

P148822: Supporting Inclusive Peace in the Bangsamoro

Summary of Outputs and Achievements

1. Overview

The “Supporting Inclusive Peace in the Bangsamoro” program (P148822/TF016067) is a \$470,000 grant under the Korean Trust Fund for Economic and Peacebuilding Transitions. The grant proposal was approved by the Korean TF Committee in September 2013. Management approved the concept in November 2013. The program closed on February 28, 2016.

The grant has supported a significant set of analytical and advisory outputs and just-in-time advice. All activities supported the anticipated transition to the Bangsamoro, consistent with the October 2012 Framework Agreement on the Bangsamoro (FAB) and the March 2014 Comprehensive Agreement on the Bangsamoro (CAB) between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF).

This report summarizes the main outputs and achievements under this grant.

2. Background

The FAB and CAB set in place a transition from the existing Autonomous Region in Muslim Mindanao (ARMM) to a proposed new autonomous political entity, known as the Bangsamoro. It is hoped that this transition would help to meet Moro aspirations for genuine autonomy. The CAB also lays out processes to address historical injustices, security concerns and governance deficits in the ARMM region.

Implementing the Agreement required the formation of a series of joint institutions between the government and the MILF to manage the political, security and development-related aspects of the transition. Implementation faced many significant challenges, including limited capacity on the part of the MILF, which (like most armed groups) has a small cohort of technical specialists. Ensuring inclusivity in the process has been another important imperative so that different stakeholders – government, various Moro groups, Indigenous peoples, Christian politicians, etc. – who could make or break the process had a say in how it was framed and executed.

3. Objectives

Against that background, the objective of the Project was, *to support the Bangsamoro Transition Commission and other related transitional institutions with demand-driven technical assistance on economic development issues and promote communication and outreach on economic development issues for a more inclusive transition process.*

Thus, in essence, the grant was established to contribute to a more effective and inclusive transition to the Bangsamoro. This built on global experience from the World Development Report 2011 on *Conflict, Security & Development* that one of the first steps towards creating the legitimate institutions necessary to break cycles of violence is to develop "inclusive enough coalitions" of stakeholders. Accordingly, the

grant focused on activities to: (i) strengthen the technical capacity of the Bangsamoro Transition Commission and related transitional institutions to deliver on their respective mandates; and (ii) improve the inclusivity of the transition so relevant ethnic and religious groups and sectors often marginalized from power structures in the Bangsamoro - such as youth and women - had the opportunity to participate actively in shaping it.

Expected Outcomes/Indicators

Under the PDO, the intermediate outcomes are: (1) policy/strategy informed; (2) client capacity increased; and (3) knowledge deepened. Within category 1, two specific indicators were identified as priorities for the grant:

- A. TA/lessons from other countries/regions on economic development incorporated in new basic law and in development policy for the Bangsamoro; policy/strategy informed for transitional institutions; and
- B. Communication strategy on economic development issues prepared for Transition Commission; public debate stimulated on economic development.

Progress against these two sub-indicators is discussed in detail below, before a more concise summary of other achievements.

4. Implementation Mechanism

Most of the technical assistance under this Grant was delivered through the joint World Bank-United Nations Facility for Advisory Support for Transition Capacities (FASTRAC – see www.fastrac.ph). Since its establishment in April 2013, FASTRAC has become acknowledged as a major source of technical and financial assistance to both the MILF and the government on different aspects of the transition. The KTF grant has helped the World Bank to play a central role alongside UNDP in managing FASTRAC, including by funding the Facility’s full-time International Adviser. As the Facility gained in credibility, this has leveraged \$2.4 million in funding from donors (Australia, the United Kingdom and New Zealand) on top of contributions from the World Bank (\$970,000 through BB and the KTF) and UNDP (\$700,000).

FASTRAC is the only dedicated Facility directly supporting the transition. It is also the only dedicated platform for policy dialogue on the transition, bringing together the government, MILF and international community. To strengthen the dialogue function, the International Contact Group (a body of four states and four NGOs that supports the peace talks) was invited to join the peak Consultative Committee. The parties later established a Third Party Monitoring Team (TPMT) to monitor implementation of the CAB, and this Team was invited to act as observer.

Some activities under this grant were also executed directly by the Bank outside the FASTRAC umbrella.

5. Activity Performance

Overall Development Objective

This cluster of activities has provided analytical and advisory services to help build legitimate institutions in conflict-affected areas of the Philippines. It has played an important role in terms of informing government policy and strategies and both government and development partner financing. It has helped the Bank to play a leading role in the joint WB-UN Facility for Advisory Support for Transition Capacities (FASTRAC), which is now established as a major source of technical advice to the government and the Moro Islamic Liberation Front (MILF) to help them implement the 2014 Comprehensive Agreement on the Bangsamoro (CAB).

The technical assistance aims of the activity were achieved. Over the course of the activity, technical assistance was provided to the Bangsamoro Transition Commission (BTC), the Joint Normalization Committee (JNC), the Transitional Justice and Reconciliation Commission (TJRC), the Coordination Team for Transition (CT4T), the Bangsamoro Development Agency (BDA), the Institute of Bangsamoro Studies (IBS), and the Government and MILF Negotiating Panels.

Specific sub-activities for technical assistance included: (i) targeted technical assistance, policy papers, community consultations and training on economic-development related aspects of the draft Bangsamoro Basic Law, which is the key legislation to implement the Comprehensive Agreement on the Bangsamoro; (ii) detailed community consultants to provide input to the Bangsamoro Development Plan, the first comprehensive economic blueprint prepared by a non-state armed group; (iii) contribution to the design and operations of the Bangsamoro Conflict Monitoring System (BCMS), which is informing more conflict-sensitive development programming; and (iv) major TA on the overall approach to combatant transition, utilizing a community-based reintegration approach.

The communication and outreach aims of the activity were also achieved. With TA from this grant, the Bangsamoro Transition Commission formulated a communications strategy. Civil society engagement with affected communities and coordination between CSOs and the joint transition bodies was supported. Seventy-five community consultations were conducted across urban and rural areas, covering over 12,000 Muslims, Christians and indigenous peoples. The consultations generated useful technical input and also enhanced the credibility of the drafting process. Public hearings, inclusive policy dialogues and media articles also contributed technical input and stimulated public debate.

Finally, the grant played a central role in establishing the Bank as a trusted and respected partner in the peace process. This built the confidence of the parties that they could deliver on commitments in the Comprehensive Agreement. It also created space for dialogue and different voices to participate in a highly sensitive process.

Completed Activities and Deliverables by Intermediate Outcome

Intermediate Outcome 1: Policy/strategy informed

A: TA/lessons from other countries/regions on economic development incorporated in new basic law and in development policy for the Bangsamoro; policy/strategy informed for transitional institutions.

Objective: the objective under this IO was to inform the draft Bangsamoro Basic Law and development policy in the Bangsamoro and to support transitional institutions.

The main output to implement the FAB and CAB was the formulation of a draft Bangsamoro Basic Law (BBL) to create a new autonomous political entity - the Bangsamoro - to replace the existing Autonomous Region in Muslim Mindanao (ARMM). A joint GPH-MILF Bangsamoro Transition Commission (BTC) was established pursuant to a Presidential Executive Order to draft the law. Eight commissioners were nominated by the MILF (including the Chair) and seven by the government.

Achievements: Under the KTF grant, the World Bank provided **rapid and flexible technical and financial assistance to the BTC on economic development-related issues** as follows: (i) support for 75 community consultations led by a Mindanao-based CSO consortium on economic development aspects of the draft law, including outreach to indigenous peoples, women's and youth groups (covering 11,952 people). Combined with support from JICA and UNDP, this covered 100 consultations across all parts of Mindanao; (ii) support for inclusive policy roundtables through a leading Mindanao-based think tank, the Institute of Bangsamoro Studies. The "Bangsamoro Policy Roundtables" generated technical policy papers for the BTC on issues such as fiscal decentralization, revenue generation and tax policy. This created a channel for leading academic institutions, the private sector and local and ARMM regional government officials in Mindanao to contribute to the BBL; (iii) financial and technical support for three public hearings by the BTC Commission on Fiscal Autonomy in different parts of Mindanao to gather inputs and expert advice on economic development-related issues for the Bangsamoro Basic Law; and (iv) flexible World Bank TA on issues including Islamic finance, fiscal decentralization and tax policy for the Bangsamoro Transition Commission.

Technical assistance from the World Bank helped the BTC to distill the main messages and outcomes of the various community consultations, public hearings and policy papers produced under the KTF funding into usable policy advice as input to the draft Bangsamoro Basic Law.

These inputs – among many others – helped the BTC to prepare a draft Bangsamoro Basic Law (BBL), which was submitted to the Philippine Congress in September 2014. Eventually the BBL was not passed by the current Congress. But a law to implement the CAB is expected to be tabled when the next Congress assumes office in July 2016. The draft BBL is contentious, but it will be the primary reference point for any future legislation.

In addition to economic development-related aspects of the draft BBL, KTF funds have also complemented financing under the multi-donor Mindanao Trust Fund to support community consultations on the **Bangsamoro Development Plan (BDP)**. Prepared by the Bangsamoro Development Agency, the development arm of the MILF, the BDP is the first ever comprehensive economic blueprint prepared by a non-state armed group. The Plan lays out a detailed short, medium and long-term vision for development of the proposed Bangsamoro territory. The Plan was launched in November 2014 before President Aquino, multiple Cabinet Secretaries, the international community and the Chair of the MILF.

KTF funds contributed to 14 community visioning exercises conducted in ten provinces across Mindanao, including areas covering indigenous peoples, Christian settlers and in the island provinces outside the MILF heartland.

The BDP is now being used by selected government agencies and development partners to inform financing decisions.

After focusing initially on the Bangsamoro Transition Commission and the Bangsamoro Basic Law, the KTF has been able to provide **technical and financial assistance to new transitional institutions**. The flexibility of the KTF funds has allowed the Bank to remain relevant as the peace process has evolved. Since the grant was declared effective, the government and the MILF have established the Joint Normalization Committee (JNC) to oversee security concerns, the Coordination Team for the Transition (CT4T) to manage the administrative transition from ARMM to the Bangsamoro, and the Transitional Justice and Reconciliation Commission (TJRC) to address historical grievances.

The KTF has provided significant technical support to the **JNC on combatant transition**. This has included knowledge exchange between the Philippines and Colombia; video conferences with Bank and leading academic experts on job creation for combatants; visits, training and mentoring from Bank and other international experts on combatant transition and a major three-day workshop in September 2015 that brought together the senior leadership of the MILF and Government on an overall approach to community-based reintegration and security.

Technical assistance has also been extended to the Transitional Justice and Reconciliation Commission (TJRC) on marginalization through unjust dispossession of land. A joint Bank-IOM team is in the final stages of completing a report on this topic for the TJRC. Recommendations from an earlier draft have been adopted by the TJRC and incorporated into their overall report, which was launched in March 2016.

To assist with monitoring the impact of the transition on security and **promoting more conflict-sensitive development planning**, the KTF also provided partial funding for the Bangsamoro Conflict Monitoring System (BCMS). Working with International Alert and three Mindanao-based universities, the BCMS tracks conflict incidence, typology, location, cost and causes in the Bangsamoro areas. The BCMS was launched in July 2014, with the publicly accessible database launched in March 2015 (www.bcms-philippines.info). This launch garnered significant media coverage, including recognition for the KTF. The BCMS produces regular analytical reports on conflict in the Bangsamoro. These have been cited in important national policy documents, such as the report of the National Peace Council on the Bangsamoro Basic Law (see <http://alternativelawgroups.ph/images/Resources/materialsforwebsite/PathtoPeaceThePeaceCouncilReportontheBangsamoroBasicLaw.pdf>) and in planning documents such as the Autonomous Region in Muslim Mindanao's Humanitarian and Development Action Plan.

Major Outputs:

1. Institute of Bangsamoro Studies "Bangsamoro Policy Roundtables Report", February 2015.

- a. This report summarizes policy roundtable discussions and outputs on: (a) Islamic Financing; (b) Government-Owned & Controlled Corporations (GOCCs); (c) Mechanisms and Areas of Cooperation and Coordination on Customs, Tariff and Quarantine for Operation of Ecozones and Freeports in the Bangsamoro; (d) Delineation of Powers on Transportation and Communication in the Bangsamoro; (e) The Determination of the Recommended Amount for the Bangsamoro Special Development Fund; (f) The Determination of the Formula for the Bangsamoro Annual Block Grant; and (g) Devolved Powers
2. Mindanao Civil Society Organizations Platform for Peace (MCSOPP) “Consolidated Results of Community Dialogues”, summarizes the outcomes of 75 World Bank-supported community consultations to gather data and input on economic development related aspects of the draft Bangsamoro Basic Law and for the Bangsamoro Development Plan.
3. Bangsamoro Development Plan – the KTF funds, together with support from the Mindanao Trust Fund, provided significant financial and technical assistance to the Bangsamoro Development Agency to produce this comprehensive economic blueprint for the proposed Bangsamoro territory. Available at www.bangsamorodevelopment.org
4. Bangsamoro Conflict Monitoring system reports and data (available at www.bcms-philippines.info) have been cited in the report of the National Peace Council, in development and humanitarian plans of the Autonomous Region in Muslim Mindanao and the Office of the Presidential Adviser on the Peace Process. Reports include the following: (i) General Conflict Report 2011-2013; (ii) General Conflict Report 2011-2014; (iii) Quarterly Data Sheets for 2014; (iv) Applying a Violence Intensity Index in the Bangsamoro; and (v) Disrupting Conflict Strings in Sub-National Contexts.
5. Workshop on Information, Counselling and Referral Services (ICRS) for Combatant Transition, September 2015. This workshop brought together 70 senior government officials, MILF personnel and security sector representatives with World Bank experts and international advisers to work on an overall implementation strategy for the decommissioning of MILF ex-combatants and community security. This workshop was identified as one of the key events of the year for the peace process by the Chair of the Government Negotiating Panel in her summary of 2015 achievements (see <http://www.opapp.gov.ph/milf/news/2015-productive-difficult-year-bangsamoro-peace-process>).

B: Communication strategy on economic development issues prepared for Transition Commission; public debate stimulated on economic development.

Achievements: Under this Intermediate Outcome, the KTF grant equipped FASTRAC to move very quickly to help the BTC to prepare a more inclusive draft Bangsamoro Basic Law under what was a very tight timeframe. Major achievements included the provision of TA to the BTC Communications Group to formulate a communications strategy, plus hands-on coaching and mentoring to help implement it. The KTF grant contracted leading national communications experts to help the BTC Communications Group to prepare and then execute a Communications strategy. This helped the BTC to prepare press releases and television slots, IEC materials, conduct audience assessments and to plan wide-ranging public consultations across Mindanao and at the national level. The KTF grant also facilitated coordination between the BTC Communications Group and the Office of the Presidential Adviser on the Peace

Process. Thus, this TA both informed policy and strategy and helped build the capacity of the BTC for inclusive and strategic communications.

The role of the BTC Communications Group to reach out to communities and to sell the transition to the public proved very challenging. The Communications team staffed on the whole by inexperienced personnel. Communications efforts were often affected by the vicissitudes of the political process. However, under difficult circumstances, the KTF grant played an important role in helping BTC Communications to deliver on the basics.

In terms of stimulating public debate on economic-development related aspects of the transition, the KTF grant directly supported a series of relevant activities as noted above, including 75 community consultations across Mindanao through the Mindanao Civil Society Organizations Platform for Peace, the IBS “Bangsamoro Policy Roundtables”, community visioning exercises for the Bangsamoro Development Plan and public hearings for the Bangsamoro Transition Commission. Together, these events reached out to over 12,000 people.

The KTF also supported two op-eds by WDR 2011 Co-Director, Nigel Roberts, on the transition. Both were published in the Philippine Daily Inquirer, the leading English language daily newspaper in the country, and shared widely through social media.

Major Outputs

1. Institute of Bangsamoro Studies “Bangsamoro Policy Roundtables Report”, February 2015.
2. (MCSOPP) “Consolidated Results of Community Dialogues”
3. Bangsamoro Development Plan
4. Nigel Roberts’ op-eds: <http://opinion.inquirer.net/73092/mindanao-the-political-psychology-of-peace> and <http://opinion.inquirer.net/83352/after-mamasapano-burn-it-all-down>

Intermediate Outcome 2: Client Capacity Increased

1. FASTRAC: Bangsamoro Transition Capacity increased through training and TA on strategic communications and project management.
2. FASTRAC: Joint Normalization Committee and GPH-MILF Panel capacity built for formulating an overall strategy for normalization and for decommissioning MILF ex-combatants through workshops, international training and expert visits to the Philippines.
3. Bangsamoro Development Plan: the Bangsamoro Development Agency’s capacity for macro-level planning and engagement with national government agencies was significantly increased through 12-18 months of KTF and Mindanao Trust Fund-financed technical assistance. MTF/KTF funded a core team of economists, planning specialists, GIS and technical experts in various fields.
4. Bangsamoro Conflict Monitoring System: capacity-building provided for three partner Mindanao universities (Western Mindanao State University and Mindanao State Universities in Iligan and General Santos), in data collection, encoding and analysis on violent conflict through the BCMS.

Intermediate Outcome 3: Knowledge Deepened

1. FASTRAC: IBS Policy Roundtables and MCSOPP public consultations deepened knowledge of the BTC on key economic development-related issues for the draft Bangsamoro Basic Law.
2. FASTRAC: various knowledge exchanges through video conferences, expert visits and training deepened MILF and GPH knowledge on combatant transition, including international experience from Colombia, various African countries and the Middle East.
3. Bangsamoro Conflict Monitoring System website has received 810,000 hits since its launch in March 2015, contributing to broad understanding of conflict trends, incidence and impacts in the Bangsamoro area.

6. Implementation Challenges and Lessons Learned – Some Reflections

The technical and political challenges to establish the Bangsamoro are significant. The non-passage of the BBL under the current Administration, which would provide the legal basis for implementing much of the Comprehensive Agreement on the Bangsamoro, indicates how difficult it is to shepherd the country to embrace a new political settlement for the Bangsamoro areas. The end of the BBL does not mean the peace process is finished, but does realistically mean that completion of the elements agreed in the CAB could take a minimum of another 18-24 months.

Inevitably this means that some tasks under this Grant – which was explicitly geared towards supporting the transition – have not yet achieved the desired outcome. The anticipated benefits can be expected to accrue under the new government, however.

The initial proposal/GFR for this activity identified a series of capacity, stakeholder, security and political risks. The most significant of these were: (i) the Bangsamoro Transition Commission (BTC) would lack capacity to absorb technical assistance; (ii) security would deteriorate in Cotabato City; and (iii) the government and MILF would not be able to complete the technical annexes to the Framework Agreement on the Bangsamoro and the peace process would collapse. Concerns were also raised about the risk of the Bank engaging in issues beyond our legal mandate.

To some extent, these risks have eventuated, but not to a sufficient extent to prevent achievement of the project objectives or delivery of major outputs. New risks also emerged during implementation, as per below.

The government and the MILF took longer than expected to complete a number of key steps in the process, for example: (i) the technical annexes to the Framework Agreement (17 months as opposed to two), (ii) completing the draft BBL. These were realities of the political process but did not affect the quality of the Bank contribution.

Ongoing negotiations - the FASTRAC facility was established on the understanding that, following the signing of the Framework Agreement on the Bangsamoro, the GPH and MILF had shifted from adversaries to partners in peace. In reality, however, differences of opinion and varying interpretations naturally remained about some of the issues negotiated in the FAB and CAB. In other instances,

differences of opinion emerged over how particular commitments would be implemented. In the initial stages, the FASTRAC facility was caught in the middle of some of these differences of opinion, creating stress on the FASTRAC Secretariat and, occasionally, an expectation that the Facility could resolve these issues. Alternatively, at times it was felt that the FASTRAC facility was (inadvertently) blocking GPH-MILF joint problem solving. Over time, these teething problems were largely addressed through improved collaboration and communication between the parties and finalization of a revised Operations Manual to clarify decision-making procedures. The parties also directed FASTRAC to work with newly established transitional institutions covering the administrative and security transitions. These institutions had clear work plans, making it easier to swing behind jointly agreed priorities and avoid being stuck in the middle.

Political Risk - while proceeding slowly, the peace process was largely on track until the "Mamasapano incident" on January 25, 2015. The incident dramatically shifted public opinion on the peace process from positive ambivalence to strong opposition. Trust in the President was also affected. Trust in the MILF as a reliable peace partner was also damaged. This incident delayed deliberation of the draft law in Congress and contributed to its failure to pass. At the political level there is little the Bank could do to influence the dynamics. However, the Bank has brought to bear international experience on the cost of a return to war and how peace process have faced similar challenges in other countries through policy dialogue and communication.

7. Next Steps

Activities under this KTF micro-grant have been picked up under a larger KTF grant, "Supporting the Foundations of Sustainable Peace in Mindanao" (TF018382), which is linked to the Programmatic AAA on Conflict, Security & Development (P146397). That has seen a continuation and deepening of assistance for the transition through the FASTRAC Facility. Additional advice has been provided to the government and MILF - particularly through the Joint Normalization Committee - on the security transition. Initial interaction with the Transitional Justice & Reconciliation Commission (TJRC) under this grant was translated into a partnership with the International Organization for Migration (IOM) under a Memorandum of Understanding with the TJRC.

Sustainability of the achievements under this micro-grant will depend on how the technical advice and analytical work is picked up in policy and legislation and/or how it can influence program design and development financing. Policy and technical inputs on economic development related issues were incorporated in the draft Bangsamoro Basic Law submitted to Congress. While this version of the law was not passed, it is expected that any future version will draw on the current draft.

Capacity built at the technical level in government and in the ranks of the MILF on issues such as normalization/combatant transition, fiscal policy and Islamic finance will bear fruit so long as the process is resumed under the new government. This is particularly the case for MILF personnel, most of whom will continue in their current positions. Technical assistance for government has deliberately targeted a mix of senior and technical level staff to minimize the loss of knowledge following the change

in Administration. But inevitably we will need to work with a new set of senior officials from July 2016, most likely necessitating some repetition of technical support.

In terms of next steps, the Bangsamoro Basic Law was not passed during the term of the current Administration following the political fallout after the Mamasapano incident. This leaves the peace process in a state of uncertainty that will not be settled until the new government assumes office on June 30, 2016. The President-elect has indicated expressed his intention to continue the process, including pursuing passage of a law. He and his advisers have also indicated that in doing so they would address some of the main perceived weaknesses in the process, which are identified as: (i) questions over the constitutionality of both the CAB and the draft BBL; and (ii) inclusivity, particularly with respect to involvement of Muslim groups other than the MILF, indigenous peoples and Christians.

Thus, it is expected that under the new government, support for the transition will remain an important priority. Both the government and the MILF have indicated strong demand to maintain the FASTRAC facility. We foresee the Facility supporting a "reboot" of the process, including strengthening inclusivity. Ongoing assistance to build capacity would also be necessary for the transitional bodies, MILF and other stakeholders.

While ensuring that the transition takes place remains crucial to prospects for peace and development in Mindanao, it will be equally important to continue broader assistance to address the deeper development challenges of weak governance, insecurity and lack of economic opportunity. The Bank strategy moving forward seeks to expand our operational portfolio in the area, with a focus on generating thousands of jobs by implementing key recommendations from the ongoing Mindanao Jobs Report. So, technical inputs and analytical work prepared under this and the larger KTF grant will be translated into concrete projects. Bank/KTF assistance will seek to ensure the projects are designed in a conflict-sensitive manner, strongly grounded in the local political economy.