



USAID'S GROWTH WITH EQUITY IN MINDANAO PROGRAM



GEM Completion Report
January 2008 to December 2013

GROWTH WITH EQUITY IN MINDANAO PROGRAM

COMPLETION REPORT | January 2008 to December 2013

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Transformation and Opportunity

Mindanao has a population of 23 million, 20 percent of whom are from Muslim indigenous groups.

The island-region has for several decades lagged in economic development, in stark contrast to Indonesia and Malaysia, its nearest neighbors in Southeast Asia. From the 1970s to the early 1990s, the growth of armed insurgencies, including two Islamic separatist movements, led to the deterioration of peace and order. This, combined with limited development and public investment, reinforced the image of Mindanao as an unstable frontier.

Despite the fact that Mindanao enjoys comparative advantages for agriculture and other industries, economic growth has been slow. As a result, the region includes most of the poorest provinces in the Philippines.

Beginning in 1993, the Government of the Philippines increased its budget allocations for improving physical infrastructure and support services to Mindanao. The signing of a peace agreement in 1996 between the Philippine Government and the Moro National Liberation Front (MNLF) resulted in improved peace and order, although many conflict-related problems remained.

In terms of economic development, Mindanao was known as a supplier of raw materials, but few enterprises engaged in value-added processing. And while a number of large-scale agro-industries existed in the region, the majority of individual growers and small- and medium-scale processors lacked opportunities to diversify into more promising commodities and had limited global market reach.

The private sector was eager to make it easier to do business and attract investment to the region, but had few platforms for outreach and interaction. Major Mindanao cities quickly took advantage of accelerating business activity, but many communities in rural areas were still isolated after years of conflict. Mindanao's immense potential remained largely untapped due to these constraints and challenges to sustainable economic growth.





GEM was a program built upon dynamic partnerships.

USAID and GEM in Mindanao

From 1995 to 2013, through its Growth with Equity in Mindanao (GEM) Program, the U.S. Agency for International Development (USAID), in partnership with the Mindanao Development Authority (MinDA), played a pivotal role in supporting the intertwined objectives of achieving peace and generating economic development in the region.

Upon the signing of the 1996 peace agreement, USAID was the first international donor to extend emergency livelihood assistance to some 28,000 former MNLF combatants. The great majority never resumed fighting and instead concentrated on rebuilding their lives using the skills and other assistance provided to them by the GEM Program

This assistance ran parallel with the program's economic development interventions. These were designed to ensure that the benefits of that growth improved the livelihoods of as many people as possible.

GEM assistance accelerated agribusiness development, and led to increased domestic shipments and exports of promising Mindanao food commodities. As a result, many of the region's products have gained a strong foothold in competitive export markets. This translated to new jobs and opportunities for the people of Mindanao.

GEM was a hands-on program built upon dynamic partnerships. Over many years, it cultivated an unparalleled range of Mindanao beneficiaries and partners, from Cabinet officials and presidential advisers to entrepreneurs and village heads—some of them former MNLF combatants—in some of the most remote and conflict-affected areas of the region. These interactions and close attention to developments on

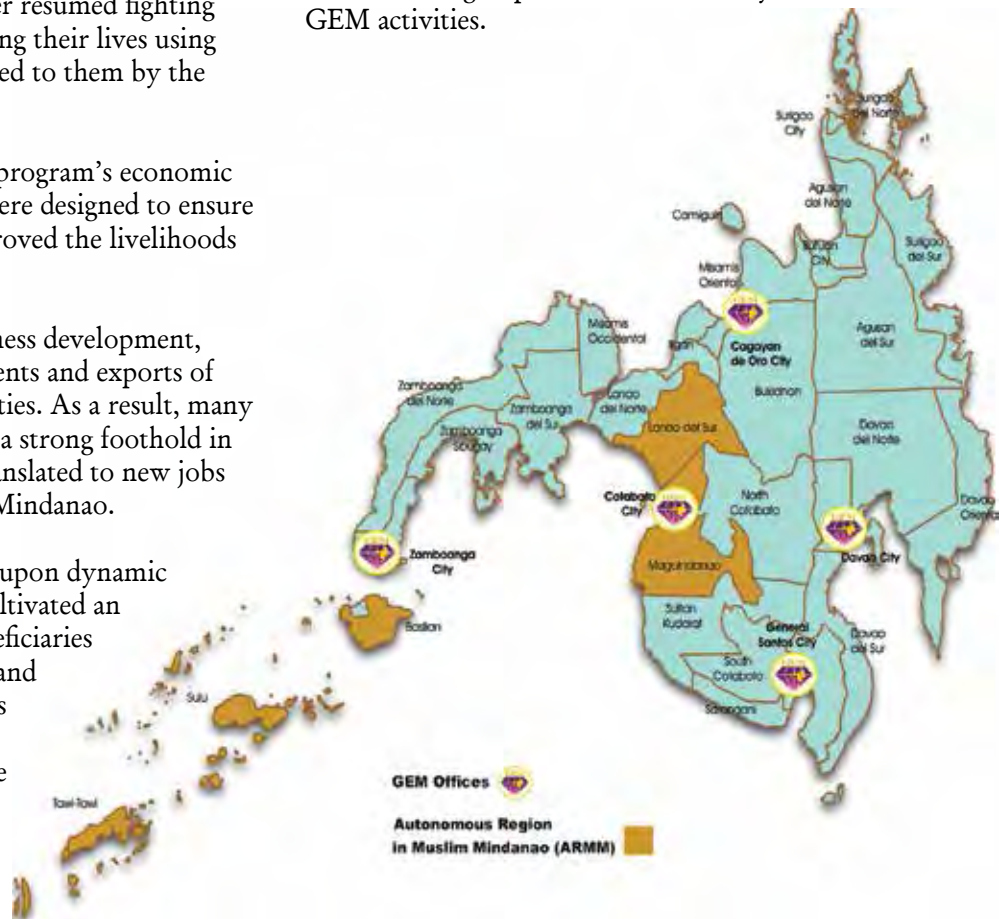
the ground enabled USAID, over the course of program implementation, to calibrate and re-direct GEM assistance for greater efficiency and cost-effectiveness.

USAID helped Mindanao to achieve economies of scale not just in production, but in public-private efforts to address Mindanao development through a common framework.

Local governments found that partnering with USAID on GEM projects honed their capability to implement development projects based on transparency and responsiveness to the needs of constituents. Small business chambers developed their capacity to be responsive to members, to identify local investment opportunities as well as bottlenecks that needed to be addressed by government, and to work with the larger business community on common concerns.

USAID provided promising young people from under-represented areas in the Autonomous Region in Muslim Mindanao (ARMM) and other conflict-affected areas of Mindanao (CAAM) with the opportunity to gain skills and first-hand experience in the corporate world, in emerging industries, and in public policy formulation.

Many former beneficiaries “graduated” to become strong USAID partners in different sectors, an indication of the continuing impact and sustainability of GEM activities.



GROWTH WITH EQUITY IN MINDANAO PROGRAM

Accelerating Economic Growth, Strengthening Peace



The Growth with Equity in Mindanao (GEM 3) Program was a six-year program that continued and expanded the work carried out in GEM 1 (1995-2002) and GEM 2 (2002-2007). GEM operated throughout Mindanao, with a special focus on the ARMM and CAAM.

GEM 3, a partnership between the Government of the Philippines and USAID, was initiated on January 2, 2008, and implemented under the oversight of the Mindanao Development Authority (MinDA) through a contract awarded to the Louis Berger Group, Inc.

The program had two related principal objectives: (a) accelerating economic growth in Mindanao and helping to ensure that as many people as possible benefit from that growth and that its benefits are equitably distributed, and (b) helping to bring about and consolidate peace in the region.

GEM 3 was an umbrella-type program with four components: Infrastructure Development, Business Growth, Governance and Workforce Preparation.

USAID also utilized GEM's geographic reach, technical and logistical capabilities in support of its emergency relief operations and disaster recovery activities.

The program was implemented in collaboration with MinDA, the ARMM regional government, Cabinet departments, local governments at the provincial, municipal and *barangay* (community) level and other public sector partners.

GEM 3 also partnered with chambers of commerce and the national umbrella of chambers; national, regional and subregional producer associations and industry federations, as well as private firms; donor agencies; and other organizations and individuals working to bring about equitably distributed economic growth and to strengthen peace in Mindanao.



Road upgrades helped to generate economic activity, among other benefits.

Infrastructure Development

Infrastructure projects completed under GEM 3 improved the transport of people, goods and services throughout Mindanao, and demonstrated the determination of the Government of the Philippines and the U.S. Government to be responsive to the needs of historically underserved communities.

Barangay Infrastructure Project (BIP). Small-scale infrastructure projects, including water systems, solar dryers, boat landings, bridges and footbridges, trading centers and roadway upgrades were constructed to help spark or sustain economic growth in barangays.

At least 25 percent of the total project cost was covered by proponents. These were for the most part local governments, but cooperatives or producer associations also served as project partners. GEM 3 completed the construction of 760 BIP projects, mostly located in the ARMM and nearby CAAM. BIPs built under GEM 2 and GEM 3 totaled more than 1,550 projects.

Regional Impact Project (RIP). These “transformational,” high-visibility economic infrastructure projects were aimed at catalyzing business activity and supporting the economic development of a city, province, or group of adjoining municipalities.

The regional, municipal and/or provincial governments that served as RIP proponents, along with national government agencies, covered at least 25 percent of the total project cost. GEM 3 completed the construction of 12 RIPs, which included airport runway improvement projects, water system upgrades, bridges and road upgrades. This brought the total under GEM 2 and GEM 3 to 52 completed RIPs.

Business Growth

GEM 3 enhanced the capability of chambers of commerce and producer associations to foster trade and investment in Mindanao, and helped increase the domestic shipments and exports of selected fruit, vegetable and seafood commodities from Mindanao through its Targeted Commodity Expansion Project (TCEP).

Business Support Organization (BSO) Development. GEM 3 increased the effectiveness and sustainability of selected BSOs, primarily chambers of commerce and producer benefited associations with the potential to advance Mindanao’s economic development. More than 17,000 business persons benefited from capability-building activities, which included 139 training workshops and seminars, as well as technical support on chamber governance, financial reporting, business management, membership outreach, and the implementation of income-generating events. GEM 3 also supported 107 BSO events aimed at strengthening Mindanao’s competitiveness and attracting investment, such as trade shows and regional policy roundtables. Key events included the annual Mindanao Business Conference, whose policy consultation process, developed with GEM assistance, is being emulated by chambers in other regions of the Philippines. Support was provided to selected chambers working with their respective local governments to strengthen governance and improve local revenue generation. GEM 3 also assisted BSOs in the fruit, vegetable, aquaculture and mining sectors.

TCEP-High-Value Horticulture (HVH). Under GEM 3, TCEP-HVH succeeded in increasing the out-shipment of selected fruits from Mindanao by 360 percent and the out-shipment of selected vegetables by 314 percent. The Program supported over 480 commodity-related conferences and workshops benefiting more than 27,600 smallhold growers, agro-technicians and other participants. Production and post-harvest equipment and materials were provided to 57 producer groups.



Training in commodity production, handling and marketing resulted in increased domestic and export sales.



Farmers and fisherfolk expanded their market reach.

TCEP-Exports. GEM 3 assisted more than 120 Mindanao food export and processing companies to participate in 33 international trade shows and eight Manila-based global trade shows. These events generated \$41 million in actual sales and \$143 million in booked sales for the GEM-assisted companies.

TCEP-HACCP Certification Assistance Project (H-CAP). Twenty-seven food companies were assisted to acquire HACCP (hazard analysis and critical control point) certification, a key requirement in export markets. These are all small-to-medium enterprises that source raw materials from smallhold Mindanao growers. Nineteen of the companies reported additional cumulative sales totaling \$29 million over 36 months following certification, which they attributed directly to their access to new markets as a result of becoming HACCP-certified.

TCEP-Sustainable Aquaculture and Fisheries Effort (SAFE). TCEP-SAFE provided technical assistance to the sardine industry and the high-value mariculture industry, as well as support for the training for former combatants of the MNLF. GEM 3 enabled the development of a network of mariculture nurseries in western Mindanao that will be crucial in sustaining the new Tawi-Tawi High



Mindanao processors were assisted in meeting international food safety standards.

Value Multi-Species Hatchery and Mindanao's high-value seafood industry.

TCEP-Former Combatant Reintegration (FCR). GEM 3 assisted 79 groups/communities in central Mindanao and 50 groups/communities of former combatants in the Sulu Archipelago to diversify into the production and sale of higher-value agriculture and aquaculture commodities. More than 5,495 participants were trained in improved production and handling technologies as well as in marketing. TCEP-FCR also provided 50 post-harvest facilities to benefit 3,800 community members.

Workforce Preparation

GEM 3's Workforce Preparation component provided interventions to enable students from schools in ARMM and CAAM to acquire skills needed for productive employment.



PTAs worked with GEM to improve education services.

Computer Literacy and Internet Connection (CLIC) Project. Expanding on its efforts in GEM 2, the GEM 3 CLIC Project assisted 265 additional schools in conflict-affected areas. This brought to 933 the total number of CLIC schools, with over 900,000 students and approximately 20,000 teachers benefiting from CLIC access under GEM 2 and GEM 3. Under GEM 3, computer training was provided to 5,000 teachers in collaboration with Intel, Microsoft and other companies.

Education Matching Grant Project (EMGP). To engage parents in the effort to improve education services in Mindanao, GEM 3 continued to provide dollar-for-dollar matching grants to parent-teacher associations (PTAs) for specific education improvement projects, such as the establishment or expansion of libraries, science laboratories and multimedia centers in their respective schools. The PTAs of 581 schools collectively raised more than \$900,000 for EMGP projects, which was



Municipalities improved delivery of services by increasing their local revenue.

matched by USAID. Under GEM 2 and GEM 3, a total of 1,348 EMGP grants were provided to 1,081 schools in Mindanao.

Job Enabling English Proficiency Project (JEEP).

JEEP worked with selected colleges and universities in Mindanao to improve the English proficiency of students and enable them to secure stable, lucrative employment in growing sectors of the Mindanao economy, such as nursing and allied health care, maritime services, and travel and tourism. About 55,000 students, approximately 30,000 of whom were women, enrolled in JEEP under GEM 3.



Future members of the workforce honed their English language skills.

Investments in Vocational, Elementary, Secondary and Tertiary Studies (INVESTS). GEM 3 provided support to students from underrepresented communities in Mindanao so that they could take advantage of training opportunities at the vocational and tertiary level, in various sectors. More than 278 students were supported through INVESTS, among them 15 mining engineering scholars who succeeded in completing their degrees.

Productive Internships in Dynamic Enterprises (PRIDE).

To provide managerial and technical internships to 100 graduates from Mindanao universities in conflict-affected areas, GEM 3 collaborated with large national and international companies in the Philippines. The internships, which lasted between three to six months, immersed young Mindanaoans in the fields of banking, logistics, risk management, engineering and international food service, among others.

Governance

GEM 3 sought to strengthen the governance skills of selected local governments and college graduates with leadership potential.

Revenue Enhancement and Progress (REAP) Project.

GEM 3 provided 12 pilot local government units in conflict-affected areas with technical assistance to help them analyze their tax base, improve tax administration, review existing tax ordinances and devise strategies to improve the collection of own-source revenue. LGUs that met their local revenue targets were provided with incentives in the form of a barangay infrastructure project selected from a list of eligible incentives provided by GEM.

Congressional Internship Program for Young Mindanao Leaders (CIPYML).

GEM 3 continued implementation of the internship, which provided promising college graduates in ARMM and CAAM with training and hands-on experience in policy analysis, development and advocacy, in order to enhance their commitment to democratic values and institutions. CIPYML was managed by GEM in partnership with the Philippines House of Representatives and Senate. A total of 325 internships were completed.

Communications and Facilitation Support Services

GEM 3 engaged in public outreach efforts to enhance the prospects of attaining Program objectives. More than 800 press releases were produced and circulated through various media in order to increase awareness of the U.S. and Philippine Governments' commitment to peace and development in Mindanao. GEM 3 also continued to provide logistics support and facilitation services to USAID, other USAID programs, and the U.S. Embassy by organizing or assisting more than 500 U.S. Government visits and activities in Mindanao.



Young Mindanao leaders were provided with experience in policymaking.

Catalyzing Economic Activity, Strengthening Local Government

A total of 772 infrastructure projects were designed and built under GEM 3, including airport runway upgrades, boat landings, highways, bridges, farm-to-market roads, grain dryers, water systems and trading centers. In 2002-2012, GEM completed 1,642 individual infrastructure facilities.



USAID's infrastructure projects built under the GEM Program had beneficial effects beyond meeting the immediate needs of communities. They provided visible, tangible support for the Philippine Government's peace process and encouraged economic initiative and expansion. They ensured ease of movement and safety for residents in their day-to-day activities, generated employment, and contributed to the capacity-building of the local governments and agencies responsible for their operation and maintenance.

"Buy-In" from Local Partners

Infrastructure projects completed under GEM 3 consisted of 760 Barangay Infrastructure Projects (BIPs), whose principal intended beneficiaries were the residents of a particular barangay, and 12 Regional Impact Projects (RIPs), which were larger projects for multiple municipalities or provinces and were designed to help accelerate regional economic growth.

Approximately 2.9 million people in Mindanao benefited from BIP projects, and more than 1.6 million are estimated to have benefited from RIPs. All infrastructure projects were implemented in partnership with a project proponent, typically a barangay, municipal or provincial government, national or ARMM regional government line agencies or a cooperative.

These partners contributed at least 25 percent of the cost of each of the infrastructure projects. This created "buy-in", as proponents were not simply beneficiaries, but invested stakeholders. Costs ranged from \$10,000 to \$50,000, in the case of BIPs, and from \$250,000 to about \$1 million for RIPs, although the cost of some RIPs exceeded \$3.5 million.

Collectively, project proponents provided approximately \$44 million as counterpart contributions for BIPs and RIPs constructed in the course of GEM 2 and GEM 3.

Consultation and Commitment

GEM had a focused, cross-cutting approach in identifying the suitability of projects for each location. Priority was placed on infrastructure that would benefit multiple communities, and on project sites in the more remote, conflict-affected areas cut off from economic activity.

Proposed projects were weighed carefully against the capabilities of each local government to manage and maintain the facilities. GEM also considered their track record in bringing projects to completion and complying with commitments.

Proponents played active roles in project preparation. The selection of BIP project types for each barangay was done by the communities themselves and their local government, through a multi-level consultative process that evolved with GEM's assistance and was later used by many local governments as a standard procedure for planning projects.



Barangay Bridge in Sultan Kudarat

Each project proposal was reviewed and approved by a local government council. A memorandum of understanding (MOU) was then signed by proponents, stipulating the required contributions and responsibilities of all parties involved.

RIP projects, which were larger-scale facilities, were undertaken in partnership with regional and provincial governments, municipal governments and national government agencies.

Further input on infrastructure selection was provided by MinDA and private sector groups, including chambers of commerce and producer associations in the ARMM and CAAM.

Spurring Economic Development

The positive impacts of GEM infrastructure on the economies of local communities, and broader regions in the case of RIPs, were widely acknowledged.

The improvement of bridges, ports, boat landings, and roads lowered transport costs, increased the speed of delivery of goods to market, and boosted livelihood and employment by fostering the development of new and expanded businesses.

Communities previously isolated by conflict and poor transport were revitalized with the help of USAID, through the GEM Program.

Residents gained faster and easier access to health and education services. Students, particularly those who had to travel to schools in distant towns, were encouraged to complete schooling as improved roads and bridges shortened the daily commute and made it safer. The delivery of public services was improved, as government workers could now travel more easily to remote areas.

Community water systems dramatically reduced the number of hours spent by residents—usually women and children—in fetching water each day. Those hours were instead spent in increasing crop production, managing small businesses, or doing schoolwork.

Many small businesses, such as eating places and corner (*sari-sari*) stores increased in areas provided with a daily supply of safe, potable water through GEM water system projects. These also helped to reduce the spread of water-borne diseases and averted health-related costs.

Tangible Benefits of Peace

GEM infrastructure projects have served as highly tangible, concrete examples of the benefits of peace in Mindanao. In the case of BIPs, community residents are reminded of these benefits through their daily use of the facilities. The signage installed beside each project emphasizes the joint commitment of the U.S. Government and Philippine Government to peace and economic development in the region. This was further highlighted by public ceremonies at which completed GEM infrastructure was formally turned over to local proponents in the presence of officials of both countries.

Local leaders were aware that the construction of GEM infrastructure projects in their communities depended, to a large extent, on their maintaining peace and helping to ensure the security of the projects. In the case of RIPs,

Boat landing in Zamboanga Sibugay



Province	Number of Completed BIPs	Number of Beneficiaries	Estimated Number of Jobs Generated
WESTERN MINDANAO	219	1,044,206	3,840
Basilan	23	167,444	375
Sulu	17	141,210	325
Tawi-Tawi	21	73,481	345
Zamboanga del Norte	42	145,745	750
Zamboanga Sibugay	88	314,143	1,435
Dipolog City	6	5,126	115
Isabela City	11	62,457	235
Zamboanga City	11	134,600	260
CENTRAL MINDANAO	275	962,240	4,741
Davao del Sur	4	17,887	80
Maguindanao	67	230,439	1,051
North Cotabato	76	160,126	1,220
Sarangani	23	112,821	445
South Cotabato	35	150,913	670
Sultan Kudarat	63	237,753	1,140
Cotabato City	4	37,919	75
General Santos City	3	14,382	60
NORTHERN MINDANAO	266	906,413	4,800
Agusan del Norte	1	510	20
Agusan del Sur	7	10,112	125
Compostela Valley	25	93,041	520
Davao del Norte	5	10,944	100
Davao Oriental	5	13,424	115
Lanao del Norte	59	162,633	1,060
Lanao del Sur	21	99,147	425
Surigao del Norte	16	26,598	300
Zamboanga del Sur	101	362,356	1,680
Pagadian City	6	19,913	75
Bislig City	1	1,500	15
Iligan City	9	89,922	195
Marawi City	4	11,158	70
Surigao City	6	5,155	100
TOTAL	760	2,912,859	13,381

the same level of perception existed, albeit over a wider geographic area. Since they had to provide 25 percent of the total project cost, local residents and their leaders developed a sense of ownership toward the projects. The potential threat to their infrastructure investment was an incentive for the community to avoid or prevent a recurrence of violence.

GEM infrastructure also had a strong demonstration effect on nearby communities, making it more likely that they would advocate for peace in their own areas out of a desire to obtain similar benefits.

Beneficial Use Monitoring

GEM designed and implemented the Beneficial Use Monitoring (BUM) system to ensure that the completed infrastructure projects were properly maintained and operated, and provided their intended benefits. BUM teams collected and analyzed information from projects turned over to proponents. Based on their field reports, projects were classified by color to denote whether they were fully, fairly, or marginally utilized, and whether they were properly operated and maintained. All projects were first visited for monitoring purposes within six months after completion and again within a year after they had been turned over to proponents. Additional monitoring was done for up to nine years, depending on when the project had been completed during the course of the GEM Program.



Infrastructure projects were monitored to ensure that intended benefits were realized.

Through BUM field visits, GEM was able to exert pressure on partners who had been remiss in operation and maintenance, to comply with the commitments stipulated in their agreement with GEM. This required a thorough understanding of local dynamics on the part of BUM staff, as well as firmness and tact in dealing with partners.

The BUM reports served as the basis for designing further interventions as necessary, and for determining the suitability of partners for additional projects. They also provided input for refining the design of different BIP project types, over the course of infrastructure implementation in GEM 3.

Environmental Impact

Early in the planning and design stage, the GEM 3 Environment Team assessed each project's potential adverse effects on people and the environment. The team formulated an environmental management plan covering construction safety and other issues, following guidelines set by USAID and the Philippines' Department of Environment and Natural Resources (DENR). The GEM environmental process promoted public participation in project development and encouraged communities to identify and raise concerns related to health, safety and environment during implementation.

Once a project was granted environmental clearance by USAID and DENR, GEM awarded a Notice to Proceed to subcontractors. Field staff closely monitored subcontractors' compliance with construction safety requirements. Any violations noted were immediately brought to the attention of the subcontractor. Rapid communication and feedback from GEM construction sites helped to maintain safety and reduce work-related risks to workers' health, public safety and the environment.



Boat landing in Basilan

GEM 3 Regional Impact Projects

Larger, higher-impact infrastructure projects that support the economic development of a city, province, or group of municipalities



Sanga-Sanga (Bongao) Airport Runway Improvement, Tawi-Tawi

AIRPORTS

Connecting remote island-provinces to the economic mainstream



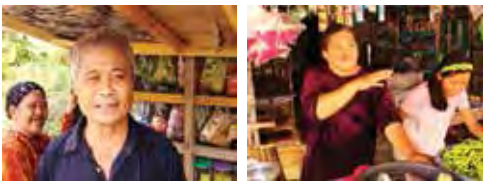
Upgraded airport runways could accommodate larger aircraft.

GEM airport improvement projects were found to have the highest economic impact among RIP project types, with an average return of \$3.90-\$6.14 in economic benefits for every dollar invested in the project. In Jolo, Sulu (pop. 200,000), GEM extended the old airport runway (left photo) from 1,200 meters to 1,845 meters and widened it from 18 meters to 30 meters. It is now an all-concrete runway (right) that can accommodate larger-bodied aircraft such as Boeing 737s and Airbus 320s. The airport upgrade was implemented by GEM in partnership with the provincial government, Department of Transportation and Communications, and Civil Aviation Authority of the Philippines. Through the thrice-weekly commercial flights to Zamboanga City that were established following the runway upgrade, Jolo residents can take connecting flights to the cities of Manila, Cebu and Davao.

ROADS AND BRIDGES

Breaking through isolation and improving livelihood in conflict-affected areas

GEM upgraded 15.3 kilometers of provincial roads through four municipalities in Maguindanao Province, linking the national highway with underdeveloped towns along the Liguasan Marsh, an isolated area with high levels of armed conflict. According to an impact study, GEM's Buluan-Pandag-Paglat-SK Pendatun Provincial Road projects



Improved road access sparked business activity.

have reduced violence in communities where they were built, in addition to generating economic benefits. Abdur Sulayman (far left photo), who set up a sari-sari store along the upgraded road, said: "All the people, including traders, students, have benefited from this. The road used to be muddy, with little traffic. Now there's a lot of business." Food seller Amina Abidin (left photo) said: "It's busy, so incomes have gone up. A good road draws more large vehicles."



WATER SYSTEMS

Providing clean water to multiple communities

In partnership with the Sulu provincial government and the national and local water authorities, GEM upgraded the water system to improve supply for an estimated 27,000 residents in the provincial capital of Jolo and selected barangays in neighboring Indanan and Patikul. "The water used to run only two days a week, but now runs 24 hours a day," said Asmad Sakilan, a farmer with seven children. "It's now sufficient for our daily needs." The project included upgrading the existing pumping system, constructing an additional and larger water reservoir, and installing an additional water supply pipeline more than 1,680 meters long.



Groundbreaking in Jolo



After



Before



After

Midsayap-Datu Piang National Highway Upgrading (Midsayap Section), Midsayap, North Cotabato



Ngan Spillway (Overflow Structure) Compostela, Compostela Valley

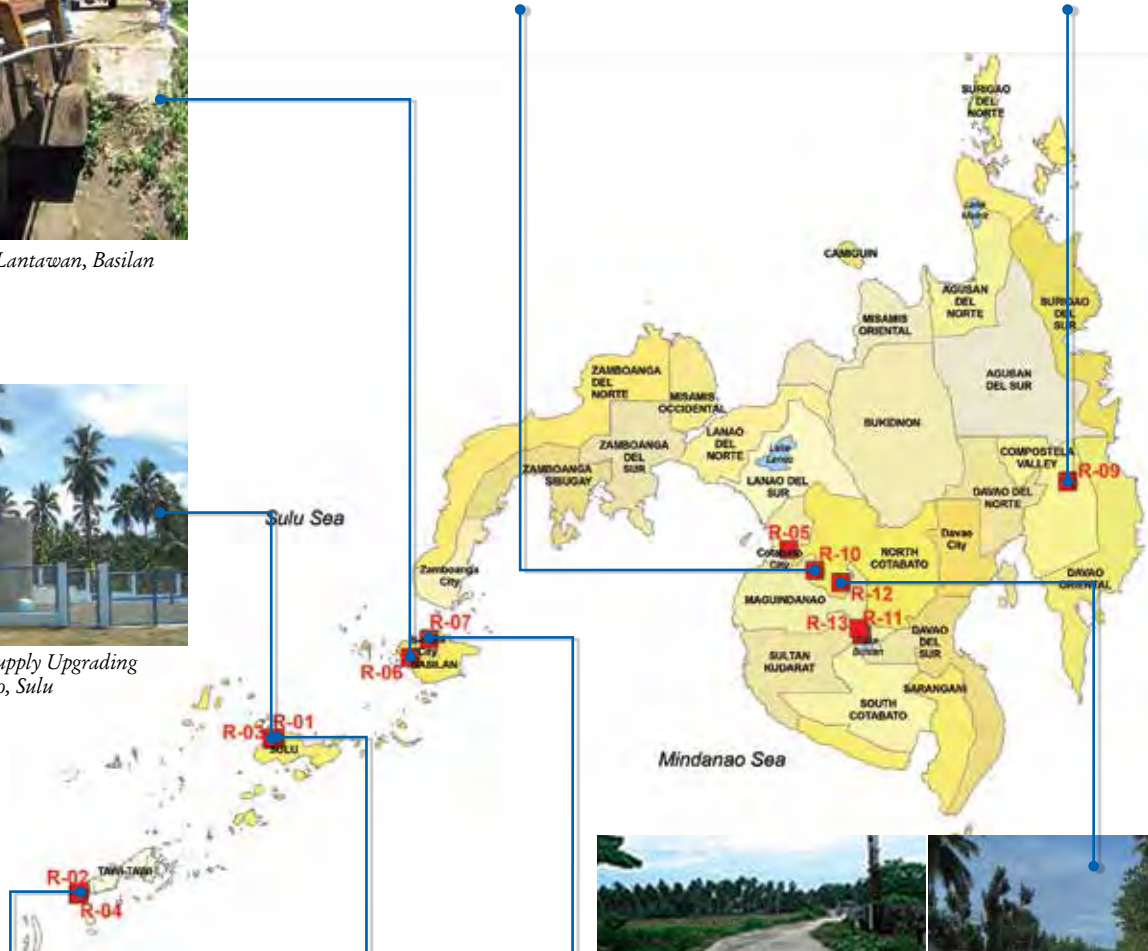


Before

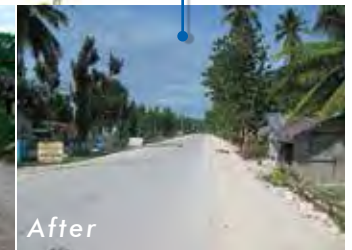
Baños Bridge, Lantawan, Basilan



Jolo Water Supply Upgrading Jolo, Sulu



Before



After

Ladtingan-Silik Road Upgrading Pikit, North Cotabato



Tawi-Tawi Bridge/ Road Partnership Project Bongao, Tawi-Tawi



Jolo Airport Runway Improvement Jolo, Sulu



Before



After

Busay Bridge, Isabela City, Basilan

GEM 3 Barangay Infrastructure Projects

760 BIPs completed under GEM 3 address essential needs at the grassroots



Polomolok, South Cotabato

Box Culverts and Slab Bridges (Barangay Bridges): 254

These bridges, consisting for the most part of reinforced concrete slab bridges and box culverts, have ensured safe and efficient transport, reduced farm-to-market transport costs, and helped to control flooding of the roadway and surrounding area. Crossing from one riverbank to another in this barangay used to be a problem, particularly during heavy rainfall. Prior to bridge construction, farmers often had to load their cargo onto a different vehicle for the river crossing, then transfer it onto yet another vehicle on the opposite bank in order to complete delivery. With the help of GEM Barangay Bridges, products can be brought to market without costly, time-consuming transfers.



Munai, Lanao del Norte

Footbridges: 80

Footbridges encourage economic activity and provide safe pedestrian access all year round. They also accommodate the passage of motorcycles and farm animals. Previously, in this area of Lanao del Norte, 2,900 residents could cross the river only when it was relatively shallow, using a single bamboo pole as a walkway. This footbridge built by GEM has enabled the area's smallhold farmers to bring their produce to market more easily, and students can safely walk to school, even when heavy rainfall causes the river to swell.

Irrigation Upgrades and Lined Drainage Canals: 28

GEM improved or rehabilitated irrigation canals to help more than 5,000 farmers, increasing production by as much as 90 percent



Tulunan, North Cotabato

in some areas. This included concreting an 865-meter canal in this communal irrigation system to reduce water loss and increase the rice yield of an association of 48 smallhold grain growers, who were able to expand their irrigation coverage from 120 to 260 hectares.

Grains and Seaweed Solar Dryers: 143

The use of solar dryers reduces crop losses in the drying stage and improves the quality of the grain. The harvest can then be marketed by farmers at a higher price. In central Mindanao, one of the 110 members of the Mahayahay Farmers Association spreads his harvest across a GEM solar dryer. Having such facilities located close to grain production areas also helps to reduce transport costs.



Alamada, North Cotabato



Hadji Muhtamad, Basilan

Boat Landings: 66

GEM-built boat landing facilities allow coastal residents and traders to transport marine and other products more quickly, and ensure safer loading and unloading. Such landings are also a source of funds for the local government, which collects user fees to help maintain the facility.

This 42-meter-long reinforced concrete boat landing with passenger shed and pier head in the Sulu Archipelago has benefited about 9,000 residents, as well as travelers from neighboring communities.

Trading Centers: 106

On weekly market days, Mindanao farmers and traders often have to display their produce in the open, on makeshift stalls or on jute sacks spread on the ground. This limits the number of market hours and hastens the spoilage of produce.

GEM trading centers provide an organized, orderly environment protected from the sun and rain, and encourage additional business activities. The local governments that partnered with GEM to build trading centers, and are responsible for their operation and maintenance, are able to generate revenue from user fees collected from vendors.



Aurora, Zamboanga del Sur

Communal Water Systems: 19

These water facilities provide communities with sources of clean water close to their homes. In this central Mindanao barangay, GEM installed an elevated water tank with a 1,800-meter distribution



Pigawayan, North Cotabato

pipeline and 11 communal faucets to provide safe drinking water to more than 2,800 residents. The availability of clean water has reduced the incidence of water-borne diseases in these communities and encouraged the establishment of small food businesses.



*Nabintad Footbridge
Labangan, Zamboanga del Sur*



*Laguinding Barangay Bridge
Esperanza, Sultan Kudarat*



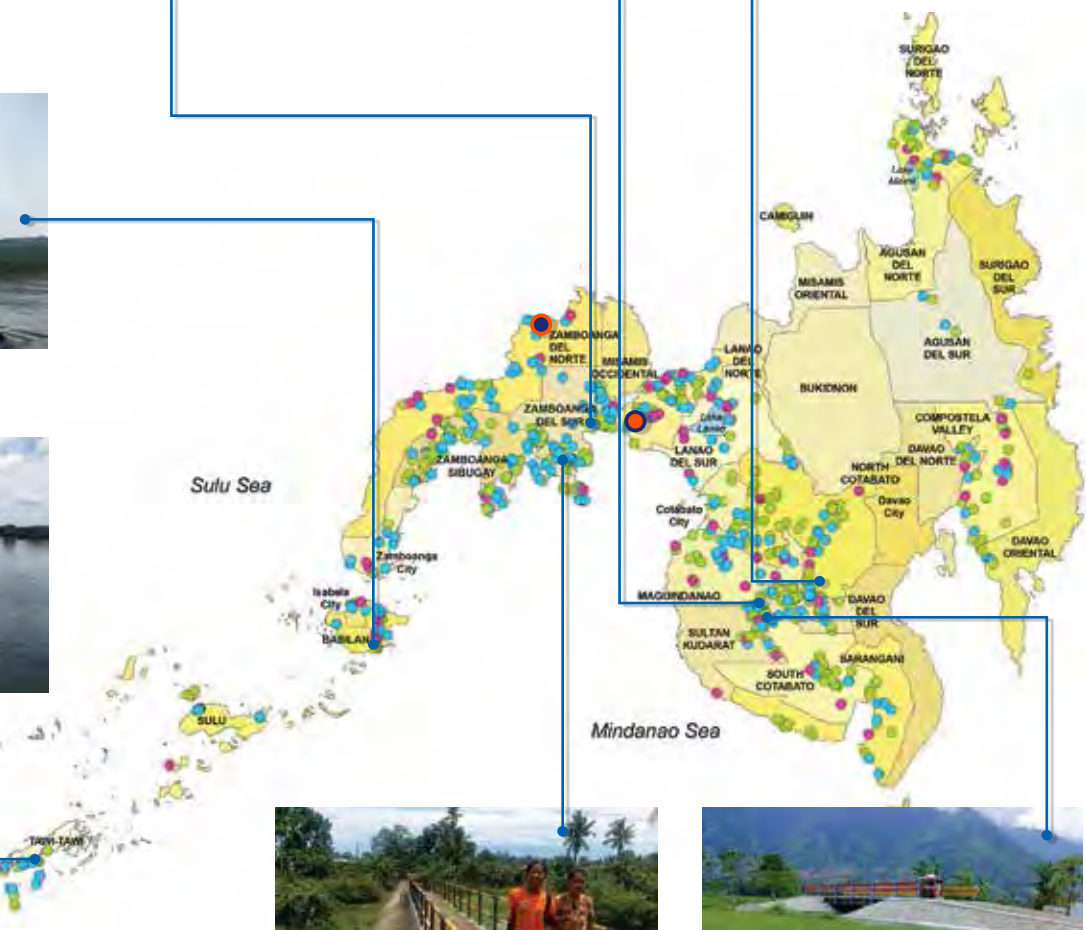
*Tulunan Trading Center
Tulunan, North Cotabato*



*Amaloy Boat Landing
Unkaya Pukan, Basilan*



*Balimbing Proper Footbridge
Panglima Sugala, Tawi-Tawi*



*Purok Panaghiusa Footbridge
Tabunan, Zamboanga del Sur*



*Mangilala Barangay Bridge
Isulan, Sultan Kudarat*

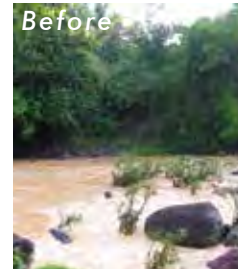


Before



After

Lapinig Road, Kapatagan, Lanao del Norte



Before



After

*Dinuan-Kalucap Footbridge, Salug,
Zamboanga del Norte*

Local Partners Cultivate Governance Skills

For many LGUs, collaborating with GEM on infrastructure was a learning process that honed their capabilities as project planners and implementers. In addition to the direct benefits generated by each infrastructure project, LGUs had the opportunity to develop their skills in resource allocation, budgeting, organizing, and meeting construction standards. By working closely with GEM to complete these projects, LGUs gained hands-on experience in implementing development projects based on transparency, efficiency and responsiveness to the needs of constituents.

Focusing on the “Do-able”

Under the Philippines’ local government code, every LGU should make an annual list of its priority projects. Many of the smaller local governments, unsure of their capacity to carry through projects either on their own or in collaboration, fall back on “traditional” projects, such as basketball courts, which may not address the most pressing needs of the community.

GEM developed a menu of BIP project types which, in addition to their practical benefits in accelerating economic activity, were fitted to the scale of Mindanao communities’ funding resources and technical capacity. The experience of working on a GEM project or succession of projects helped local governments gain confidence and a more precise sense of what projects they could implement on their own.

Leveling Expectations

At different stages prior to construction, GEM’s standard process of consultation and site visits ensured that all stakeholders were fully aware of, and publicly committed to, their respective roles in the project. The expectations and obligations of GEM and the recipient community were outlined in a memorandum of understanding (MOU) signed by the local government.

“[Under the] the BIP system we would hold an executive meeting and site validation with GEM’s guidance, followed by a community meeting with potential beneficiaries,” said Julgen Dajay, municipal planning and development coordinator of Tupi, South Cotabato.



Municipal planners and GEM worked together.

Following the bidding process and final selection of a subcontractor, GEM and the LGU would hold a pre-construction conference with



Mayor Mohamad Paglas chats with a vendor at Madidis Trading Center.

the subcontractor and representatives from the recipient community. “Everyone’s role would be defined and there would be a leveling of expectations,” said Dajay.

“During the pre-construction conference, GEM would reiterate what documents were needed, schedules, and counterparts. Only GEM did this. Other agencies and development partners did so only during pre-bidding meetings,” said Clarissa Unson, municipal engineer of Esperanza, Sultan Kudarat.

Involving the Community

Engaging GEM beneficiaries in implementation minimized community-related problems at project sites and developed a sense of ownership toward the project.

“In remote areas, GEM introduced us to barangay officials and got them to help monitor construction. This ensured on-site security, and protected our employees against harassment,” said Ludiminda Go, proprietor of a construction supplies firm.

“Now we ask barangays to safeguard materials and facilitate right of way for projects. They share the responsibility of maintenance with the municipality,” said Dajay.

Some partners have taken the GEM model for grassroots community involvement a step further. “It was with GEM that we began to involve barangays in counterparting,” said Richelda Lebrilla, municipal planning and development coordinator of Esperanza. “Every barangay [in our municipality] now sets aside 20 percent of its annual budget for infrastructure.”

Expanding Technical Skills

In addition to enlarging LGUs’ experience in infrastructure construction, operation and maintenance, GEM passed on a number of complementary skills to local partners, such as how to screen and validate project proposals, establish credit lines with suppliers, and source funding.

“Previously it would have been beyond our capacity to build this infrastructure on our own, not just because of limited funding, but because small local governments like ours lack the technical expertise and manpower,” said Lebrilla.

Setting Standards

Project participants were held to stringent standards of implementation and accountability. They understood that GEM could cancel proposed BIPs, even if construction was underway, if the LGU and other partners had misrepresented any key factor in the proposed BIP. Projects could be cancelled upon any indication of extortion, corruption, bribery or intimidation in connection with any aspect of the project.

LGUs eventually realized that following strict construction standards resulted in efficient project implementation and infrastructure of good quality that would require less maintenance and repair over time, and therefore less expense.

The lesson for local planners: sound infrastructure investment needed more than counterpart funding on the part of the LGU; it also required adherence to professional and ethical standards at all stages of implementation.

The training in standards extended to subcontractors and suppliers. “Bidding on GEM projects taught us how to make detailed estimates that comply with industry standards,” said Ludiminda Go. “GEM also required strict adherence to schedules.”

Fostering Accountability

GEM worked with LGUs to spot construction flaws and substandard materials, and to bring these to the attention of subcontractors and suppliers. “We appreciate GEM’s assistance in going after those who do not comply with contracts, and for their assistance in troubleshooting,” said Unson.

Local governments gained hands-on experience in identifying shortfalls in the delivery of services and in getting suppliers and subcontractors to address them. Those service providers called to account were aware that their chances of being selected for future contracts might have been compromised. This was a strong incentive for them to deal with problems quickly and comprehensively.

LGUs too were aware that they could be called to account for improper infrastructure operation and maintenance, and that they could lose the opportunity of partnering with GEM on future projects unless they complied with their commitments.

GEM Infrastructure Raised Incomes, Reduced Violence, Supported Peace



Kabug-Kabug Barangay Bridge, North Upi, Maguindanao

At the request of USAID, a study to assess the impact of GEM infrastructure was undertaken in 2011. The study evaluated the economic effects of GEM 2 and GEM 3 infrastructure projects over the period 2002-2010 and their impact on peace and order in the barangays in which they are located. It was conducted by the Institute of Socio-Economic Development Initiatives (ISFI) of Ateneo de Davao University in Mindanao.

After surveying thousands of households and businesses in Mindanao and holding 224 focus group discussions involving more than 1,800 participants, ISFI reported that GEM infrastructure yielded strong net economic benefits, even in high-conflict areas.

RIP projects were found to have an economic benefit/cost ratio of 2.59-4.61 (depending on the discount rate employed), meaning that on average, a dollar invested in RIP projects yielded \$2.59-\$4.61 in benefits, with airport projects providing the largest return on infrastructure investment.

A dollar invested in BIP projects yielded \$2 to \$3.42 in economic benefits, with road projects providing the biggest benefits. Farm-to-market roads were highly valued by rural residents.

While GEM projects could not affect poverty levels in Mindanao as a whole, the study determined that in barangays where GEM infrastructure projects are located, incomes increased to a statistically significant degree.

The ISFI study, which is believed to be the first to collect and analyze conflict reduction data in Mindanao at the barangay level, reported that in barangay communities where GEM infrastructure had been built there was a statistically significant reduction in the incidence of clan feud clashes, encounters between the military and rebel groups, insurgent bombings, and various crimes.

Benefit-Cost Ratios by Type of Project and by Discount Rate, RIPs
(Economic Benefits from \$1 Infrastructure Investment)

Type of Projects	Discount Rate = 12%	Discount Rate = 3%
Seaport/ Boat Landings	2.40	4.40
Bridges	2.46	4.45
Roads	2.74	4.81
Airport	3.90	6.14
RIP Average	2.59	4.61

Benefit-Cost Ratios by Type of Project and by Discount Rate, BIPs
(Economic Benefits from \$1 Infrastructure Investment)

Type of Project	Discount Rate = 12%	Discount Rate = 3%
Boat Landings	1.90	3.42
Bridges	2.11	3.85
Grain Solar Dryers	2.18	3.34
Roads	3.17	5.61
Trading Centers	1.00	1.55
Warehouses and Grain Solar Dryers	1.70	2.58
BIP Average	2.00	3.42

The study concluded that GEM infrastructure projects have “contributed considerably” to the improvement of peace and security in the barangays where they are located, particularly in the ARMM.

Other findings from the study:

- ◆ In some regions, 95 percent of the focus groups said GEM infrastructure was important to improving their livelihood and the well being of their communities.
- ◆ In the ARMM, virtually all groups said that GEM infrastructure improved their quality of life and incomes, describing USAID/GEM’s role as “very important.”
- ◆ GEM infrastructure projects located in high-conflict areas yield the same economic benefits as GEM infrastructure projects in moderate-conflict areas. According to the study, this may indicate that situating such projects in high-conflict areas “helps to pull those areas out of economic doldrums caused by conflict, to a level of development seen in the rest of Mindanao.”



Malinao Boat Landing, Mabusay, Zamboanga Sibugay

Infrastructure projects completed in 2002-2007 continue to yield benefits

Lamitan Port RORO: Getting to Market More Efficiently, at Less Cost



Domingo Narciso

Domingo Narciso, manager of a farming cooperative in Lamitan, in the island-province of Basilan, described the once-tedious process of getting his co-op's rubber, coffee and copra harvests to buyers in Zamboanga City.

"It was time-consuming and costly, due to the 'double handling' of cargo," Narciso said. The produce had to be trucked into Lamitan, unloaded at the port, and then stacked aboard the ferry. After the two-hour sea voyage to Zamboanga City, the produce would again have to be unloaded and packed into a hired vehicle.

This was before the GEM Program upgraded Lamitan Port and outfitted it with a "roll-on, roll-off" (RORO) ramp, which allowed cargo trucks and other land vehicles to simply drive on and off the ferry to make the Zamboanga-Basilan crossing. This minimized damage to the goods in transit, and reduced handling charges.

After the Lamitan facility was completed in May 2005, RORO traffic in Basilan more than tripled, from 200 vehicles in January 2006 to 900 vehicles that same year. Vessels calling at the port experienced faster turn-around time and shipping costs were greatly reduced.



Cargo is driven off the Lamitan ferry.

This has meant higher earnings for Domingo Narciso's co-op, which is comprised of both Christian and Muslim members, including former MNLf combatants. "Our transport costs were cut by half because of RORO," Narciso said.

The success of the co-op has resulted not just in higher incomes for its members, but has also encouraged other growers to expand their own agricultural production. "The ease of RORO has encouraged more residents



Jann Jakilan

to engage in business," said Jann Jakilan, a Lamitan businessman and former chief of the MNLf 2nd Mobile Army in the province.

Sitio Sarmiento Bridge: Helping to Rebuild Lives in Former Battleground



Vehicle traffic increased in Matanog.

Jamal Tolino recalled vividly the day he helped padlock the windows of the family's small store in Sitio Sarmiento in Matanog, Maguindanao, as armed conflict between government troops and rebel fighters intensified. The community, located within the area known as "Camp Abubakar," had long been the site of sporadic clashes, but the fighting escalated into full-blown conflict in 2000.

As Tolino lowered the store's shutters, he could see residents fleeing to the neighboring municipality. Mortar fire and gunshots reverberated nearby. Fearing for his safety, he went to live with relatives in a distant city.

Returning to his hometown six years later, Tolino was struck by numerous changes for the better. Gone were the roadside checkpoints with armed men, gone was the tension that had pervaded the community. In Sitio Sarmiento, in collaboration with the ARMM government, GEM had replaced a derelict bailey bridge with a 20-meter reinforced concrete bridge and 170 meters of concrete paving. The bridge complements a seven-kilometer road built by the national government off the main highway.



Jamal Tolino

Six-wheeler trucks and other vehicles were now using the GEM-constructed bridge to carry produce from once-isolated upland villages to markets in nearby cities. The advent of peace had allowed reconstruction efforts and had brought a measure of prosperity and stability to the area. Tolino found general merchandise stores, stalls and eating places lining the highway, and once-idle lands planted with rice, corn, coconut, coffee, fruits and vegetables.

"Before, few vehicles dared pass in and out of the area. Farmers were hampered in bring-

ing produce to markets," said the mayor of Matanog, noting that with better infrastructure and the improved security situation, residents now felt connected to the rest of the region. Tolino, who has re-opened the family's store, said: "Our lives have gotten better."

Maluso Port: Improvements Lead to Higher Incomes

In Maluso, Basilan Province, landing marine cargo was a more complicated and costly matter for fisherfolk and traders than it is today. The old port was in such poor condition, boatmen risked damaging their hulls on approach. They would therefore hire smaller boats to ferry cargo to the dock for about half a dollar per basket of fish—a time-consuming process and a relatively large sum.

In late 2007, GEM constructed a passenger terminal building at the Maluso port, as well as a pier for larger boats and a 200-meter-long concrete stair landing for smaller vessels. As a result, fisherfolk and aquaculture producers can now directly dock at the port and unload cargo



Boatmen find it easier to dock at Maluso.

more quickly, without having to pay for extra handling costs. This has helped to increase their profits per trip.

Passenger and cargo traffic increased substantially following the port project's completion, with landings of fresh fish and other marine products rising from 500,000 metric tons to 1.5 million metric tons in 2007-2008, according to the port manager.

The improved facility has drawn more traders and had a "multiplier" effect on the local economy, as small stores and other businesses have mushroomed in the vicinity of the port. According to Ka Isni Undin, a former MNLf combatant who now chairs a fishing cooperative of ex-fighters assisted by GEM to produce and market higher-value aquaculture,



Isni Undin

the port upgrade has been a boon to fish farmers. "Quicker delivery to buyers allows us to maintain the freshness of our products," said Undin.

BUSINESS GROWTH

Improving Livelihoods, Enhancing Competitiveness

GEM 3 tripled the value of out-shipments of targeted fruit and vegetable commodities from Mindanao, facilitated \$92.9 million in domestic and export sales, and engaged hundreds of business support organizations in accelerating economic activity in the region.



The assistance provided by GEM 3's Business Growth component had a direct impact on 45,000 farmers and fisherfolk, of whom more than 5,400 were former combatants.

BUSINESS SUPPORT ORGANIZATION (BSO) DEVELOPMENT

USAID, through its GEM 1 and GEM 2 Programs, successfully established a network of business support organizations (BSOs) that helped to accelerate Mindanao's economic growth and strengthen vital industries and geographic areas.

Mindanao chambers of commerce and business councils enhanced their capability to sustain their operations and provide services to members, as well as attract investment and engage in public-private collaboration. Industry federations became better equipped to represent their members and strengthen agriculture and other sectors. Growers' associations were assisted in expanding industry and market linkages, while enhancing their consolidation, distribution and marketing systems.

Implemented under the oversight of MinDA, these activities supported the overarching goal of accelerating development in Mindanao and helping to ensure that the benefits generated by economic growth were more widely distributed through the creation of livelihood opportunities, including those brought about through increased trade and investment.

Chambers of Commerce

USAID continued to assist selected chambers of commerce that had been given support under GEM 2. In GEM 3, these organizations benefited from investment facilitation, the organization and/or co-funding of business conferences and marketing events, and public-private collaboration that made it easier to do business. GEM 3 also helped chambers to develop—in partnership with other Mindanao stakeholders and with the national umbrella of chambers—institutionalized mechanisms by which the private sector could make its views heard (see *Mindanao Business Conference*, page 19). Assistance



The MinBizCon became the region's primary investment showcase.

to six “new” Mindanao chambers was initiated to help strengthen their organizational capacity in financial and program planning, revenue generation, service delivery, communications, and strategic networking.

Mentoring of “New” Chambers. In addition to training in business event management, financial planning and delivery of services to members, GEM 3 arranged for the six chambers—located in underdeveloped, conflict-affected areas with investment potential—to be mentored by more established chambers that earlier had partnered with GEM. This included providing practical advice and sharing best practices among small businesses on how to conduct business events, identify promising local products and projects, and present investment opportunities to investors. The six chambers succeeded in increasing their membership from 218 to a total of 529.

Business Events and Investment Promotion. Working with private and public partners, GEM assisted both new and previously assisted chambers in developing the annual Mindanao Business Conference into the primary platform for showcasing business opportunities in the region and for bringing its development agenda to national attention.

GEM 3 partnered with BSOs and public sector partners to organize at least 10 other major conferences per year, with 300 to 500 attendees per event, and annually conducted about 60 training seminars and workshops. In collaboration with GEM 3’s communications team, 10 chambers were provided with hands-on training and other support to produce investment promotion magazines.

Chambers of commerce, producer associations and sector-specific councils were also provided with co-funding and technical advice in organizing events. These included sub-regional trade exhibits and marketing roadshows organized with support from the Department of Agriculture, national government agencies, and provincial and city governments, among others, as well as training workshops for small businesses on basic financial management and bookkeeping.

BSO Development Key Results

- ♦ Technical guidance and co-funding support was provided to 42 chambers of commerce, trade associations, and business councils.
- ♦ Technical and funding support was given to 413 producer associations, growers’ cooperatives and farm production clusters.
- ♦ These groups comprised a total of more than 21,000 members directly benefiting from this assistance, as well as an estimated 130,000 indirect beneficiaries (through chambers, councils and federation-type organizations working with GEM-assisted BSOs).
- ♦ Six “new” chambers of commerce in underdeveloped, conflict-affected areas expanded their total membership from 218 to 529 during GEM 3, and increased their total chamber-generated revenue from \$92,000 to \$700,000 in the same period.
- ♦ Forty-seven private companies (including small and medium enterprises) with more than 35,000 employees in total benefited from GEM technical guidance and direct marketing assistance.

These events generated direct sales of about \$955,000, with additional potential sales of \$7.5 million under negotiation.

Philippine Chamber of Commerce and Industry. Building on the GEM 1 and GEM 2 achievements in developing regional networks of Mindanao BSOs, GEM 3 intensified efforts to integrate Mindanao chambers more fully into the business mainstream and strengthen their representation at the national level through collaboration with the Philippine Chamber of Commerce and Industry (PCCI).

GEM 3 facilitated a series of public-private agreements under which PCCI and MinDA would work together with other Mindanao stakeholders to gather, consolidate and monitor the progress of private sector policy recommendations. The program also facilitated the inclusion in PCCI of the ARMM Business Council (ABC), the umbrella for chambers of commerce operating within the ARMM.

Cross-Regional Exchange. As the program drew to a close, GEM 3 organized a cross-regional seminar attended by senior executives of chambers of commerce in



Chambers of commerce were trained in financial planning, business event management and providing improved services to their members.

Speaking with One Voice on Regional Economic Concerns



U.S. Ambassador Harry K. Thomas, Jr. at the 20th Mindanao Business Conference, Dipolog City

Working with the private sector and government, GEM played a pivotal role in the development of the annual **Mindanao Business Conference (MinBizCon)** as the premier platform for fostering competitiveness, showcasing investment opportunities and accelerating economic growth in the region. The conference brings together business leaders, members of chambers of commerce, government policymakers and investors.

GEM facilitated the evolution of the MinBizCon into the primary regional mechanism by which a broad range of stakeholders are able to speak with one voice on pressing economic policy concerns, with the conference highlight being the formal presentation of the **Mindanao Business Policy Agenda** to the Office of the President of the Philippines.

The process begins with broad-based **Regional Policy Consultations** held in Mindanao's major cities in the months leading up to the MinBizCon. BSOs that have partnered with GEM—chambers of commerce, industry federations, and producer associations among them—have been key consultation participants, with the common aim of improving competitiveness in their areas and in Mindanao as a whole.

Such meetings have been crucial in identifying, monitoring and addressing bottlenecks that hold back trade and investment; in clarifying rules, regulations and timelines; and in consulting stakeholders on related developments.

Drawing on the consultation output, a draft policy agenda is compiled by the Mindanao Development Authority in collaboration with the Philippine Chamber of Commerce and Industry, which serves as the national umbrella for chambers. The draft agenda highlights the most urgent policy concerns, as well as required government actions and private sector commitments. It also notes actions that had been taken on previous years' policy recommendations.

The consultations are followed by **High-Level Policy Roundtables** on key sectors, such as agriculture, energy or infrastructure. These detailed discussions, which were initiated with GEM support, are held in Manila with the head of MinDA and concerned Cabinet secretaries and private sector representatives. Participants fine-tune items in the draft agenda and draft appropriate government responses.

Both in its content and its formulation process, the agenda emphasizes the need for the private and public sectors to work together in forging an informed, practical and focused policy agenda for Mindanao.

After the agenda is presented to the Office of the President at the close of the MinBizCon, MinDA and PCCI, through a GEM-facilitated partnership, jointly monitor progress in implementing agenda recommendations; the final draft is incorporated in PCCI's annual Policy Agenda, which is nationwide in scope.

Having observed the effectiveness of the MinBizCon agenda formulation process, PCCI has since adopted it as a template for other regions of the Philippines.

GEM assistance enabled the conference to be held in a different Mindanao city each year, providing opportunities for boosting local trade and tourism during the event. GEM's BSO Development team provided crucial technical support to enable smaller chambers in emerging commercial hubs such as Koronadal, Dipolog, and Pagadian to successfully host the conference.

In the process of "learning by doing," these chambers developed their confidence and capability to hold well-organized business events that would draw investment and spur business activity. The experience also served to enlarge the chambers' economic perspective and strengthen their engagement with the wider business community.



Regional Policy Consultation, General Santos City

Expanding the Private Sector Network

Institutional Support to Newly Assisted Chambers

- ◆ Pagadian-ZDS Chamber of Commerce and Industry
- ◆ Surigao Chamber of Commerce and Industry
- ◆ Iranon Chamber of Commerce and Industry
- ◆ Metro Kidapawan Chamber of Commerce and Industry Foundation
- ◆ Sarangani Chamber of Commerce and Industry
- ◆ Maranaw Chamber of Commerce and Industry

Institutional Support to Previously Assisted Chambers

- ◆ Autonomous Basilan Islamic Chamber of Commerce and Industry
- ◆ Sulu Chamber of Commerce and Industry
- ◆ Tawi-Tawi Chamber of Commerce and Industry
- ◆ Metro Cotabato Chamber of Commerce and Industry Foundation
- ◆ Muslim Chamber of Commerce and Industry of Kutawato
- ◆ Chamber of Commerce and Industry Foundation of Iligan City

Events-Based Support to Chambers of Commerce

GEM 3 provided technical and co-funding assistance for events such as business conferences, seminars and trade shows organized by chambers of commerce and industry in the province of South Cotabato and in the cities of Butuan, Cagayan de Oro, Davao, Dipolog, Oroquieta, Ozamis and Zamboanga.

Events-Based Support to Sector-Specific BSOs

- ◆ ARMM Business Council
- ◆ Cagayan de Oro Hotel and Restaurant Association
- ◆ Caraga Chamber of Mines
- ◆ Chamber of Agriculture and Food Industries of Northern Mindanao
- ◆ Cold Chain Association of the Philippines
- ◆ GSC Small and Medium Enterprise Development Council
- ◆ Mindanao Business Council
- ◆ Mindanao Federation of Shippers Association
- ◆ Mindanao ICT Network
- ◆ Mindanao Trade Expo Foundation
- ◆ Muslim Business Forum
- ◆ Muslim Mindanao Halal Certification Board
- ◆ Personnel Management Association of the Philippines- Mindanao



Most Outstanding Chamber Awards at the 38th Philippine Business Conference were won by GEM-assisted BSOs, among them the Zamboanga Chamber (Most Outstanding Province-based Chamber in the Philippines and Mindanao, Level 1), Pagadian-ZDS Chamber (Most Outstanding City-based Chamber in the Philippines and Mindanao, Level 1), Oroquieta Chamber (Most Outstanding Young Chamber), and the Iligan City Chamber, which received a special PCCI citation for public-private partnership.

Mindanao, Cebu, Iloilo and Naga. These officers shared best practices on revenue generation, policy advocacy, and trade and investment facilitation. These sessions were also an opportunity for the Mindanao chambers, representing mostly small businesses, to expand their network of business contacts and obtain marketing referrals in other regions of the Philippines.

At the request of PCCI, GEM briefed regional PCCI conferences in the Visayas and Luzon on the consultation process used in formulating the annual Mindanao Business Policy Agenda, for replication in these regions. GEM also partnered with PCCI in holding a conference in Mindanao on ASEAN economic cooperation and integration.

Supporting Improved Local Governance. To engage chambers in streamlining the process for establishing businesses, and to help increase local government revenues, GEM 3 facilitated tripartite agreements involving the chambers, their local governments, and the National Computer Center in computerizing the issuance of business permits, as well as the taxation of real property and treasury operations.

Seminars were held on formulating and implementing Information System Strategic Plans for chamber officers and local officials from ARMM provinces and from the cities of Iligan and Cotabato.

With GEM support, several chambers set up Business Permit Assistance Desks to encourage and assist local firms to apply for annual business permits. Other chambers conducted public outreach campaigns to promote permit renewal.

Multi-Stakeholder Collaboration. To ensure the sustainability of chambers in underdeveloped and conflict-affected areas, GEM 3 helped them to collaborate with non-business partners to attain common development goals. A workshop on drafting proposals for public-private partnerships for economic development was also organized for the directors and key staff of 15 chambers and producer associations. The training focused on ways in which local governments, overseas development partners, NGOs and others can partner with BSOs to accelerate business development.

Assistance to Key Industries

GEM 3 partnered with BSOs representing key industries and commodity sectors assisted earlier under GEM 1 and GEM 2 in order to disseminate new technologies and best practices, and to advocate for policies conducive to industry growth. The GEM BSO Development team worked in tandem with Targeted Commodity Expansion Project (TCEP) teams to support region-wide industry events organized by these BSOs.

Fruit and Vegetable Sector. GEM 3 converged BSO and TCEP efforts to boost the competitiveness of the fruit and vegetable industries by partnering with grower associations that had been developed with earlier GEM assistance. These associations, which are now self-sustaining and recognized as industry leaders, include the Mindanao Fruit Industry Development Council (MinFruit), created with GEM 1 support, and the Northern Mindanao Vegetable Producers Association (NorMinVeggies) and the Vegetable Industry Council of Southern Mindanao (VICSMIn), created with GEM 2 support. GEM 3 linked these more established associations with newer producer groups in the different Mindanao sub-regions.



GEM assisted producer associations to enter new markets.

Mining Sector. GEM 3 activities included organizing and facilitating public-private roundtables and conferences on socially responsible mining in Mindanao. These events involved mining companies and communities, the Chamber of Mines of the Philippines and other private sector groups. Several Cabinet departments and agencies were also involved, including MinDA, the Mines and Geosciences Bureau of the Departments of Environment and Natural Resources (MGB-DENR), the Departments of Interior and Local Government, Finance, and Budget and Management, and the National Commission on Indigenous Peoples.

GEM 3 also helped to improve mechanisms for using excise taxes collected from mining firms to fund Social Development and Management Programs (SDMPs) in host communities. This assistance involved working with two mining companies and their host communities in the Caraga Region in formulating their SDMP plans. GEM organized and facilitated working meetings on the plan attended by chambers, mining firm representatives, national and local government officials, host community members, indigenous peoples' groups and NGOs.

GEM 3 worked with the MGB-DENR to formulate a prototype five-year SDMP implementation manual, for possible replication in other mining areas. The MGB Caraga regional office later mandated use of the manual by all Caraga mining companies.

TARGETED COMMODITY EXPANSION PROJECT

Under GEM 1 and GEM 2, the Targeted Commodity Expansion Project (TCEP) significantly expanded the production and marketing of selected commodities. These included higher-value fruits and vegetables which provided better returns for large numbers of smallhold farmers than traditional crops.

Under GEM 2, TCEP focus shifted to encouraging and facilitating foreign exports and domestic out-shipments of these commodities from Mindanao to other areas of the Philippines. In the process, GEM beneficiaries and



Fisherfolk produced higher-value seafood through sustainable aquaculture.

Fisheries Sector. GEM 3 converged its BSO and TCEP efforts to provide technical and funding support to the National Tuna Congress organized annually by the SOCKSARGEN Federation of Fishing and Allied Industries, Inc. Created with GEM 1 support, the Federation has evolved into a highly effective organization known internationally for its promotion of sustainable fishing practices and its advocacy to improve the management of Western Pacific tuna resources. GEM 3 also assisted in the formation of the Northern and Western Mindanao High Value Aquaculture Industry Convenors Group.

IT and Tourism Sectors. Assistance was provided to BSOs involved in these expanding sectors, including the Iligan Information and Communications Technology Council, Mindanao Information and Communications Technology Task Force, ICT Solutions Association of Region 12, and Mindanao Tourism Council.



USAID/Philippines Mission Director Gloria D. Steele meets with Cotabato City business leaders.

partners expanded their production and marketing skills, strengthened their competitiveness, and grew adept at taking advantage of supply chain opportunities. This assistance was implemented in partnership with the Department of Agriculture and the Department of Trade and Industry.

GEM 3 continued to expand the foreign exports and domestic out-shipments of high-value fruit, vegetable and aquaculture commodities from Mindanao, employing strategic supply chain interventions. A network of partners collaborated with GEM 3 to consolidate the gains of these commodity sectors, and to build on lessons learned in the course of the program. In the process, GEM 3:

- ♦ Helped to increase by 2.6 times the total out-shipments and exports of key Mindanao commodities, from \$30 million in 2008 to \$79 million in 2012.
- ♦ Facilitated \$92.9 million in sales involving Mindanao producers to local and foreign buyers, including \$40.7 million through GEM-assisted participation in trade shows, \$29 million resulting from the GEM-assisted HACCP certification of selected firms and \$23.1 million in exports and domestic out-shipments directly resulting from GEM market facilitation.

To achieve TCEP targets, GEM 3 worked to improve farm production and post-harvest practices to increase yield, reduce losses and enhance quality; strengthened post-harvest management, distribution and consolidation, among other supply chain components; and expanded links between Mindanao producers and domestic and global markets.

GEM elected to work with beneficiary groups and BSOs that showed promise of maximizing the technical assistance and other support received—not only in their respective areas, but in widening spheres of operation and



Producer associations were assisted to grow and market higher-value commodities.

TCEP Key Results

- ♦ GEM 3 assistance tripled the value of out-shipments of targeted vegetable commodities from Mindanao to other regions in the Philippines, from \$3.8 million in 2007 to more than \$12 million in 2012.
- ♦ The value of out-shipments of targeted fruit commodities from Mindanao to domestic markets in Luzon and Visayas more than tripled under GEM 3, from \$3.1 million in 2007 to \$11 million in 2012.
- ♦ A dramatic rise—by more than 7.5 times—was noted in the exports (2007-2012) of selected processed fruit products, which increased from \$1.1 million to \$8.5 million for dried and dehydrated fruit; and from \$400,000 to \$3.2 million for frozen fruit.
- ♦ GEM 3 helped to increase the Mindanao exports of grouper, a high-value aquaculture product, from a baseline value of \$500,000 in 2007 to about \$21 million in 2012.
- ♦ Fifty MNLF communities in central and western Mindanao were provided with pre- and post-harvest facilities, such as grains solar dryers and multi-commodity packing houses, to improve the profitability of their farming and aquaculture activities.
- ♦ Another 129 MNLF communities in the Sulu Archipelago and central Mindanao were assisted in the production and marketing of high-value farm produce and aquaculture products, mostly grouper grown out in fish cages.

influence, as the supply chain technology and systems they established with program assistance evolved and were replicated. A number of beneficiaries assisted under GEM 1 and GEM 2 grew from fledgling organizations into strong partners who will help to ensure that supply chain improvements continue.

Among these partners are NorMinVeggies and MinFruit, which are now spearheading the development of their respective industries at the national level. As GEM 3 ended, both these producer associations had organized Philippines-wide conferences and were working with the Department of Agriculture to share the best practices they developed with GEM assistance, and thereby improve the competitiveness of the fruit and vegetable industries in all Philippine regions.

In addition, GEM selected capable proponents and partners—including BSOs (some of which had been previously assisted under GEM 1 and GEM 2), LGUs, national government agencies, and private firms—that provided counterpart funds and technical support, and would also help sustain the benefits of TCEP assistance over the longer term. Such leveraging ensured that TCEP activities were implemented in the most cost-effective and sustainable manner.

Grower-Entrepreneurs Master the Supply Chain

Associations of growers in Mindanao were assisted to take advantage of the expanding fruit and vegetable supply chain by adopting a farsighted, corporate approach towards production and marketing.

These market-savvy groups are mainly smallhold farmers with limited production areas, such as the Dynamic Vegetable Growers Association based in Tagum, Davao del Norte. Dynamic has 130 members with a vegetable production area totaling just 105 hectares, as well as 200 affiliate growers with about 200 hectares.

Despite its relatively small size, Dynamic is now able to directly deliver an average of eight to 10 metric tons of assorted quality vegetables weekly, all year round, to clients ranging from an international hotel chain to wholesalers in the Visayas region. “Farmers can become entrepreneurs themselves,” said the group’s president, Ray Acain.

Dynamic members credit GEM 3 with giving them technical assistance at critical junctures in their development which led to improved production quality and post-harvest handling, as well as giving them marketing support. In the process, GEM partnered with local government units, the Department of Agriculture (DA) and other agencies in order to maximize this assistance.

A crucial step for Dynamic and other grower groups was learning to diversify and to create economies of scale in order to consistently provide the volumes required by clients. GEM provided training in the practice of commodity clustering, in which groups of farmers focus on cultivating a specific commodity according to strict protocols, following delivery schedules and volume specifications agreed upon by both growers and clients.

“If production and distribution are planned and handled well, vegetables can bring in a big return on investment,” Acain noted. “Consider that the cost of production for a kilo of eggplant is just 5 pesos, while the current farmgate sale price ranges between 20 and 25 pesos per kilo.”

Dynamic’s members in Davao have seen their incomes rise by more than 50 percent from vegetable production and marketing alone, according to Acain. “These are small farmers who have been able to buy their own vehicles, and put their children through college.”

Once they’d hit their stride, the group began marketing their produce further



Upland farmers harvest carrots in Misamis Oriental.

afield. GEM 3 assisted Dynamic in conducting market reconnaissance trips in the Visayas region, where they succeeded in establishing supply agreements with a bulk buyer.

Acain noted that his association’s experience has helped to empower other farmers. “People believe what they can see for themselves,” said Acain. He added that the demonstration farm established by Dynamic in partnership with GEM 3, the DA and other support agencies was a critical factor in bringing more farmers on board as members.

“In the past people were content to simply plant anything, going by the season. Now they are becoming more market-driven, focusing on varieties selected for specific volumes, harvest schedules and shelf life. There’s emphasis on

quality and year-round production planning,” he said.

Dynamic’s members—many of whom had been subsistence farmers—improved their land management, planting systems, and financial planning. “They’ve learned to estimate precisely the costs of each cropping, and to set aside part of their proceeds for the next planting,” Acain said.

There has likewise been a ripple effect on the rural logistics side of the supply chain. “We negotiate with jeepney drivers plying regular routes to serve as our transport system. For a smaller fee [than hired trucks] they pick up and deliver produce left by the roadside at agreed hours, without the farmer having to hire vehicles and spend time waiting to load cargo,” said Acain. “Developing this routine and this level of trust was possible only because of daily production.”

Through the steady improvement of their supply chain skills, grower associations assisted by GEM 3 are helping to bring about a paradigm shift in Mindanao agriculture.

“They’ve become adept at working with different partners, from local governments to wet-market traders and institutional buyers,” said an agriculture specialist. “But they are essentially self-reliant and ‘corporate’ in the way they carefully assess the market before making any investment.”



“Farmers can become entrepreneurs themselves,” says grower Ray Acain.

High-Value Horticulture (TCEP-HVH)

GEM 3 introduced improved farming, post-harvest and handling technologies and market information through 482 commodity-related conferences or training activities. These enhanced the farming, distribution and marketing skills of more than 27,000 farmers and aquaculture producers, including former MNLF combatants.

Production. GEM provided on-site training in Good Agricultural Practices and improved farming technologies, and worked with the DA and grower cooperatives to establish demo farms to encourage diversification and the use of effective growing techniques. With public and private partners, GEM 3 helped to facilitate access to funds in order to provide production, post-harvest, processing, and storage facilities.

Distribution and Consolidation. In partnership with NorMinVeggies, MinFruit and others, GEM 3 engaged growers' associations in the practice of "commodity clustering." Under this arrangement, groups of farmers focus on the production of a specific commodity and schedule their harvests to coincide with shipment schedules agreed upon by buyers and growers. This creates economies of scale and helps growers to negotiate better prices.

Marketing. Activities aimed at expanding sales of Mindanao food commodities included: participation in international and local trade fairs, organizing meetings between Mindanao food exporters and potential clients, referring international and domestic buyers to Mindanao food producers, working with consolidators and exporters to access new markets, conducting market information campaigns, and partnering with government and private sector partners for technical and funding support.

HACCP Certification Assistance Project (TCEP-HCAP)

A constraint to further increasing Mindanao exports was that only a limited number of food processing



Food processing firms were enabled to meet international food quality and safety standards.



GEM worked to expand the export and domestic out-shipment of selected vegetables and fruit commodities.

firms could meet international food quality and safety requirements. A key requirement is certification in HACCP (hazard analysis and critical control point), a systematic, preventive approach to food safety and quality that focuses on limiting potential physical, chemical and biological hazards.

Under HCAP, 27 Mindanao firms with realistic prospects of selling to developed foreign markets were helped to achieve certification. Graduates of the project reported \$29.1 million in additional sales due to certification. These firms play a pivotal role in the food supply chain, as they are based in Mindanao and/or source their raw materials from smallhold farmers in the region.

As Mindanao food processors and exporters expand their markets as a result of being HACCP-certified, this will lead to increased production and the adoption of improved technologies to keep up with the demand for more raw materials. This will also create more livelihood opportunities in rural areas.

GEM 3 shared the cost of hiring authorized HACCP certification consultants to assist the firms in identifying steps they needed to take in order to meet certification standards. Once these steps had been taken, the firms were assisted in carrying out the audits and inspections required to obtain HACCP certification through an internationally recognized certifying agency.

GEM 3 also assisted two food testing laboratories, in General Santos City and Cagayan de Oro City, to acquire certification in ISO 17025, which is an international food safety and quality management system for such testing facilities. ISO 17025 certification paved the way for the possible accreditation of these laboratories as partners of foreign food regulatory agencies, such as the U.S. Food and Drug Administration.



The success of Mindanao food exporters at international trade shows improved livelihood opportunities for producers back home.

Increasing Exports (TCEP-Exports)

GEM 3 provided highly successful international marketing support by facilitating the participation of key producers in trade fairs. GEM 3 assisted more than 125 companies with Mindanao-based operations to participate in eight Manila-based and 33 international trade shows. The DA co-funded and facilitated the participation of the firms, which also shared in the costs. These trade events provided the companies with the opportunity to showcase their world-class food products and gauge the receptivity of target markets.

The 125 assisted companies collectively generated \$40.7 million in sales during these shows (with an additional \$339 million in booked sales and sales under negotiation) and established direct links with foreign companies in the United States, Europe and Asia.

These sales represent initial sales only and do not include additional or continuing orders from new market contacts established through the trade shows. Mindanao products marketed at these events included fresh mango, papaya and pineapple, banana chips, pineapple juice, canned pineapple, fruit mixtures, mango juice and puree, and desiccated coconut.

Seafood products included fresh-chilled and “ultra-frozen” value-added tuna and octopus, as well as canned tuna and sardines.

GEM 3 organized market reconnaissance visits to retail outlets in the cities where the trade fairs took place. These were opportunities for visiting Mindanao producers to familiarize themselves with the sales distribution channels, potential market niches, and packaging and quality standards of specific foreign markets.

TCEP-HCAP

Food Processors See HACCP as Key to Export Markets

More Mindanao food firms, including fruit and seafood processors, are working to qualify for HACCP (Hazard Analysis and Critical Control Point) certification, knowing that this will open doors for them in the international food trade.

“The global market is demanding in terms of food safety,” said Jonathan Godoy, vice president of BG Fruits and Nuts Manufacturing Corp, which exports banana chips. “HACCP is a basic requirement for entering the U.S. and European food markets, for example.”

Jose Mineque of Lao Integrated Farms, which produces coconut-derived vinegars and sugar, said that European buyers had begun expressing interest in their products while the company was in the process of acquiring HACCP certification.

BG Fruits and Lao Integrated farms are among the 27 Mindanao companies assisted by GEM to comply with HACCP’s sanitary and phytosanitary standards.

All small-to-medium enterprises, the companies were given support in developing the systems and procedures needed for HACCP compliance, and in arranging for an audit by an internationally-recognized third-party certifying agency.

The cost of acquiring certification can be substantial, depending on the changes each company has to make. These may include renovating or adding buildings, reconfiguring assembly lines, buying equipment, training workers and introducing documentation and monitoring systems.

“We had to renovate the factory and provide staff training. During the first week, staff had a hard time with the manuals,” Godoy said. “But the result was that each worker’s role is defined more clearly, making production systematic and efficient.”

Despite the relatively large costs involved, certification has proven to be a worthwhile investment. The first 19 companies assisted by GEM reported total cumulative sales of \$29 million, which they directly attributed to being HACCP-certified.

As Mindanao food processors and exporters acquire new customers because of HACCP, growers will increase production to keep up with the demand for more raw materials. This is expected to generate livelihood opportunities in rural areas.

“The cardaba banana from which we make our chips is not a plantation crop, but is grown by small farmers,” said Marilou Fernandez of KF Nutri Foods International, which acquired its certification in 2010. “We’ve had to find more farmer-suppliers in order to meet increased market demand.”

“We plan to establish longer-term contracts with more cooperatives for our supply of bananas,” said Godoy, who reported a substantial increase in sales once the company became HACCP-certified.



HACCP certification proved worthwhile for this dried fruit exporter.

Fishing Co-op Proves Profit and Sustainability Can Go Together

A community association—composed of Muslim and Christian fishermen who once made a living from traditional hook-and-line fishing—now runs a successful farming enterprise producing high-value grouper with the help of environment-friendly technologies.

The Kahugpungan sang mga Gagmayong Mangingisda sa Concepcion (KGMC), in the coastal village of Kabasalan, Zamboanga Sibugay, has also established itself as a distributor of hatchery-bred grouper young in the western Mindanao peninsula, thereby playing a crucial role in the sustainable food production chain.

“Fishing in the wild used to be the main livelihood here,” relates KGMC president Roberto Ballon. The association, realizing that no resource is inexhaustible, ventured into fish farming, initially sourcing its grouper fingerlings from the wild and growing them out in floating cages. The grouper were fed with minced raw fish, also caught in the wild. However, the generally poor quality of this “trash fish” led to an increase in the incidence of disease and high mortality in the grow-out stock.

In 2008, GEM 3 introduced KGMC to more modern and sustainable fish farming methods, which include the use of formulated feeds and hatchery-bred grouper fingerlings. The feeds were more cost-effective, as they provided proper nutrition while reducing disease. Using such feeds also limited the depletion of species used as trash fish.

Employing these sustainable farming technologies, KGMC expanded production to 200 fish cages, which produce around 30 metric tons of grouper annually. While expanding its operations in the Zamboanga peninsula, the association also diversified into fish trading—with much of its farmed grouper sold in Hong Kong and China—and entered into partnerships with other private aquaculture companies. Individual association members saw their incomes increase by about 200 percent in a two-year period.

With GEM 3’s help, the association also initiated a grouper nursery stocked with juveniles they purchased from the Tawi-Tawi High-Value Multi-Species Hatchery established with GEM 2 assistance. The hatchery had increased the availability of grouper young for aquaculture growers, thereby helping to protect fish stocks in the wild.

GEM 3 facilitated the establishment of two more grouper nurseries like that of KGMC, which in the future are expected to continue rearing high-value species to juvenile stage before re-selling them to local fish farmers. KGMC expects to eventually supply the fingerling requirements of about 1,000 farmers.



Roberto Ballon of KGMC: grouper farmer and sustainable food chain supplier

Sustainable Aquaculture and Fisheries Effort (TCEP-SAFE)

GEM 3 provided assistance to the high-value seafood sector to strengthen the competitiveness and sustainability of three of its export industries crucial to Mindanao’s economy: farmed high-value seafood, sardines and tuna.

High-Value Fish Farming. Through TCEP-SAFE, GEM helped to increase exports of selected higher-value seafood commodities such as grouper and abalone. These can be produced through sustainable fish farms, thereby helping to conserve stocks in the wild while providing livelihood opportunities in the remote, underdeveloped Sulu Archipelago and other conflict-affected areas.

A commercial aquaculture hatchery was established in the archipelago under GEM 2. The Tawi-Tawi High-Value Multi-Species Hatchery—the only one of its kind in western Mindanao—is now operated by Mega Fishing Corporation under a GEM 3-facilitated public-

Study Finds Improved Quality of Life, Reduction of Conflict

To help gauge the impact of TCEP assistance, GEM 3 commissioned an independent study by an economist from Ateneo de Davao University. The 2012 survey covered 50 respondents representing a quarter of the 413 growers’ groups (associations, cooperatives or clusters) that had received substantial technical assistance from 2009 to 2011, including farming cooperatives composed of former MNLF combatants and their family members.

- ◆ In terms of their individual incomes, 91 percent of the respondents reported increases resulting from the assistance, with the average annual individual income growth rate from 2009 to 2011 being 38 percent. Total cumulative individual income growth rate for the same period was 75 percent.
- ◆ The great majority of respondents (96 percent) reported that USAID’s assistance improved their over-all quality of life either “moderately” (45 percent) or “strongly” (51 percent).
- ◆ Among the tangible results cited by respondents was their increased ability to support their children’s schooling, buy household appliances and expand their production area.
- ◆ In terms of group incomes, 85 percent of the respondents reported increases for their respective groups, with the average annual income growth rate over three years being 63 percent.
- ◆ Most noted that GEM assistance had been either “helpful” (37 percent) or “extremely helpful” (63 percent) in increasing incomes. Among the factors cited for the substantial rise in group and individual incomes were increases in production, productivity or yield; and better access to markets.
- ◆ An overwhelming majority reported that GEM-TCEP activities contributed “strongly” (66 percent) or “moderately” (30 percent) to enhancing peace and development in their communities.
- ◆ Most said that GEM-TCEP activities helped reduce the incidence of conflict (96 percent); fostered inter-religious cooperation (94 percent) and encouraged stronger participation by growers in local governance activities (88 percent).
- ◆ The survey study noted an 81-percent rise in average annual group production volumes from 2009 to 2011. The cumulative production volume growth rate for the same period was 150 percent. More than half of the respondents reported increases in farm/field employment.

TCEP-FCR Donor Partners

GEM 3 leveraged USAID funding (\$275,000) with funding from international development donors (\$230,000) in order to expand the reach and impact of its assistance to former MNLF combatant cooperatives and communities.

International Fund for Agricultural Development. The GEM Program partnered with the IFAD-funded Western Mindanao Community Initiatives Project.

United Nations Development Program. UNDP's ACT for Peace Programme and GEM 3 collaborated on the construction of 34 post-harvest facilities benefiting more than 2,600 farmers.

Japan International Cooperation Agency. GEM 3 partnered with JICA on two vegetable and cassava production projects in Tawi-Tawi, both implemented through the ARMM Department of Agriculture and Fisheries.

Government of Spain. The Solar Power Technology Support Project funded by the Spanish Government and implemented through the Department of Agrarian Reform worked with GEM to provide an irrigation system, water pipes and other assistance to the 25-member Bakud Mahaba Farmers Association in Tawi-Tawi.

Save the Children. An implementing partner of the USAID-funded Education Quality and Access for Learning and Livelihood Skills (EQuALLS) Program, Save the Children provided fish juveniles and feeds to two GEM livelihood projects benefiting 54 out-of-school youths in Basilan.

Australian Agency for International Development. The AusAID-funded Philippine Australian Community Assistance Programme provided construction materials for the GEM-designed Vegetable Packing Facility benefiting the 139-member Tapucan Farmers Multipurpose Cooperative in Lanao del Sur. GEM provided operations and maintenance training.

European Union and World Food Programme. The EU-funded Early Recovery and Rehabilitation Project in Central Mindanao and the WFP partnered with GEM 3 to assist two MNLF associations in Pikit, North Cotabato, to initiate tilapia and catfish production.

private arrangement with the provincial government. Mega worked with GEM-funded fisheries consultants to advance research and development to boost the hatchery cultivation of abalone and grouper, both of which are in great demand. The hatchery was assisted to initiate the marketing of juveniles of these species to local fish farmers, who grow them out in floating sea cages using environmentally-friendly technology, until the abalone and grouper are large enough for sale to Philippine consumers and Asian export markets.

In 2011, the minimum annual requirement of the Hong Kong and China market for grouper was estimated to be 10,000 metric tons, worth approximately \$350 million. The Mega public-private partnership is expected to contribute to the expansion of local income opportunities beyond the lifespan of the GEM 3 Program, while helping to conserve stocks of key marine species in the wild. GEM also facilitated sales of hatchery-bred juveniles to fish-farming cooperatives composed of former MNLF fighters, in tandem with another GEM 3 team engaged in reintegrating these former combatants (see TCEP-FCR, page 28).



Over a four-year period, GEM 3 assisted the Tawi-Tawi hatchery to initiate and then gradually increase its monthly production of grouper juveniles to 36,000. To supplement the hatchery's production, GEM 3 assisted the government-owned Misamis Occidental Aquamarine Park, in the upper Zamboanga peninsula, in establishing a public-private partnership to rehabilitate its own hatchery. GEM 3 also provided technical advice to other hatcheries to get them to expand into grouper and abalone production.

In response to growing market demand, and to maximize the Tawi-Tawi hatchery, GEM assisted three fish-farming cooperatives to establish nurseries for growing out abalone and grouper larvae into juveniles. This would make market distribution more efficient, help make space available in the Tawi-Tawi hatchery to produce more larvae, and strengthen the sustainability of the industry.

Sardine Production and Exports. GEM 3 continued TCEP-SAFE assistance to the \$70-million sardine fishing and processing industry in Zamboanga City, which provides over 15,000 direct jobs. This assistance focused on helping the industry upgrade production systems to meet international standards. Increasing exports would allow canned sardine producers to meet the rising cost of operations, while helping to keep the retail price within the reach of local consumers. Canned sardines are currently the most accessible source of animal protein for low-income families across the Philippines.

All of Zamboanga's 13 canneries are HACCP-accredited for domestic distribution, but in 2008 only one percent of their canned sardine products was exported. With GEM assistance, the sardine exports of five Zamboanga canneries increased by approximately 100 percent in 2008-2012.

GEM 3 provided technical assistance to major sardine producers in adapting specialized vacuum and suction-pressure pumps for use in its transshipment and offloading operations. Using this system, sardines are "vacuumed" out of the ship's nets at the catch site and pumped directly



Zamboanga sardine processors doubled their exports with GEM assistance.

Becoming Part of the Global Food Chain



ICLAS members are trained in banana production.

The Integrated Cultural Livelihood Assistance Multi-purpose Cooperative (ICLAS-MPC) in Barangay Manili, Carmen, North Cotabato, has about 30 members, most of whom are ex-combatants. Their leader, Hadji Yusop Amella, approached GEM about possible assistance in cardaba banana production. In 2010, GEM

provided co-op members with training and planting materials, and helped them to set up a two-hectare demonstration farm. Their initial harvest of 8,000 kilograms of cardaba fetched about \$950 in local markets.

By plowing back part of their earnings into their banana venture, the co-op was able to gradually expand their planting area to 200 hectares. GEM leveraged resources with UNDP's Act for Peace Programme to provide ICLAS-MPC with a banana consolidation shed, post-harvest tools and a weighing scale.

Other GEM teams worked with the co-op to help market its harvest. TCEP-HVH facilitated a supply agreement—signed at a GEM-initiated marketing congress—under which the co-op would sell its raw banana to the Magpet Agro-Industrial Resources Cooperative (MAGIRCO), which processes the fruit into chips in North Cotabato.

MAGIRCO in turn was helped by GEM to market its semi-processed banana chips to KF Nutri Foods, a Mindanao-based firm that sources the bulk of its raw materials from the region. The group was also assisted through TCEP-Exports to establish links with new global markets.



MAGIRCO processes the banana chips, which it supplies to food processing firms.

KF Nutri Foods was among the Mindanao exhibitor-companies assisted by GEM 3 and the Department of Agriculture to participate in international food shows, including the Anuga trade exhibit in Germany, the world's largest food show, where 14 Mindanao companies generated sales of \$11 million. The bestselling Mindanao products at Anuga and other food shows included desiccated coconut, dried fruit and fruit purées, sardines—and, yes, banana chips—all of which are produced in conflict-affected areas like Carmen, North Cotabato.

Such strategic GEM Business Growth interventions—including collaboration and leveraging between the private sector, government and multiple funding agencies—demonstrated the support of the American people for Mindanao's continuing development by helping to promote economic growth, combatant reintegration and peace across the region.



KF Nutri Foods markets the chips at international food shows.

into holding tanks of chilled water. The new system resulted in more efficient operations and has helped to increase the pre-processing shelf life of the sardines by three to five days, in contrast to the 12-hour shelf life resulting from traditional handling methods.

Boosting Seafood Exports Through Trade Shows. GEM 3 assisted more than 30 seafood companies with Mindanao-based operations to participate in eight Manila-based and 33 international trade shows. The Philippines Department of Agriculture co-funded and facilitated the participation of these Mindanao firms. The 30 seafood companies collectively generated \$50 million in booked sales during these shows and established direct links with more than 200 foreign companies in the United States, Europe and Asia.

Former Combatant Reintegration (TCEP-FCR)

Under GEM 1 and GEM 2, approximately 28,000 former MNLF combatants received technical and production input assistance, enabling them to begin production of hybrid corn, rice or seaweed. In this manner, these ex-fighters were able to make a better life for themselves and their families. About 7,000 of these former combatants were given further assistance in GEM 2 to diversify into the production of higher-value agricultural crops and aquaculture. The Former Combatant Reintegration activity (TCEP-FCR) of GEM 3 assisted 50 communities that include former MNLF combatants in the Sulu Archipelago, and 79 similar communities in central Mindanao, to produce and sell higher-value crops.

Marketing and Exports. As these growers had limited experience in marketing, GEM introduced them to traders and consolidators, and helped them to establish linkages with other growers' associations with whom they could create economies of scale. GEM also facilitated business meetings between ex-MNLF producers and institutional buyers, farm visits by buyers, and trial shipments. TCEP-FCR worked with other GEM teams to engage former combatants in improving Mindanao's competitiveness and expanding its exports. For example, a number of MNLF fish farming cooperatives are sourcing their grouper young from the Tawi-Tawi High-value Multi-Purpose hatchery and raising these grouper for sale to Hong Kong and other Asian markets. MNLF co-ops that improved their banana production with GEM assistance are now supplying banana chip processors that sell to global buyers.

Post-harvest Facilities. GEM 3 provided 50 communities with post-harvest facilities for former combatants-turned-farmers as well as other growers in the community. These include consolidation and storage facilities, live fish transport systems and grain solar dryers. GEM trained beneficiaries to operate and maintain these facilities.

Foundation for the Future

GEM 3 provided 802 education grants totaling \$900,000 to match funds collected by individual PTAs for improving education. It also partnered with 26 universities and colleges to equip students with English-language skills needed for jobs, and collaborated with private firms on internships and scholarships.



According to the Commission on Higher Education, 492 of the country’s 2,180 higher education institutions are in Mindanao, which yearly produce more than 80,000 graduates who could contribute to the region’s economic development.

Through GEM’s Workforce Preparation component, USAID and MinDA sought to provide students with opportunities to acquire pre-employment skills that are vital to doing well in advanced levels of education and in securing employment.

COMPUTER LITERACY AND INTERNET CONNECTION PROJECT (CLIC)

Through its Computer Literacy and Internet Connection (CLIC) Project, the GEM Program partnered with local PTAs and sought the support of leading information technology (IT) firms to provide Mindanao schools—most of them high schools in rural barangays with limited communication infrastructure—with online access. CLIC was initiated under GEM 2 and implemented until March 2010.

The objective was to strengthen classroom learning and instruction, and to bridge the “digital divide” between the students and teachers in these schools and those with greater access to computers and online resources.

The end goal: Helping to prepare Mindanao’s future workforce for a global economy in which information and communication technology skills are of paramount importance.

In the early years of CLIC implementation, students attending school in Mindanao’s conflict-affected areas had little or no access to computers, given the limited IT resources of schools and the relative lack of Internet cafés and privately-owned computers.

By the time CLIC ended, the project had provided all eligible high schools—more than 930 of them—with up to ten computers each, along with Internet connection, computer software, a printer, and peripherals, as well as training for teachers. Parent-teacher associations

Creating a Generation of e-Savvy Students

Students in Jolo, Sulu, gathered in front of a monitor, trawling online for the latest trends in website design. High school seniors in Pikit, North Cotabato, held a video conference with counterparts in North America.

They are among approximately 900,000 students in 933 Mindanao schools who were enabled to mine the limitless resources of the Internet with the help of computers, online connections and teacher training provided through the CLIC Project under GEM 2 and GEM 3.

CLIC was a collaborative effort involving USAID, PTAs and private sector partners to provide Internet-connected computers to schools in Mindanao's conflict-affected areas.

Ken Caballero, a college student, says this assistance factored in her decision to major in information technology (IT). She graduated from Bagumbayan National High School, the first school in her community to have online access—thanks to its partnership with CLIC.

"Dahil sa computers at Internet, hindi na behind ang aming school [Because of these computers and Internet, our school was not left behind]," Caballero said.

Workforce of the Future

Eunice Bascar of Olutanga National High School, in Zamboanga Sibugay, was class valedictorian and later majored in medical laboratory science on scholarship.

She was grateful for the CLIC computers and the IT skills she acquired in her last year in high school. "I can't imagine how I would have coped if I'd still been computer illiterate when I entered college," she said.

About the time that Olutanga became a CLIC partner, more than 80 percent of public schools in the country, including those with computers, had no access to the Internet,



Teachers in CLIC partner schools were given IT training.

according to a study by the United Nations Education, Scientific and Cultural Organization (UNESCO).

Jezreel Tabago, a high school senior from a rural community studying at Lutayan National High School in Isulan, Sultan Kudarat, used to feel uncomfortable interacting with students from city schools.

He knew that his knowledge of computers and the Internet was rudimentary in comparison to theirs.

Things turned around when Lutayan NHS became a CLIC partner school and was provided with seven computers, high-speed Internet connection, a printer, and various reference materials on computers and information technology.

Jezreel soon found himself at ease chatting about the online world at inter-school activities or competitions. He planned to take up computer science in college and become part of the IT industry.

Supplementing Classroom Learning

Andreas Hansen, head of the computer laboratory at Don Pablo Lorenzo Memorial High School in Zamboanga City, said that CLIC not only benefited students but also teachers, more than 5,000 of whom were provided with IT training.

"We could surf the Internet for new teaching strategies, prototype lesson plans and interactive learning sites," said Gay Tolentino, a teacher at Alabel National High School in Sarangani.

Nora Mendoza, a teacher at Notre Dame Village National High School in Cotabato City, recalled that, prior to CLIC, she had no IT skills. "I didn't even know how to turn on a computer, much less use it," she said.

She overcame her fear of hardware with the help of fellow teachers trained through CLIC.

"Learning IT has become addictive. During the long vacation, teachers visit the computer lab every day to build up their skills," said Mendoza, who started teaching special education math classes with the help of CLIC.

Parents as IT Education Champions

The CLIC Project also demonstrated the pivotal role of parents in improving education services. To ensure the



More than 930 schools were provided with computers and internet connections through CLIC.

sustainability of the computer and Internet resources, the school collects a minimal monthly fee through its PTA to cover the Internet subscription, power costs and computer replacements parts.

Consortia Fabila, principal of the high school department of the Zamboanga State College of Marine Science and Technology, a CLIC partner since 2008, said: "PTA members are supportive of projects that will enhance the quality of education. It's not difficult at all to sell them a proposal as long as they know their children will improve as students."

Ernesto Segura, a PTA member at Bagumbayan National High School, believed that providing children with access to IT would have an effect on the local economy. "We need to catch up with more progressive areas in Mindanao," said Segura. "These resources will help our children get good jobs."

Widening Horizons

Ed-Louie Buisan and Mohammed Hussnam Pangadil, both alumni of Notre Dame Village High School, recalled how CLIC revolutionized their learning.

"I became more informed and creative with the help of the Internet," said Buisan, who later studied for a nursing degree, and competed in web design contests.

Pangadil became a finalist in regional IT competitions held by technical schools, and hoped to start his own IT firm someday.

Evelyn Ogang, principal of Wa'an National High School in Davao City, pointed out that the CLIC project has encouraged Mindanao students to pursue their dreams.

"Students are more motivated to pursue higher education. Their outlook towards their future changed in a big way," Ogang said.

(PTAs) committed to paying the continuing cost of Internet connections after the first year and defraying the costs of computer maintenance.

Under GEM 2 and GEM 3, more than 900,000 students and 20,000 teachers benefited from the access to computers and the Internet provided by CLIC. More than 5,000 teachers received specialized training in conjunction with partners such as Microsoft and Intel Corporation.

To ensure that all CLIC partner schools could connect online, satellite dishes were installed in 480 schools located in areas of Mindanao with no or undependable Internet service providers.

Under GEM 3, the CLIC Project obtained more than \$1.3 million worth of goods and services from external sources, including PTAs and its corporate partners.



CLIC bridged the digital divide in Mindanao.

EDUCATION MATCHING GRANT PROJECT (EMGP)

The Education Matching Grant Project (EMGP) was designed to mobilize local and parental support to address the lack of educational resources available at specific schools and to increase public awareness of the problems facing education in ARMM and other conflict-affected areas of Mindanao.

The major project activity under GEM 2 and GEM 3 was the awarding of “education matching grants” to PTAs. These grants matched, dollar for dollar, the funds that PTAs raised for the implementation of specific activities or projects to improve educational services or programs at their respective schools.

EMGP grants were used to establish or improve school libraries, science laboratories, computer laboratories, home economics rooms and multimedia resource centers, depending on each school’s needs and priorities.

Some 802 education matching grants were awarded by USAID through GEM to 581 elementary and high schools, with some schools receiving multiple grants. This amount matched the total funds raised by PTAs, which proved to be effective grassroots fundraising organizations committed to their children’s education.

This brings the GEM 2 and GEM 3 combined total to 1,348 matching grants that were provided to 1,081 schools in partnership with each school’s PTA.



PTAs established mini libraries with EMGP grants.

CLIC

Study Finds IT Literacy was Strengthened in High Schools

At the request of USAID, a study was conducted by the Institute of Socio-Economic Development Initiatives (ISFI) of Ateneo de Davao University to assess the impact of CLIC. Statistical and thematic analyses of the data collected by ISFI indicate that:

- ◆ Students at CLIC recipient schools appeared to do better than students at other schools in terms of cohort survival rate and mean percentage scores of students taking the National Scholastic Aptitude Test.
- ◆ Administrators in CLIC schools said they observed positive changes in students’ attitudes towards learning, as well as in teachers’ performance: CLIC helped to improve the quality of instruction and make administrative work more efficient.
- ◆ Teachers used the Internet to find new materials for integration into classroom instruction and to develop more creative and visually attractive learning materials.
- ◆ Parents of students enrolled at CLIC schools said that the computer and Internet resources had kindled their children’s resourcefulness, creativity and competitiveness. CLIC also boosted competency in conducting research and school projects, making new friends through social networking sites and identifying college scholarship programs.
- ◆ CLIC helped to forge stronger working partnerships between schools and PTAs.
- ◆ More than half of the key informants interviewed for the study expressed appreciation of the partnership between the U.S. and Philippine governments in bringing the computer resources to their communities; the two governments were seen as working together to bring quality education to poor and conflict-affected communities in Mindanao.

EMGP

“Buy-In” by PTAs

According to an independent study, the involvement of PTAs as EMGP funding partners proved particularly effective in encouraging community participation:

While all GEM projects require some degree of community stake in the project, the required stake is larger in [EMGP] projects, as community organizations must present a detailed, viable plan and provide half of the funding before the project can move forward. It would seem that these projects would be the ones that are most strongly desired, possibly explaining their greater impact. The buy-in requirements may force the community group to plan, organize and raise revenue in order to earn a matching grant for their school.

—Seth Bodnar and Jeremy Gwinn, in “Monetary Ammunition” In a Counterinsurgency (U.S. Army War College, Autumn 2010)

Sulu Archipelago PTAs Prove to be Stellar Fundraisers

Parent-teacher associations in the Sulu Archipelago island-provinces, which are among the most remote and underdeveloped areas in the country, emerged as top fundraisers for the improvement of education services in their schools.

Partnering with the GEM Program, the PTAs of the following schools raised about \$5,700 each to improve the quality of their children's education: Mahardika Institute of Technology High School Department in Bongao, Tawi-Tawi; Claret School of Lamitan, in Basilan; and Notre Dame of Jolo High School in Sulu.

These funds were matched, peso for peso, by GEM through its Education Matching Grant Project (EMGP).

"Without the microscopes, computers and other items acquired with the help of the matching grant, our students would be less equipped for higher education," said Sister Sulpicia Wate of the Claret school, which has roughly equal numbers of Muslim and Christian students.

"Our students are hungry for technology," said Mary Aileen Papa, a guidance counselor at Notre Dame of Jolo. Now that they had the right laboratory equipment, she said, the students felt ready to compete at the tertiary level.

"Opportunities to get specific items needed in our school laboratories are few and far between, so parents are eager to help raise funds to get this done," said Gemma Ladjahan, principal of the Mahardika high school.

Ladjahan added: "The parents are market vendors and seaweed growers with low incomes, but they want to equip their children with a good foundation so they can go on to higher education and get good jobs."

Tiaksa Sumayang, an ethnic Sama resident in Bongao, said that she and her husband, a tricycle driver, helped raise PTA funds because they wanted their son to learn as much as he could and to finish school.

A total of 1,348 education matching grants were provided to benefit 1,081 schools across Mindanao—184 of them in the three Sulu Archipelago provinces—whose PTAs collectively raised the peso equivalent of about \$250,000.

The success of the Sulu Archipelago fundraisers is even more impressive when one considers that these provinces are among the worst off in the Human Development Index rankings of the Philippine Human Development Report, which covers the country's 77 provinces and Metro Manila.

Tawi-Tawi, Sulu and Basilan are among the five provinces ranked lowest in terms of life expectancy, school enrolment, literacy and income.



Manukmangkaw students receive the computers and home economics equipment.

Some educators, like Sister Sulpicia, believe that widespread poverty and lack of security impel parents and teachers to boost their children's education in whatever way they can.

"Parents tell me, 'We don't want our children to be like us.' They see education as a way out of poverty and violence," Sister Sulpicia said.

Although a private institution, Claret annually enrolls about 500 students who can't be accommodated in the overcrowded public high school system, through a special arrangement with the Department of Education. The total student population is about 1,500.

Claret PTA president Jose Regalado said that the alumni association provided funding support for the matching grant, as did the students themselves, who raised money through math and science club sales, and by recycling bottles.

Sister Sulpicia pointed out that high transport costs compound the difficulty of island schools in getting educational equipment and supplies.

An EMGP coordinator described the complicated delivery of school equipment—including computers, a printer, an electric generator, sewing machines and other home economics equipment—to a school in Manukmangkaw, Tawi-Tawi: "In Zamboanga City, we loaded the boxes onto a ferry, which takes 20 hours to get to Bongao, followed by a round-trip boat ride to fetch the generator in Sitangkay, four hours away, and finally a two-hour trip by banca [pumpboat] to the school," he said.

PTA members lent their own boats to carry matching grant shipments on the last leg of the journey to outlying communities, he said,

adding, "It seems that all possible forms of transport have been used to make EMGP deliveries—jeepneys, horses, *habal-habal* [motorcycles] and even *kalabaw* [water buffalo] sleds."

He noted: "In these remote places, parents are more appreciative of the matching grant project, compared with areas which have better access to services and supplies."

"The main problem here in Sulu is the peace and order situation, with many young people drawn into unpeaceful acts," said Mary Aileen Papa. "But education can transform the way they think and give them the ability to create a new reality."

This perception was echoed by Regalado in Basilan: "These PTAs want their children to have good values, think clearly, and do well in life. And the best way to ensure this is to give them a good education."



PTA members and students help unload an EMGP delivery at Manukmangkaw, Tawi-Tawi.

The average grant awarded was approximately \$1,000. More than 600,000 elementary and high school students are estimated to have benefited from the resources provided through these grants.

JOB ENABLING ENGLISH PROFICIENCY (JEEP) PROJECT

The Job Enabling English Proficiency (JEEP) Project was designed to help graduates of Mindanao colleges and universities compete successfully for jobs that require a high level of English proficiency in specific sectors. In the case of JEEP, this was English for employment in the expanding fields of travel and tourism, nursing and allied health services, and maritime services.

JEEP also enhanced the English language training capabilities of participating colleges, thus increasing the likelihood that their graduating students would have the general English language skills needed for productive employment.

The focus of the project was on results: substantial gains in English proficiency leading to a significantly greater number of Mindanao graduates obtaining well-paying jobs.

JEEP was a two-year program of instruction. The first year, known as “JEEP-Start,” was designed to develop advanced General English skills. JEEP-Start emphasized computer-assisted instruction, supplemented by classroom extension activities.

This was followed by the second part of the program, known as JEEP-Accelerate, which utilized mixed-mode instruction—a classroom-based speech lab and Internet-based learning, combined with extensive large and small group activities, focusing on English for Specific Purposes. JEEP-Accelerate prepared students to pass international and locally-developed English exams that are often prerequisites to employment. It also prepared students to field job interviews.

By the end of GEM 3, JEEP had been implemented by 26 colleges and universities in Mindanao. Approximately 55,000 students passed through the program from its inception in June 2009.

PRODUCTIVE INTERNSHIPS IN DYNAMIC ENTERPRISES (PRIDE)

Through its Productive Internships in Dynamic Enterprises (PRIDE) project, GEM 3 partnered with corporations in Manila and other commercial hubs to provide managerial and technical internships to promising graduates from underdeveloped and conflict-affected areas of Mindanao. A PRIDE internship gave them the



JEEP provided college students with the English language skills required in key industries.

opportunity to gain corporate experience in their chosen field and to strengthen their credentials.

The internship was also aimed at increasing awareness in participating corporations, and in the business world at large, of the skilled pool of potential employees available in Mindanao—and of its positive implications for business expansion in the region. PRIDE helped to raise awareness among young people in Mindanao of the range of employment opportunities potentially available to them in domestic and multinational companies.

A total of 100 graduates from Mindanao were placed in 27 of the Philippines’ top corporations for three- to six-month PRIDE internships, in the fields of banking, logistics, risk management, engineering and international food service, among others.

Companies that partnered with GEM 3 to implement PRIDE include KFC, Maybank Philippines, Globe Telecoms, RCG Information Technology, Interphil Laboratories, and the Bistro Group, which operates more than forty restaurants in the national capital region alone.

They helped to address the dilemma of college graduates who were unable to find jobs commensurate with their skills in Mindanao, even as many corporations remained unaware of the extent and quality of the region’s workforce.

After successfully completing their engagement with these companies, many of the interns were hired for full-time, career-track positions by their host companies.



PRIDE intern in a pharmaceutical firm

College Students Rev Up for Careers in Key Industries

The situation appeared dire: The Australian Maritime Agency had reported that a massive ice floe was floating off the coast, directly in the sailing path of several seacraft. The captain ordered the third mates to provide an update.

“We’ve located the ice mass approximately 30 nautical miles to starboard, captain,” the officer said, in crisp, assured English.” It poses no immediate threat to the ship.”

“Good work,” the captain said. “Continue to monitor the situation.” The third mate saluted smartly.

This exchange took place not on a ship’s bridge, but in the speech laboratory of Capitol University in Cagayan de Oro, where the “captain” and “third mate”—and three dozen other maritime cadets—were engaged in role-playing as part of their undergraduate training under GEM’s Job Enabling English Proficiency (JEEP) Project.

The JEEP training program was designed to prepare selected students in Mindanao colleges to compete successfully for jobs that require a high degree of English proficiency, in sectors such as health care, travel and tourism, and maritime services.

“I see myself a few years from now serving on a ship,” said Tristan Densing, a Capitol University student majoring in maritime transportation. “Many Filipinos seem afraid to talk because they might be criticized for the way they speak English. But with JEEP skills I will be able to mingle with foreigners and make myself understood.”

“The students know that the way to get on a career track is to complete their degree, pass



JEEP prepared future Mindanao workers to do well in maritime services, travel and tourism, and health services.

the exams, and make it through the interviews in English,” said Casimiro Juarez Jr., president of Capitol University. “Once they’ve done that, they’re on the career ladder—they’ve got it made.”

A study conducted by the GEM Program in 2009 noted that the current English curriculum for college students comprises only five percent of their total degree requirements, and was confined to the first two years of degree study.

The report added: “In the vast majority of cases, students have no English training at all in their third and fourth years of study, at the very time when they should be accelerating their skills development towards gaining employment upon graduation.”

The GEM study cited an independent assessment by Filipino specialists which noted that most English-language students typically spend only 10 percent of their time actually practicing spoken English, whereas this figure should be 80 to 90 percent.

“In a sense, they are learning about how to play the piano but are only occasionally putting their hands on the keyboard,” the GEM report said. “This

particularly affects their ability in speaking and listening, the very skills they will need for employment.”

“It’s different from other English courses because we use computers to practice our fluency,” said Christine Gallego, a business administration major at Bukidnon State College who hoped to find work in the international hotel industry. “Native speakers ‘talk’ to me and correct my pronunciation through the interactive programs.”

The training conducted in the speech laboratory includes extemporaneous speaking, role playing and small group discussions, among others.

“[We’re] a small school with 1,200 students, but we felt strongly that we should partner with the GEM Program in setting up JEEP here, with all the requirements and pressures that would entail,” said Dr. Elpidio Bautista, president of Misamis Oriental State College of Agricultural Technology.

“All of our students are from the countryside, and they need the advantage of such elective training programs in order to get ahead. They themselves know this,” Bautista added.

“There is demand worldwide for 30 to 50 thousand qualified merchant marine officers who have the requisite basic skills—and the ability to communicate,” said Juarez. “Our students know they need competency in English in order to be marketable in that field.”



Recording a simulated job interview.

Business Interns Highlight Mindanao's Labor Potential

Louie John Salda, a hotel and restaurant management graduate from Tacurong, Sultan Kudarat, knew that he had the drive and the skills for a sales and marketing career, but that such corporate jobs were scarce in his home region.

Norhaid Kubon, a feisty CPA who had graduated cum laude from Mindanao State University, yearned to gain wider exposure in the corporate world.

In just six months, both Salda and Kubon found themselves launched on the careers they had dreamed of, through the GEM Productive Internships in Dynamic Enterprises (PRIDE) project, which provided managerial and technical internships of three to six months to selected graduates from Mindanao universities.

"My PRIDE experience was a great opportunity to show what I could do," said Norhaid Kubon, whose internship at a sister company of We Are IT Philippines, Inc., a satellite services provider, encompassed training and supervisory roles. "I was involved in ISO implementation, and helped design and set up the company's automated accounting system."

Jocelyn Villasenor, head of Maybank's human resource services center, found the PRIDE interns who had been assigned to the bank's Makati office "skilled and seriously dedicated to their work," and able to blend well with Maybank employees from other cultures and religions.

"Before PRIDE we never even thought of hiring from Mindanao," Villasenor said. "The internship has given these 'hidden' skilled workers an opportunity to shine and be recognized."

Looking back on his six months' internship at Maybank, engineer Abdul Hamid Batugan said: "PRIDE sharpened my thinking and my skills. I learned something from every assignment I was given."



PRIDE intern Louie John Salda (2nd from right) meets Mission Director Steele.

Kubon, Batugan and some other interns said that Mindanao graduates have encountered discrimination in the job market. "Some people underestimate the abilities of those coming from Mindanao, which they think of as a backward or violent place, but then their impressions change when we show what we can do," said Batugan.

"People used to see my region as chaotic," said Louie John Salda, "But I do my best to let them know that Tacurong is diverse, progressive and has wonderful, skilled people—and a lot of tourism potential."

Con Ayroso, engineering and technical manager of We Are IT, reported that the company had recently hired Carlo Jay Bagundang, another PRIDE intern.

"Jay went on a month-long field assignment in Mindanao," said Ayroso. "I felt confident about the deployment because of his good customer service skills, ability to blend in with the locals and familiarity with the area."

Joylyn Gamiao, chair of the hotel and restaurant management department at Sultan Kudarat State University, from which Louie John Salda graduated, said that she had received positive feedback from international recruiting firms that have engaged students from her university for on-the-job training in Singapore hotels.

"They've noticed that Mindanao graduates—from state universities and from families with average incomes—are competitive in terms of skills, knowledge and ability to communicate," Gamiao said. "They're eager to do the job."

This was echoed by Mary Ann Santiago, a manager for the Bistro Group, which was expanding its operations in Mindanao and provided management training to 15 PRIDE interns, covering all aspects of operations. "The PRIDE interns are flexible and open to learning," said Santiago.

Some, like Norhaid Kubon, are fulfilling their career dreams in the national capital. Others plan to put their talents and qualifications to good use in their home region, and to play a part in its economic growth.

"PRIDE is helping to enlighten the business world regarding the potential of Mindanao," said Batugan, who after his internship became a full-time Maybank employee, overseeing the construction of branch offices nationwide—including new branches in Mindanao.

"They're learning that it's not only Luzon and Visayas that produce talented people. There are also people like that in Mindanao," he said.



Interns were immersed in the fields of engineering, international food service, banking and information technology, among others.

INVESTS

New Mining Engineers Look Forward to Developing Industry

Fourteen new mining engineers are intent on helping the mining industry develop in a socially and environmentally responsible manner, particularly in their home region of Mindanao.

"We of course want mining operations to be properly planned and managed, with environmental protection and safety in mind," said Jamil Matanog, from Cotabato City. "Because we are from Mindanao ourselves, our concern for the industry there is doubled."

Thirteen of the students were provided full scholarship support through INVESTS, while two were assisted by GEM to obtain financial help from mining companies Tribal Mining and Philex.

Most of the graduates, all of whom are from conflict-affected areas of Mindanao, obtained their degrees from Palawan State University and the Cebu Institute of Technology (CIT). One scholar completed his degree at the University of the Philippines in Diliman.

Mining engineering is a relatively unknown academic field in the Philippines, and the industry requires at least a hundred new mining engineers per year. In 2011, 32 graduates passed the national board examination for mining engineers. In 2010, only 22 graduates made it.

Within months of completing their mining engineering degrees, 14 of the 15 INVESTS scholars pursued and passed the licensure examination and secured full-time, career-track employment in reputable mining companies in Mindanao and the Visayas region.

"The companies contact me directly asking for fresh graduates, due to demand," said Engr. Osita Catipay, who chairs the CIT mining engineering department.

Abdulaziz Dimasar, who graduated in 2011 from CIT and is now working at a copper mining firm, began his new job just two weeks after graduation.

"If you can find work in the Philippines that will allow you to help your family then you don't have to work abroad," said Dimasar, who is from Marawi City and has twelve siblings. He plans to pursue a master's degree in environmental management.

"Mining engineers need such skills so that they can foresee the impact of mining projects and they can design preventive measures and solutions for any negative effects," he said.

Some of the INVESTS scholars did primary research on the perceptions of host communities in mining areas.

"As I gathered field data, I saw that they were open to mining because of the livelihood it provides and other economic benefits. They could see stores and other new businesses going up," said Matanog, who considers the research project with communities the highlight of his college years. He hopes to work in project planning and design.

"By incorporating environmental protection and social responsibility right from the start, you lessen the need to backtrack and come up with mitigation measures later on," he added.



INVESTS scholars completed engineering degrees and job internships in Cebu.

INVESTMENTS IN VOCATIONAL, ELEMENTARY, SECONDARY AND TERTIARY STUDIES (INVESTS)

Through its Investments in Vocational, Elementary, Secondary and Tertiary Studies (INVESTS) Project, GEM 3 provided scholarships to selected young people from conflict-affected areas of Mindanao.

Among those provided with INVESTS support were: high school students who were able to continue their schooling through a partnership between GEM and their PTAs, which defrayed about 60 percent of the students' school-related expenses; women in conflict-affected areas of Lanao del Sur and Lanao del Norte, who were able to complete medical transcription courses through a partnership between GEM and Mindanao State University-Iligan Institute of Technology; and vocational instructors, who acquired training certification for in-demand skills such as refrigeration and air conditioning maintenance, consumer electronics servicing, commercial cooking, and automotive care.

At the tertiary level, INVESTS focused on students interested in pursuing non-traditional, high-demand careers. One such career is mining engineering. The mining industry holds promise for Mindanao and its development, and is projected to continue expanding at a significant pace, in an environmentally sound and socially acceptable manner. It is also a field in which Mindanao graduates from conflict-affected areas are under-represented.

GEM worked with four Mindanao universities to identify high-potential students interested in transferring into a mining engineering curriculum. These universities worked closely with three universities identified by GEM in Cebu, Palawan and Manila to facilitate the admission of these students into their mining engineering programs. INVESTS provided full scholarship support to 13 students and assisted two others to obtain financial help from two mining companies in pursuing the five-year BS in Mining Engineering degree.

All 15 students, two of them women, completed the program. Fourteen of them then pursued and passed the national board examination and became fully-fledged mining engineers. One of the women, Haiza Pigkaulan, ranked third among the top ten examinees.

Mining engineering scholars graduate from Palawan State University.



Empowering Local Governments and Young Leaders

Congressional internships provided training in policy formulation and the legislative process, creating a nucleus of young leaders committed to democracy and good governance. Twelve municipalities were assisted to significantly raise locally-sourced revenues in order to improve their delivery of services to constituents.



Strong social and political institutions are needed in Mindanao to sustain and nurture peace, and ensure that the benefits of economic progress are maximized and distributed more widely. Such strong institutions can emerge only through the efforts of committed, responsible citizens with the capability to help ensure principled, effective governance.

The need to ensure transparency, efficiency and accountability was implicit in GEM Program transactions and activities involving its many public and private partners. At the grassroots level, partnering with GEM on infrastructure projects served as training on how to plan government development projects and budgets, comply with counterpart commitments, and focus on services to constituents.

GEM also engaged in activities that were more directly aimed at improving governance. In GEM 2, these focused on technical assistance to various offices of the ARMM Regional Government, as well as the design and implementation of the Congressional Internship Program for Young Mindanao Leaders (CIPYML), which was continued under GEM 3.

Through the Revenue Enhancement and Progress (REAP) Project introduced in GEM 3, USAID in partnership with MinDA, assisted selected Mindanao municipal governments in improving their generation of local revenue.



CONGRESSIONAL INTERNSHIP PROGRAM FOR YOUNG MINDANAO LEADERS

CIPYML sought to improve governance in the ARMM by creating a nucleus of promising young leaders committed to the creation and sustainability of democratic institutions.

The internship program was managed by GEM and implemented in partnership with the Philippine House of Representatives and, in the latter part of the Program, with the Philippine Senate as well. Each internship cycle took about four months to complete.

CIPYML interns were recent graduates of colleges and universities in the ARMM and other conflict-affected areas in Mindanao. The internship had two components: academic and applied learning.

During the academic phase, which included a three-week introductory governance course at the Mindanao State University in Marawi and a two-week course on Public Policy Development and Advocacy at the University of the Philippines National College of Public Administration and Governance, interns studied theories of democratic governance; practical skills and techniques for public policy analysis; and selected models and principles of governance, leadership and management.

The applied learning component for the Congressional internship consisted of a thirteen-week internship at the Philippine House of Representatives, where the interns attended congressional hearings, attended House and Senate sessions, and worked with congressional committees and departments of the House and in the offices of congressional representatives. There they assisted in policy formulation, research, and preparation of legislation.

CIPYML ran for 13 cycles in GEM 2 and GEM 3, during which a total of 325 interns, of whom 163 were women, completed the project. The interns' experience in preparing reports, engaging in policy studies, and drafting legislation, in addition to their close interaction with members of the House of Representatives, prepared them to become advocates for their regions.

Subsequently, a number of CIPYML graduates were employed by the ARMM regional government, by MinDA, by donor-funded programs in the ARMM, and by planning and development offices in different provinces. Others took up careers in the private sector; or pursued law or other professional degrees.

Through the CIPYML Alumni Association that they created themselves, interns continue to network, share ideas and programs, and increase their involvement in governance-related activities in their home region.

While based at the House of Representatives, CIPYML interns gained hands-on experience in policy research and formulation.



Young Mindanao Leaders Broaden Their Worldview

For twenty-seven young men and women from Mindanao, being part of the select audience at an open forum with U.S.

Secretary of State Hillary Clinton during her visit to the Philippines was more than a rare opportunity to come face to face with a world leader.

The encounter capped an intensive four-month internship in the Philippines' House of Representatives, during which they had gained hands-on experience in public policy formulation and the workings of democratic government.

"Secretary Clinton said that in order to meet the expectations of the people one has to be really strong, and that struck me," said Charmaine Sali, 24, one of those who had just completed the 12th cycle of the Congressional Internship Program for Young Mindanao Leaders (CIPYML).

"In CIPYML I learned that in public service you come up against all kinds of different mindsets, so you have to be able to take a stand," said Sali, a certified engineer from Sarangani who worked on renewable energy policy during the internship.

The internship project, which spanned the tenure of three Speakers of the House of Representatives and three U.S. Ambassadors, provided solid, hands-on experience in policy analysis and project development to promising young college graduates from Mindanao.

"It's eye-opening, [showing] how the real world works," said Roqayah Dimasangka, from Lanao del Sur Province. "Our exposure trips and talks with government officials helped me to understand what a leader should and shouldn't be."

The rigorous internship has strengthened "awareness of and respect for democratic procedure, while affording members of Congress a valuable opportunity to learn more about some of Mindanao's concerns," said U.S. Ambassador Harry K. Thomas Jr. at a CIPYML completion ceremony.

In his address, the Philippines' House Speaker Feliciano Belmonte reminded the interns that as young leaders selected for the four-month program, they were "privileged in education and experience." He added: "Upon your shoulders, therefore, rests a duty of upholding democracy as a way of life."

The CIPYML experience is also an opportunity for interns to broaden their view of themselves as Mindanaoans, as Filipinos, and as global citizens.

"It made me more innovative about contributing to society even outside the southern Philippines," said Zarah Kathleen Alih, who is from Tawi-Tawi and later worked with a Jesuit humanitarian group aiding refugees in Thailand.

For many interns, the shift in worldview begins with their interaction with CIPYML "batchmates."

"We may deny it [to non-Mindanaoans], but tribal and cultural affiliations are like invisible walls among us. CIPYML helped us to overcome these differences through the friendships we built up in our time together," said Sittie Sheirina Benito, who served as a legislative aide in Maasim, Sarangani Province, after her internship.



CIPYML intern Charmaine Joyce Sali

"Through CIPYML I learned to see other people's perspectives," said Abdulhamid Alawi Jr., from Marawi City, "and how we can be of help anywhere, anytime."

"It taught me that when a small group of determined people get together, great things can be done," said Allyson Banga-an, from Maguindanao Province.

During her Manila visit, Secretary Clinton thanked the interns and other young people at the open forum. She urged them to help the Philippines, and to create jobs and opportunities for its citizens, adding: "My hope is that I'll come back in ten years, and then ten years after that, and see so many positive changes because this generation of young Filipinos has really made a difference."

Reflecting on the U.S. Secretary of State's words, intern Charmaine Sali said: "It has to start with us developing good habits and good work ethics as individuals, in order to be strong and united enough to bring about real change."

Speaker Feliciano Belmonte, Jr. of the Philippine House of Representatives, U.S. Ambassador Harry K. Thomas, Jr. and USAID Mission Director Gloria D. Steele addressed the interns at the completion ceremony of the 12th CIPYML cycle.



New Wind in ARMM

CIPYML Graduates Help Drive Governance Reform

In 2012, in the Autonomous Region in Muslim Mindanao (ARMM), a quiet reform movement aimed at fostering more transparent governance, took advantage of the technical skills and policy know-how of a new generation of leaders who had undergone the Congressional Internship Program for Young Mindanao Leaders (CIPMYL).

What they had in common, apart from their origins in ARMM and adjacent areas, and their relative youth—most were below 30—was their exposure to the inner workings of Congress and unusual hands-on experience in the process of policymaking, which they obtained as CIPYML interns.

ARMM In-Charge Regional Governor Mujiv Hataman was a party list representative when he first heard of CIPMYL. “I noticed how output-driven and idealistic these interns were,” recalls Hataman.

“Before CIPYML I had no clear idea of how government worked in Mindanao or how to create sound policies from the bottom up,” said former intern Norkhalila Mambuay-Campong.

Following their internships, alumni returned to Mindanao to resume their careers, pursue new career directions or enroll in graduate programs. Mambuay-Campong, among others, joined a civil society movement lobbying for governance reform.

“I made use of everything I learned during CIPYML,” she said. “Among other things, the internship had also trained us how to advocate effectively and hold legislators’ attention.”

When President Aquino appointed Governor Hataman in 2011 to reform ARMM governance and ensure clean elections in 2013, CIPYML alumni sensed that a new wind was blowing through the autonomous region—and that the skills they had



Norkhalila Mambuay-Campong

developed through their internship were uniquely suited to serve the new administration’s goals of openness and accountability.

“We may not always agree with each other, but we have in common a mature understanding of how government works, and this developed out of CIPYML,” said Mambuay-Campong, who was appointed ARMM Regional Cabinet Secretary, the first woman to hold this key position.

“We’re on the same wavelength, and so can get things done quickly,” said Bangsamoro Youth Affairs Director Hanie Bud.

“I wanted to play a part in the reforms being instituted,” said former intern Ahmad Guro, who as a Cabinet executive assistant helped to organize ARMM Cabinet meetings, among other duties.

Close to a dozen CIPYML alumni held posts in the regional government.

“I met them all through CIPYML, and I consider them assets,” said Governor Hataman. “They give their best shot in both familiar and new situations, they are articulate, and they learn fast.”

These alumni regularly called on other ex-interns to volunteer and provide services—pro bono more often than not—to the regional government, particularly in holding consultations with different sectors.

“*Hindi kami nagku-kwenta* [we don’t spare efforts to get things done],” Guro noted.

“What we learned in CIPYML is particularly useful in generating and managing policy, working from national and region levels down to the barangay,” said Nor Ayn Makakena, a community development specialist.

A linchpin of the current ARMM administration is its commitment to the Open Government Partnership (OGP), a multilateral initiative that has attracted at least 55 partner-countries since its formal launch in September 2011.

Among the eight founding countries of OGP, the Philippines had the first regional government—in ARMM—that followed the national government in committing to fulfill the OGP aims of promoting transparency, empowering citizens, fighting corruption and harnessing new technologies to strengthen governance.

CIPYML alumnus Abdelnur Campong, an information technology specialist, was tasked with revamping the ARMM government’s website to make it more interactive and to ensure that it includes budget allocations and laws enacted by the regional legislative assembly.



Hanie Bud (foreground), with Jehan Alangca (left) and Nor Ayn Makakena.

“It’s still a work in progress, but we’ve already had positive feedback on the laws we’ve uploaded,” said Campong, who is married to Norkhalila.

“People can call the attention of government to things that need to be attended to,” said Director Bud. “You can now see democracy working at the regional level.”

Ex-intern Jehan Alangca, who has helped to draft ARMM education policy and served as a legal officer with the Office of the Attorney-General in the region, said that reforms were being put into place to prevent officials from abusing their positions and to encourage diversity.

She and other CIPYML alumni observed that more people were entering government based on their skills and experience, and not on “traditional affinities”—referring to the ethno-linguistic and clan ties that often dominate regional politics.

Mambuay-Campong says: “I’m a Maranao, the chief of staff—who is also a woman—is a Maranao-Tausug, and the executive secretary is from Maguindanao.”

“The thinking before was that men and elders, or the rich and powerful, should always take the lead. CIPYML has helped break through those stereotypes, including the belief that the youth are not interested in government,” said Campong.

The CIPYML alumni were aware that the next ARMM regional elections would be held in May 2013, simultaneous with the midterm polls, which gave the transitional government less than a year in which to institute its reform programs.

“The time frame is a driving factor, so we don’t waste time,” said Mambuay-Campong.

“I’ve seen more changes in the ARMM regional government in the last six months than in the last 20 years, and every day I feel I am making a difference,” she added. “And even if one is no longer working in government, one can still support reform.”

REVENUE ENHANCEMENT AND PROGRESS

Through the REAP Project, twelve local government units in conflict-affected areas were provided with technical assistance to help them improve their collection of locally-generated (or own-source) revenue.

Approximately 65 percent of the municipalities in the Philippines, including municipalities throughout Mindanao, rely on annual block grants from the national government for more than 90 percent of the revenue they require in order to provide services to their constituents.

Given the relatively limited amounts of funds available for distribution, the national government grants, referred to as Internal Revenue Allotments, or IRAs, are invariably insufficient to allow the local governments to provide all needed or expected services.

The Philippines' Local Government Code (Republic Act No. 7160) does empower and authorize municipalities and other local governments to generate their own revenue. Potential local revenue streams identified by the Code include taxes on ownership transfers of real property, business permit and license fees, and charges for the use of public water and power utilities, among others. However, very few municipalities take advantage of this opportunity to obtain the additional revenue they need to provide the services.

In ARMM, three out of every five municipalities derived less than one percent of their total incomes from the collection of own-source revenues during the period 2002-2006. In other conflict-affected areas, 65 percent of municipalities derived less than 10 percent of their total incomes from own-source revenues for the same period.

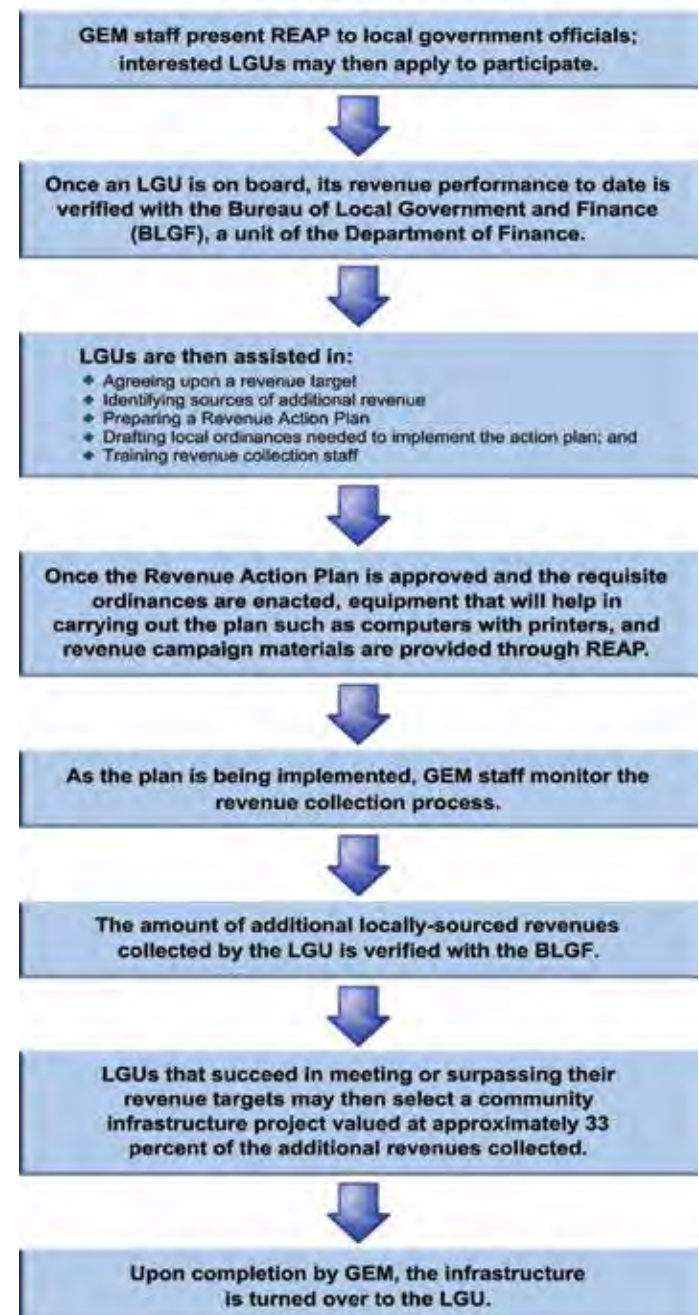
As a means of encouraging and assisting local governments in the ARMM and neighboring provinces to take the difficult step of trying to substantially increase their

revenue availability, the GEM Program developed and implemented the REAP Project.

REAP was an incentive-based project that provided local governments with “rewards” for the achievement of key milestones in increasing locally-generated revenue.

LGUs participating in the project committed to meeting a predefined local collection growth rate. Once a local government met the agreed target, GEM matched the revenue increase on a .50:1.00 basis, then used this to fund a community infrastructure project selected from a list of eligible project types, with construction of the project being implemented under the GEM Barangay

The REAP Process



REAP incentives consisted of infrastructure projects.

Even Small LGUs Can Gain Public Support to Boost Local Revenues

With the help of the REAP Project, the small, third-class municipality of Dumingag (pop. 46,000) attained a revenue collection rate most cities would envy: funds generated from local sources in its initial year of REAP participation jumped from PhP5.74 million in 2008 to PhP12.77 million in 2009, a dramatic 276-percent year-on-year increase.



A Dumingag tax collector does his rounds.

The locally-generated revenue was used to improve the services and facilities provided to residents.

Dumingag and other municipalities have demonstrated that LGUs need not depend solely on their Internal Revenue Allotments from the national government, and can in fact implement successful programs to increase their incomes from local sources.

“They can learn to reduce their reliance on IRA and instead focus on increasing their collection efficiency,” says Dumingag Municipal Treasurer Corazon Arbitrario.

The turning point for these municipalities came in October 2008, when officials of Dumingag and other western Mindanao municipalities attended a REAP workshop organized by GEM.

Implementing strategies they formulated through the workshop, Dumingag officials adjusted municipal fees and charges to correspond with operational costs, and doggedly followed up delinquent payments.

Still, many residents didn’t understand why they had to pay local taxes, and how this would ultimately benefit them.

So the municipal government mounted an intensive tax information campaign to rally support—from public school teachers and businesspeople to jeepney drivers and farmers.

“During class, teachers would explain to students the importance of paying taxes. Even the police helped in our information campaign,” Arbitrario relates.

Tax collectors regularly attended barangay assemblies to explain the new tax scheme and how the collected revenues would be used for public services.

“We were able to hit our tax collection target after only six months of implementing the strategies we learned from the workshop,” says tax collector Benjamin Geografia.

The increased revenue, added to Dumingag’s IRA and other funds, covered the costs of infrastructure, livelihood and health projects, as well as scholarship support for students at a local college.



Municipal officials collect taxes from Eufemia Bomez-Toos.

The municipal agriculture office has also provided training and seedlings to help farmers expand agricultural production to include sustainable tree-farming, which is anticipated to create more job opportunities.

Eufemia Bomez-Toos, a farmer, said: “We have realized that it is our obligation to pay our taxes.”

Infrastructure Project (BIP). For local governments that enrolled in REAP for a second year, the incentives were equivalent to a third of the total increased revenue collected. The value of major incentives that any LGU could receive was limited to a maximum of \$60,000.

Increase in own source revenues of municipalities enrolled in REAP 2008-2011

Buug, Zamboanga Sibugay	137%
Dumingag, Zamboanga del Sur	261%
Lamitan, Basilan	77%
Molave, Zamboanga del Sur	300%
Datu Paglas, Maguindanao	179%
Upi, Maguindanao	206%
Alabel, Sarangani	17%
Banga, South Cotabato	90%
Malapatan, Sarangani	26%
Norala, South Cotabato	72%
Parang, Maguindanao	73%
Pigcawayan, North Cotabato	55%

A total of 12 local governments were provided REAP assistance. All reported significant improvements in their revenue collection (see table above). Eight LGUs eventually achieved their revenue targets and were rewarded with BIP infrastructure (see table below). The average value of each infrastructure project built by GEM for local governments that met their revenue target was approximately \$23,800.

Each of the local governments participating in REAP had to prepare a detailed Revenue Action Plan approved by the municipal council. The plan included target increases, the commitment of LGU funds, staff and other resources for carrying out the plan, and step-by-step implementation guidelines.

In addition to helping the municipal government to increase its revenues, the highly consultative process involved in formulating the plan and setting up an efficient revenue generation system promoted transparency and accountability, and helped ensure greater public support for local revenue collection.

The participating municipalities found that a concerted information drive and regular communication are essential to gaining widespread support for own-source revenue generation. Such broad-based tax information campaigns related to REAP were initiated through a meeting with the municipality’s executive officials, followed by a finance conference attended by heads of municipal offices, barangay treasurers and tax collectors.

REAP Infrastructure Incentives

Municipality and Province	Infrastructure
Buug, Zamboanga Sibugay	Street Lights
Dumingag, Zamboanga del Sur	Community Multi-Purpose Training Center
Lamitan, Basilan	Welcome Arch
Molave, Zamboanga del Sur	Street Lights and Welcome Arch
Banga, South Cotabato	Banga Trading Center
Norala, South Cotabato	Norala Public Pavilion
Parang, Maguindanao	Parang Fruit Trading Center
Pigcawayan, North Cotabato	Solar Dryer (2 units)

Raising Public Awareness of Mindanao's Progress

Working closely with USAID, MinDA and partner organizations, GEM 3 implemented an extensive public outreach program and provided logistics and security support for more than 500 U.S. official visits and activities.



COMMUNICATIONS

The GEM 3 Program's public outreach efforts focused on communicating the progress that gradually unfolded in Mindanao, which seldom received attention from mainstream media. Stories about the gains of peace and economic growth, often from the most remote areas, were documented and delivered directly to newsrooms. This helped to give a face and voice to a region that has made great strides over the last decade to overcome economic underdevelopment and the long-term effects of conflict, with the support of the American people.

Readers learned of former MNLF combatants now supplying seafood products to international buyers; growers' associations that are playing a key role in upgrading the supply chain and helping to generate livelihood opportunities for thousands of smallhold farmers; and local governments partnering with USAID to provide better infrastructure for their constituents.

They also learned of the actions of chambers of commerce to make it easier to do business in areas recovering from conflict, of parent-teacher associations in remote communities investing in their children's education, and of bright young people determined to improve governance and develop their skills so that they can take advantage of opportunities in emerging industries.

Such articles and photo essays, combined with USAID-branded communication materials, strengthened the public's understanding of the strong collaboration between the U.S. Government and Philippine Government in accelerating economic growth and supporting peace in the region.

This comprehensive campaign positioned Mindanao as an investment destination and as a globally competitive commodity producer and exporter, with a promising new generation of people that would help drive the momentum of development.

Production and Dissemination of Communication Materials

News and Features Articles, Photo Press Releases.

A core element of the GEM communications strategy was the dissemination of internally-generated news and positive messages to national and local media, wire service agencies, and selected international publications. From 2008 to 2013, more than 800 news and feature articles and captioned photos were produced with USAID's guidance and disseminated to media organizations. Nearly 6,000 media placements were monitored in print and Internet-based publications, with a combined readership of at least 2 million people in the Philippines alone.

Brochures, Posters, Panel Displays and Flyers. Collateral materials were designed, produced and distributed to promote business in Mindanao and to provide information on USAID's assistance to the region. These were also distributed during USAID events and U.S. Government visits to media groups, public and private sector partners, and beneficiaries.

Industry Promotion Video and Other Videos. The TCEP and communications teams collaborated with Zamboanga firms to produce a video on the sardine industry, with copies distributed at various international trade expositions. The video showed improvements in the technology, processes, and resource management used in major canneries in Zamboanga City that can be attributed to technical assistance provided under GEM 3. In 2012, two video documentaries were produced: one on the Congressional Internship Program for Young Mindanao Leaders, and another titled "USAID in Mindanao: A Commitment to Gender Equality".

Key Communications Results

- ◆ Over 1,300 story and photo placements in national broadsheets.
- ◆ About 2,000 story and photo placements in Mindanao-based newspapers.
- ◆ More than 2,600 story and photo placements in news and information websites.
- ◆ Arranged over 80 appearances and interviews of GEM partners and Mindanao personalities and public service announcements on national and local television and radio shows to promote Mindanao events and GEM activities.
- ◆ Organized over a dozen media visits, resulting in improved understanding by media of development issues in Mindanao.

Web-Related Activities

Program website (www.mindanao.org). The GEM website contained a library of press releases as well as a multimedia gallery of photos, project maps and video clips of official visits, special events and beneficiary interviews. It also housed an eProcurement portal which allowed qualified subcontractors, service providers and other vendors to access information and updates on business opportunities associated with program implementation.

GEM E-News. Initially conceptualized as an internal publication to showcase success stories, the E-News was a digital compendium of the best photos, news and feature articles produced by the communications team.

It was later circulated within USAID and among selected Mindanao partners. Eight editions were produced in total, from 2009 to 2011.



Media Outreach

Support for Media at Events. National and local media organizations were assisted to cover a wide range of USAID-supported events in Mindanao and Manila. These events included workforce preparation and governance completion ceremonies, RIP and BIP turnover ceremonies, business conferences, trade shows, and training

workshops, as well as other events organized by program-assisted BSOs. The resulting media coverage increased positive news about Mindanao and supported the program’s overall communication objectives.

Familiarization Tours. To help address misconceptions about Mindanao and to raise public awareness of improving peace and economic opportunities, familiarization tours were conducted for representatives of Manila-based media agencies. These tours included interviews with key USAID partners and beneficiaries, which helped to broaden journalists’ perspective on Mindanao issues. Such trips generated greater appreciation of USAID and resulted in expanded coverage of its programs, such as ABC TV5’s three-part documentary about USAID’s assistance to Mindanao, following their week-long visit to project sites in 2009.

Support for Business Growth

Event Publicity and Media Facilitation. Publicity and promotions support was extended to key business events, such as the Mindanao Business Conference, Mindanao Trade Expo, and annual conferences for key commodity groups. This support might include the production of pre- and post-event press releases; organization and facilitation of press conferences and tri-media road shows in Luzon, the Visayas and Mindanao; design of event-related promotional materials; photo and video documentation; press room management; and assistance in drafting speeches and presentations.

BSO Public Relations. Chambers of commerce were provided with hands-on coaching to develop their own communications and public relations skills. BSOs were briefed on how to field questions at press conferences



and convey their views through TV and radio interviews. As part of a series of capacity-building seminars for 10 Mindanao chambers, GEM designed a template to help them produce their own investment promotion magazine. The communications team also conducted briefings on desktop publishing and communication strategies, and held one-on-one editorial consultations. Editorial assistance was extended to the CARAGA mining sector in producing its Social Development Mining Manual.

Many of these communication and outreach technologies had been transferred to partner BSOs under GEM 1; this effort was recognized through a Gold Quill Award in



Interviews with U.S. officials often took place at public events highlighting USAID assistance, while interviews with local partners were conducted during familiarization tours.

Events

GEM provided news promotion and media support for hundreds of GEM 3 assisted conferences, trade events and related development activities, as well as communications support for more than 200 U.S. official visits and activities throughout Mindanao.

Annual Events (2008-2012)

- Mindanao Business Conference
- Regional Policy Consultations and Top-Level Roundtables
- Mindanao Trade Expo
- Mindanao Vegetable Congress
- Mindanao Fruit Industry Conference
- National Mango Congress
- National Tuna Congress
- National Vegetable Marketing Summit
- National Vegetable Congress
- ARMM Business Congress
- International Food Exhibition (IFEX)
- Philippine Food Exposition (PhilFoodex)

Other Events

- CIPYML and REAP launching and project completion ceremonies
- EMGP and CLIC turnover ceremonies
- JEEP recognition ceremonies
- INVESTS graduation and completion ceremonies
- BIP and RIP infrastructure project turnover ceremonies
- BSO Development workshops with various chambers
- TCEP training workshops on production and marketing
- Food for All: Investment Forum for Food Security in Asia and the Pacific
- MinFruit Market Encounters
- Mindanao Halal Stakeholders' Forum
- Caraga Business Conference
- Caraga Mining Summit
- ICT Councils/Foundations/Organizations Summit
- Mindanao Logistics Conference
- Mindanao Techno-Forum on Aqua and Mariculture
- Philippine Chamber of Commerce and Industry Strategic Planning Session
- SOCCSKSARGEN Business Summit

display tarpaulins, brochures, PowerPoint presentations, event programs and other materials.

News and Media. Public relations services were provided as directed to the Mission and to other USAID-funded programs. This included drafting press releases and suggested remarks for U.S. officials speaking at public events, and arranging press coverage in coordination with USAID and the Embassy's Public Affairs Section (PAS).

USAID Highlights. Photographs and capsule summaries of GEM activities and results of the different program components were submitted regularly to the USAID Mission.

Project Maps and Tables. Internally produced project maps and tables were updated to reflect the accomplishments of each component of the program, such as infrastructure projects that had been completed and schools that had been connected to the Internet. Maps were included in information kits used for media coverage, presentations, events and briefings.

PowerPoint Presentations. The program prepared and continuously updated briefing materials on program objectives, assistance and accomplishments for U.S. and Philippine officials visiting Mindanao. In 2008-2013, about 70 PowerPoint presentations with photos and text were produced, documenting in detail visits by the U.S. Ambassador, the USAID Mission Director and other senior officials.

Photo and Video Documentation of Events and Visits. Photo and video documentation support was provided during U.S. Government visits and events in Mindanao, and occasionally in Manila. A selection of video clips and photo images were supplied to USAID and the U.S. Embassy immediately after the coverage.

2002 by the International Association of Business Communicators, which includes that GEM initiative in its online library of best practices. GEM 1 also won a Gold Quill Award in 1999.

Communications for USAID and the U.S. Embassy

USAID Logo and Branding. The communications team served as the guardian of the USAID brand as it related to program implementation. Other teams and GEM partners and beneficiaries were provided with guidelines to ensure that the USAID logo was displayed prominently and appropriately on communication products such as infrastructure project markers,



Specially trained drivers and security staff provided transport for USG officials visiting Mindanao.



Courtesy calls helped to establish channels of communication.

LOGISTICS AND SUPPORT SERVICES

Facilitation support was provided for visits to Mindanao by U.S. officials, including officials from USAID, the Embassy in Manila, and the State Department. Support was also extended to Philippine officials who participated in these visits and other activities. Facilitation included events preparation and management, transport and logistics, security advisories and coordination. As needed, this support was provided to other USAID programs operating in Mindanao. More than 500 visits and other activities of U.S. Government and Philippine Government officials were facilitated from 2008 to 2013.

These visits, in particular those to underserved, underdeveloped areas that had been isolated by conflict, had a positive psychological impact on key groups and local populations. The physical presence of visiting officials underscored the partnership between the two countries.

The human contact and exchange of views with partners and beneficiaries gave assurance that the Government of the Philippines, with the strong support of the U.S. Government, was committed in the long term to peace and development. Media coverage and press releases provided by the GEM communications team on these



Meetings, site visits and public events were opportunities for interaction between U.S. officials and Mindanao partners.

official visits generated positive news about Mindanao that helped to deepen understanding of the region both in the Philippines and abroad.

Facilitating Access

Bridging Development Partners. The support services team facilitated access to key individuals and groups in Mindanao, including business leaders, policymakers, and local government officials. Access was also provided to a range of grassroots partners and beneficiaries including, for example, former combatants, heads of agriculture cooperatives, and youth organizers in the ARMM and CAAM.

Contact between these individuals and U.S. officials opened channels of communication and ensured clear understanding and goodwill at the local level for USAID program objectives. Many of the visits were structured around public events highlighting successful results of USAID assistance, for example, the formal turn-over to local government of USAID-funded infrastructure.



Transport and security were provided to visiting officials.

Connecting People and Places. The program's wide network of contacts and the facilitation of a constant stream of meetings, site visits and public events enabled U.S. officials to interact directly with partners and beneficiaries, and witness program results in areas that might otherwise have been difficult to reach. These field visits provided inputs for determining future USAID interventions.

Support to Other USAID Programs. Many of the smaller USAID programs in Mindanao lacked the staff and technical capability required to facilitate visits by officials, given the extensive requirements, including logistic and security concerns. GEM 3 support for visits to other programs ensured that official visitors would have the opportunity to see as many programs as possible within the allotted time of their trip to Mindanao.



U.S. Ambassador Philip S. Goldberg is interviewed by DXRZ-Radio Mindanao Network in Zamboanga City.

Transport, Logistics and Security. Land vehicles and the GEM team of specially trained drivers provided highly coordinated, secure and efficient transport for U.S. officials during visits to the region. The support services team conducted its logistics and related security activities in collaboration with the Embassy’s Regional Security Office, Joint Special Operations Task Force, Armed Forces of the Philippines, and Philippine National Police. As required, GEM would provide boat, helicopter and airplane charter arrangements for visiting U.S. officials. Flight information, ferry schedules and hotel accommodation arrangements were also provided.

Crosscutting Support

Security Information and Guidance. Security advisories were regularly issued on preferred routes for traveling to different areas in Mindanao. Recipients included USAID and U.S. Embassy personnel, officials of other USAID programs in Mindanao, and other embassies and donors in the Philippines. These advisories were supplemented by “breaking news” bulletins on security concerns.

GEM also provided security arrangements for USAID staff and the personnel of other programs traveling to project sites. These arrangements might include close-in security, or requests for police or army escorts.

Facilitation of Official Visits. This included the preparation of schedules, site maps, “scene setters” and suggested remarks by U.S. officials; the management of visit itineraries and introductions to participating Philippine officials, program partners and beneficiaries; coordination of transport; and the management of visit-related security issues. Support services staff worked closely with different partners to ensure the efficient roll-out of visits, promote the USAID brand, and support U.S. public diplomacy.

GEM coordinated with other programs and USAID and U.S. Embassy Offices (e.g., PAS, Political Office) regarding schedules and logistical arrangements for visits, and arranged courtesy calls and meetings with Philippine government officials as directed by the Mission.



U.S. officials traveling to USAID project sites had logistics and security support.



Media relations support was provided upon request to MinDA, headed by Secretary Lurwalhati Antonino (right).

DISASTER RESPONSE AND RISK MANAGEMENT CLIMATE CHANGE ADAPTATION

As catastrophic weather events struck Mindanao in 2011 and 2012, USAID conducted emergency relief efforts and provided disaster recovery assistance, implemented in part through the GEM Program. Emergency humanitarian assistance was also provided to residents displaced by armed conflict in Zamboanga City.



About 20 typhoons affect the Philippines annually, but in the last 65 years, only 35 had directly hit Mindanao. The island-region remained relatively typhoon-free until Typhoon Washi (or Sendong) swept the northern part of the region in late 2011, affecting all sectors of the economy.

To help mitigate the effects of the disaster USAID, through the GEM Program, reconstructed and rehabilitated a water system that provides over 13,000 residents in the Iligan metropolitan area with potable water, and refurbished annex classrooms in four public schools. USAID also distributed education supplies to more than 6,000 students and 200 teachers in 21 schools.

A year later, in December 2012, a Category 5 “super typhoon” called Bopha (or Pablo) followed almost the same path as Typhoon Washi, this time sweeping across Compostela Valley and Davao Oriental provinces. It was the strongest typhoon to hit southern Mindanao since the 1970s. Typhoon Bopha left approximately 1,100 dead and caused damage estimated at \$900 million.

USAID quickly extended emergency assistance and commissioned GEM to conduct a rapid assessment of the extent of the typhoon’s impact. A multi-component disaster recovery assistance program was then designed to effectively provide support in areas where needs were greatest.

Within a year, GEM had completed a climate change vulnerability rapid assessment and follow-on interventions to help strengthen the disaster management capabilities of the two provinces and eight most severely affected municipalities. 16 vital infrastructure facilities, designed to withstand extreme weather conditions, had been constructed or repaired by GEM. Sustainable livelihood assistance was provided to about 2,000 farmers and fisherfolk, and education support was delivered to at least 25,000 students and 680 teachers in 30 schools.

These initiatives, implemented under the oversight of MinDA, helped to restart economic activity, augment educational resources, improve access to isolated areas, and strengthen the climate resilience of up to one million residents.

Climate Change Vulnerability Rapid Assessment and Follow-on Interventions

To address the impact of extreme weather events, the GEM Program conducted a climate change vulnerability assessment in the eight municipalities most severely affected by Typhoon Bopha. GEM also identified municipal infrastructure projects to be funded by USAID, which would help to restore local transport and regenerate economic activity in these affected communities.

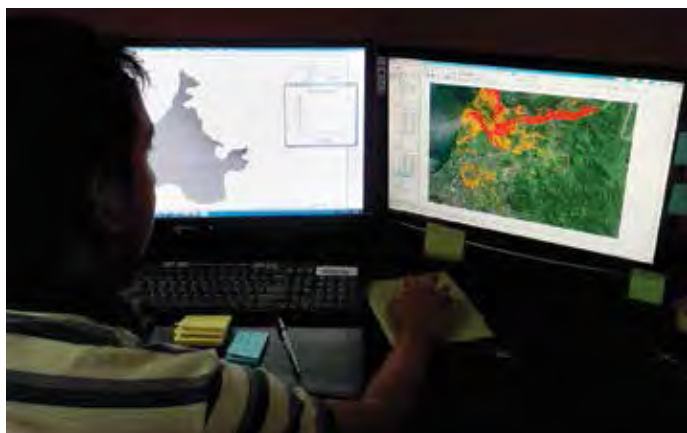
The study included an analysis of the potential impacts of climate change, specifically increased rainfall, tidal surges, flooding, landslides, and debris flow. Hundred-year flood simulations were generated using advanced technologies such as light detection and ranging (LIDAR), in collaboration with the University of the Philippines–National Institute of Geological Sciences.

Based on identified risks and hazard zones, recommendations were made on mitigation, adaptation and institutional measures that would reduce vulnerability and increase local resilience to typhoon-related events. Follow-on activities were then funded by USAID and implemented by the GEM Program. Two provincial conferences on disaster management and response were organized to provide hands-on training on the updating of provincial and municipal disaster management plans, and the development of watershed management mobilization plans.

These activities were complemented by communications support and training on geo-hazard map reading. Terms of reference for the acquisition of LIDAR data for Davao Oriental were also prepared.

Infrastructure Support

The damage sustained by the waterworks pumping station and the water production well in the Iligan metropolitan area due to Typhoon Washi was one of the local



Area-specific, hundred-year flood simulations were generated for the proposed locations of USAID-funded infrastructure projects.



Compostela Market, Compostela Valley

government's primary concerns. The damage had impeded the distribution of potable water, posing health risks to residents. These facilities were rehabilitated, providing beneficiaries in 12 barangays, a local hospital, and other key government facilities with access to safe drinking water.

To help restore and improve education services, USAID, through GEM, also refurbished classrooms in four public schools in accordance with the standard design of the Department of Education (DepEd).



San Jose Suspension Footbridge in Boston, Davao Oriental

As part of its Typhoon Bopha disaster recovery assistance, USAID funded the construction or rehabilitation of 16 transport and

community infrastructure facilities in Compostela Valley and Davao Oriental, to benefit over 100,000 residents.

Adaptability to climate change was a major factor in building sustainability into the projects. The findings and recommendations of the climate change vulnerability rapid assessment were integrated into the structural designs, resulting in facilities that adopt 100 year event design safety standards.

Livelihood Industry Planning and Diversification

Drawing on the success of its Targeted Commodity Expansion Project (TCEP), GEM conducted a series of assistance activities in Davao Oriental and Compostela Valley to help accelerate the restoration of livelihood, address immediate needs for food sufficiency, and lay the foundation for climate adaptive agriculture and aquaculture industries.

In these two provinces, the high incidence of poverty is largely attributed to overdependence on traditional fishing, low value aquaculture, and monocropping.



Mission Director Steele, Compostela Valley Governor Arturo Uy and local farmers give the “thumbs up” for climate-resilient livelihood.

USAID focused its assistance on promoting crop diversification and improved growing techniques that would help restore livelihoods and potentially increase the incomes of farmers and fisherfolk, while preparing them to be more resilient to the adverse effects of changing weather patterns.

Agriculture Livelihood Assistance

The cost of the damage wrought by Typhoon Bopha on agriculture is estimated at PhP27 billion, greater than in any other sector. As 40 percent of the total banana production area in Compostela Valley sustained severe or total damage, GEM organized a province-wide banana forum where industry stakeholders presented and evaluated plantation rehabilitation and financing options, as well as climate change-adaptive farming technologies and alternative crops.

In Baganga, Boston and Cateel, the three hardest-hit municipalities in Davao Oriental, the typhoon uprooted at least 90 percent of all coconut trees and completely destroyed other standing crops. Even before the storm had hit, the incomes of local coconut farmers had already fallen below the poverty threshold. A crop diversification study, which could help restore livelihood activities and augment farmers’ incomes, was developed with USAID funding and technical assistance. The study analyzed agro-climatic attributes in the area and market demand for potential crop options. Short- and long-term strategies were then recommended for producing and marketing climate-resilient, higher-value crops.

USAID also implemented farmers’ field school training programs and established techno-demo farms in typhoon-affected areas. These capacity-building activities showcased short-term cash crops and climate adaptive technologies aimed at addressing urgent food supply requirements, providing immediate income sources while reducing farm

production costs and strengthening growers’ climate change preparedness.

Aquaculture Livelihood Assistance

USAID’s assistance to the aquaculture and fisheries sector in Compostela Valley and Davao Oriental was focused on hastening the resumption of livelihood activities in coastal areas, with the long-term objective of building a high-value aquaculture industry for sustainable economic growth. To this end, GEM developed and implemented a comprehensive program that included climate-adaptive aquaculture skills expansion, distribution of initial production inputs, and high-value aquaculture industry planning.

Prior to USAID’s intervention, fisherfolk in the eight municipalities most severely affected by Typhoon Bopha were largely dependent on traditional fishing which provided at best subsistence incomes. The aquaculture of high-value grouper introduced by GEM will help reduce the incidence of poverty in these areas while averting potential losses from climate-induced calamities.

Climate change mitigation and adaptation techniques included the construction of weather-resistant fish cages using low-cost materials, which growers can easily replicate. Fisherfolk from landlocked municipalities were trained in inland freshwater aquaculture, and provided with modifications to land-based ponds that would address flooding and unstable oxygen levels in fishponds due to rising water temperature.

USAID funded the preparation of a high-value aquaculture industry development plan for the provincial government of Davao Oriental, to guide short- and long-term planning exercises, policy formulation, and discussions with stakeholders, agencies, banks and investors.



Grouper fingerlings being acclimatized in fishcages

Assistance to the Education Sector

Strong winds and flooding brought by Typhoon Bopha heavily damaged school facilities and hampered education services in Compostela Valley and Davao Oriental, which are among the 16 poorest in the Philippines.



USAID provided education kits to typhoon-affected schools.

To help over 25,000 students and nearly 700 teachers ease into the formal school year, which began shortly after the storm, USAID, in partnership with DepEd, provided education assistance packages to 30

elementary and high schools. This consisted of student and teacher kits, reference materials and classroom furniture, similar to the assistance provided by USAID to 6,000 students and 200 teachers in 21 schools affected by Typhoon Washi in Northern Mindanao.

Support Services

GEM extended full logistics, security and communications support for USAID's Typhoon Bopha emergency relief operations and follow-on disaster recovery assistance projects.

Meetings and site visits involving the U.S. Ambassador, USAID Mission Director, ranking Philippine officials and donor agency representatives were organized throughout the year-long assistance program. GEM coordinated travel and meetings, prepared scene setters and briefing materials, managed security convoys, and booked accommodations.

The GEM security team constantly monitored developments on the ground as these related to road routes and safety conditions. USAID and its partners were provided with security advisories and flash reports.

Working with USAID staff, GEM facilitated media coverage and disseminated press releases. Geographic Information System (GIS), graphics, photo and video



GEM partnered with national and local agencies to deliver humanitarian assistance to Zamboanga City residents.

documentation support was provided during the conduct of studies, assessments and events.

In December 2011 and early 2012, GEM provided similar assistance to support post-disaster activities in the Typhoon Washi-affected cities of Iligan and Cagayan de Oro.

Humanitarian Assistance for Zamboanga Residents Displaced by Armed Conflict

When hostilities broke out between an MNLF faction and Philippine Government armed forces in Zamboanga City in September 2013, thousands of homes were destroyed or damaged in five city barangays. Residents fleeing the conflict sought shelter in more than 30 evacuation areas.

Responding to requests for humanitarian assistance by the city government, the Department of Social Welfare and Development, and the Department of Health, the U.S. Embassy allocated \$628,800 towards providing for the immediate needs of evacuees.

Through its GEM Program, USAID procured and delivered drinking water, 26,000 blankets, 27,300 sleeping pads, toiletries, food items, cooking supplies and tarpaulin sheets for temporary shelter for 68,000 evacuees.

The assistance was delivered with support from the Philippine Air Force of the Armed Forces of the Philippines, and volunteers from the Philippine National Police and Bureau of Fire Protection, in coordination with the Zamboanga City government and the Department of Social Welfare and Development.



GEM provided logistics, security and communications support to USAID for its disaster response activities in Mindanao.

SUPPORTING THE GAINS OF PEACE, 1996-2012

For several decades, Mindanao suffered from underdevelopment and armed insurgencies, including conflict with two Islamic separatist movements.

In 1996, a peace agreement was signed between the Government of the Philippines and the largest insurgent group, the Moro National Liberation Front, or MNLF. Although this brought about a measure of stability, Mindanao continued to experience uneven economic development and intermittent armed conflict.

Sixteen years later, after the resumption of peace talks, a framework agreement was signed by the Government of the Philippines and the other main insurgent group, the Moro Islamic Liberation Front, or MILF. This was seen as the foundation for a peace accord between the Philippine Government and the MILF.

Between these two landmark agreements, USAID played a pivotal role in helping to support peace in Mindanao and ease the transition into the mainstream of communities that had been scarred and isolated by war.

Emergency Livelihood Assistance

In 1997, following the signing of the peace accord with the MNLF, Philippines President Fidel Ramos appealed to the donor community to give special attention to Mindanao's post-conflict reconstruction. MNLF regulars had retained their arms following the peace pact, and were jobless and unskilled. Some had been absorbed into the police force, but most were having difficulty providing for their families, living in communities without basic services. It was a volatile situation.

USAID worked quickly, in partnership with the Philippine Government, to establish an activity that would help MNLF former combatants to re-enter the economic mainstream as soon as possible, through agricultural activity. This emergency livelihood assistance, implemented through USAID's GEM Program, was up and running within a month of the appeal by the Philippines.

Each former combatant participating in the program was directly handed sacks of seed and other agricultural inputs by GEM sufficient for two cropping/harvest cycles. (This was in contrast to



Former combatants were able to provide for their families with the help of GEM's emergency livelihood assistance.

other programs, which generally coursed funding through government agencies.)

The assistance focused on helping the former combatants to initiate production of easy-to-grow, quick-maturing corn, seaweed and other readily marketable crops in their areas. In addition to production inputs, GEM provided training, technical guidance and, crucially, marketing support.

Eventually, some 28,000 MNLF former combatants were assisted. The overwhelming majority never resumed fighting and instead concentrated on earning a living for themselves and their families, building on the skills and resources they had developed with the help of GEM.

Hatimil Hassan, vice chairman of the MNLF at the time, said: "USAID's programs have made a difference. Now we can make a living. Now we have something to lose."



MNLF communities that had been isolated by conflict were helped to enter the economic mainstream.

In many areas that had been isolated by conflict, GEM staff members were the first Americans and non-Moro Filipinos to have contact with local communities. In order to ensure the effective implementation of assistance in volatile areas, GEM staff had to exercise a high degree of situational awareness, and be able to assess and navigate Mindanao's complex

economic, cultural, political and security terrain. Close attention to developments on the ground enabled the Program, over the course of implementation, to calibrate and re-direct its assistance for greater efficiency and cost-effectiveness.



MNLF commander Benjie Galo

A partnership with the Bangsamoro Women Foundation for Peace and Development was critical to the success of this GEM activity.

Bangsamoro women served on the management committee and assisted in expediting the planning and implementation of the assistance to former combatants. They helped resolve operational problems, aided GEM in briefing MNLF leaders on the different aspects of assistance, and helped to arrange meetings and farm site visits.

Realizing the “Peace Dividend”

Surveys showed that, aside from reaping harvests above the national average, the vast majority of participating former combatants were still farming over two years after direct GEM assistance to them had ended. This had a ripple effect that went beyond ensuring day-to-day sustenance for the participants and their families. With earnings from their initial harvests, the former combatants were able to buy simple farm machinery, rebuild their homes and communities, provide their children with more education, and set up microenterprises that employed neighbors.

There were also other, less tangible benefits such as the concrete realization by MNLF fighters of the “peace



Communities in areas that had once been war zones were provided with solar dryers and grains warehouses.

dividend” promised by the Philippine Government and the building of trust between their communities and outsiders, including commodity traders and officials. They benefited from access to government services and consumer choices, which few of the former combatants or their families had previously experienced.

They were able to work alongside former comrades who were now also productive farmers, and found the confidence that comes from secure livelihood coupled with pride of accomplishment.

Benjie Galo, a former MNLF national unit commander, said that this GEM activity “provided the best example of the dividends of the peace agreement.”

Moving Up the Value Chain

The assistance ran parallel to the GEM Program’s other accomplishments in accelerating economic growth in Mindanao, while ensuring that as many people as possible benefited from the effects of that growth. Benefits included new jobs and opportunities that came about in GEM 1, 2 and 3, through the expansion of agribusiness and investment, and the increase of domestic outshipments and exports of promising Mindanao food commodities to competitive global markets.

Under the GEM 2 Livelihood Enhancement and Peace Program (LEAP) and the GEM 3 Former Combatant Reintegration subcomponent, selected MNLF cooperatives and communities that had successfully “graduated” from earlier program support were provided with assistance in higher-value commodity production and marketing. GEM trained former combatants and their family members in improved planting, post-



Eventually, assistance was provided to some 28,000 former combatants, the vast majority of whom never resumed fighting.



GEM later assisted selected MNLF cooperatives, including the Sumbakil Multi-Purpose Cooperative visited by U.S. Ambassador Kristie A. Kenney, to produce and market higher-value fruit and vegetables.

harvest and marketing techniques, and linked them with different markets, including the export sector. Higher-value commodities included tropical and semi-temperate vegetables, as well as grouper fish and abalone destined for Manila and various Asian markets.

Selected MNLF communities were also provided with post-harvest storage and consolidation facilities to help them expand production.

Former combatants thus became part of the competitive global food supply chain, successfully producing and marketing dried mangoes that were sold in Walmart, and bananas that were exported fresh to Japan or processed into chips for the burgeoning China market.

Under the Broader GEM Umbrella

As the process of integration into the economic and social mainstream continued, many former combatants and members of their communities benefited from additional GEM assistance through other Business Growth activities, as well as through the Infrastructure and Workforce Preparation components. Of the 1,642 Barangay Infrastructure Projects completed under GEM 2 and GEM 3, more than a third were in MNLF communities.

“When the earth-moving equipment came in to prepare the ground for the first GEM solar dryer to be constructed people came running,” said Abdulkarim Langkuno, mayor of Paglat, Maguindanao, and a former senior official of the MNLF. “It was the first time they’d seen such machines. “They said, *talagang totoo na* [this is real].”

“A solar dryer may appear to be a small improvement,” said the mayor, whose municipal government partnered with GEM on 16 infrastructure projects. “But to the people it’s a very big thing.”

Such infrastructure projects are perceived by beneficiaries to have “contributed considerably” to the improvement of peace and security in conflict-affected areas, particularly in the ARMM, according to a survey study on GEM infrastructure by the Institute of Socio-Economic Development Initiatives (ISFI) of Ateneo de Davao University (*see page 15*).

Business Growth events, such as training seminars, trade exhibits, marketing roadshows and BSO capability training exercises, included ex-combatants that had graduated from earlier GEM assistance. Many of the grower’s associations and business support organizations that were assisted by, and later partnered with, the GEM Program include former MNLF members and officers as their members.

“If people have good jobs and are productive, they will not think of going to the mountains. They can put food on the table for their families,” said Rima Hassan, president of the Autonomous Basilan Islamic Chamber of Commerce.

Under the Workforce Preparation component of GEM 2, more than a third of the schools provided with Internet-connected CLIC computers and educational matching grants were in MNLF communities. Also, young Mindanaoans from MNLF areas, provided by GEM with hands-on training in legislation and policy formulation in the Philippines Congress, are helping to reform governance in the region.

Peace is Sustainable

The late Alano Banasawan, who had chaired the MNLF Central Kutawato State Revolutionary Committee, said



Seafood farmed by MNLF cooperatives in the Sulu Archipelago is sold in Manila and Asian markets.

Partners in Peace

Economic activity in the community has picked up significantly since the construction of the bridge. Traders from surrounding municipalities now visit us regularly to do business.



—**Karim Langkuno**, former director-general of the MNLF Overseas Revolutionary Committee and mayor of Paglat, Maguindanao

We earned four times more after we shifted to growing vegetables and adopted efficient farming techniques.



—**Kakim Zarudin**, former MNLF combatant and chairman of the Sumbakil Multi-Purpose Cooperative

We had long wanted to raise abalone [lappas] but our lack of know-how was an obstacle. But it all came true with the assistance of USAID-GEM.

I believe that the assistance from the United States coursed through the GEM Program is a large part of [the effort to spread] peace in Mindanao. The aid they have extended, for example, in livelihood, education and infrastructure—these are part of what we fought for in the MNLF.

We are extremely grateful for the aid extended to us by the United States Government through the GEM Program for peace and the improvement of our livelihood. We will do everything to preserve all this assistance and expand it even more.



—**Taib Sammani**, former MNLF combatant and chairman of the Belatan Halo Fisherman's Association, Panglima Sugala, Tawi-Tawi

The partnership with USAID and GEM is a success story. In a span of a few years, a big number of infrastructure and livelihood projects have been implemented in Mindanao. These projects have helped rebuild and transform war-ravaged communities.

The Moro National Liberation Front and her people are profoundly grateful for the assistance given by USAID-GEM through the years in addressing the socio-economic development concerns of the 1996 Philippine Government-MNLF Final Peace Agreement. We have not forgotten that the United States Government, through its LEAP and GEM programs, was the first to help us in a significant moment of transition.



—**Abdul Sahrin**, MNLF Secretary-General



GEM infrastructure projects were perceived by beneficiaries to have “contributed considerably” to the improvement of peace and security.

that the success of GEM assistance to former combatants “served as motivation for other armed groups to consider accepting a peace agreement with the government.” His successor, Larry Sinagandal, asserted that GEM assistance was “the most beneficial program that reached the former combatants.”

In October 2012, the Government of the Philippines and MILF signed a framework agreement that is seen as the foundation for the long-awaited peace accord with the MILF.

Although many challenges remain in Mindanao, thousands of former combatants of the MNLF can look back with pride on their partnership with the American people, through which they made life better for their families and communities, and contributed to the region’s development.

Their experience is proof that peace is possible and sustainable over the longer term, and augurs well for other insurgent groups that choose the same path.



The GEM Infrastructure team holds a planning session on the Ladia-Raguisi-Piraning RIP Road Project with officials of the MILF, MinDA, and local governments in Maguindanao.

Ex-fighters Find Gold in Mango Farming



Guianida Lumanggal (2nd from left) negotiates a mango and banana marketing deal at the Minfruit Market Encounter.

For years, Guianida Lumanggal would get anxious whenever harvest season came around. She wasn't particularly worried about the pilferage that occurred during harvest time or the high cost of fertilizer. What concerned Lumanggal most was getting her mangoes to the right markets.

Although the municipality of Carmen in North Cotabato grows some of the best mangoes in the region, farmers had a hard time selling their fruit at a competitive price. *"Mura ang bili ng mga local traders sa mangga namin [Local traders bought our mango at a very low price],"* she explained.

Lumanggal headed the Moro United Multipurpose Cooperative, whose 125 members are composed mostly of former MNLF combatants and their families. She was also the vice-chairperson of the Bangsamoro Women-Sebangan Kutawato State Revolutionary



Members of the Moro United Multipurpose Cooperative harvest mangoes from a grove they established with GEM assistance.

Committee, and married to a former MNLF battalion commander.

Members of the cooperative were barely able to break even on their mango production. To sustain their operations, they had to find buyers who were willing to pay a good price for the fruit. Although Carmen is easily accessible from Cagayan de Oro, a major hub for shipments to other regions, traders were reluctant to travel to the municipality, which had been the site of intermittent armed conflict for decades. And the former combatants-turned-farmers lacked the experience and the contacts to market their produce further afield.

After GEM trained the cooperative on good agricultural practices and improved post-harvest handling techniques, the quality of their mango production improved.

GEM then partnered with the local government unit to provide the group with a consolidation shed equipped with a hot water treatment facility. This allowed members—as well as other farmers in the community—to consolidate their mango harvests, treat them close to the production site, and negotiate for higher farmgate prices.

Lumanggal participated in a MINFRUIT Market Encounter in Cagayan de Oro City. Organized by the Mindanao Fruit Industry Council (MINFRUIT) with GEM support, the event gave Mindanao's small-scale fruit growers the opportunity to meet

with major buyers from different parts of the country.

During the conference, Lumanggal eagerly sat down with prospective buyers to learn about their specific quality and volume requirements. *"Maganda ang aming usapan. Nakapagbigay kami ng magandang presyo sa aming mangga [Our discussions went well. We were able to give a good price for our mangoes],"* she related.

A mango consolidator at the conference purchased 12 metric tons of mango from Lumanggal's co-op at a 40-percent premium over the prevailing local farmgate price. Lumanggal, who is now an active member of MINFRUIT, is thankful to USAID for helping to open windows of opportunity for co-op members, who have successfully made the transition from fighters to productive farmers and entrepreneurs.

"Dahil sa tulong ng GEM, matutupad na ang pangarap namin na makilala ang Carmen dahil sa masarap nitong mangga at hindi dahil sa nangyaring kaguluhan dito noon [GEM has been a big help because now, Carmen will be known for the delicious mango it produces and not for the conflict that took place here years ago]," Lumanggal said.

Now, she says, *"We don't look at our differences as Christians, Muslims or [ethnic] Manobo, but at what we can accomplish together."*



The mangoes are processed at a hot water treatment (HWT) facility provided by GEM to mango farmers in the area, through a partnership with the co-op and the municipal government of Carmen.

WOMEN'S EQUITY IN MINDANAO

From the inception of GEM in 1996, women participated fully as program beneficiaries and partners, across all its components.

Many women who received assistance became staunch GEM partners, and will help to sustain its gains and best practices beyond the lifespan of the program. In this manner, women and men would not only benefit equitably, but would contribute equitably to economic growth and peace in Mindanao.

WOMEN MEAN BUSINESS

Women assisted by GEM—whether they are running grower cooperatives, export businesses, industry federations or simple backyard enterprises—are helping to open up new markets, increase demand for Mindanao commodities, and keep business going in conflict-affected, underdeveloped areas.

One such woman is Sarida Sakkam, who rides a commuter pump boat twice a week to Isabela, Basilan, in order to buy stock for her tiny store on a nearby island.

This used to be a much more complicated task. Boats would pull as close as possible to the rocky shore at a community called Seaside, the most convenient landing for Sarida. However, she often was required to wade more than 100 meters to shore. Like most working women in Mindanao's coastal communities, Sarida brings along her younger children as she goes about her livelihood, having to be mindful of their safety as well as her own.

After buying what she needed, Sarida used to have to hire a bearer to help carry her purchases out to the anchored commuter boats. The cost of the bearer ate into her earnings as a micro retailer.

WOMEN'S INFRASTRUCTURE CONCERNS

In 2011, GEM 3 built a 31-meter, stair-type boat landing of reinforced concrete in Barangay Seaside in order to facilitate the flow of cargo and passengers and to reduce transport costs.

“The low height of the steps makes it easier for women to use the landing stairs, as some Mindanao women wear traditional long dresses.” said Sarida. “And the stair rail makes it safer for children and the infirm, too.”

Sarida said she can now easily load the cargo herself directly from the landing onto the boat. As a result her purchasing routine takes less time and she can haul more cargo per trip, which helps to lower the overhead costs of her small but flourishing business.



The Barangay Seaside boat landing, which has made transport more orderly, efficient and safe for approximately 16,000 residents—about 51 percent of whom are women—is one of more than 1,550 GEM community infrastructure projects, which include water systems, solar dryers, bridges and footbridges, trading centers and roadway upgrades.



Sarida Sakkam

Two elements in the standard design of GEM 3 boat landings—lower stair risers and hand railings—were incorporated as a result of consultative meetings held with the representatives of about 40 community groups focusing on women’s development issues. The meetings elicited their inputs on the specific concerns of women relative to different types of infrastructure. Women constitute slightly more than half of the millions of beneficiaries of GEM infrastructure projects.

GEM incorporated their suggestions—such as situating water system faucets closer to homes and in populated, safer areas, and putting separate men’s and women’s restrooms in trading centers—into the design of several project types.

PEACE PARTNERS FROM THE START

Women played an important role in security during GEM’s early years, when the peace and order situation was unstable and local populations were still unaccustomed to the presence of aid workers and other outsiders, particularly in communities where former combatants of the MNLF resided.

Bangsamoro Women Foundation for Peace and Development, Inc., an NGO composed of members who were affiliated with the MNLF, was a key partner in GEM’s emergency livelihood assistance program for ex-combatants. After the 1996 peace agreement, the NGO sought to institutionalize the full integration and participation of women in the advancement of peace and development in Mindanao.



At the turn-over of the Seaside Boat Landing in Isabela, Basilan.

Women Farmers Adopt Corporate Approach



Bernadette de Jesus and Victoria Motril

Assisted by GEM, South Cotabato Banana Creations, Inc. (SCBCI) evolved from an informal alliance of smallhold farmers selling to wet-market traders, into a seasoned corporation that grows, consolidates and markets a variety of vegetables for high-end supermarket clients.

Bernadette de Jesus and Victoria Motril, co-founders of SCBCI, wryly admit that the group’s name no longer quite fits its profile.

“We started out just like other farmers, selling saba bananas to local traders. But they would dictate the terms, and also take their time in paying us,” De Jesus said. “So we thought of dealing directly with the market ourselves, and started figuring out what fruit and vegetable products would sell best.”

The group has remained relatively compact throughout its existence. Currently it has just 15 active members with a total growing area of 40 hectares, and 15 affiliate growers, according to Motril. Its largest farm is eight hectares.

SCBCI established itself as a produce concessionaire in a mall in nearby General Santos City. As a result of GEM production and marketing assistance, the company came to procure and retail up to five metric tons weekly of different varieties of fruit and vegetables, through outlets in four high-end mall supermarkets.

GEM provided training and on-site technical advice to improve production quality and post-harvest handling, as well as marketing support.

A crucial step for both growers’ groups was learning to diversify and to create economies of scale.

“Our problem at first was that we could not consistently provide the volumes required by our clients,” said De Jesus.

GEM provided training in the practice of commodity clustering, in which groups of growers focus on cultivating a specific commodity following delivery schedules and volume specifications agreed upon by both growers and clients. GEM also facilitated meetings which led to supply agreements being established between SCBCI and leading mall chains.

“In this way, we can regularly deliver products of consistently good quality to our clients,” said Motril.

The ability to market their own produce also brings in quicker returns, said De Jesus. “We established a corporate cash flow system, and pay our members cash upon delivery,” she said.

The co-op’s members are planning to expand their processing operations, which would add yet more value to their produce.

“Nakakatuwag [It’s heartening] to see our members so enthusiastic,” said De Jesus. “Now they want to increase our capitalization and go after opportunities.”

Blazing Trails as Mindanao Women

When Musarapa Insiang and Haiza Pigkaulan took their oath before the Regulation Commission in October 2012, they became the first Mindanao Muslim women in the Philippines who are licensed mining engineers.

Earlier, they were among 57 mining engineering graduates who had passed the board examination, in the process becoming certified professionals in one of Mindanao's key industries. Haiza ranked third among the top ten examinees.

Along with eleven other students from conflict-affected areas, the two women were able to complete their college degrees and take the licensure examination with scholarship assistance provided through the GEM Workforce Preparation component.

"When I was in elementary school, we heard negative things about mining," said Haiza. "But in high school I saw for myself how mining companies can implement mitigating measures and rehabilitate mining areas, while providing development programs that help remote communities."

At Palawan State University, they encouraged each other to persevere in their mining engineering studies, particularly when they realized that they would be blazing trails as Mindanao Muslim women in a field traditionally dominated by men.

As fully-fledged mining engineers, the two women look forward to helping develop the industry in their home region, and to working in socially and environmentally responsible mining companies.

"With proper government support and oversight, mining can bring about economic development. It can create opportunities and jobs, and not just in the mining companies," said Haiza.

She grew up in Cumbio, Sultan Kudarat, which she describes as a quiet, remote valley where Muslims, Christians and *lumad* [indigenous peoples] co-exist peacefully.

To support the family, her mother had been working in the Middle East for 10 years. "I was in grade five when she left, and she returned to the Philippines only twice in all this time. Her last visit was when I graduated this year," Haiza said.

Once she finds steady employment as a mining professional, Haiza says, "I would like my mother to return to the Philippines so that she can rest and be with my brothers and sisters."

Musarapa grew up in rural Datu Paglas, Maguindanao. She recalls how the community had gone through hard times in the 1990s, when there was intermittent fighting. "When we were smaller, there were times when we went hungry," she said. "But now it's a peaceful place, and as my father said, poverty did not hinder us from succeeding."

She says that the process of her becoming a mining engineer was already motivating others. Two of her younger siblings plan on becoming geologists or mining engineers themselves, and "cousins who haven't finished their schooling want to do so now," said Musarapa.



Haiza Pigkaulan (far left) and Musarapa Insiang (far right), the Philippines' first Mindanao Muslim women mining engineers.

The NGO was greatly involved in field operations for the reintegration of former combatants. The women arranged introductions and meetings between GEM and local commanders, and helped the program to conduct planning and training workshops for MNLF growers' cooperatives. They sat on management committee meetings of the GEM emergency livelihood assistance initiative and served as its secretariat.

The Bangsamoro Women Foundation's strongly facilitative role ensured that GEM would be mindful of local cultures and aware of community dynamics in the course of their activities. In addition to monitoring the former combatants' progress, the NGO helped to prevent and resolve conflicts which arose in the course of field operations.

The Bangsamoro Women Foundation also reinforced the primary motivation of former MNLF fighters in supporting peace and earning a livelihood: the need to put food on the table and make a better life for their families and communities.

UPHOLDING GOOD GOVERNANCE

Within a generation of the signing of the 1996 peace agreement with the MNLF, women "graduates" of GEM's Congressional Internship Program for Young Mindanao Leaders are using their knowledge of the legislative process and policymaking to help lay the foundation—in both the public and private sectors—for progressive governance.

Other women who are former CIPYML interns are occupying positions in the regional government, LGUs, development agencies and NGOs; and are working directly or indirectly to support democratic institutions as well as women's equity and diversity.

Many of the former interns have been tapped by the current ARMM administration to play a role in governance reform. The first woman to hold the key position of ARMM Regional Cabinet Secretary is a CIPYML graduate.

LOOKING TO THE FUTURE

The GEM 3 component with the largest proportion of women beneficiaries was Workforce Preparation, which helped to ensure that the next generation of workers will be able to maximize employment opportunities in Mindanao's emerging industries and contribute to regional development.

GEM worked with schools, colleges and parent-teacher associations to prepare their children for a competitive economy, and to provide the next generation—even those who come from the most remote areas of Mindanao—with the opportunity to gain essential information technology and English language skills.

Building on Lessons Learned

Over several years, GEM developed approaches that enhanced the effectiveness and efficiency of program implementation.



The GEM Program sought to establish a strong field presence, monitor projects regularly, and build on strategic partnerships with diverse networks of local partners. GEM implemented a Special Activity Fund (SAF) that facilitated rapid response and flexibility, and allowed the program to adjust to evolving conditions on the ground. The following approaches proved effective:

Ensure “buy-in” from program partners and beneficiaries. This reinforces partners’ and beneficiaries’ sense of ownership over the activity and their commitment to program objectives.

- ♦ Local government partners covered at least 25 percent of the cost of each infrastructure project.
- ♦ Parent-teacher associations paid for half of each Education Matching Grant Project, as USAID matched dollar-for-dollar the funds they raised.

Say what you do and do what you say. Make sure that objectives, roles and responsibilities are articulated as comprehensively and clearly as possible by all parties involved. By adhering strictly to its own commitments (e.g. schedules and counterpart), the program sets standards for others to follow.

- ♦ When providing initial livelihood assistance to former MNLF combatants, GEM always delivered on agreed dates despite occasionally difficult conditions (e.g. roads closed due to bad weather). The program set a clear time limit on the assistance and then “graduated” the beneficiaries.
- ♦ Local government partners were aware that failure to comply with the terms of infrastructure projects would lose them the opportunity to work with GEM on future projects. The “shame factor” for officials, as neighboring local governments continued to partner with GEM, helped to ensure compliance.

Calibrate the level of technical assistance for maximum impact while fostering independence. GEM activities strengthened local partners’ capability to solve problems on their own, manage and leverage resources, and involve constituents in development planning.

- ♦ The Governance component provided technical advice on enhancing local revenue generation. It “rewarded” local governments that



Showing how it's done: Grower associations established demonstration farms.

met their revenue targets with a GEM infrastructure project. The local governments, through a consultative process, decided which revenue streams to focus on, what their achievable targets were, and what infrastructure would best serve their constituents' needs.

Make use of program activities to deliver lessons in efficiency and due diligence, and to impart practical skills. Partners that worked with GEM to implement projects “learned on the job.”

- ◆ Local governments involved in infrastructure implementation learned to be more transparent and accountable by making detailed budget allocations, and prioritizing projects according to the expressed needs of constituents. The GEM process was closely aligned with existing Philippine government procedures which were not always followed by local partners due to lack of experience. Working on successive projects trained partners, down to the barangay level, to become increasingly adept in implementation.
- ◆ Growers' groups were assisted to market their produce outside their normal area of operations. In the process, even small-scale growers from rural areas could gain marketing knowledge and entrepreneurial skills, such as how to handle business meetings, negotiate supply agreements with demanding buyers, and spot market trends and opportunities.

Work towards creating economies of scale. This approach in program implementation was later adapted by GEM partners and beneficiaries for their respective sectors.

- ◆ The Infrastructure component sometimes bundled similar construction projects into a single package for bidding, both to save time and costs and to attract the interest of additional larger bidders.
- ◆ The Business Growth component helped the Northern Mindanao Vegetable Producers Association to develop its commodity clustering technology, to enable farmer-members to consolidate harvests and meet the requirements of bulk buyers. GEM later assisted the association to spread this technology among other groups of smallhold farmers.

Encourage public-private leveraging. Working with diverse partners in different Mindanao regions helped to maximize program and partner knowledge, creativity, and funds. It also fostered a shared sense of responsibility and commitment towards common goals.

- ◆ Chambers of commerce across the Mindanao region developed, with assistance from GEM and in partnership with the national umbrella of chambers and MinDA, a model for formulating (through progressively higher levels of cross-sectoral consultations) an annual Mindanao Policy Agenda presented to the national government for action.

- ◆ GEM helped to develop a multi-species mariculture hatchery—the only one of its kind in the Sulu Archipelago—in partnership with scientific and technical institutions and the provincial government. GEM then facilitated the turnover of the hatchery's management by the province to a private fisheries firm, to ensure the sustainability of the facility and of the mariculture industry.

Monitor/evaluate progress continually, to determine strategic interventions down the line. GEM made use of formal monitoring systems (e.g. Infrastructure Beneficial Use Monitoring System) and informal field observations by program staff, regularly relayed to team leaders and the program management office.

- ◆ Selected former MNLF combatants that had “graduated” from basic livelihood assistance and were seen to sustain these livelihoods on their own were later assisted by GEM to acquire progressively more complex technical and entrepreneurial skills.
- ◆ The computers and internet connections provided to schools through GEM's workforce component were intended for student use. When an increasing number of teachers were found to be making use of the computers to improve their classroom instruction skills, GEM designed a separate training program using Internet resources to improve teachers' capabilities and maximize the computer resources.
- ◆ Companies that partnered with GEM on its corporate internship program identified specific gaps in the industry-related skills of Mindanao interns. This information was relayed by GEM to the universities from which the intern had graduated, so that they could revise their curriculum to address these gaps and improve the employment prospects of their graduates.

Engage partners and beneficiaries in transferring the skills and knowledge they acquired through GEM. This was done within their community and among others engaged in similar activities.

- ◆ Grower cooperatives trained in higher-value crop production established demonstration farm plots that showed other growers in their area “how it's done” and the advantages of diversifying into higher-value commodities.
- ◆ Chambers of commerce that had been assisted earlier in the program to develop member services and be more effective in attracting trade and investment to their respective areas worked with GEM to mentor newer, smaller chambers in other provinces and cities to do the same.



Public-private leveraging: GEM facilitated an agreement between MinDA and chambers of commerce to jointly monitor the progress of private sector policy recommendations.

Multi-layered Assistance Transforms Sulu Archipelago Province

The advantages of a crosscutting umbrella program such as GEM—in terms of the experience, expertise and common purpose shared by its different teams and their overlapping networks of partners and beneficiaries—may be seen in its implementation in a particular geographic area.

Once considered one of the Philippines' more inaccessible island-provinces, Tawi-Tawi (pop. 450,000) is experiencing a surge in economic activity now that new commercial flights to its capital have been established following the extension and upgrading of the main airport runway through a GEM Regional Impact Project (RIP).

"It's now quite easy for business partners from Manila and Cebu to fly in and look into investment prospects," said Nazrullah Masahud, vice president of the chamber of commerce in this economically underdeveloped, conflict-affected ARMM province.

"The runway has had a huge effect," said Rolando Lim, a resort owner and former chamber president. "I know of at least two other beachfront hotels now being built here."

According to a study conducted by the Institute for Socio-Economic Development Initiatives (ISFI) at Ateneo de Davao University, the Tawi-Tawi runway upgrade project had the highest cost-benefit ratio among 23 RIP projects studied, bringing in \$3.90 in benefits for every dollar invested in the project.

The Tawi-Tawi runway was extended from 1,608 to 1,920 meters, and widened from 18 to 30 meters. It became an all-concrete runway that could accommodate larger-bodied aircraft such as Boeing 737s and Airbus 320s.

This drew the interest of two leading commercial airlines, which within months had established daily flights between Tawi-Tawi and Zamboanga City, with connecting flights to the major cities of the Philippines.

Regular air service also provided the province's residents with better access to government, medical and banking services on the mainland. Previously, their only commuting option had been to endure a 17-hour ferry ride to Zamboanga City.



Upgraded Tawi-Tawi runway: daily flight connections opened doors to investors, services and opportunities.

Another transformational RIP project was the bridge-road project linking the two main islands of Tawi-Tawi, implemented through a GEM partnership with the Department of Public Works and Highways and the ARMM regional and provincial governments, under the oversight of the Mindanao Development Authority.

The bridge-road project, which directly links the main island with Sanga-Sanga Island, where the airport is located, allows local growers to transport their crops and other products more efficiently and at lower cost to Bongao, the province's commercial center.

These RIPs are complemented by 26 smaller-scale GEM Barangay Infrastructure Projects (BIPs) on Tawi-Tawi, which include boat landings, footbridges, seaweed solar dryers, and drainage and water supply construction projects. At least 25 percent of the total cost of each project was covered by local government partners.

"Tawi-Tawi is grateful for the generosity of the American people, which helped put this infrastructure in place," said Governor Sadikul Sahali. "We're looking forward to more investment coming into the seaweed and mariculture industries as a result, particularly since we have a multi-species hatchery."

The Tawi-Tawi High-Value Multi-Species Hatchery, the only commercial facility of its kind in western Mindanao, is a public-private partnership project established with GEM 2 technical assistance, to help ensure the sustainability of the mariculture industry in the Sulu Archipelago and other areas in western Mindanao.

Young grouper fish are purchased from the hatchery and grown out by individual fish farms, including cooperatives composed of MNLF ex-combatants trained by GEM in grouper production and marketing as part of its Former Combatant Reintegration activity.

Fish farmers grow out the grouper in floating fish cages using environmentally-friendly technology, until they are large enough to be sold to seafood markets on the mainland and to traders supplying Asian markets, in line with the GEM goal of increasing exports of selected commodities through its Targeted Commodity Expansion Project.

The BSO Development team strengthened the capability of the local chamber of commerce

to accelerate economic activity and help draw investment to the province. This included training in chamber management and governance, as well as support for chamber initiatives aimed at making it easier to do business, such as working with local government to streamline licensing procedures.

After the Tawi-Tawi runway was upgraded, the chamber played a key role in expediting the establishment of the new commercial flights, working with GEM, the two airlines, the provincial government and the Civil Aviation Authority.

"We owe a lot to USAID," said Lim, a former chamber president. "Without GEM, we wouldn't have this degree of development."

Bridging the digital divide is particularly important in remote provinces like Tawi-Tawi, where little access to the Internet and a lack of computer literacy can limit students' future participation in an expanding economy.

Through its Computer Literacy and Internet Connection Project, GEM provided 18 schools in the province with computers, Internet connections, printers and peripherals, well as computer training for teachers.

GEM 3 also engaged the more active participation of the parent-teacher associations of 40 schools in efforts to improve education services, by helping them to expand libraries, science labs and other school resources for their children through the Educational Matching Grant Project.

MESSAGES



Gloria D. Steele
Mission Director
USAID

GEM has, from the start, been about cooperation and collaboration between public and private sectors, between government and the business community. Your goal has been our goal: to make Mindanao even more economically vibrant, and ensure that the benefits of growth are made accessible to as many people as possible. To this end, GEM has worked to connect Mindanao with the rest of the country and the world—not just by building infrastructure, strengthening the region's future workforce, increasing agricultural production, and accelerating business activity, but also by consistently working to support the gains of peace in the region. Many amazing things have been accomplished through this assistance, and drivers of this accomplishment were our partners. In Mindanao, they include chambers of commerce, government agencies from the Cabinet level down to the grassroots, hundreds of local governments, growers' associations and fishing federations, former combatants and business people, governors and health workers, to name just a few.

GEM's success through its three phases of implementation would not have been possible without its staff. Your hard work and dedication have earned recognition in the field of international development, and have made the USAID Mission proud. Congratulations to you all.



Secretary Luwalhati R. Antonino
Chairperson
Mindanao Development
Authority

The assistance extended by USAID through GEM has established deep roots, and its beneficial effects will radiate throughout Mindanao for a long time to come. We extend our gratitude and respect to the American people for their strong friendship and for helping to transform our beautiful region into an economic powerhouse that is contributing to national growth and to the Philippines' standing in the world.

USAID's assistance through the GEM Program commenced at a critical moment in Mindanao's history, when a peace agreement had been signed and the economy had just begun to recover from many years of conflict. In addition to helping breathe life into promising industries that would maximize Mindanao's potential, GEM ensured that the gains of peace would be sustained and the benefits of growth extended to the far reaches of Mindanao.

Today, with the region's prospects for peace and development brighter than ever—thanks in no small measure to the support extended to us through GEM and other donor programs—we are grateful to USAID for being our partner through this transformational decade in Mindanao's history.



Hon. Mujiv S. Hataman
Governor
Autonomous Region in Muslim
Mindanao (ARMM)

My warmest congratulations to USAID and the GEM Team for assisting Mindanao along the path of progress.

GEM helped to improve socio-economic conditions and uplift areas that have suffered generations of conflict, especially in the ARMM. It supported the creation of a culture of good governance based on transparency and accountability, and anchored on democratic principles. This contribution to governance permeated several levels. The successful implementation of hundreds of infrastructure projects required attention, commitment and willingness to learn from the local governments and recipient communities. GEM also helped to train a generation of progressive young people who now are working in the public and private sectors to bring ARMM and Mindanao into the mainstream of national economic progress and empowerment. Business people and farmers in former war zones have been enabled to gain access to, and take advantage of, new export markets.

We thank USAID for the GEM Program's assistance in transforming Mindanao, and look forward to fruitful partnerships ahead.



Daniel J. Miller
Chief
USAID Office of Economic
Development and Governance

Since 1996 GEM has served as USAID's flagship program in Mindanao for implementing a broad range of initiatives to boost rural productivity, connect people to markets and services, create more employment and investment opportunities, and sustain the gains of peace across the region's underdeveloped, conflict-affected areas.

We are grateful for the strong support of our Philippine partners in government, the business sector, and the many Mindanao communities, large and small, who helped make our work here in Mindanao a lot easier, tremendously fulfilling, and definitely memorable.



Maria Teresa S. Robielos
Development
Assistance Specialist
USAID

We at USAID value the many partners in Mindanao who have collaborated with us to ensure sustainable economic growth and peace in the region through GEM. Your contribution ensured the success of the program and contributed immeasurably to progress in Mindanao. It has been a great pleasure working with you, and we look forward to seeing you replicate and expand these successful efforts in years to come. In particular, we wish to express our thanks to MinDA for its excellent collaboration.

Last but not least, congratulations to the GEM team for a job well done on a complex and pioneering development program.



Janet M. Lopez
Executive Director
Mindanao Development
Authority

Congratulations once more to the GEM team for helping to secure equitable economic growth and sustainable peace in Mindanao. Along the way you assisted in creating jobs and livelihood opportunities for millions of Mindanaoans, in some 300 cities and municipalities that include many small communities that might otherwise have been left behind in the march towards economic progress.

The GEM approach has always been to work closely alongside its Philippine counterpart and other partners. We appreciate this strong collaboration and look forward to sustaining and enlarging our joint achievements.

Although the GEM Program has come to an end, its achievements will be sustained through other USAID-funded projects that also deliver sustainable, practical, and empowering programs aimed to effect holistic and inclusive growth in this part of the country.



Dr. Charles E. Feibel
Vice President
The Louis Berger Group, Inc.

It was both an honor and a pleasure to have managed a program of this breadth and scale, and to have worked, shoulder to shoulder, with some of the most admirable Filipinos in the public and private sectors.

On behalf of the GEM Team, I would like to thank the governments of the Philippines and the United States for giving us this rare opportunity to help accelerate economic growth and contribute to building sustainable peace in Mindanao. While we acknowledge that much remains to be done to completely realize the vision of a peaceful and productive Mindanao, we are confident that the seeds of development that USAID has planted through GEM will continue to reap benefits for future generations of Mindanaoans.



Ma. Luisa M. Sian
Chief of Party
USAID's Growth with Equity in
Mindanao (GEM 3) Program

The strong commitment of Mindanaoans to peace and development allowed the GEM Program to carry out its objectives throughout the region. Our teams received invaluable support from local governments, the private sector, academic institutions and countless other stakeholders. The high level of trust and cooperation motivated us to do our best in designing and implementing GEM activities, under the guidance of USAID and MinDA. I am grateful to have been part of this great collaboration and hope that it will continue to bear fruit well into the future.

GUIDE TO ACRONYMS AND ABBREVIATIONS

ABC	ARMM Business Council	IRA	Internal Revenue Allotment
ADB	Asian Development Bank	ISFI	Institute of Socio-Economic Development Initiatives
AFP	Armed Forces of the Philippines	JEEP	Job Enabling English Proficiency
ARMM	Autonomous Region in Muslim Mindanao	JICA	Japan International Cooperation Agency
AusAID	Australian Agency for International Development	LEAP	Livelihood Enhancement and Peace
BFAR	Bureau of Fisheries and Aquatic Resources	LIDAR	light detection and ranging
BIP	Barangay Infrastructure Project	LGU	local government unit
BLGF	Bureau of Local Government and Finance	MEDCo	Mindanao Economic Development Council
BIMP-EAGA	Brunei Darussalam-Indonesia- Malaysia- Philippines East ASEAN Growth Area	MGB	Mines and Geosciences Bureau
BSO	business support organization	MILF	Moro Islamic Liberation Front
CAAM	Conflict-Affected Areas of Mindanao	MinBizCon	Mindanao Business Conference
CIPYML	Congressional Internship Program for Young Mindanao Leaders	MinDA	Mindanao Development Authority (formerly MEDCo)
CLIC	Computer Literacy and Internet Connection	MinFruit	Mindanao Fruit Industry Development Council
DA	Department of Agriculture	MNLF	Moro National Liberation Front
DepEd	Department of Education	MOU	memorandum of understanding
DENR	Department of Environment and Natural Resources	NorMinVeggies	Northern Mindanao Vegetable Producers Association
EMGP	Education Matching Grant Project	PAS	Public Affairs Section (U.S. Embassy)
ELAP	Emergency Livelihood Assistance Program	PCCI	Philippine Chamber of Commerce and Industry
EQuALLS	Education Quality and Access for Learning and Livelihood Skills	PLDT	Philippine Long Distance Telephone Company
EU	European Union	PRIDE	Productive Internships In Dynamic Enterprises
FCR	Former Combatant Reintegration	PTA	parent-teacher association
GAP	Good Agricultural Practices	REAP	Revenue Enhancement and Progress
GPH	Government of the Philippines	RIP	Regional Impact Project
HACCP	hazard analysis and critical control point	SAFE	Sustainable Aquaculture and Fisheries Effort
HCAP	HACCP Certification Assistance Project	SFFAAII	SOCKSARGEN Federation of Fishing Associations and Allied Industries, Inc.
HVH	high-value horticulture	TCEP	Targeted Commodity Expansion Project
IFAD	International Fund for Agricultural Development	UNDP	United Nations Development Programme
INVESTS	Investments in Vocational, Elementary, Secondary and Tertiary Studies	USAID	United States Agency for International Development





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