overall group assessments are shown in the following table.

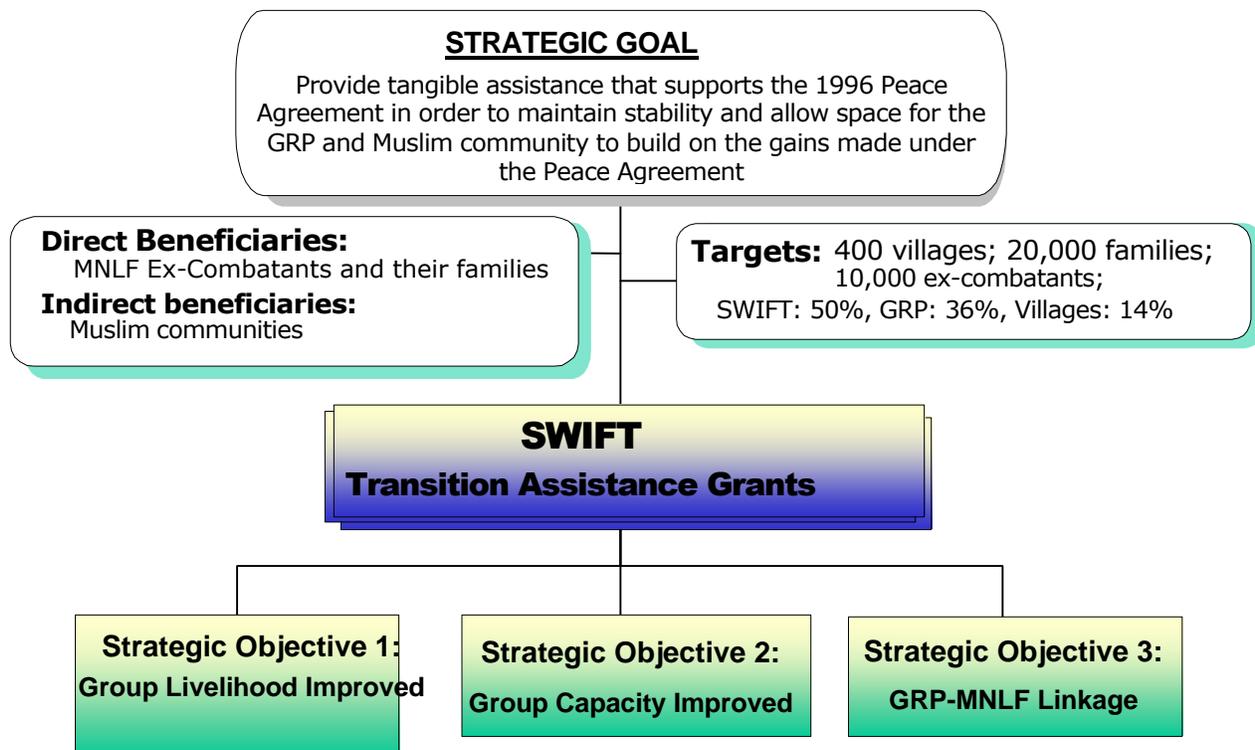
RATING	No. of groups	Percent of groups
<i>Can survive without help</i> – 2 or 3 program objectives satisfactorily met; group can access additional assistance on their own	33	9.8%
<i>Needs little help</i> – 1 of 3 program objectives satisfactorily met; group needs more training assistance to "graduate"	115	34.2%
<i>Needs a lot of help</i> – rating for all output and qualitative indicators is below satisfactory; group requires substantial training, coaching, and organizational development to function effectively	138	41.1%
<i>Best not to extend help</i> – external or internal factors make project implementation not feasible (e.g. site evacuated, no organization)	50	14.9%
TOTAL	336	100.0%

II. Detailed Program Analysis

As noted in the previous section, SWIFT/Mindanao was a small grants program, where grants were used as tangible, targeted, timely assistance to communities of MNLF former combatants. This section of the Activity Completion Report provides further detail on the 413 completed Transition Assistance Grant projects and the impacts achieved during their implementation. There is also a discussion on areas where impact might have been greater, along with suggestions for how that greater impact could have been achieved. The section also contains a review of the program operations, highlighting things that worked and areas where improvements may be made. The lessons learned and suggestions for improvement are provided for two reasons: (1) to give readers a realistic sense of the implementation challenges faced in Mindanao; and (2) to highlight ideas that may be replicable or adaptable to other contexts, either in other areas of the Philippines or for other OTI post-conflict and combatant reintegration programs.

SWIFT/Mindanao began with the objectives described in section I, with individual project objectives identified by the communities and PDOs as part of the proposal process. This strategy of “let a thousand flowers bloom” was intentional, recognizing the need to refine and specify programmatic objectives based on actual field experiences. In March 2000, OTI sent an in-house expert on Strategic Objectives frameworks to synthesize the “thousand flowers” into a smaller set of program objectives. That exercise led to selecting indicators that both represented adequately the range of grant projects and could be standardized across the body of projects in order to measure programmatic impacts. Three objectives were identified: (1) Group Livelihood Improved, (2) Group Capacity Improved, and (3) GRP-MNLF Linkage initiated. Each of these objectives was to be measured using both quantitative and qualitative indicators. The SWIFT/Mindanao Strategic Objective framework is shown below, to graphically present the structure of the program activities and to map out the discussions that follow, on progress made toward accomplishing the objectives.

Strategic Objectives



II.1. Transition Assistance Grant (TAG) Project Impacts

Grant Approvals/Disbursals

USAID/OTI approved 423 Transition Assistance Grants between June 8, 1999 and August 31, 2000. This equates to one grant every 1.05 days, including weekends and holidays, throughout the grant-making period. Total value of these projects was \$1,216,198 (P 51,425,009). As mentioned above, ten grants were cancelled after approval and not implemented. In three of these cases, military conflict between the AFP and MILF led to evacuation of the communities (two of these had grants approved later in the new grantee location); three grants were cancelled due to local government units renegeing on their commitments of counterpart resources, making the projects untenable; two grants were cancelled due to inappropriate actions by local MNLF leaders; and three Reconciliation grants were cancelled when a calming of tensions made the planed activities no longer necessary.

Thus, 413 grants were implemented, with combined total approved budgets of \$1,195,295 (P50,539,276). Of this amount, DAI disbursed \$1,117,229.97, resulting in savings of \$78,065.03 (6.53% of total). These savings were generated through local procurement procedures outlined below, as well as strength of the US\$ against the Philippine peso. The USAID approved grant budget line of \$1.3 M had a remaining balance of \$182,770 (14%).

In terms of counterpart resources generated by the SWIFT/Mindanao program, total project value for all grant projects approved by USAID was \$2,906,442. This translates to 58% of all grant project funding coming from other sources, and 42% from USAID funds. Further detail is provided below on counterpart leveraging success.

Lessons Learned – Grant Approvals/Disbursals

The following observations were made during the course of SWIFT/Mindanao implementation regarding the approval and disbursal processes. They are presented here as both an internal self-analysis by the SWIFT team, and as potential guidance for USAID/OTI in designing any future country programs targeting combatant reintegration under similar contextual parameters.

1. According to the OTI Asia Regional Manager, the following applied to SWIFT/Mindanao. It is quoted directly (with minor grammatical editing) from an email message (1 March 2001) to the author.

“OTI Management (me) allowed staff to over-reach targets for approved Grants. Over time, appropriate level of TAG targets per month was established, 5 per month. Toward the end of the program there was a push by many of the PDOs to increase the number of TAGs approved, some to almost three times the monthly target. This resulted in a lower quality standard for community participation and buy-in to the project. This led to troubled implementation of TAGs toward the end of the program. Quality was sacrificed over quantity. In the future, OTI Management needs to be more cautious in setting reasonable targets that allow real community participation and commitment to the project. Overall, I should have said NO to staff who insisted that they could produce quality TAGs. I failed to factor in the human nature of committed staff to try and reach more communities; it was my job to say no.” Paul F. Randolph, OTI Asia Regional Manager

2. The above assessment echoes the author’s earlier observation that the TAG targets may have been unrealistically high given the context: beneficiary groups with a very low skills base, numerous logistical challenges presented by everything from topography and distance to security concerns and language barriers, and the sheer volume of work required to implement the full TAG life cycle. This cycle involved establishing initial community contact, conducting the participatory needs identification process, designing the projects, writing the proposals, negotiating with counterpart agencies, verifying counterpart resource provision, coordinating with procurement, supervising delivery, scheduling capacity building activities, coaching communities through initial stages of project management, and monitoring progress toward accomplishing project objectives for individual project reporting. When PDOs or similar field professionals are responsible for all of these steps, as was the case in Mindanao, they cannot help but be tempted to identify shortcuts that may result in lower quality of projects. To its credit, OTI was open to feedback from

PDOs and DAI field management, and twice lowered the targets from the initial eight to five grants per month. Given the amount of work required for each project, this may still have been optimistic. The author recommends that OTI or other offices considering similar programs give serious design thought to what balance is desired between the quantity of grant projects and quality of individual projects, with appropriate staffing and deployment patterns reflective of the desired balance.

3. Given the large number of small grants completed at a rate of nearly one per day by 7 PDOs in the field, it is nothing less than astounding that the levels of impact observed were achieved. Yeoman efforts put forth by extremely dedicated professionals (PDOs and support staff) can be credited for this accomplishment.

Program Categories

The final breakdown of approved TAGs by program category is shown in the table on page 5. Post-Harvest Facilities accounted for 41.84% of grants, and 35.65% of total value. Agricultural Production contributed 23.88% of all TAGs, and 21.15% of value. Village Infrastructure grants were 20.57% of the total number, with 20.25% of total amount. The Gender & Development category contributed 3.78% to the total number (2.9% of value), while Reconciliation provided 8.98% of the grants and 4.45% of total amount. Capacity Building and Media each contributed less than 1% to the number of grants, while accounting for 15.6% of total value.

DAI completed 97.64% of all approved TAG projects. Reconciliation had the lowest delivery rate, at 92.11%, due to the cancellation of activities for three grants. Gender & Development reached 93.75% delivery, while Village Infrastructure (96.55%) and Post-Harvest Facilities (98.31%) completion rates also reflect 3 cancelled TAGs each. Agricultural Production, Capacity Building, and Media achieved 100% complete grant delivery.

In terms of impact, measured by numbers of families and MNLF former combatants benefited, the Village Infrastructure projects ranked highest at almost 70 families benefited per grant project, including 30 MNLF. Both the Agricultural Production and Post-Harvest Facilities grants assisted an average of 37 families, including 26 former combatants. Gender and Development – micro-enterprise projects for groups composed of widows and wives of MNLF – assisted an average of 35 families, but only 7 former combatants⁴.

Lessons Learned – Program Categories

1. Agricultural Production (typically a power tiller or other pre-production piece of machinery) and Post-Harvest equipment projects (corn shellers, rice threshers, mechanical grain dryers, and rice or corn mills) were relatively simple to deliver and complete. Factors contributing to this success included the availability of equipment by fabricators based in Mindanao, and the relatively little counterpart required before SWIFT delivery (only the community's shed house for the equipment).
2. Perhaps due to the ease of delivery, field PDOs may have steered some communities, inadvertently or not, toward a piece of agricultural equipment as their “top priority” for project assistance. The result of this may have been minor circumvention of the participatory process by which the grantee organization was to have identified and prioritized their developmental needs. While there is no evidence that this practice was widespread, the possibility should be recognized and considered in designing any similar community development programs.
3. Village Infrastructure grants require significantly more time and effort to bring to Completed status. Many projects were extended beyond the original target completion date to allow grantee organizations sufficient time to finish construction. One of the primary causes of delay was late delivery of counterpart materials (e.g., sand and gravel) by the local government units.

⁴ Some women were armed combatants during the nearly three decades of conflict in Mindanao. Thousands more served the MNLF Auxiliary as supporters engaged in feeding, housing and clothing the combatants. Most of these have formed local chapters of the Bangsa Moro Women's Federation (BMWF) that typically became SWIFT grantees for women's projects.

4. Related to the above, having an Engineering Team on the SWIFT staff was absolutely crucial to having grantees be able to construct the relatively simple projects (e.g., mini-warehouses, *barangay* water systems). The low level of basic skills inherent to a beneficiary group that has not been part of society for more than a generation made hands-on instruction in simple procedures, from mixing cement to laying hollow block, an important skills-transfer aspect of the 3-person Teams' job.
5. Also on the subject of engineering technical assistance, having a standardized design done by a member of the SWIFT staff provided several advantages. First was the ease of procuring materials for construction. An off-the-shelf design with a complete materials list aided PDOs in moving the projects forward, by providing them a template for dividing counterpart contributions, very useful in discussion with mayors and governors. Another advantage was that SWIFT was ensured of not over-supplying any projects with "surplus" materials that might have been diverted to other uses. Finally, due again to the low level of skills in the communities, there was no need for effort to be spent on reworking communities' designs that might have lacked structural integrity.
6. An Engineering Team design capability proved most valuable in water system projects, which by nature required individualized design to suit the particular circumstances of the project.
7. Gender and Development grants, the only ones specifically targeting women's groups, generally showed a slower implementation process. This was attributed to the many other demands placed on the time of the grantee organizations' members. Similar programs should take the household and community obligations of women grantees into consideration in scheduling of all activities.

Geographic Distribution

The geographic distribution of grant projects highlights the unsoundness of a "quota" for each State, as practiced by some donor programs assisting the GRP in implementation of the Peace Agreement. Allocations of grants were based on the ease with which PDOs were able to develop sound proposals rather than "equitable" division across States. This led to New Utara Kutawatu garnering 23.80% of TAGS, while Ranao Sur had only 3.21%. Another factor affecting the number of approved grants in each State was the number of former combatants residing there. This explains why Selatan Kutawatu, with its larger Christian population, received only 12.3% of all projects, despite the Executive Director of SPCPD being the State Chairman. The other States accounted for 15-20% of projects each, as expected given the average of 59 grants each across seven States. The table below shows the breakdown of village-based TAGs by MNLF State (excluding 42 Various grants under Capacity Building, Media, and Reconciliation categories that covered more than one State).

<i>MNLF STATE</i>	<i>Ranao Norte</i>	<i>Central Ranao</i>	<i>Ranao Sur</i>	<i>New Utara Kutawatu</i>	<i>Sebangan Kutawatu</i>	<i>Central Kutawatu</i>	<i>Selatan Kutawatu</i>	<i>Total</i>
Total Grants Approved (#)	57	50	13	90	59	65	47	381
Total Grants Delivered (#)	57	49	12	89	56	65	46	374
USAID Grant Amount (\$) ⁵	149,329	111,053	27,834	231,103	130,246	206,998	91,418	\$ 947,982
Counterpart Resources (\$)	223,994	206,242	17,424	448,613	231,549	297,875	185,607	\$1,611,304

The provincial distribution followed similar patterns, with North Cotabato contributing almost ¼ of all grants (24.6%). This was the largest province, covering all of Sebangan Kutawatu State and about half of New Utara Kutawatu. It also had the most actively involved Governor, making counterpart resource commitments less

⁵ USAID/OTI resources by approved budget for Delivered grants; i.e., excluding the 10 cancelled after approval.

time consuming for the PDOs. Sarangani (2.14%) and South Cotabato (8.82%) form Selatan Kutawatu, so have the lowest provincial numbers. They also had disinterested governors. Lanao del Sur and Maguindanao each had more than 1/5 of all projects, as would be expected, while Sultan Kudarat and Lanao del Norte received projects in accordance with their size, location, and proportional Muslim populations. Annex B contains detailed listings of all TAGs by province and state.

Lessons Learned – Geographic Distribution

1. Although difficult to assess accurately given the lack of reliable data on the population in general and MNLF troops in particular, broad consensus from anecdotal evidence strongly suggests that SWIFT grant projects were focused in areas where (1) higher concentrations of former combatants settled, (2) no other donor programs reached, and (3) gains in political stability from having GRP counterpart deliveries were amplified. This latter point, according to numerous MNLF and NGO leaders, directly led to initial shifts in perception among the Muslim community at large about the GRP's sincerity in implementing the peace agreement. The beginning of a "demonstrator effect" among MILF ground troops also emerged, especially in the mountainous hinterlands along the Cotabato, Maguindanao, and Lanao del Sur boundaries. The Field Representative believes that OTI's decision to make greater investments in these areas in the heart of central Mindanao – as opposed to the Sulu archipelago, which has relatively no effect on prospects for general peace and development of Mindanao – increased significantly the overall programmatic impact.
2. As alluded to above, some patterns emerged as to which States were fertile ground for the development of large numbers of grants. The success of program activities was based largely on the activity (or inactivity) of local MNLF leadership and local government officials, i.e., their demonstrating that they are viable partners in development. Generally, those areas with active, motivated groups at the village level tended to see the results of their dedication in greater numbers of projects, while those with less understanding of the program goals saw their project numbers curtailed (e.g., Ranao Sur State). In general, the factors that appear to have had the greatest influence were the following:
 - a) Cooperation of the State MNLF leadership in identifying potential community groups that may qualify for TAG assistance;
 - b) Existence of genuine and sincere groups comprised of former combatants, their families, supporters, and others – as opposed to a family clan trying to get free goods for expanding their business interests;
 - c) Cooperation of local government officials at the *barangay*, municipal, and provincial levels, and their willingness or ability to mobilize counterpart resources;
 - d) Dedication and ingenuity of the individual PDOs in optimizing their severely limited time to maximize productivity without sacrificing project quality; and
 - e) Security dynamics of the area as they affect mobility of staff and suppliers.

Beneficiary Demographics

SWIFT/Mindanao directly assisted 16,695 families, including 9,956 MNLF former combatants, in the 413 completed grant projects. This more than doubles the original target of 7,000 families in 288 villages stated in the Task Order. USAID/OTI twice raised the targets during implementation, eventually reaching 20,000 families, and 10,000 combatants, in 400 villages. Actual assistance reached 327 *barangays* in 91 municipalities in 10 provinces, including two Reconciliation grants in Zamboanga del Norte and Zamboanga del Sur provinces that were not part of the SPCPD-assigned area for village-based TAGs.

Including the entire household population of the 16,695 families, the SWIFT/Mindanao benefited 47,359 male and 61,280 female household members. That is, 56.4% of the 108,639 project beneficiaries were female members of MNLF combatant and supporter households. The larger proportion of female beneficiaries may be partially due to the multiple wives of many Muslim men. Also, many households suffered losses of the (male) head of household during the decades of conflict, thus are headed by a widow.

Impacts Achieved – SO1: Group Livelihood Improved

The first Strategic Objective of SWIFT/Mindanao was Group Livelihood Improved. Three quantitative and one qualitative indicator were used to measure achievement toward this objective. The quantitative output indicator was Equipment / Infrastructure Delivered. The two quantitative impact indicators were Employment Generated and Income Mobilized. The overall qualitative impact indicator was Improvement to Beneficiaries' Quality of Life. Accomplishments in each area are now presented.

Equipment & Infrastructure Delivered – quantitative output indicator

SWIFT/Mindanao delivered 724 pieces of agricultural machinery and 65 units of micro-infrastructure to the 374 completed village-based grant projects (see table below). The Dept. of Agriculture delivered an additional 396 pieces of machinery to 256 DA-SWIFT Village Partnership grant projects. Local governments provided 20 items of equipment support, and Grantees contributed 308 units from their own resources, plus labor equity.

Item Type	SWIFT	Phil. Dept. of Agric.	Local gov't.	Grantee	Total # units
1. Agricultural Machinery					
Abaca stripper	2	0	0	0	2
Banca (small fishing boat)	1	0	0	31	32
Bao-bao power tiller (paddy field)	36	73	0	14	123
Corn mill	2	14	0	0	16
Corn sheller	45	90	3	3	141
Diesel engine (units provided alone)	13	0	0	0	13
Electrical generator set	3	0	0	0	3
Feed mill	1	0	0	0	1
Fish cages (materials for fish pens)	84	0	0	0	84
Fish nets	185	0	0	0	185
Hauler (hand tractor w/ trailer)	75	106	4	3	188
Kuliglig power tiller (dry field)	57	41	1	2	101
Mechanical grain dryer	16	13	0	0	29
Multicrop dehusker/sheller/thresher	1	0	0	0	1
Rice mill	21	18	0	0	39
Rice thresher	44	41	3	3	91
Water pump	4	0	2	9	15
2. Non-agricultural Machinery					
Bakery	3	0	0	0	3
Sewing machine	69	0	0	0	69
3. Micro-infrastructure					
Business center (weaving / sales)	1	0	0	0	1
Copra dryer building	1	0	0	0	1
Road rehabilitation	3	0	4	0	7
Shed house for machinery	0	0	0	237	237

Solar grain drying pavement	42	0	3	4	49
Spillway	1	0	0	0	1
Warehouse (40 sq m)	6	0	0	2	8
Water system	8	0	0	0	8
TOTAL	724	396	20	308	1448

Employment Generated – quantitative impact indicator

With the delivered agricultural machinery and micro-infrastructure, Grantee organizations documented 5,151 person-months of employment generated by SWIFT projects. Most of this employment is seasonal and part-time, as expected, since the tillers, threshers, and other equipment cannot operate full-time throughout the year. A typical corn sheller, for example, requires 20-40 days of labor by 3-4 persons at 4-6 hours per day throughout a single harvest season. The actual experience of a single group depends on the area cultivated, yield, and the distance to competing equipment operators. One of the hauler units, however, can generate off-season income for both the Grantee organization and operator, by serving as public transportation from remote barangays to areas serviced by roads. Although some groups are taking advantage of this potential income stream, most have yet to optimize this opportunity, usually because they need further coaching in entrepreneurial activities.

Income Mobilized – quantitative impact indicator

During the Progress Analysis field assessments, PAT members asked each group about its gross receipts, operating costs, and other project-related expenses. The next set of questions focused on distribution of the net income into (a) reinvestments – buying another piece of equipment, (b) member dividends – “profit sharing” to members pro-rated to their number of shares of paid-up capital; (c) capital build-up – bank deposits for planned expansion of operations, or (d) general funds – typically a training fund, widows fund, etc. Of the 336 Grantee organizations for which Progress Analysis reports were completed, 311 groups confirmed some mobilization of income. Please see the Consolidation of Monitoring Indicators and Program Impact report in Annex C for a full breakdown of this income.

Most of the groups (213, or 68.5%) reported very low levels of income (less than P2,500). This caused OTI managers and SWIFT staff some consternation, leading to further analysis of the reasons for such seemingly poor results. Additional questions added to the standard Progress Analysis questionnaire showed that a number of factors produced these results:

1. Under-reporting of income actually achieved. The reasons for this under-reporting were two-fold: (a) inadequate financial recording keeping systems, and (b) deliberate attempts to report less-than-actual income levels to avoid both formal and informal taxation by local authorities (including SPCPD).
2. Under-utilization of the equipment, due to (a) an “entitlement mentality” – a widespread feeling that the machinery was a reward to the MNLF for having signed a peace agreement, rather than investment in a business enterprise, and (b) gaps in entrepreneurial capacity among the grantee organizations.
3. Timing. In some cases, the equipment was delivered between harvest cycles, meaning that it sat idle until the next cycle. For many more sites, the elapsed number of months between equipment delivery and conduct of the Progress Analysis fieldwork was too short for there to have been a full harvest season of income attained.

The fifteen grantees who earned more than P20,000, most of which were earlier deliveries, or the 83 groups who earned between P2500 and P10,000 may be a more accurate indicator of the income generating potential that the equipment and micro-infrastructure projects foreshadow. Combined with additional training on both equipment operation and financial management, follow-up assessments of income mobilized may produce much higher levels of return on the USAID investments.

Beneficiaries' Quality of Life – qualitative impact indicator

To assess Quality of Life, PAT members asked a series of questions about (a) conditions that changed as a result of the project, (b) opportunities that surfaced as a result of the project, (c) expected changes in quality of life five years from now, and (d) what needs to be done to meet those expectations. Based on results of the quantitative impacts reported above, plus community members' responses to this series of questions about their perceived quality of life and how it might have changed since the project, the following table shows the results of the qualitative assessments PAT members reported for the 333 groups reporting on this factor.

Qualitative Rating – Beneficiaries' Quality of Life (perceived)	No. of groups	Percent of groups
<i>Great improvement</i> – project has turned our lives around	23	6.9%
<i>Satisfactory improvement</i> – project has put us on path to better life	137	41.1%
<i>Slight improvement</i> – project has begun to provide modest benefits	119	35.7%
<i>No improvement</i> – project has made no difference in our lives	54	16.2%
TOTAL	333	100.0%

Lessons Learned – Group Livelihood Improved

Analysis of these results points to a somewhat contradictory conclusion. That is that projects designed to generate income produced relatively meager financial gains for the grantees, yet almost half of all community members perceive satisfactory or better improvement in their quality of life as a result of the USAID investment in their community. One possible explanation for this may be a phenomenon noted very early in SWIFT / Mindanao implementation, and recorded in the OTI Project Evaluation Report by Heard and Magno. That phenomenon is that the first and arguably most important benefits derived from the equipment and micro-infrastructure investments accrued to the individual community members, not to the grantee organization *per se*.

OTI field management, on the advice of the DAI field representative, made a conscious decision not to record household-level data. This was primarily for reasons of difficulty in accurately recording and analyzing reliable data at the household level, especially under the conditions of unstable security, low literacy and numeracy, and geographic dispersal of project sites. It is simply unrealistic to expect former rebels who spent a quarter century living under conditions requiring secrecy, deception, and wariness for their survival to now openly discuss the details of their household budget with “outsiders,” no matter the sincerity of the development workers. To do so would require a level of trust that takes years to build, an impossible task given the broader program goal of reaching as many communities as quickly as possible to stabilize Mindanao’s political and economic situation.

SWIFT/Mindanao management also felt that investing in such detailed data gathering and analysis would divert resources that might otherwise contribute greater benefit to the communities themselves. Finally, attributing individual gains at the household level to one specific project is untenable under most circumstances around the world. For SWIFT to attempt to claim “credit” for raising household incomes in a context where many families have unreported sources of external income, with many other donor programs assisting the same individuals or groups, would have been disingenuous at best!

Therefore, OTI recognized that most benefits would accrue to individual group members, while measurement of results focused on the grantee organizations themselves. This purposefully resulted in recording conservative estimates of SWIFT impact. The individual benefits most commonly cited in anecdotal information include:

1. *Easier/closer access* to equipment (e.g., tiller, corn sheller, or rice mill), generally decreasing time required for transport, thus increasing productivity of farmers' time;
2. *Lower cost of processing* for members of the organization, often resulting in savings of 20-30% over the previous price; much of the savings accrued from reduced transport of produce to equipment;
3. *Increased market price* due either to higher quality (e.g., machine shelled vs. hand, less chaff, etc.) or to greater volume (e.g., several farmers pooling their individual sacks to reach a 1-ton hauler load; and
4. *Reduced crop losses* from (a) being able to shell a sack of corn, for example, in minutes instead of days – which lowered fungal attacks, or (b) having a hauler to get produce to market despite poor roads.

Impacts Achieved – SO2: Group Capacity Improved

The second Strategic Objective of SWIFT/Mindanao was Group Capacity Improved. The project facilitated training delivery to 325 village groups, primarily in financial management, simple bookkeeping, and basic equipment maintenance. Two quantitative and two qualitative indicators were used to measure achievement toward this objective. The quantitative output indicator was Training Sessions Delivered. The quantitative impact indicator was Additional Membership. Qualitative impact was measured by members' self-assessments of both their internal skills levels and confidence in their organizational management.

Training Delivered – quantitative output indicator

SWIFT/Mindanao facilitated delivery of 845 training sessions for an estimated total 4,753 participants as part of the 374 completed village-based grant projects (see table on pg. 16). The majority of training activities was conducted under the two institutional Capacity Building grants mentioned in Section I. Orient Integrated Development Consultants, Inc. (OIDCI) provided 220 sessions of its 3-day Establishment of Village-Based Financial Management Systems training, plus another 217 one-day refresher training sessions held 2-4 weeks after the initial training.

The Notre Dame Business Resource Center Foundation, Inc. (NDBRC) consortium of affiliates conducted 197 sessions of its various one-day modules. Unfortunately, field validation confirmed many sessions to have been one- to two-hour activities instead of the full one-day modules. The most commonly provided module was Simple Bookkeeping (86 trainings). Community groups sparingly requested some of the other seven approved modules. Ranked by frequency of request and subsequent delivery, the OTI-approved modules were:

1. Simple Bookkeeping – 86 sessions
2. Cash Management – 60 sessions
3. Effective Collection Strategies – 16 sessions
4. Pricing / Selling – 9 sessions
5. Strategic Planning – 9 sessions
6. Leadership – 6 sessions
7. Other – 11 sessions (assorted unapproved modules conducted in lieu of the OTI-approved Advanced Collection and Record Keeping, which was not delivered to any community group).

The local Kubota distributor, in a private-sector partnership with SWIFT, volunteered one full year of their staff technician's time to conduct at least 135 training sessions on basic operation and maintenance of small diesel engines. Viva Machineries and Mitsubomar (two equipment vendors) also provided technicians on a *pro bono* basis to conduct equipment operation and maintenance orientations in scores of sites.

Governmental units provided another 76 training sessions. These were conducted by Municipal Agriculture Offices, Cooperative Development Authority, Dept. of Trade and Industry, or similar service unit of the GRP.

One NGO in Lanao del Sur (Ranao Integrated Assistance Program) conducted a few training sessions for grantees with whom they had existing relationships.

Training Service Provider	Training Session Topic(s)	# Sessions Conducted	# Participants (male / female)
Orient Integrated Development Consultants, Inc. (OIDCI)	Establishment of Village-Based Financial Management System	437 (3-day: 220 sites; 1-day refresher 217 sites)	2,458 (1,710 / 748)
Notre Dame Business Resource Center, Inc. (NDBRC)	Simple Bookkeeping; Cash Management; Collection; other	197 (86 Bookkeeping; 60 Cash Mgt.; 51 misc.)	No report data; est. at 1,108
Kubota (<i>pro bono</i>)	Small engine operation/repair	Approx. 135 sites	No report data
Municipal Agriculture Offices	Production Technology; PHF	Approx. 31 sites	No report data
Coop. Development Authority	Organizational Dev't.; PMES	Approx. 45 sites	No report data

The audience for OIDCI sessions was composed of approximately 70% men and 30% women participants. No other training service provider reported accurate data on participants' number, gender, or other characteristics. NDBRC especially was disappointing in its reporting on results, since SWIFT was direct supporting its activity.

An even greater disappointment in the Group Capacity Improved objective, however, was the appallingly low rate of actual training sessions conducted by local governments, compared to their commitments. Detailed analysis of counterpart training provided vs. that promised shows that only 7.4% of all LGU training sessions expected ever occurred. According to PAT analyses, 18% of all TAGs that were supposed to receive LGU training actually did. Of the 609 capacity building sessions promised by local government executives to 227 grantees as part of their project counterpart, only 41 groups received any training for a total of 45 sessions. The level of GRP delivery vs. commitment is discussed more fully under the SO3 Impact below (pg. 18).

Additional Membership – quantitative impact indicator

The SWIFT/Mindanao team debated several different indicators before settling on one to measure the extent to which MNLF community organizations actually were being strengthened by capacity building activities. The difficulty in tracking a relatively intangible trait such as strength of an organization, and its dynamic during relatively short time frames, was acknowledged fully. Yet, the need to somehow track and document the results of the training investments suggested that a proxy indicator be identified that could accomplish this task. After much discussion, and testing of several proxies, OTI selected Additional Membership as the indicator of impact. The rationale for this selection was that a strong organization – one that was serving the needs of its members – would attract new members from among the community where it operated.

The Additional Membership indicator does not capture the marginal utility of OTI investments in capacity building per se, but at least points toward overall organizational strength and a positive dynamic which might be due to increased transparency in financial record keeping and management. The assumption, of course, for this latter element of the rationale was that financial transparency led to community trust in the organization. This assumption has a strong foundation in its counter argument: that having internal financial management be unclear to members, leading to distrust of leadership, is the quickest way to destroy a community organization.

Of the grantees who underwent Progress Analysis field assessments, 335 reported data on membership. A total of 1,691 new members joined the MNLF community organizations, compared to initial SWIFT contact with the organization. While some groups saw increases of 10 or more members, the average was approximately 3 new members in each group. It is too early to be able to draw any conclusions about these increases, since many of the new members may have joined only to take advantage of reduced rates for access to the agricultural

processing equipment. Sustaining the increase, or at least the higher membership rolls, over two or more cropping seasons would be perhaps a better indication of the communities' trust in organizational leadership.

Grantees' Self-Assessment of Skills – qualitative impact indicator

Based on the results of the quantitative impact reported above, plus community members' responses to a series of questions about their perceived abilities to manage their organizations' project, the following are the results of the qualitative assessments PAT members reported for the 333 groups reporting on this factor:

Qualitative Rating – Grantees' Managerial Skills (perceived)	No. of groups	Percent of groups
<i>Excellent</i> – organization is fully capable of managing projects	11	3.3%
<i>Above Average</i> – organization can cope with project management	144	43.2%
<i>Below Average</i> – organization has difficulty managing project	142	42.6%
<i>Poor</i> – organization is ill-prepared to manage a single project	36	10.8%
TOTAL	333	100.0%

It is clear from these results that most organizations recognize their needs for additional capacity building. It is important to stress that these results are not a comparison of MNLF village organizations with a broader cross-section of Filipino community groups. Rather, these rankings are scored against a community's own internal baseline of what constitutes "average" managerial skills. Note that almost half of the groups ranked themselves above this mark. However, it is generally acknowledged within the Muslim community and by development professionals that the villages targeted by SWIFT and other donor programs in fact lag far behind the general population in developmental progress. Literacy, numeracy, geography, and conflict have all worked against these communities sharing wholly in the general economic gains in Mindanao during the 1990s.

Grantees' Confidence in Leaders – qualitative impact indicator

Based on the results of the quantitative impact reported above, plus community members' responses to a series of questions about their leaders' abilities to manage their organization, the following are the results of the qualitative assessments PAT members reported for the 331 groups reporting on this factor:

Qualitative Rating – Grantees' Leadership Abilities (perceived)	No. of groups	Percent of groups
<i>High</i> – members have complete confidence in their leaders' skills	69	20.8%
<i>Above Average</i> – members are confident of their leaders' abilities	186	56.2%
<i>Below Average</i> – members are unsure of their leaders' abilities	53	16.0%
<i>Low</i> – members are not confident of their leaders' management	23	6.9%
TOTAL	331	100.0%

Fully ¾ of all groups reporting on this factor believe that their leaders have the managerial acumen to be able to manage not only the SWIFT project, but also other endeavors they might undertake. This contrasts somewhat with the assessments made by the PAT evaluators themselves, who recognized many traits among the MNLF organizations' chairmen that could signal weaknesses for operating the projects. Foremost among the traits noted was singular decision making, rather than any participation by the general membership. Much of this is cultural, but the largest contributing factor undoubtedly is the military hierarchy of the MNLF. In almost all

cases, the community cooperatives and farmers' groups have adopted the military structure, often with the same "commander" who led the members on the battlefield during the years preceding the peace agreement.

Lessons Learned – Group Capacity Improved

1. Continuing effort at capacity building remains the single greatest need in the MNLF communities. Indeed, across Muslim areas of Mindanao, intensive and extensive training efforts are needed on a wide range of topics – from small engine repair and masonry to leadership and organizational development. Low levels of literacy and numeracy among Muslim women, especially, indicate the need for special attention on this issue.
2. The spotty record of performance by several training providers indicates the difficulty of attempting to fast track something as complex as increasing the ability of isolated, former combatant communities to manage even basic economic infrastructure. Many of the communities started from a very low base of knowledge, compounded by issues of literacy, numeracy, and language. It is apparent that frequent repeat visits to coach them through the process may have been more effective. Accomplishing this in such a large number of sites (374 villages) was not possible with the human and financial resources available. Future projects in similar contexts should more clearly balance quantity and quality of training activities within the allotted time for project implementation.
3. NDBRC's overall performance was disappointing; especially since they are an established institution. Because they were a grantee, however, USAID had no recourse in the face of their mediocre performance. As it happened, OI DCI was brought in relatively late in the program (September 2000) to make up for the inability of NDBRC to provide all the training sessions for which they were engaged. By February 2001, OI DCI had provided more than twice the number of training sessions, of higher quality, in one-third the time, for approximately the same cost per training as NDBRC.
4. On a more positive note, SWIFT/Mindanao demonstrated conclusively that the rank-and-file MNLF former combatants and their community members are very eager training participants. Contrary to other reports of "training fatigue" among the MNLF, SWIFT found attendance at all training sessions was higher than expected. Often, the trainers faced 2-3 times as many participants as they anticipated for topics such as bookkeeping that are generally not widely appreciated among rural populations. The team's conclusion was that other reports (e.g., by UNDP) that the MNLF no longer desired training activities were due to the target audience of those trainings and where it was conducted, not a lack of interest in capacity building *per se*. We found that a conscious effort to hold training in the communities among the grassroots was much more important than the topic discussed. Also, it was important to ensure that the training participants were the individuals who needed to use the skills. Programs, therefore, who bring MNLF "leaders" into regional capitals for training in hotels have clearly missed an opportunity to contribute to the Muslim people of Mindanao gaining the skills they desire.

Impacts Achieved – SO3: GRP-MNLF Linkage

The third Strategic Objective of SWIFT/Mindanao was GRP-MNLF Linkage. This was a unique objective not found among all the other donor-funded activities assisting in implementation of the 1996 Peace Agreement. The first two SWIFT objectives addressed the socio-economic infrastructure of Muslim areas of Mindanao, primarily by providing income-generating hardware (agricultural equipment and village micro-infrastructure) along with software (capacity building). This third objective addressed instead the political stability of MNLF communities – seeking ways to demonstrate to the MNLF that the GRP was sincere in its desire to implement fully all the provisions of the agreement. This was important due to both growing discontent among the MNLF former combatants themselves and to the opportunity for the GRP to convince other rebel groups (especially the Moro Islamic Liberation Front – MILF, who operated in the same areas as the program) to sign their own peace accords. In order to maximize this "demonstration effect" to MILF, USAID/OTI consciously sought to have

every single grant project include some contribution from one or more Government of the Republic of the Philippines agencies.

Overall, of the \$2.9 Million invested in SWIFT projects in Mindanao, 58% (\$1.7 M) came from counterpart organizations, while 42% was direct donor grants from OTI. Within the \$1.7 M of counterpart resources, 71% was from various national agencies, provincial, municipal, and *barangay* government (\$1.2 M, or 41% of total). Communities themselves contributed 16% (\$468,800) of their own resources – including “sweat equity” – to their village-based self-help projects. Other Donors contributed 1% (\$28,922).

By program category, Village Infrastructure projects had the highest rate of counterpart, at 67%, with more than half of total project costs in this category being provided by the GRP. Many municipal governments, and the provincial government of Cotabato, provided significant materials to infrastructure projects. Typically, SWIFT would provide cement, nails, and form lumber, while the municipality provided aggregates (sand and gravel).

Other categories with large counterpart components were Agricultural Production (62%), Post-Harvest Facilities (60%), and Gender and Development (58%). The Reconciliation category was noteworthy in that Grantees provided almost 40% of all resources, with SWIFT contributing slightly more than half (53%). The Gender and Development category also saw greater than average grantee counterpart contributions, at 24%. Curiously, this category saw GRP contributions lower than average (31%).

For the majority of categories, the ability to leverage large counterpart contributions for individual projects was aided by an agreement with the Philippine Department of Agriculture (DA). USAID, the DA, and SPCPD signed a formal Memorandum of Understanding in March 2000 to establish the tri-partite DA-SWIFT Village Partnership. Under this Partnership, the DA provided an eventual Php35 M (\$750 K) in counterpart funding to purchase agricultural equipment that complemented that from SWIFT. More detail about the DA-SWIFT Village Partnership is found below, following discussion of impact.

Two quantitative and two qualitative indicators were used to measure achievement toward this objective. The quantitative output indicator was Interactions Facilitated by SWIFT. The quantitative impact indicator was Non-SWIFT-facilitated Interactions. Qualitative impact was measured by members’ self-assessments of both the GRP’s delivery of basic services and implementation of the Peace Agreement.

SWIFT-Facilitated Interactions – quantitative output indicator

The overall purpose of SWIFT/Mindanao was to contribute to economic and political stability. The program was never concerned primarily with delivering power tillers or building solar dryers. The “hardware” deliveries and accompanying “software” capacity building were intended to provide a substantive contribution to stability in Mindanao by providing MNLF communities with solid evidence that the Government was sincere in honoring its Peace Agreement commitments. That is, the program sought to begin shifting the perception that the GRP was not fulfilling one of its most basic functions: delivery of basic services to its citizenry⁶. Measuring the shift in this perception with any rigor would be difficult in any timeframe. Attempting to do so within a very short two years would have been impossible.

Therefore, OTI selected a proxy indicator that would be measurable and could point toward at least the seeds of a perception shift having been planted and perhaps taking root. USAID, SPCPD, and all others involved had a clear understanding from the beginning that the program could only hope to carry the relationship as far as this; that nurturing those beginnings into a productive, fruitful relationship would take years of hard work by both the

⁶ This perception of abandonment, neglect, or outright hostility toward the Muslim communities by successive generations of government was one of the roots of the Mindanao conflict. Elsewhere in the country, including non-Muslim areas of Mindanao, similar sentiments have given rise to the communist New Peoples Army (NPA) and other rebel factions who continue to wage guerilla war and effectively control portions of the countryside. Correctly or not, the perception is widely held that Government is failing the common *tawo* (people).

government and the communities. A common metaphor that SWIFT staff used in discussions with MNLF as well as local government officials was that “SWIFT can only build a bamboo bridge” across the chasm built over three decades of open conflict; that “it is up to all of you to make it into an iron and cement one.”

It was in this spirit of making the initial introductions, which the two sides themselves would then need to build into solid working relationships, that the quantitative output indicator selected was the Number of Interactions that SWIFT facilitated between grantee organizations and one or more levels of the GRP – barangay, municipal, provincial, regional, or national. Grantees’ own reporting to PAT assessors shows that 2,844 interactions took place among 326 MNLF communities and their government. Most of these were local government interactions. That is, the delivery of a piece of DA-provided equipment did not count as an interaction unless someone from the DA actually accompanied the truck. Included in the tally were things such as: mayors attending awarding ceremonies, municipal agriculture officers conducting a training session, or the provincial engineer’s office coming to the village to assess conditions of a road.

Non-SWIFT-Facilitated Interactions – quantitative impact indicator

Progress Analysis Team members questioned grantees about how many times they have interacted with one or more levels of the GRP after SWIFT facilitated initial contact. This was done to seek additional evidence of the likelihood for SWIFT-facilitated interactions to be leading toward slowing building bonds that might heal the wounds of war between the MNLF and GRP. The PAT assessments showed that 152 grantees reported having 1,450 additional interactions with government agencies that had not been facilitated by SWIFT. Follow-up questioning showed that some of these interactions led to substantive assistance from the government. The best example is when Gov. Zacaria Candao of Maguindanao attended a ceremony with USAID Mission Director Patricia Buckles and others, on a SWIFT-facilitated inspection visit. This was Gov. Candao’s first visit to this particular village. Because he nearly fell into a stream crossing a narrow coconut-log bridge, the Governor later directed his provincial engineer to build a steel and cement bridge to the site. This community is now able to transport their produce to market across the new bridge.

Beneficiaries’ Perception on GRP’s Delivery of Services – qualitative impact indicator

To assess how grantees perceived the general state of relations with the GRP, Progress Analysis Team members asked a series of questions about delivery of basic services. These questions included the following information:

1. In their understanding, who represents the Philippine Government – a question triggered by a widely reported phenomenon where local government (mayor, barangay chairman) is not viewed as a GRP representative⁷;
2. How often has their village been visited by a government agency, and by which agencies;
3. What services or projects have been extended or delivered by these agencies;
4. What is their impression on the performance of those agencies; and
5. What are the priority problems and needs in their village that still require a government response.

Based on results of the quantitative impacts reported above, plus community members’ responses to this series of questions about the perceived delivery of GRP services and how it might have changed since the project, the following table shows the results of the qualitative assessments PAT members reported for the 335 groups reporting on this factor.

⁷ Curiously, many mayors themselves told SWIFT staff that they do not consider the municipal government to represent “the GRP.” Likewise, the SPCPD has vocally and publicly chided the GRP for not living up to the Peace Agreement, apparently without noting the irony that they are directly under the Office of the President within that same government.

Qualitative Rating – GRP’s Delivery of Services (perceived)	No. of groups	Percent of groups
<i>Full Delivery</i> – government provides everything expected of them	1	0.3%
<i>Satisfactory Delivery</i> – government provides sufficient services	83	24.9%
<i>Inadequate Delivery</i> – government should expand service provision	191	57.4%
<i>No Delivery</i> – government still neglects rural Muslim communities	60	18.0%
TOTAL	335	100.0%

These results show that most communities remain dissatisfied with the level of services they are receiving from the GRP. When pressed for explanation, villagers are sometimes unable to articulate precisely what it is that they expect to receive that they are not. Generally, however, communities perceive provision of roads, access to clean water, schools with full-time teachers, and health clinics with full-time nurses as some of the types of services that are currently lacking.

The “good news” from PAT assessors’ conversations with communities is that those who received full delivery of project counterpart for the SWIFT TAG ranked the delivery in the satisfactory range, while those with either delayed delivery or non-delivery on a promise tended to hold a more negative perception. The lesson for GRP field staff is not to make promises you cannot keep. This behavior – unfortunately common throughout the country – merely reinforces negative perceptions and stereotypes. The same lesson could apply to donor staff.

Grantees’ Assessment of Implementation of the Peace Agreement – qualitative impact indicator

To assess how grantees perceived the current status of implementation of the Peace Agreement with the GRP, Progress Analysis Team members asked a series of questions about the Agreement. These questions included the following information:

1. What does the Peace Agreement mean to them;
2. In their opinion, has the Peace Agreement been implemented? Why or why not;
3. What can be done to further the full implementation of the Peace Agreement; and
4. How can they contribute to the successful implementation of the Peace Agreement?

Based on results of the quantitative impacts reported above, plus community members’ responses to this series of questions about the perceived Peace Agreement implementation and how it might be improved, the following table shows the results of the qualitative assessments PAT members reported for the 335 groups reporting on this factor.

Qualitative Rating – Peace Agreement Implementation (perceived)	No. of groups	Percent of groups
<i>Full Implementation</i> – agreement’s provisions have all been enacted	15	4.5%
<i>Satisfactory Implementation</i> – sufficient progress is being made toward enacting the Agreement’s provisions	148	44.2%
<i>Inadequate Implementation</i> – insufficient progress is being made toward enacting the Agreement’s provisions	159	47.5%
<i>No Implementation</i> – no progress has been made toward enacting the Agreement’s provisions	13	3.9%
TOTAL	335	100.0%

The surprising result on this indicator was not that 51.4% of MNLF communities remain dissatisfied with the progress toward implementation. Rather, that 48.7% perceive satisfactory or better progress. This appears to be at odds with the MNLF leadership, who consistently portray their rank and file as being alternately disgruntled and disgusted with progress. One explanation for this apparent disconnect may be that the grassroots MNLF “foot soldiers” are much more concerned with the economic provisions of the agreement, where substantial but still incomplete progress has been made. Almost no one in the GRP or the MNLF believes that the political provisions have been advanced meaningfully since the September 1996 signing.

SWIFT staff and management were told repeatedly by community members throughout the areas of program operations that they would not rejoin the conflict even if called upon to do so by their MNLF leadership. A common theme heard in villages was that they now have too much to lose – children in school, crops growing, and the beginnings of economic opportunities. Donor programs were given the lion’s share of credit for altering this situation. Though not alone, SWIFT contributed to this shift and thus achieved its political objective.

Lessons Learned – GRP-MNLF Linkage

1. When SWIFT staff first went to the field in May 1999, describing the project procedures and counterparting required from both grantees AND government, the response varied from disbelief to laughter. Staff from other donor projects derisively predicted utter failure. Some MNLF leaders warned that there could be no projects if local government counterpart was required. By the time UNDP, ADB, World Bank, and OTI held a regional conference in January 2001 to discuss processes for community-based programs in post-conflict areas, the other donors were asking SWIFT staff “How did you do that?” The USAID/OTI evaluation of SWIFT/Mindanao by Heard and Magno (September 2000) described the counterpart resource leveraging aspect as where “the project has truly excelled.”
2. Key to this overall success was the use of delivery by SWIFT (especially in infrastructure projects) as the lever to guarantee counterpart deliveries. Whether grantee counterpart – each equipment delivery required prior construction of a storage shed – or government resources, SWIFT relied on its credibility to cajole those who wavered on their commitments. By requiring that all aggregates be in place, for example, before SWIFT would deliver cement for a solar dryer, the onus shifted to the municipality to deliver on promises.
3. Generally, government units understand their obligations both to the Peace Agreement and to provision of basic social services (e.g., schools, health care). Furthermore, they want to deliver on these commitments. Often, the local executives are constrained by competing demands on limited resources.
4. Another constraint faced by local as well as national government was their relative lack of flexibility sometimes required for rapid response to changing circumstances. This aspect was tested most severely during the outbreak of GRP-MILF hostilities in March 2000 that resulted in displacement of more than 100,000 people. Many of the areas evacuated were SWIFT project sites. Although most communities were able to return and still implement their projects, a few had to be either permanently relocated or even have their projects cancelled.
5. Material support from local government units (LGUs) was much easier to realize than either training or technical assistance support. While 52% of all LGUs delivered part of their pledged support, a much lower number (57, or 13.7%) delivered fully on their pledges.
6. SWIFT consciously took advantage of upcoming local elections (held May 2001) to not only increase LGU pledges, but to ensure delivery. Reminding recalcitrant officials that elections were less than a year away helped to convince some mayors and barangay chairmen to make pledges, and to make good on them, especially for materials.
7. Training and personnel support were very easy to pledge but more difficult to actually get delivered. Seen as relatively intangible, local politicians did not perceive much immediate electoral benefit from sending an agricultural technician to conduct a seminar on post-harvest storage and handling of grains, for example.

A GRP-MNLF Linkage Success Story: the DA-SWIFT Village Partnership

As mentioned in Section I of this report, and on page 19, USAID signed a Memorandum of Understanding with the Philippine Department of Agriculture (DA) and the SPCPD in March 2000 to formalize the DA-SWIFT Village Partnership. DA Secretary Edgardo Angara approved an initial P23 M (\$575 K) fund for the regional offices to use in procuring complementary equipment identified by communities in their discussions with SWIFT personnel. In November 2000, Secretary Angara approved an additional P12 M (\$245,000) to purchase more equipment necessary because the Partnership reached more communities than originally intended, bringing the total to P35 M.

The DA-SWIFT Village Partnership was the Philippine Government's most visible and effective grassroots demonstration of its commitments both to implementation of the 1996 Peace Agreement and to improving the agricultural livelihood of former combatants. Beginning in June 2000, the DA regional offices delivered 233 pieces of agricultural machinery by March 31, 2001. An additional 163 pieces of equipment (41%) remained undelivered when SWIFT offices closed. Subsequent communication, however, conveyed the DA's intention to complete all deliveries by May 31, 2001 (email from Bong Oñate 7 May 2001). The table below summarizes the status of DA deliveries as of March 31, 2001. Additional information about DA-SWIFT equipment is found in Annex D.

DA-SWIFT Village Partnership Equipment Deliveries

Equipment Type	Delivered as of 3/31/01	To Be Delivered	Total
Corn Sheller	78	12	90
Rice Thresher	25	16	41
"Kuliglig" Power Tiller	27	14	41
"Bao-bao" Power Tiller	42	31	73
Tiller/Hauler Assembly	36	70	106
Rice Mill	17	1	18
Corn Mill	0	14	14
Mechanical Grain Dryer	8	5	13
Totals	233	163	396

The causes for delays in delivery are complex. One obvious one is that the GRP did not have the flexibility for rapid response that SWIFT enjoyed. Commission on Audit regulations dictated a procurement process that was less streamlined than that of the SWIFT program. A second cause was the manufacturing capacity of local vendors. Because the DA was doing bulk purchase by lots instead of the Blanket Purchase Agreement/Delivery Order system that DAI used, fabrication times extended longer than expected. Another reason for the large number of undelivered items was fiscal. The national government accumulated huge budgetary deficits during the Estrada Administration and was unable to pay vendors for the initial purchases within FY2000. Suppliers were understandably reluctant, therefore, to deliver additional items. Warehouse stocks were exhausted and delivery schedules uncertain for the next batch of equipment as the SWIFT offices closed.

The delayed deliveries caused significant discomfort in the field as communities realized that SWIFT staff were ending their service, with no assurance other than our word that the DA would deliver after we completed our work contracts. The issue increased security risks in several locations. To their credit, DA staff were fully aware of the implications for the GRP, and promised that they would complete all deliveries as soon as possible.

The DA-SWIFT Village Partnership received accolades from the highest level of Philippine government. The program was officially launched in a presentation by Secretary Edgardo Angara to President Joseph Ejercito Estrada in Davao City, along with a large World Bank program for Mindanao and two other donor programs.

President Estrada later participated in a delivery ceremony in Gen. Santos City, where he conferred a dozen pieces of equipment to beneficiary organizations. Secretary Angara also personally participated in two other awarding ceremonies, including one attended by Robert Randolph, USAID Assistant Administrator for Asia and the Near East. These high-profile visits to recognize the DA-SWIFT Village Partnership helped keep the DA field staff engaged in the program. Without this engagement, they might have been less eager to continue delivery after SWIFT staff ended their contracts.

One of the closing acts that SWIFT did in its final months was to attempt to ensure that continuing training on operation and maintenance of the equipment took place. Following relatively quick negotiations, initiated by DA Undersecretary Panganiban, the Dept. of Agriculture's Agriculture Training Institute (ATI) received approval for funding and moved toward field operation of extensive on-site training on agricultural equipment operation and maintenance. This additional activity further strengthens the DA-SWIFT Village Partnership by ensuring follow-on capacity building that will continue beyond the life of the SWIFT program itself.

Lessons Learned – DA-SWIFT Village Partnership

1. As implementation moved forward, it became clear that national officials – including Secretary Angara, the Undersecretary for Field Operations, and Assistant Secretary for Mindanao – were genuinely sincere in their efforts. They provided the Partnership full support at key points both during negotiations before the Partnership and as implementation struggled once the program was underway. While their motivations may have included political ones, furthering the Estrada agenda, they also understood the difference they were making on the ground. It was not just about politics to them; it was about government performance.
2. Among regional officials of the DA, the response was more variable. The former regional director in Central Mindanao betrayed his personal biases, complaining about programs targeting only Muslims when there were Christian communities that also had equipment needs. In the other two regions, however, staff enthusiastically embraced the program.
3. Provincial and municipal agricultural officers were devolved from the DA under the Local Government Code in the Philippines. Therefore, they are no longer under the DA directly. Instead, their role is to coordinate delivery of national programs to local units. While a few complained about an “unfunded mandate” from Manila, most were very willing to assist in coordinating the equipment deliveries. Some actively sought to be part of the program, in order to demonstrate their commitment to service delivery.
4. Perceptions among MNLF communities about the general sincerity of the GRP to deliver on its promises under the Peace Agreement could be linked directly (albeit anecdotally) to the timeliness of the DA in delivering its counterpart equipment. The Progress Analysis Team documented this, as noted above.
5. The reverse situation was also true. When DA delivery was delayed, community members were quick to surmise that this was “just another broken promise” from the GRP to the Muslim community. Non-delivery became a strong negative reinforcement for perceptions of an insensitive, inept, or even hostile national government with no desire to fully implement the peace agreement. While praising the donor community for trying to assist the MNLF, many former combatants joked about the naïve SWIFT staff who believed the government's promises. This should be a lesson to all GRP agencies.
6. The DA-SWIFT Village Partnership provided a “win-win-win-win” model that may deserve replication both in other programs in Mindanao, and for other country contexts by USAID/OTI. Specifically, having the field staff of SWIFT conduct all the “legwork” for the Partnership, we took advantage of comparative strengths. SWIFT had personnel dedicated to this activity alone, unlike most government staff with multiple duties. Also, PDOs had fewer restrictions on their travel budget or logistics compared to the DA. This allowed the DA to “win” by getting fieldwork in site identification, grantee screening, and needs assessment done by the PDOs. The local government units were able to “win” by having national agencies paying for delivery of equipment that the mayor could claim was provided through his efforts – useful as election time neared. The SWIFT staff themselves were able to “win” by having a relatively easy counterpart ready, giving them greater bargaining power with both grantees and local government to

provide a larger amount of their own resources, to keep the ratios even. Last but not least, the grantees themselves were able to “win” by receiving twice as many resource investments in their communities.

7. Overall, the DA-SWIFT Village Partnership provided a new model for how SPCPD and key line agencies can work together to deliver tangible assistance to the MNLF former combatant groups and communities.

II.2. Program Operations

One of the areas highlighted in the USAID/OTI evaluation of SWIFT/Mindanao was the operational procedures developed by DAI. To quote the Heard/Magno report:

“In general [program processes] are effective, innovative, efficient, and low cost. There are a number of aspects which should be considered for application in other similar settings. This is especially true of the database developed for project tracking and management.” SWIFT Mindanao Project Evaluation, John Heard and Lisa Magno, October 2000.

This section of the Activity Completion Report will highlight some of the reasons for such an endorsement of DAI’s operational processes employed in SWIFT/Mindanao. This is not an appropriate forum for a detailed operations manual, so the following will briefly review some of the innovations. It is hoped that readers who may be involved in managing similar projects will find some of these innovations useful. The presentation below follows roughly the outline initiated by Heard & Magno.

Project Development Process

The 423 TAGs were developed by the Project Development Officers (PDOs) using an OTI-approved process detailed in earlier reports. That process, the TAG Life Cycle, featured reiterative consultations with community groups during project identification and design, followed by implementation steps performed by the several units within the DAI SWIFT/Mindanao team. These included a procurement unit, grants administrators, the engineering team, finance unit, and progress analysis team. Individual PDOs were responsible for coordinating the various interactions among these units for each of their grants, as well as with other partners such as the Dept. of Agriculture, OIDCI and NDBRC, and local governments providing counterpart resources.

Unlike most other grant-making programs, including others operated by OTI, SWIFT/Mindanao did not accept applications or proposals from potential grantees. This was specifically intended, to avoid creating overly high expectations on the part of communities who submitted proposals that ultimately were not funded⁸. Instead, the Project Development Officers (PDOs) facilitated a participatory process in each community that was both part screening and part needs identification. Initial contacts with potential grantees were based on consultations with and recommendations from the MNLF State commands. If a particular grantee did not meet the OTI-specified criteria for grantee qualification, the PDO moved on to the next recommended site.

For those groups who qualified, the PDO facilitated a participatory needs assessment to identify the type of project that the majority of members felt would address their highest priority need. Typically, this process led to 3-8 visits per community during project development. As noted earlier in this report, due to time pressures from TAG targets, the PDOs did not always allow this process to function ideally. Nevertheless, many among the community group members and leaders expressed sincere appreciation for the TAG development process. It was, they said, the first time anyone asked them what kind of project or activity THEY wanted.

⁸ Other donor programs assisting the GRP in implementation of the Peace Agreement use a process whereby project staff screen unsolicited proposals. One large program has been able to fund only 10% of submitted proposals, resulting in widespread discontent among beneficiary groups about the timeliness and efficacy of the selection process.

Information Systems

The core of the management approach used by DAI in SWIFT/Mindanao was the suite of integrated databases developed for specific elements, but using a common platform. Several innovative database design features used to customize each component of the suite made them all highly user friendly even for staff with limited computer proficiency. At the same time, the background complexity provided numerous opportunities to create any number of management reports for various internal and external audiences. The suite consisted of the following databases. Because it formed the core of the suite, only the Grants database is detailed further below.

1. *Transition Assistance Grants (TAGs) database* – complete records of each grant project from initial proposal submission through implementation and final reporting; database included 64 proposals that did not reach approved status; data replicated daily via remote online access by field personnel;
2. *Monitoring & Evaluation (MnE) database* – records for each TAG that underwent assessment by the progress analysis team; linked to TAGs database to eliminate duplication of entry for some fields; data replicated daily via remote online access by field personnel;
3. *Village Survey database* – records of baseline data on each community that received a grant;
4. *Procurement database* – records of every item purchased by the procurement unit for delivery under a grant project, including comprehensive listing of all suppliers; linked to budget fields and other sections of TAGs database records to eliminate need for duplicate data entry;
5. *Field Expense Report database* – independent recording of all expenses for both grants and operations throughout the project; not linked, to allow crosscheck and reconciliation of actual grant expenditures;
6. *Inventory database* – records of all project inventory and household effects purchased with project funds or transferred from other projects (NRMP and GEM).

Grants Database

Based on a template provided by OTI's first country program under the SWIFT global contract (Indonesia), the DAI Information Systems/Database Manager for SWIFT/Mindanao developed a TAGs database that provided OTI/Washington with the ability to receive regular updates on all grant activity, as well as serve as a day-to-day management tool for the OTI Asia Regional Manager and DAI Field Representative. It was an indispensable tool for the latter purpose. The updates for USAID/Washington and USAID/Manila did not work as well due to limited technical interest from information managers. For the PDOs in the field, traveling 4-5 days per week, the ability to replicate online through phone calls from most lodging houses proved to be an incredibly efficient mechanism for submitting new TAG proposals as well as receiving feedback on ones already submitted. DAI recommends that any OTI or similar program with multiple field staff spending the majority of their time in travel status adopt an adaptation of this online replication method where practical.

MS Access, however, is not the most efficient database package to use for this purpose. It is cumbersome to use in a virtual networking environment, has limited data security capabilities, and requires the full time services of a highly skilled information systems manager. DAI was fortunate to have such a manager on staff in Mindanao. Although hired at twice the original approved budget line for the position, this individual proved to be worth several multiples of her salary. She is now on the home office staff of DAI, servicing information management needs of several OTI and other USAID-assisted programs around the world.

Procurement System

The highlight of the 3-person procurement unit was the efficiency with which they purchased and delivered the thousands of individual items required to implement 413 grants. DAI was able to deliver equipment and construction materials within a maximum of 15-30 days after confirmed counterpart compliance, with each

purchase meeting or exceeding the applicable FAR regulations. A key to this efficiency was the negotiation of multiple award indefinite delivery contracts with a pool of local suppliers, whereby open bidding was conducted among qualified vendors, with awards based on price, quality, and reliability factors. Each equipment item purchased on a regular basis had 3-5 contracted suppliers. Based on proximity to the delivery site, ranking of each vendor produced a 1st, 2nd, and 3rd choice for each individual purchase. Stock availability and delivery timeliness then determined which among the three received that particular delivery order. This resulted in a system that all suppliers described as fair, transparent, and efficient.

The system was severely tested during the intense period of delivery for the 35 Reconciliation grants. Often, these were approved within hours or days of receipt, for events to be held within less than one week of approval. This additional burden of numerous small-item procurements under extreme time constraints did not, however, result in a break down of deliveries on grants under the other program categories.

An area for potential improvement to the procurement system would have been to have counterpart compliance confirmed independently of the PDOs. Often, they relied on indirect communication from beneficiaries about the status of counterpart deliveries, due primarily to strains on the PDOs' time. This resulted in some SWIFT deliveries being premature; that is, items were delivered prior to full counterpart compliance. The difficulty then became a lack of leverage to use in achieving full compliance with counterpart resource delivery. Serious consideration was given to independent confirmation, but the operational resources available prevented doing it.

Finance System

The 2-person Finance team had the advantage of being headed by an experienced manager who was thoroughly familiar with both general audit requirements and particular USAID regulations. He became an integral part of internal control systems that SWIFT/Mindanao employed to ensure full compliance with DAI corporate policies and USAID regulations. Efficiency was increased through innovations like providing regular travelers (2/3 of all project staff) a revolving travel advance account, minimizing personnel time required to process travel vouchers. Field personnel thus were able to focus on their job, not whether or not their salary or travel costs had been deposited into their accounts.

Similarly, vendor relationships were greatly enhanced by a policy of payment before an invoice due date. In a context where many agricultural equipment suppliers regularly must wait months to receive payment from other customers, DAI was able to demand much more professional levels of service from suppliers. Simply knowing that they would get paid on time increased the willingness of suppliers to be very flexible on delivery schedules.

Within DAI, the SWIFT/Mindanao program became known as one of the first overseas projects to consistently submit field expense reports to the home office within 2-3 days of closing a reporting period. This was possible due primarily to the highly efficient database recording system and the skills of the finance unit members. Of all the operating systems on the project, this was the only one that did not require mid-stream adjustments by DAI management (the Field Representative) throughout the life of the project.

Of DAI's overall financial management, the OTI Evaluation team cited the SWIFT/Mindanao ratio of program operating costs to total grant project costs at \$0.56:\$1.00 as noteworthy, calling this comparatively low for such a field-intensive program. The USAID-approved modified budget was expected to be sufficient for 19 months of operations. In fact, the project lasted 25 months, with about 6% of operational funds remaining at the close.

Administrative Systems

The Admin team consisted of one satellite office coordinator each in Cotabato City and Iligan City, the bases of operation for PDOs and other field staff, plus a Program Operations Manager and one admin assistant in the

Davao City main office. The sheer volume of work handled by this small team was amazing. They handled all personnel matters (including insurance, social security benefits, leaves, and timesheets), property inventory, key personnel household and all office leases, travel arrangements and vehicle fleet management (4 project vehicles, 14 leased 4x4s), non-grant procurement, grant agreements, communications (by phone, fax, email, cell phone, and courier), official visitors (20 USAID/Washington and USAID/Manila visitors, plus Philippine government officials), conferences and seminars, and OTI secretarial duties. In addition, the Program Operations Manager served as part of the internal control by reviewing all financial transactions and being signatory on checks in the Field Representative's absence. The admin assistant entered all data for Village Survey database records.

If any fault were found with the admin team, it is the inability to deliver grant agreements to Grantees within the target of 5 days from TAG approval. Often, the approved proposals required significant editing and clarification before these agreements could be generated from the TAGs database. In most cases, inconsistency between various sections of the proposals necessitated going back to the PDOs for clarification prior to printing the legal document upon which the grant deliveries would be based. More careful scrutiny of proposals prior to approval would have increased considerably the ability to generate Grant Agreements within the target of 5 days. The Field Representative accepts responsibility for not imposing stricter discipline upon the PDOs to refrain from submitting proposals before they were coherent enough to merit OTI approval.

Engineering Team

The three-person Engineering team supervised completion of 67 infrastructure grant projects. Some lessons learned related to the engineering team are presented under the Program Categories subsection earlier (pp 9-10). In general, the Village Infrastructure category could not have been successful without this team. Their major contribution was in providing technical assistance for project design and construction supervision, plus on-the-job training that community members received in practical skills that many groups did not have before SWIFT.

Any similar post-conflict or combatant reintegration program that anticipates engaging in construction of village infrastructure, or rehabilitation of damaged infrastructure, would do well to give serious consideration to having in-house engineering skills. The relatively modest cost of such a team can very easily be justified on the basis of reduced materials padding alone. This, of course, assumes that the program engineer is trustworthy and that program managers have enough basic construction knowledge to monitor the field staff. Extrapolating from the estimated 10-15% "materials contingency" often added by municipal engineers, however, the SWIFT Engineer reduced excess purchases by at least \$50,000 for all solar dryers and warehouses constructed. Actual purchases of materials for village water systems tended to be 20% less than initial estimates by Department of Public Works and Highways, Provincial Engineer's Office, or similar designers.

Progress Analysis Team

The three-person Progress Analysis Team completed 336 Final Reports on individual projects, covering 81.4% of all TAGs and 89.8% of village-based projects. These accomplishments were attained in only 10 months of fieldwork. Using a standardized questionnaire as their guide, PAT members recorded qualitative responses to basic input-delivery and other similar questions, while also asking a series of questions related to communities' perceptions about improvements to their quality of life, their groups' managerial capacity, and their relationship with the GRP. Drawing on their individual experiences as veteran community development workers, the PAT members then assessed the accuracy of the information they were provided, to account for the phenomenon of "tell them what you think they want to hear" that is common in social science surveys. These filtered responses were then recorded on a four-point scale for each of the qualitative indicators, followed by an overall assessment by the evaluators of the groups' potential opportunity. The results of these 336 overall group assessments were presented in the table on page 6.

One of the key findings from the analyses was to highlight capacity building as the largest need for continued success by the majority of groups. Another insight from site analyses was that groups were taking joint ownership seriously, reinvesting their income in other commonly held machinery items. A disappointment from the PAT assessments was the relatively low levels of group income mobilized by equipment and other grant projects, discussed earlier.

An unexpected outcome of PAT members independently analyzing each grant project's degree of success was to discover inaccuracies in reporting by two PDOs that resulted in disciplinary action. It is recommended that all other OTI programs adopt a similar internal monitoring and evaluation component early in the project life. The advantages provided from in-stream managerial information – to fine tune implementation processes based on real-time results – and the enhanced reporting capability from reliable field data make the investment in staff resources easily worth it.

As an epilogue, the DAI Field Representative was requested in February 2001 by OTI's East Timor country program to make an assessment of their monitoring and evaluation systems and needs. A frequent comment by staff there was that they did not have time to conduct monitoring of impacts achieved by their grant projects. This conclusion may not be giving full consideration to the potential for more efficient reporting due to greater automated data analysis, or to more rapid response to requests from USAID/Washington or other agencies for specific information on how funds are contributing to the rebuilding of East Timor. Depending on the nature of the request and its source, it is likely that a response of “we don't know” to a question about impact may not be the most advantageous.

Lessons Learned – Program Operations

1. Several innovations and unique aspects of the SWIFT/Mindanao program proved to be keys to the degree of success enjoyed. Among those that provided potential lessons for similar programs are the following:
 - a) Field staff developing proposals instead of soliciting proposals – by reducing the number of rejected proposals (and discontented applicants), a greater contribution is made to the political objectives of building foundations for peace. If a program's purpose is to train organizations to write good proposals, they might consider conducting proposal-writing workshops for NGOs instead of using the approval process to achieve this end.
 - b) Decentralized decision making – having an OTI presence on-site in the contractor's office significantly streamlined all decision making, especially regarding grant approvals. Programs considering future co-location arrangements should include knowledge of FAR/AIDAR regulations among the criteria for selecting the individual to be co-located.
 - c) Local procurement unit – the purchasing needs of an in-kind grant program demand that the contractor have staff on-site to both provide real-time managerial ability and greater accountability of resources.
 - d) Information technology – not appropriate in many contexts, but whenever the capability is present, full use of email, online database replication, and similar IT tools can greatly increase efficiency. Unlike both the Indonesia and East Timor programs, where most data are entered at least twice due to system incompatibilities, Mindanao staff all entered their own data directly. This enhanced not only the skills of personnel – important for their next jobs – but also accountability for their own recording/reporting.
 - e) Community focus maximized perception shift – had SWIFT worked with the same beneficiaries that many other donor programs call “community” (the State MNLF Chairmen and close associates), we can confidently say that the perception shifts about GRP delivery of services would not have happened. Likewise, programs that allow the State leadership to dictate completely who receives projects, what kind of project, and in what order of delivery are doing nothing to strengthen the peace process. Indeed, they may be counter-productive by contributing to an erosion of confidence at the grassroots.

2. Some of the challenges faced by SWIFT/Mindanao were unique to the specific context – the time and place parameters that defined central Mindanao in the period May 1999 to March 2001, when fieldwork was being conducted. Others of the challenges, however, are likely to be faced by either continuing programs in Mindanao, or by similar combatant reintegration or post-conflict efforts elsewhere. Some of these are the following:
 - a) The personal security of each staff member had to become part of the calculus for each and every managerial decision. While every effort was made to minimize risks, the fact was that this was a post-conflict program working on a daily basis with former combatants who were not disarmed as part of the peace agreement. These particular beneficiaries have strong cultural norms that obviate violent resolution of even minor disputes. Also, there were at least three other armed rebel groups operating in the same areas as the program, belying the “post-conflict” nature of the work.
 - b) Related to the personal security was the fluidity of the “peace and order” situation in the program areas. In May 2000, the GRP declared “all-out war” in central and western Mindanao, following a breakdown in peace talks between the government and the MILF – the breakaway faction of the MNLF that is now the largest Muslim rebel group with as many as 15,000 combatants. The challenge for SWIFT was to continue program operations inside what had become a war zone. Why continue? To do otherwise posed serious risk of permitting a broadening of the conflict as many of the 45,000-strong MNLF rejoined the battle out of frustration with the government.
 - c) Another challenge, related to these, was the apparent lack of clear GRP policy or strategy for either ending the ongoing conflict or addressing the root causes of the broader, historical Mindanao conflict. The outbreak of war in May 2000 occurred less than 24 hours after the GRP negotiation panel signed a preliminary agreement with the MILF about how to begin discussion of the major points of contention. The lesson is that post-conflict programs must either have a mechanism for assisting a government to achieve stability of policies, or have a mechanism for dealing with the resulting instability.
 - d) Among the beneficiaries themselves, the greatest challenge was the hierarchical structure of not just the MNLF, but also the Muslim communities in general. It proved very difficult to elicit honest answers from ordinary people to a simple question: what do YOU want? Within the grantee organizations, few members would speak at all if their leader were in the meeting; fewer still would contradict his words. Often, though, dissenting opinions came out from one-on-one conversations with individual members. The challenge and lesson is to identify ways to extract reliable information from reticent members.
 - e) In dealing with the local governments, the greatest challenge was on-time delivery of counterpart resources. There was a common joke among LGUs – often not entirely complimentary – that SWIFT lived up to its name. The fact is that donor programs often impose their own time frames on projects, with little regard for the realities faced by local leaders with whom the program hopes to partner. If a mayor has no funds left in this year’s budget, it is not necessarily an indication of unwillingness to assist his constituents. Given sufficient notice of the program objectives and procedures, budget cycles may be followed more closely and reasonably, perhaps increasing the leveraging potential of donor funds.
 - f) Finally, a challenge for USAID and the donor community at large has been the issue of hand-off. OTI invested considerable effort in identifying potential governmental or nongovernmental partners to whom to bequeath the SWIFT program. None was ready, willing, and able. Similarly, attempts to encourage self-sufficiency among MNLF communities – essentially handing off to themselves – ran aground on the reality that no groups were adequately prepared after a short two years of investment. USAID was forced to recognize that it must continue the program itself, albeit under different funding. The recommendations for the follow-on Livelihood Enhancement and Peace (LEAP) program are in Section III.
3. In addition to the Innovations and Challenges listed above, there are a few other general lessons learned from SWIFT/Mindanao that are noteworthy for the Activity Completion Report. These are the following:

- a) The relative youth of DAI's staff for the SWIFT/Mindanao program meant that there were generally higher energy levels. This was important given that almost all staff members worked 50 or more hours in a typical week. The intense demands of such a fast-paced program necessitated this. It was advantageous as well in that relatively young staff came with relatively lower salary histories. The net result was an energetic roster of dedicated personnel at reasonable daily rates, but without sacrificing performance. Young but experienced individuals staffed all managerial positions.
- b) The corollary to the above note is that more mature personnel may not have been able to withstand the severe time demands of the program. Many staff worked 60-80 hours per week on a regular basis. Experience in other OTI country programs appears to show this to be a common characteristic. It is recommended that OTI give serious consideration to the issue of staff burnout.
- c) Operating systems used the principles of self-sufficiency, efficiency, and invisibility to the maximum extent possible. Invisibility refers to the target of having the operating systems be run so well that they were not noticed as constraints on doing things faster and better: they became "invisible" to program managers.
- d) The internal checks and balances in the procurement system proved worth their effort to implement. By applying a strict and conservative interpretation of the AIDAR and other regulations to all purchase decisions, opportunities for internal problems were limited, while the chances of finding difficulties early were increased.
- e) Also on procurement, timely and accurate payment of invoices by an efficient finance unit resulted in content suppliers who were much more flexible with the program's need for rapid response to changes in delivery schedule – commonly due to the fluidity of security issues. Payment deductions for late delivery also helped provide discipline and improve professionalism among the suppliers.
- f) As noted above, the Progress Analysis Team proved invaluable as both an internal management tool and for timely and accurate reporting on impact to a variety of audiences. It is recommended that all future OTI programs consider a separate monitoring unit to the typical "grants managers" or program development staff. Having the ability to serve both an internal audit function and an impact assessment function greatly enhances the value added from an M&E team. If they are also tasked with compilation of results for reporting, their cost-benefit ratio becomes even more favorable.

II.3. Summary of Analysis

The above 24 pages have provided detailed insights into the SWIFT/Mindanao program. Recognizing that not all readers of this report will have the time or interest to delve into the details to that degree, the following summary statement is provided. It is quoted verbatim from the OTI Evaluation of SWIFT, conducted in September 2000. The clarity and brevity with which overall results are presented cannot be duplicated easily.

The SWIFT project has accomplished an extraordinary record of performance in its brief life and given hope to close to 100,000 ex-combatant and other vulnerable family members. Clearly it has made a significant contribution to maintenance of an atmosphere for peace. In this sense, it should be considered a resounding success.

Technically, in terms of management and delivery, the project has also been highly successful. The volume and quality of services rendered to the target group has been exemplary and should serve as a model for projects in other similar settings. Program processes have been effective, innovative, efficient and low cost. The linkage formation aspect of the project (strategic supporting alliances between the target group, LGUs and other key stakeholders) has been especially noteworthy, as has been the associated record of counterpart resource mobilization. This has been vital to both low cost coverage and to the peace and stability related objectives of the project.

The one area that has fallen short is training. The training element has not been large and comprehensive enough to do the necessary job. Quality and volume both suffered from a series of difficult constraints related to logistics, ongoing conflict in

the area, limited absorptive capacity of recipient groups, functional illiteracy, limited time and institutional weakness of the primary training contractor. SWIFT took steps to correct this situation, but they were late in the day.

Finally, to state the obvious, the project does suffer from one fatal flaw. It is a medium to long-term effort in a short-term jacket. There is a reasonable explanation for this in that the intent from the beginning was to develop a hand-off strategy that would carry out the necessary follow-up assistance. There was no way that designers and managers in the early phases of the project could foresee the events of the past year. This should now be corrected, however, as detailed at length in this report.

But regardless of what happens from here forward, OTI and the SWIFT team can be justifiably proud of their effort. They have made a truly important contribution to peace in the region and to U.S. objectives in the Philippines.

John Heard and Lisa Magno final Evaluation Report to USAID/OTI, October 20, 2000

It would be difficult to say more about SWIFT/Mindanao than the above. An eminent scholar and author on the Mindanao conflict and Muslim-Christian-highlander relations, Notre Dame University President Fr. Eliseo Mercado, Jr., who has been an ardent critic of donor programs, told the author that based on NDU's assessment, "If the 85% success rates hold, SWIFT has done more genuine development benefiting more real combatants, for one-third the cost of the [two other donor programs active in Mindanao]. Congratulations!"

III. Recommended LEAP Priorities

Beginning in March 2000, OTI and USAID/Manila began discussing plans for hand-off of SWIFT. The author was not privy to many of these discussions, for reasons of USAID procurement integrity. He was asked, however, to comment on the proposed priorities of any follow-on project. As the year progressed, especially after the OTI Evaluation by John Heard and Lisa Magno, ideas for the Livelihood Enhancement and Peace (LEAP) project solidified. As this report is being written, bid proposals for LEAP are under review by the Mission in Manila. An award is expected sometime in May 2001. The discussion points below are those presented by the author to USAID/Manila Mission Director Patricia K. Buckles and some of her staff during an exit debriefing on March 30, 2001. They are repeated here at the request of OTI Asia Team technical staff at USAID/Washington, including the Cognizant Technical Officer for the SWIFT/Mindanao activity. Therefore, with the caveat that the statements below reflect only the opinions of the author⁹, and do not represent official statements by USAID/Manila, OTI/Washington, or DAI/Bethesda, the following are suggested priorities for the follow-on LEAP program, expected to be a 2-3 year activity:

1. *Capacity Building* – training activities, on a wide range of topics related to general organizational and rural economic development as well as basic literacy, numeracy, and other skills, remains the largest single need among MNLF former combatants and the broader Muslim community of Mindanao. Contrary to the training fatigue noted earlier in this report, numerous personal conversations (in the vernacular) with local-level MNLF leaders, community members, farmers, and equipment operators has led the author to conclude that sustained efforts to strengthen community organizations through increasing the skills base of their members is the only way for the MNLF former combatants to be fully reintegrated into Mindanao society. Many scholars, including the President of Notre Dame University in Cotabato City, have estimated that Muslim areas of Mindanao are 15-20 years behind Christian dominated areas in terms of basic, practical skills about modern farming methods, machine processing of agricultural crops to increase their value and market price, and other associated aspects of rural life.
2. *Participant Selection* – while almost any training topic could be useful, it is imperative that any training activities be targeted to the proper participants. Too many seminars have already been conducted in regional capitals for the “leadership” of the MNLF – that is, the State Chairmen and their trusted advisors (most of whom have successful business ventures and do not farm) – while the actual labor force who need the skills are left behind. In a society where attendance at training seminars is used regularly as an “incentive bonus” reward for reasons unrelated to the training topic, any training that takes place outside of the village itself is likely to have an audience that does not include those who will actually apply the skills being transferred. It is recommended that LEAP implementers carefully screen all participants in any training events to be held, to ensure that those who need the skills are in attendance.
3. *Local Government Involvement* – the bridges that have been initiated between the MNLF communities and the GRP, especially LGUs, will require substantive nurturing before they can begin to produce any long-term results in terms of permanently altering the negative perceptions and stereotypes that persist across central and southern Mindanao. The May 2001 local elections are likely to produce few changes in political leadership in rural areas of Mindanao. Many areas have perennial electoral problems, where warlords of various stripes use competing private armies to decide the winners. Dynasties are common. In this atmosphere, where fear and violence are part and parcel of the local political scene, communities striving for peace and development have only one choice: to continue reaching out to elected leaders. Likewise, these leaders are slowly coming to realize that they cannot continue to marginalize the poor Muslim villages within their municipality or province. While the issue is often not Muslim vs Christian (many MNLF farmers remarked that they preferred Christian mayors who were perceived to be more

⁹ The author of this Activity Completion Report, who served as DAI Field Representative on the SWIFT/Mindanao project, has lived and worked in various parts of the Philippines for 10 of the past 16 years. His technical specialty, practiced throughout the Philippines and a half dozen other countries, is community-based natural resources management.

honest, as long as they did not harbor anti-Muslim biases), the distinctions between villages in the same municipality are stark when compared across the landscape. LEAP has a solid foundation of initial breakdown of these biases – aided as well by the MNLF maintaining neutrality during the MILF-AFP war of 2000 – and should focus specific attention on those enlightened leaders who recognize that only by bringing the under-served villages into their service area for delivery of basic government services will lasting peace be achieved.

4. *Active Participation* – from planning through implementation, local government units need to be involved in more than just ceremonial roles. They will be much more likely to contribute substantial counterpart resources and perform basic service delivery functions, when they have as much chance to get to know the beneficiary communities as LEAP staff do. The same applies to national agencies. Many are eager to assist in substantial ways toward economic development throughout Mindanao. They do not, however, have the staff resources to conduct extensive screening of the thousands of barangays in Muslim areas to determine which particular groups have the greatest needs for their services. LEAP can provide these agencies with the knowledge of field conditions in hundreds of villages, assisting in matching programs to the most needy groups that have also been shown to be good development partners.
5. *Community Focus* – there have been many debates about assisting individual former combatants or organized groups of MNLF members and supporters. While each approach has merits, one reality of GRP operation proves decisive. Almost no government program will provide meaningful assistance to individuals. For the DA and many other agencies, there must be an organized group – often requiring formal registration – before program benefits will be forthcoming. LEAP should move as quickly as possible past the false debate and recognize that ultimately, any USAID project has to fit within the parameters of GRP operational procedures. That is the only way to build any sustainability into it.
6. *MNLF Leadership* – the individual State Chairmen are struggling with personal transitions from being “outsiders” who fought a rebellion for nearly 30 years to “insiders” who must become active participants in the economic development of the broader Bangsa Moro community. LEAP should assist this transition in any way possible by providing leadership training to sub-commanders, and by nurturing and encouraging transparent processes for transfer of power to a new generation of leaders. Some donor programs have been counterproductive by targeting their assistance only to the State command level – in effect strengthening existing warlords. LEAP should not contribute to this effort since it is unlikely to lead to broad reintegration of the grassroots MNLF into society – a necessary part of achieving the political objective of peace and stability throughout Mindanao.
7. *MILF Demonstrator Effect* – while the Sulu archipelago is often cited by MNLF Chairman Nur Misuari as vital to peace in Mindanao, this claim is not supported by leaders from central Mindanao where the majority of Muslims live. Basic political economics demonstrate that the heart of Mindanao is where the peace must be won. The MNLF Central Committee has even taken umbrage with Prof. Misuari over the issue of geographic priorities. LEAP should concentrate its efforts in the central Mindanao corridor from Lanao del Norte to Sarangani, and perhaps the Zamboanga peninsula. It is here that “peace and order” difficulties have the potential to disrupt the economies of Davao City, Cagayan de Oro, and other hopeful centers of growth for not only Mindanao but the Philippines. Also, by concentrating in these areas, the demonstrator effect for MILF combatants is maximized. Given enough encouragement about the GRP’s sincerity in implementing the 1996 Peace Agreement, the MILF is much more likely to bargain in good faith for an agreement of their own.
8. *Non-Farm Activities* – there must be a recognition as well that not every one of the 45,000 MNLF former combatants wants to farm, knows how to farm, has access to land, or is in need of seeds and other agricultural inputs that the DA prefers to provide. The reasons for this preference are more related to overstocks in government warehouses of expired seed than to real shortages of seed for farmers. LEAP should engage the MNLF grassroots in needs assessment to determine the types of

assistance they most require. Many former combatants might gain more from diesel mechanics classes than from “free” seed that doesn’t germinate to be planted on land they have to rent.

Annex A
TAG Reports by Program Category
1.All TAGs
2.Quarterly

Annex B
TAG Reports – Detailed
1. By Province
2. By State

Annex C
Consolidation of Monitoring
Indicators and Program Impact:
Progress Analysis Team (PAT)
Summary Report

Annex D
DA-SWIFT Village Partnership

Annex E

Closeout Plan