

Data Sheet

USAID Mission:	Philippines
Program Title:	Conflict Reduced in Mindanao and Other Areas
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	492-012
Status:	Continuing
Planned FY 2006 Obligation:	\$2,772,000 DA; \$8,549,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$500,000 DA; \$9,600,000 ESF
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: Conflict in the Philippines is jeopardizing the country's economic and social development and represents a significant threat to regional security and U.S. interests. USAID's conflict mitigation assistance seeks to address the underlying causes of conflict and is focused on conflict-affected areas (CAAs), which are primarily located in Mindanao. USAID has been instrumental in consolidating the 1996 peace accord between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF) by demonstrating the tangible benefits of peace. Activities aim to improve infrastructure, accelerate economic and business development, increase access to microfinance services, improve governance, and expand the availability of social services in the CAAs. USAID livelihood assistance has also helped over 28,000 former rebel MNLF combatants return to their communities and reintegrate into the mainstream economy as farmers or fishers. Should a peace deal be reached between the GRP and the Moro Islamic Liberation Front (MILF), USAID could draw upon existing funding allocations to jump-start comparable assistance for MILF former combatants and their communities; such investments will be crucial to ensure lasting peace and security.

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$2,772,000 DA; \$3,149,000 ESF). USAID is funding the construction of 14 high visibility, medium-scale infrastructure projects (e.g., roads, ports, bridges), and 315 small-scale community infrastructure projects (e.g., piers, solar dryers, water systems) in CAAs to help spur economic development and provide tangible evidence that the widespread perception that the GRP is indifferent to the concerns of religious and cultural minorities is out-of-date. USAID may also improve justice system infrastructure (e.g., courthouses). USAID is helping improve educational facilities in at least 80 more schools through a matching grant program implemented with Parent Teacher Community Associations. USAID is continuing to provide computers and internet connection to at least 100 more schools in the CAAs. Principal Implementer: The Louis Berger Group (LBG).

Improve Private Sector Competitiveness (\$1,400,000 ESF). USAID is continuing to strengthen Business Support Organizations (BSOs) such as chambers of commerce and producers' associations, and is focusing on their revenue generating capacity. Assistance in the production and marketing of commodities being produced in Mindanao (e.g., tuna, aquaculture products, fruits, and vegetables) is being provided to make producers more competitive in local and Asia-regional markets. USAID is also assisting an additional 3,000 former combatants to move into production and marketing of agriculture and aquaculture products. U.S. Department of Agriculture P.L. 480 Title I funds are contributing to the program by providing support for market development projects and pre- and post-harvest facilities. Principal Implementers: LBG with BSOs as partners. Another implementing partner may be added.

Strengthen The Financial Services Sector and Increase Access to Capital (\$2,000,000 ESF). USAID will continue providing technical assistance to rural and thrift banks, and credit unions. With USAID assistance, approximately 48 additional rural and thrift bank branches will begin serving microenterprises, and approximately 70,800 additional new microfinance borrowers will receive access to financial services. Principal Implementers: Chemonics International, Inc. and the World Council of Credit Unions. USAID will

also support improvements in the provision of additional microfinance products. Principal Implementer: To Be Determined (TBD).

Support Democratic Local Government and Decentralization (\$2,000,000 ESF). USAID is continuing to help the Government of the Autonomous Region in Muslim Mindanao (ARMM) and local government units (LGU) become more effective and transparent, with the aim of producing greater legitimacy, more local tax revenue, and better services. USAID will broaden its program to promote peaceful resolution of disputes associated with clan conflict, land disputes, and other sources of conflict. Principal Implementers: The Asia Foundation (TAF) and LBG.

FY 2007 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$500,000 DA; \$4,350,000 ESF). USAID plans to fund the construction of an additional 12 mid-scale and 220 community infrastructure projects in CAAs. USAID will provide computers and internet connection to 60 more schools. Principal Implementer: LBG.

Improve Private Sector Competitiveness (\$3,500,000 ESF). USAID will continue strengthening BSOs in Mindanao. Assistance will help increase the volume and diversity of products that can be competitively exported to domestic and Asia-regional markets. USAID will also assist former combatants to move into agriculture/aquaculture production and marketing. The principal implementers will be LBG with BSOs as major partners. USAID plans to provide higher education and non-degree technical training in the United States and in leading Philippine universities to selected deserving students, with special emphasis on members of religious and cultural minorities in Mindanao, in such fields as economics, agriculture, law, computer science, and other fields that facilitate economic development. Principal Implementer: TDB.

Support Democratic Local Government and Decentralization (\$1,750,000 ESF). USAID will continue to provide technical assistance and training to the ARMM Government and LGUs to improve their transparency, accountability, and effectiveness. USAID plans to further promote peaceful resolution of disputes associated with clan conflict, land disputes, natural resource-based conflicts, and other sources of conflict. Principal Implementers: TAF, LBG, and others TDB.

Performance and Results: In FY 2005, USAID completed the combatant reintegration program that enabled more than 28,000 former MNLF combatants to develop the means to make a peaceful living as farmers and fishers. In FY 2005, some 2,100 former combatants completed the program, and 133 small and medium infrastructure projects were undertaken in the CAAs, bringing the total number of infrastructure projects to 345. These projects benefit nearly 1.5 million people by making possible improved access to markets and social services, lower transport costs, and greater availability of potable water. Through USAID assistance, an additional 45 rural and thrift bank branches began offering microfinance services, for a total of 232 bank branches. Collectively, these bank branches have provided micro-loans to 229,200 microenterprises. Computer and internet education was introduced into an additional 126 high schools in the CAAs, bringing the total number of high schools offering computer and internet education to 229. At the end of this program, infrastructure, microfinance, and governance will be improved and, if a peace agreement is reached by the GRP and MILF, former MILF combatants could also begin to be reintegrated into the peaceful economy. In addition, the program will consolidate peace and diminish the social and economic conditions that terrorists can exploit.

US Financing in Thousands of Dollars

Philippines

492-012 Conflict Reduced in Mindanao and Other Areas	DA	ESF
Through September 30, 2004		
Obligations	3,493	15,720
Expenditures	0	141
Unliquidated	3,493	15,579
Fiscal Year 2005		
Obligations	3,500	15,720
Expenditures	0	0
Through September 30, 2005		
Obligations	6,993	31,440
Expenditures	0	141
Unliquidated	6,993	31,299
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	2,772	8,549
Total Planned Fiscal Year 2006		
Obligations	2,772	8,549
Proposed Fiscal Year 2007 NOA		
Obligations	500	9,600
Future Obligations	0	0
Est. Total Cost	10,265	49,589