

**GOVERNMENT OF  
THE REPUBLIC OF THE PHILIPPINES**

**THE STUDY FOR SOCIO-ECONOMIC  
RECONSTRUCTION AND DEVELOPMENT OF  
CONFLICT-AFFECTED AREAS  
IN MINDANAO IN THE  
REPUBLIC OF THE PHILIPPINES**

**FINAL REPORT  
SUMMARY**

**NOVEMBER 2009**

**JAPAN INTERNATIONAL COOPERATION AGENCY**

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**KATAHIRA & ENGINEERS INTERNATIONAL  
IC NET LIMITED**

## PREFACE

In response to a request from the Government of the Republic of the Philippines, the Government of Japan decided to conduct the Study for the Socio-Economic Reconstruction and Development of Conflict-Affected Areas in Mindanao (SERD CAAM) under the Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BIRD) and entrusted it to the Japan International Cooperation Agency (JICA).

JICA selected and dispatched a study team headed by Mr. Tsuneo Bekki (in 2007), Dr. Hani Abdel-Halim (2007-2008) and Dr. Asaichi Miyakawa (2008-2009) from February 2007 to November 2009.

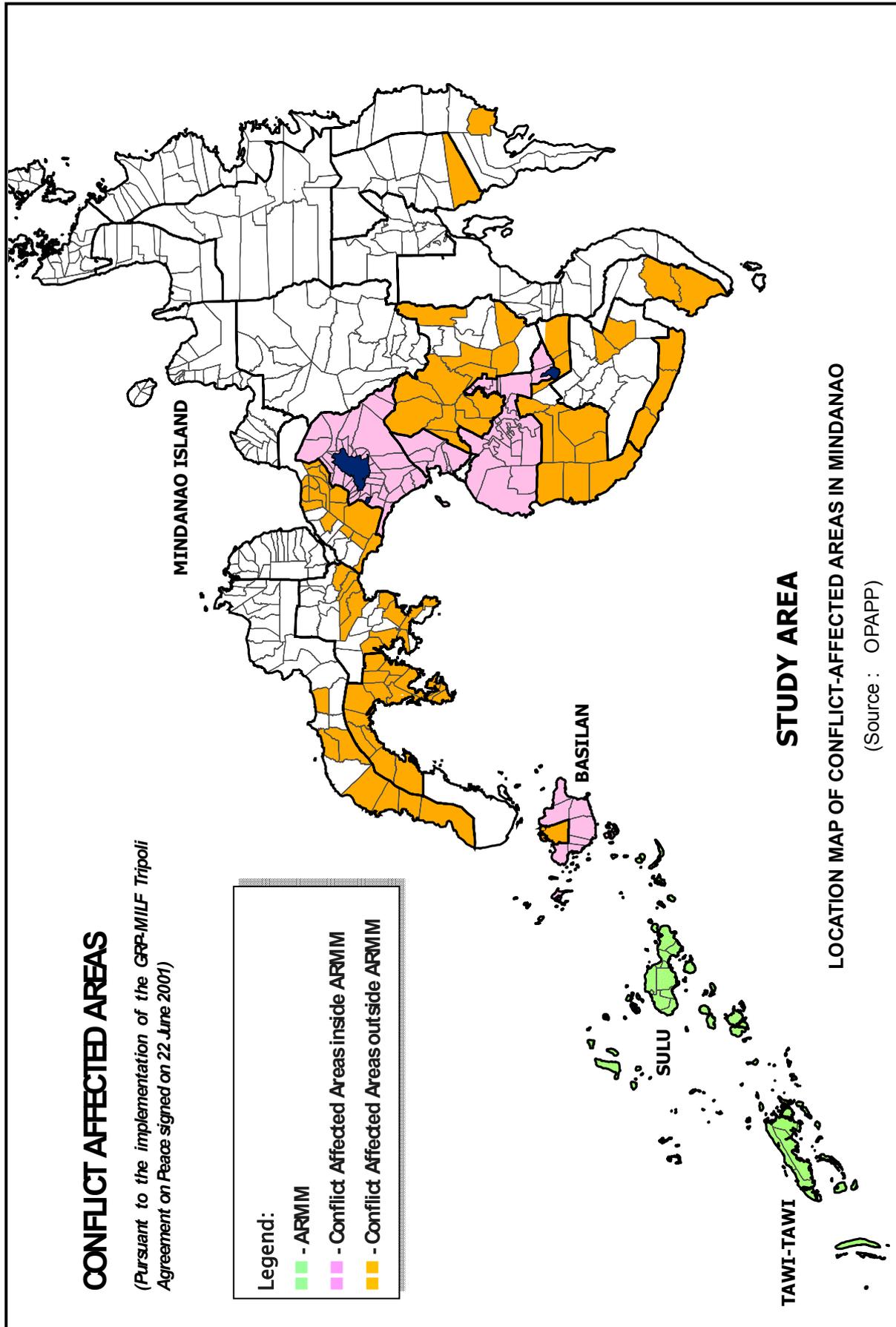
The study team held close discussions with the people and officials concerned in the CAAM as well as stakeholders concerned to the study, and conducted study activities such as broad field surveys on Barangay level, implementation of On-the-Spot Assistance (OSA) and Quick Impact Project (QIP), constructions of three (3) Databases, and formulation of the Socio Economic Development Plan (SEDP). Upon returning to Japan, the study team prepared this final report to summarize the results of the Study.

I sincerely hope that this report will contribute to the reconstruction and further development of the CAAM, with the end in view of promoting the consolidation of peace in Mindanao.

Finally, I wish to express my sincere appreciation to the people, officials and stakeholders in the Philippines for their vital cooperation extended to the study team.

November 2009,

Toshiyuki Kuroyanagi  
Director General  
Economic Infrastructure Development Department  
Japan International Cooperation Agency



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*Location Map*

*Abbreviations*

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## **ACRONYMS AND ABBREVIATIONS**

ARMM	:	Autonomous Region in Muslim Mindanao
BDA	:	Bangsamoro Development Agency
BJE	:	Bangsamoro Juridical Entity
CAAM	:	Conflict Affected Areas in Mindanao
CCCH	:	Coordinating Committee on the Cessation of Hostilities
DA	:	Department of Agriculture
DOE	:	Department of Energy
DOH	:	Department of Health
DPWH	:	Department of Public Works and Highways
DSWD	:	Department of Social Welfare and Development
EMB-DENR	:	Environment Management Bureau, Department of Environment and Natural Resources
FGD	:	Focus Group Discussion
GIS	:	Geographic Information System
GRDP	:	Gross Regional Domestic Product
GRP	:	Government of the Republic of the Philippines
IBNA	:	In-depth Barangay Needs Analysis
IMT	:	International Monitoring Team
IDPs	:	Internally Displaced Persons
J-BIRD	:	Japan-Bangsamoro Initiatives for Reconstruction and Development
JICA	:	Japan International Cooperation Agency
KII	:	Key Informant Interview
LGU	:	Local Government Unit
MILF	:	Moro Islamic Liberation Front
MNLF	:	Moro National Liberation Front
MTDP	:	Medium Term Development Plan
NAMRIA	:	National Mapping and Resource Information Authority
NEDA	:	National Economic Development Authority
NIPAS	:	National Integrated Protected Areas System
NSCB	:	National Statistical Coordination Board
NSO	:	National Statistics Office
OPAPP	:	Office of the Presidential Adviser on the Peace Process
OSA	:	On-the-Spot Assistance

PO : People's Organization  
PSC : Project Steering Committee  
QIP : Quick Impact Projects  
RPDO : Regional Planning and Development Office  
SEDP : Socio-Economic Development Plan in Conflict-Affected Areas in Mindanao  
SERD-CAAM : The Study on the Socio-Economic Reconstruction and Development of  
Conflict-Affected Areas in Mindanao  
SOCKSARGEN: South Cotabato/Sultan Kudarat/Sarangani/General Santos City  
TWG : Technical Working Group

**Exchange Rate:**

PHP1.00=JPY1.975

(Average of May to Oct. 2009)

**PART I**

**MAIN TEXT**

## 1. INTRODUCTION

### 1.1 BACKGROUND

- In 1990, the Autonomous Region in Muslim Mindanao (ARMM) was officially created based on Republic Act No. 6734. On 2 September 1996, a peace accord between the Government of the Republic of the Philippines (the GRP) and the Moro National Liberation Front (the MNLF) was reached. This paved the way for the expansion of ARMM in 2001. Meanwhile, armed conflicts between the GRP and the Moro Islamic Liberation Front (the MILF), a break-away faction of the MNLF sometime in 1977 continued to escalate and viewed as a repeated version of the GRP-the MNLF war. Although the ceasefire agreement in 2003 resulted in a sharp decline of occurrences of conflicts in Mindanao, there has been a resurgence of conflict incidence since August 2008.
- The current events in Mindanao provided the background for the urgency of fast tracking the implementation of various development programs and projects and direct assistance by local and international organizations in Mindanao. These development projects are expected to create and generate an impact on the peace and development agenda in spite of conflicts after August, 2008.
- The BDA through the OPAPP, requested assistance from the Government of Japan (the GOJ) for the conduct of this study. In this regard, an agreement was forged between the GOJ and the GRP, through the OPAPP on 2 March 2007 for the conduct of a study entitled the Socio-Economic Reconstruction and Development (the

SERD) in Conflict Affected Areas in Mindanao or the SERD-CAAM.

- The study has been implemented and managed under the Japan-Bangsamoro Initiatives for Reconstruction and Development (J-BIRD) whose aim is to consolidate peace in Mindanao in preparation for the signing of a peace agreement between the GRP and the MILF.

### 1.2 OUTLINE OF THE SERD- CAAM

#### General Objective

- The general objective of the Study is to formulate the socio-economic development plan (the SEDP) for the reconstruction and development of conflict-affected areas in Mindanao in view of promoting the consolidation of peace in Mindanao.
- The study will undertake extensive and comprehensive need assessment surveys on the field and mapping of the CAAM and consultations with prospect beneficiaries and stakeholders to provide a strong basis for the formulation of the SEDP in the CAAM.

#### Framework of the Study

- The Study consists of four major studies i.e. 1. Social survey such as In depth Barangay Needs Assessment (IBNA), 2. Small scale infrastructure construction and assistance such as Quick Impact Project (QIP) and On the Spot Assistance (OSA), 3. GIS, and 4. SEDP formulation. Those four studies are planned in a roads map of the Study so that each study could input its data and results of analysis to other studies. SEDP was formulated integrating outcomes of these

thee studies and others.

**Planning Institutions and Organizations**

- Project Steering Committee (PSC) was organized, co-chaired by OPAPP and BDA. Its function to act as decision-making body (at a policy level), provide inputs on overall project direction and strategy, ensure that the conduct of the Study is within the

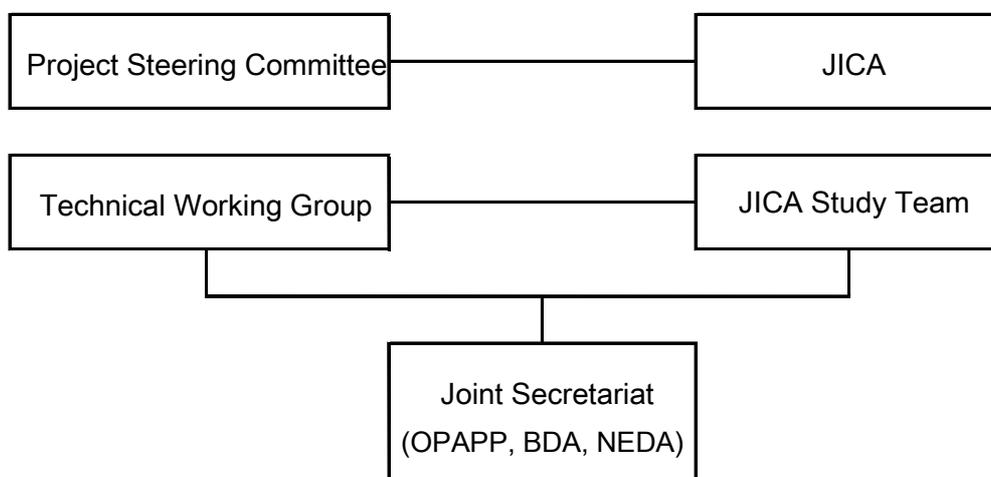
context of supporting the GRP-MILF peace process, and endorse JICA Study Team reports.

- Technical Working Group (TWG) was organized in order to provide the technical support to the PSC and JICA Study Team. The TWG has been co-chaired by NEDA and BDA.

*List of Member Agency/Organization of PSC and TWG*

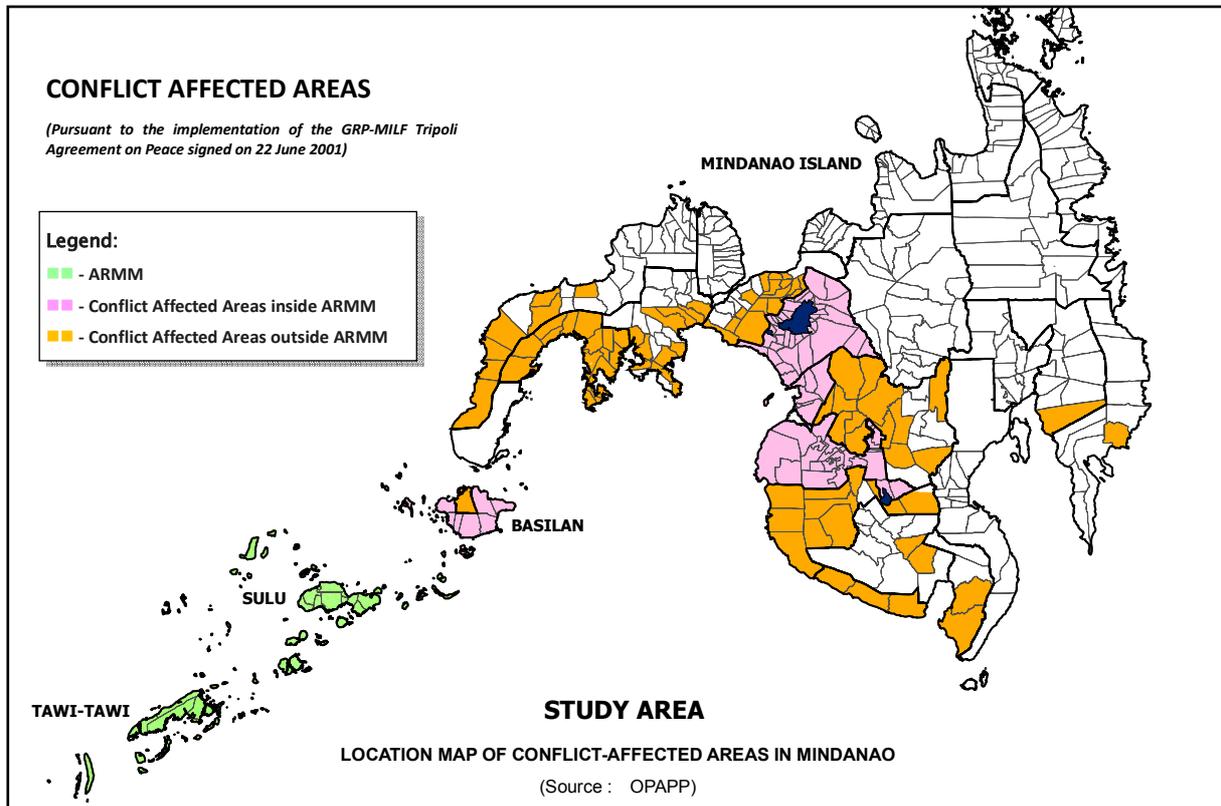
MEMBER AGENCY/ORGANISATION		PSC	TWG
(1)	OPAPP	○	○
(2)	BDA	○	○
(3)	National Economic and Development Authority	○	○
(4)	Department of Interior and Local Government	○	○
(5)	Department of Environment and Natural Resources	○	○
(6)	Department of Agriculture	○	○
(7)	Department of Agrarian Reform	○	○
(8)	Mindanao Economic Development Council	○	—
(9)	Autonomous Region for Muslim Mindanao	○	—
(10)	JICA Philippine Office and Embassy of Japan	○	—
(11)	Regional Planning and Development Office-Autonomous Region for Muslim Mindanao	—	○
(12)	Joint Coordinating Committees on the Cessation of Hostilities (GRP and MILF)	—	○
(13)	International Monitoring Team	—	○

*SERD-CAAM Project Institutions*



### 1.3 CAAM AS THE STUDY AREA

- The CAAM is a part of the Mindanao group of islands which is located in the southern most part of the Philippines. It occupies a total land area of about 5.6 million hectares or 55 percent of the Mindanao Land area.
- The Study covers only the “conflict-affected areas” in Mindanao as shown in Map below.



*SERD-CAAM Study Area*

## 2. MINDANAO PROFILE AND OPPORTUNITIES

### 2.1 BRIEF SUMMARY OF MINDANAO

- Mindanao is home to more than 20 million people of varied ethnicities and languages. Its population is culturally diverse, with 13 different ethno-linguistic groups that have adopted Islam as their way of life, and more than 18 indigenous groups that have chosen to remain as such, although some of these groups have also been Islamized while others have become Christianized.

### 2.2 MINDANAO DEMOGRAPHY

#### Population and Growth Rate

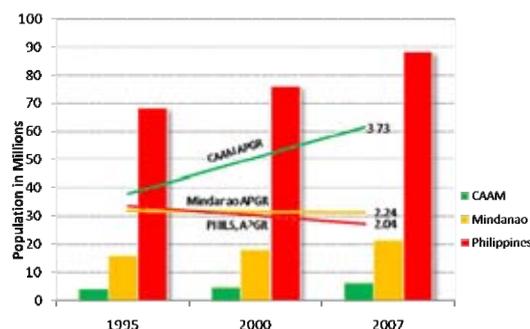
- The Population in the Philippines, Mindanao and the CAAM in the years 1995, 2000 and 2007 are shown in Table below.

Population in 1995, 2000 and 2007

AREA	POPULATION			% PHILIPPINES (2007)	APGR		
	1995	2000	2007		95-00	00-07	95-07
Philippines	68,616,536	76,504,077	88,574,614	100.00%	2.36	2.04	2.15
Mindanao	16,205,487	18,133,794	21,582,540	24.00%	2.27	2.24	2.42
CAAM	4,445,161	5,044,293	6,516,313	7.36%	2.56	3.73	3.24

Source: NSCB, 2007

- For 2000-2007, the population of Mindanao reflects an increasing trend with an APGR of 2.24 percent at an almost similar pace with the national level. In the same time period, CAAM growth trend is distinctively higher at 3.73 percent. While for the period of 1995 to 2007, CAAM as an administrative unit posts the highest growth rate at 3.24, higher than Philippines and Mindanao annual population growth rates. (see Figure right above.)



Population Trends in CAAM

### 2.3 MINDANAO PHYSICAL PROFILE

#### Land Cover and Vegetation

- Land cover is presented in Table. Mindanao is predominantly composed of agricultural areas, comprising 40 percent of its total land area. This is followed by Brushland/Shrubs (26.8 percent) and Secondary forests (15.8 percent). Only less than 1 percent of Mindanao is built (64,818 hectares).

Summary of Land Cover by Class, Mindanao, 2007

CLASS	PERCENTAGE	HECTARES
Agricultural Area	40.3	4,032,765.54
Brushland/Shrubs	26.8	2,682,421.32
Secondary Forest	15.8	1,579,484.68
Grassland	6.8	676,458.41
Primary Forest	6.1	613,093.28
Marshland/Swamp	1.3	134,005.63
Mangrove/Nipa	1.1	110,663.06
Built-up Area	0.6	64,818.91
Water Body	0.6	61,806.05
Pond/Fishpond	0.5	47,557.27
Open/Barrenland	0.1	9,522.14
<b>TOTAL</b>	<b>100.0</b>	<b>10,012,596.20</b>

Source: F.F. Cruz and Co., Inc.

### 2.4 MINDANAO RESOURCES AND LAND USE

#### Water Resources

- Water resources in Mindanao are being harnessed towards the provision of dependable and safe water supply for agricultural, domestic, commercial and industrial uses. Mindanao has vast tracts of watershed and abundant water resources,

more than enough to provide for current irrigation, domestic and industrial use requirements.

### Agriculture

- The major Agricultural crops raised in Mindanao includes corn, palay (rice), pineapple, cassava and camote (sweet potato) while major industrial plantation crops include coconut, banana, mango, rubber, coffee, oil palm, sugarcane and cacao. Mindanao is popular for its exotic fruits like lanzones, marang, mangosteen, durian, rambutan and pomelo. Productions of crops are shown in Table below.

*Major Crops of Mindanao  
2003 Production (In '000 MT)*

MAJOR CROPS	PHILIPPINES	MINDANAO	%SHARE OF MINDANAO	TOP PERFORMING REGION PER CROP (percentage indicates share to philippines)
Rubber	268.3	268.2	99.9	Region 9 (54.4%)
Cacao	5.6	5.0	88.8	Region 11 (67.4%)
Pineapple	1,696.3	1,477.3	87.0	Region 10 (49.5%)
Banana	5,369.0	3,994.7	74.4	Region 11 (40.0%)
Coffee	106.4	75.8	71.2	Region 11 (31.2%)
Cassava	1,622.1	1,139.6	70.2	ARMM (82.5%)
Corn	4,615.6	2,826.0	61.2	Region 12 (18.8%)
Coconut	14,059.0	8,101.5	57.6	Region 11 (17.8%)

Source: Bureau of Agricultural Statistics (BAS)

### Mineral Resources

- The mineral resources of Mindanao can be classified into metallic and non-metallic deposit cover an aggregate area of almost 120,000 hectares.
- Table lists up the data on metallic and non-metallic products in Mindanao. Based on NEDA's 2006 report, Mindanao's mineral products amounted to PhP 743 million for metallic minerals and PhP 3.516

million for non-metallic minerals.

- Other metallic and non-metallic reserves are copper, iron, lead, zinc, chromites and magnetite.
- Massive copper deposit of world-class quality is found in South Cotabato and Sultan Kudarat Provinces.

### *Mindanao Data on Metallic and Non-Metallic Products*

AREA	METALLIC (In Million PhP)	% SHARE	NON-METALLIC (In Million PhP)	% SHARE
PHILIPPINE	6,636	100.0	14,255	100.0
MINDANAO	743	11.2	3,516	24.7
REST OF THE PHILS	5,894	88.8	10,739	75.3

Source: NEDA Economic and Social Report on Mindanao (July 2006)

### Protection of Natural environment

#### \* NIPAs Areas

- National Integrated Protected Areas System (NIPAS) are defined as those areas that encompass biologically important public lands such as habitats of rare and endangered species of plants and animals. To date, some 72 sites in the 6 regions of the Mindanao with an estimated area of 762,429 hectares have been declared under the NIPAS. The NIPAS consists of natural parks, protected seascapes and landscapes, natural monuments, proclaimed watersheds, and caves and cave resources.

#### \* Non-NIPAS Areas

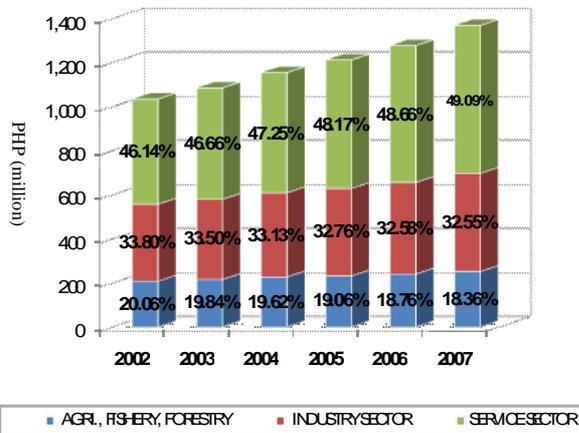
- As in the NIPAS areas, equal importance should be accorded to non-NIPAS areas since these areas are also experiencing various forms of exploitation and degradation. The areas initially identified outside the NIPAS are wetlands (coastal and freshwater), important bird areas, second growth forests, protected agricultural lands, buffer strips and

easements, and ecotourism sites.

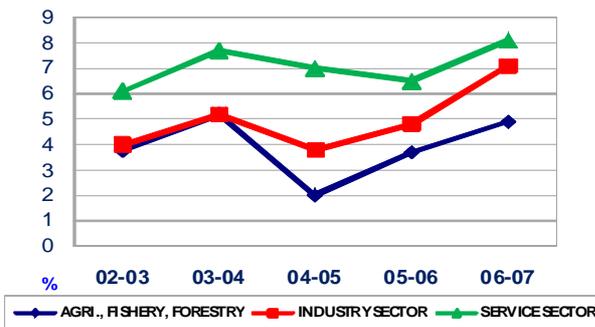
**2.5 GROSS REGIONAL DOMESTIC PRODUCT (GRDP)**

**GRDP of the Philippines by Industrial Origin**

- In terms of GRDP growth, the Agriculture, Fishery and Forestry (AFF) sector registered a moderate expansion 4.9 percent in 2007. Industry rose faster at 445 Million or 7.1 percent in 2007, while services grew at 6.5 percent in the previous year (refer to Figure).



GDP of the Philippines



GRDP growth, the Agriculture, Fishery and Forestry (AFF)

Source: NSCB

**Comparative Growth Rates of Regional Economy**

- In 2007, two Regions in Mindanao particularly in CAAM are sweeping over the other regions. Region X (Northern

Mindanao) in particular tops the list with the highest registered growth, remarkably higher than the national growth of 7.2 percent. Growth of regional economies is reflected in Figure.



Source: NSCB

**Comparative Growth Rates of Regional Economies**

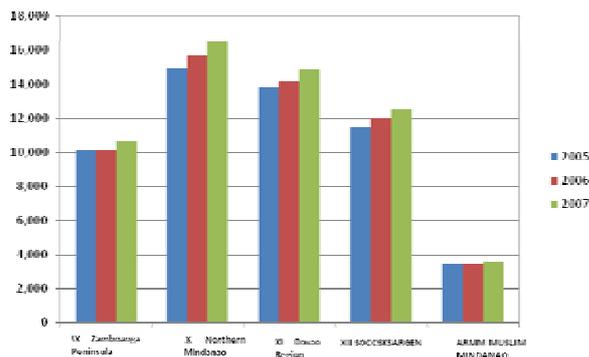
**Per Capita GRDP of the Five Regions in Mindanao**

- Region IX, X, XI and XII except ARMM fared well in terms of Per Capita GRDP from 2005 to 2007. Although ARMM presented accelerated growth in 3 years, it is the lowest gainer posting only one-quarter of the other regions. (See Table and Figure)

**Per Capita GRDP of the Five Regions in Mindanao, 2005-2007**

REGION/YEAR	2005	2006	2007
Region IX- Zamboanga Peninsula	10,143	10,147	10,679
Region X- Northern mindanao	14,942	15,651	16,537
Region XI-Davao Region	13,795	14,157	14,866
Region XII-SOCCSKSARGEN	11,502	11,982	12,505
ARMM	3,433	3,479	3,582

Source: NSCB



Source: NSCB  
**Per Capita GRDP of the Five Regions in Mindanao, 2005-2007**

## 2.6 TRANSPORTATION SYSTEMS AND LOGISTICS INFRASTRUCTURE

### Road Networks in Mindanao

- As of April 2006, there is a total of 7,992.87 kilometers of the national road networks in Mindanao. These are classified into National Arterial Roads with 3,812.64 kilometers and National Secondary Roads with 4,180.24 kilometers (see Figure 2.6 1). Among Mindanao Regions, Region X (Northern Mindanao) has the longest length of national roads and length of paved national roads (see Table).

**Mindanao Road Network by Region, 2006**

REGION	CURRENT LENGTH (KM)
Mindanao	7,992.87
Region IX	1,140.22
Region X	1,618.13
Region XI	1,474.96
Region XII	1,387.74
CARAGA	1,372.53
ARMM	999.29

Source: Mindanao Road Statistics, DPWH-Mindanao Regions

### Seaports in Mindanao

- There are 19 major public seaports in Mindanao. These ports are classified as Port of Entry (serves big inter-island vessels) and Sub-ports of Entry (serves smaller inter-island vessels). See Table for a list of Ports in CAAM and its corresponding classification.

### Ports in CAAM

PORT CLASSIFICATION	NAME OF PORT/LOCATION
International / Port of Entry	Polloc Port, Parang, Maguindanao, ARMM
Subport of Entry	Pagadian Port, Pagadian City, Region IX Lamitan Port, Isabela, ARMM
Municipal Ports	Isabela City Port, Region IX Siocon, Zamboanga del Norte, Region IX Ipil, Zamboanga Sibugay, Region IX Malangas, Zamboanga Sibugay, Region IX Olutanga, Zamboanga Sibugay, Region IX Talusán, Zamboanga Sibugay, Region IX Naga, Zamboanga Sibugay, Region IX Margosatubig, Zamboanga del Sur, Region IX Glan, Sarangani, Region XII Kalamansig, Sultan Kudarat, Region XII Bayang, Lanao del Sur, ARMM

Source: NEDA Economic and Social Report (July 2006)  
Regional Physical Framework Plans

### Airports in Mindanao

- Mindanao has 19 public airports managed by the Civil Aviation Authority of the Philippines (CAAP), but four of them had been closed to traffic many years ago, while the rest remain operational. In addition to these airports are private airstrips used by private individuals and private companies located in different areas in Mindanao (see Table).

## 2.7 UTILITY INFRASTRUCTURE

### Water Sources

- There are about 128 water districts providing domestic water supply services to households and industries in Mindanao. Majority of these households in rural barangays are served with Level I and Level II water systems. Level III systems serve most of the households and industries in the built-up areas.

### Energy and Electrification

- Northern Mindanao continues to be the prime net energy provider for Mindanao. Department of Energy (DOE) reported that

as of June 2003 the northern part (i.e. Regions X and Caraga) of Mindanao generated about three-fourths (994 megawatts) of the 1,321-megawatt dependable capacity of Mindanao power supply system with a surplus of 603 megawatts. It hosts 74 percent of the Island’s dependable capacity while the southern part shares 47 percent of the Island’s total power consumption.

- The power supply profile in Mindanao is hydro dominated, with Agus Hydroelectric Complex, composed of six power plants emanating from Lake Lanao in Marawi City down to Iligan City, comprised 48 percent of the supply. The combined installed capacity of all power generating plants supplying Mindanao Grid has a total of 1,516.5 MW; while the total dependable capacity is 1,355.3 MW.

**Existing Public Airports in Mindanao**

REGION	NAME OF AIRPORT	CLASSIFICATION	LOCATION
IX	Zamboanga Airport	Alt. International	Zamboanga City
	Pagadian Airport	Secondary	Pagadian City, Zamboanga del Sur
	Dipolog Airport	Secondary	Dipolog City, Zamboanga del Norte
	Siocon Airport	Feeder	Siocon, Zamboanga del Norte
X	Lumbia Airport	Trunkline	Cagayan de Oro City
	Ozamis Airport	Secondary	Ozamis City, Misamis Occidental
	Baloi Airport <sup>1</sup>	Secondary	Baloi, Lanao del Norte
XI	Davao Intl. Airport	Alt. International	Davao City
	Mati Airport <sup>2</sup>	Secondary	Mati, Davao Oriental
XII	Gen. Santos Airport	Alt. International	Gen. Santos City
	Lebak Airport <sup>3</sup>	Secondary	Lebak, Sultan Kudarat in CAAM
XIII	Butuan Airport	Trunkline	Butuan City, Agusan del Norte
	Bislig Airport	Secondary	Bislig, Surigao del Sur
	Surigao Airport	Secondary	Surigao City, Surigao del Norte
	Tandag Airport	Secondary	Tandag, Surigao del Sur
ARMM	Awang Airport	Trunkline	DOS, Maguindanao
	Jolo Airport	Secondary	Jolo, Sulu in CAAM
	Sanga-Sanga Airport	Secondary	Bongao, Tawi-Tawi in CAAM
	Malabang Airport <sup>4</sup>	Secondary	Malabang, Lanao del Sur in CAAM

<sup>1</sup>Baloi Airport had been closed since 1992; <sup>2</sup>Mati Airport closed to traffic; <sup>3</sup>Lebak Airport had been closed since 2003  
Source: NEDA Economic and Social Report (July 2006) and Regional Physical Framework Plans



## **2.8 Other Facilities**

### **Tourism and Recreation facilities**

- According to the Department of tourism (DOT), there are a number of accredited first class in addition to standard hotels in Mindanao. The first class hotels located in major cities, are of international standard, for example the Marco polo Hotel, Pearl Farm, and Apo View Hotel in Davao City. Resorts like those in Camiguin and Dakak Compare favorably with other international resorts. To fulfill the potential of the natural and man-made tourist sites in Mindanao, the development of safe tourist facilities is essential to attract a regular flow of tourist.

## **2.9 SPATIAL FRAMEWORK IN MINDANAO SUPER REGION**

### **Philippine Nautical Highway Development Plan**

- The MTPDP (Medium-Term Philippine Development Plan) 2004-2010 emphasized the need to develop the nautical highway to interconnect the entire country as a means of enhancing goods transport and communications network, open up new economic opportunities, reduce transportation and business transaction costs, and increase access to social services. The nautical highway system, introduced in 2003, aims to maximize the use of RORO system to transport produce from Mindanao to Luzon through the Visayas. Studies have initially shown that the system reduced travel time by 10 hours as well as reduced costs by 40 percent for passenger transport and 30 percent for cargo. To link the entire country, three high priority routes have been identified and are shown in Figure.



### 3. SOCIO-ECONOMIC PROFILE AND ASSESSMENT OF CONFLICT-AFFECTED AREAS IN MINDANAO (CAAM)

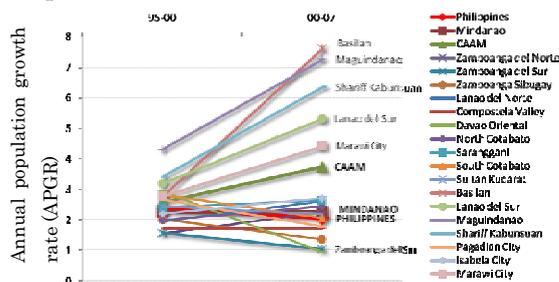
#### 3.1 CAAM PROFILE

##### CAAM Land Area

- CAAM is located within the six administrative regions namely, Zamboanga Peninsula (Region IX), Northern Mindanao (Region X), Davao (Region XI), SOCCKSARGEN (Region XII), and the Autonomous Region of Muslim Mindanao (ARMM). CAAM involves thirteen (13) provinces. Among the 13 provinces.

##### Demographic Trends in CAAM

###### \* Population Trends in CAAM

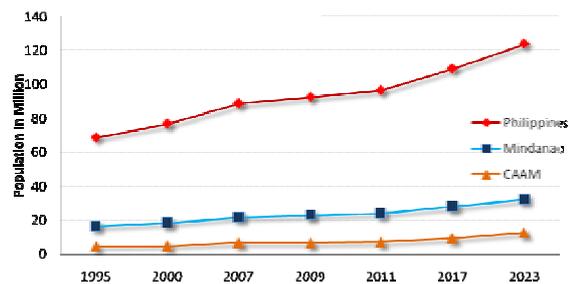


Source: NSO

###### Comparison of Annual Population Growth Rate (APGR)

- All CAAM provinces posted an increasing population trend (refer to Figure between

1995 and 2007 which illustrates that the overall total CAAM population remained on an upswing. Based on the 2007 statistics, the total population of the Conflict-Affected Areas in Mindanao (CAAM) is placed at 6,516,313.



Source: NSO

###### Population Trend: 1995, 2000, 2007, 2009, 2017, 2023

- As shown in Figure above and Table below, if the 3.64 % persists, from a 6.4M figure in 2009 CAAM population is expected to grow, to 6.9 million in 2011 and to 9.05 million in 2017, and will be two-folds higher in 2023 at a figure of 12.4 million.

###### Projected Population of CAAM Provinces, 2009, 2011, 2017, 2023

	AREA	PROJECTED			
		2009	2011	2017	2023
1	Zamboanga del Norte	211,545	221,545	255,331	295,703
2	Zamboanga del Sur	326,372	333,183	354,589	377,540
3	Zamboanga Sibugay	561,465	577,370	629,143	687,707
4	Lanao del Norte	338,739	357,511	422,501	503,492
5	Compostela Valley	72,078	74,585	82,640	91,565
6	Davao Oriental	24,815	25,275	26,707	28,219
7	North Cotabato	890,274	936,378	1,094,558	1,288,808
8	Saranggani	324,198	341,719	400,712	470,781
9	South Cotabato	197,124	205,393	232,549	263,634
10	Sultan Kudarat	622,121	654,158	773,243	940,955
11	Basilan	317,997	356,134	501,763	710,300
12	Lanao del Sur	1,065,960	1,182,196	1,612,631	2,199,786
13	Maguindanao	802,776	947,383	1,643,539	3,120,864
14	Shariff Kabunsuan	554,962	626,405	907,640	1,329,157
15	Pagadian City	167,067	173,028	192,217	213,535
16	Isabela City	92,794	97,867	114,808	134,683
17	Marawi City	193,403	210,861	273,270	354,150
	CAAM	6,403,220	6,937,103	9,052,355	12,443,194

Data sources: 1995 Census of Population, National Statistics Office; 2000 Census of Population and Housing, National Statistics Office; 2007 Census of Population, National Statistics Office

### 2007 Per Capita GRDP Estimates in CAAM

- In terms of Per Capita GRDP, Northern Mindanao, which constitutes 9 percent of the Conflict Affected Areas, registered roughly Php 17, 103, the highest Per Capita GRDP among the Regions under CAAM. Coming next is Davao Region, SOCCKSARGEN, Zamboanga Peninsula and lastly, ARMM. (See Table below.)

Per Capita GRDP in CAAM 2007

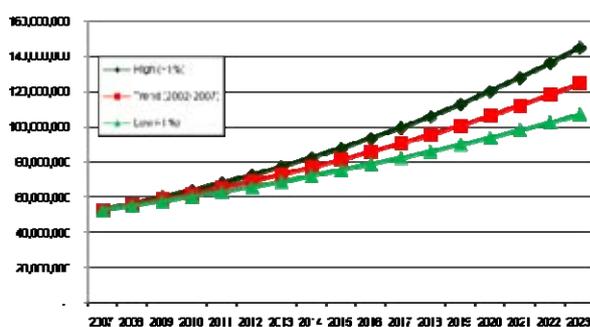
Regions	GRDP Per Capita (In thousand)
Region 9-Zamboanga Peninsula	10,859
Region 10-Northern Mindanao	17,103
Region 11-Davao Region	14,857
Region 12-SOCCKSARGEN	12,469
ARMM	2,886
Average	11,616

Source: NSCB

- The figure of ARMM in CAAM setup reflects the urgency of raising its economic standard to cope with the rest of Mindanao, and in the long run with the rest of the Philippines.

### Target GRDP Outputs of CAAM

- The 5.49% is the growth rate used in determining the GRDP Targets of CAAM up to 2023. It is the average Geometric Growth of CAAM from 2002-2007. With the growth assumptions of -1% for low and +1% for high, using the 5.49% as trend, we have 4.49% as low projection and 6.49% as high projection.



GRDP Target in CAAM

### GRDP Targets in CAAM

	2007	2009	2011	2017	2023
Low (-1%)	53,056,731	57,928,189	63,246,924	82,316,668	107,136,180
Trend (2002-2007)	53,056,731	59,040,562	65,699,260	90,529,572	124,744,227
High (+1%)	53,056,731	60,166,970	68,230,067	99,501,301	145,104,781

### 3.2 APPROACH TO SERD-CAAM STUDY

#### STAGE 1: Data Collection

- For Stage 1, the process to collect primary data consisted of three main survey methodologies. These were the Social Survey, Profiling, and LGU and Line Agency Matrix survey.

#### STAGE 2: Gap Assessment in Identified Sector and Subsector

- Sectoral gap analysis is necessary to be able to define the disparity between the present state and the desired state of Conflict-affected Areas in Mindanao (CAAM). Gaps may be identified through the comparison of specific quantifiable indicators of high priority sectors such as health, education, water supply system and rural roads, etc. at varying administrative levels (i.e. Philippines, Mindanao, and CAAM).

#### STAGE 3: Plan Formulation

- Stage 3 focused on SEDP formulation. SEDP formulation is based on the results of the IBNA and Barangay Profiling, the Matrix of High Priority Projects from LGUs and Line Agencies, and the results of the KII and workshops are compared and triangulated to rank high priority sectors and subsectors, the formulation of SEDP with corresponding time frame for the implementation of the priority projects, and to identify high priority areas in CAAM.

### 3.3 SECTORAL ISSUES, CHALLENGES AND GAPS IN CAAM

#### Development Sectors and Subsectors

- As guide to sectoral studies, initial sectors were determined based on the Comprehensive Land Use Plan (CLUP) Guidebook produced by the Housing and Land Use Regulatory Board (HLURB). SOCIAL Sector: health, education, water supply and electricity
  - ECONOMIC Sector: agriculture and fishery resources, livelihood and trade, industry
  - INFRASTRUCTURE Sector: farm – to – market roads, arterial roads and bridges
  - ENVIRONMENT Sector: protection / conservation of the natural environment, provision for waste management and flood control
  - LOCAL GOVERNANCE and ADMINISTRATION: stakeholder empowerment, development administration, capacity building and institutional strengthening

### 3.4 ISSUES, CHALLENGES AND GAPS IN THE SOCIAL SECTOR

- Development challenges in Conflict-Affected Areas in Mindanao (CAAM) are daunting with its Social Sector being significantly affected. This is reflected in the lack of or limited access to minimum basic needs (MBN). MBNs serve as a measure of a Filipino family’s quality of life wherein a family unable to meet its MBN on a sustained basis may be considered in a state of poverty. Thus, poverty incidence further validates the level of poverty of a household.

#### Education Subsector

- The Social Survey Report in 2007 provides an overview of the widening gap between the actual provision of education facilities in the CAAs against the overall provision in Mindanao as well as the rest of the country.
- At the national level, elementary school is provided for every 2,401 persons while one secondary school facility for every 14,212 population. At the Mindanao level, figures are at 2,302 and 14,350, respectively.

#### School to Catchment Population, SY 2005 to 2006

EDUCATION	PROJECTED POPULATION	NUMBER OF SCHOOL		CATCHMENT POPULATION PER FACILITY	
		ELEMENTARY	SECONDARY	ELEMENTARY	SECONDARY
Philippines <sup>a</sup>	85,298,300	35,526	6,002	2,401	14,212
Mindanao	20,291,600	8,813	1,414	2,302	14,350
CAAM <sup>b</sup>	6,529,857	3,998 <sup>c</sup>	736	1,633	8,872

Source: aNSCB, 2007; bSERD-CAAM Social Survey Report, 2007; c value includes both primary and elementary schools in CAAM

#### Health Subsector

- At the national level, the catchment population per hospital is 46,048 persons while Mindanao level places the value at 42,629. This indicates that facility-wise and based on the catchment population alone, Mindanao has a better ratio of health facility provision to population as compared to the national level.

#### Number of Health Facilities and Catchment Population per Facility (2005)

ADMINISTRATIVE UNIT	PROJECTED POPULATION 2005	NO. OF HEALTH FACILITIES			CATCHMENT POPULATION PER FACILITY		
		HOSPITALS	RURAL HEALTH UNITS (RHUS)	BARANGAY HEALTH CENTER (BHCS)	HOSPITALS	RHUS	BHCS
Philippines	85,298,300	1,838	2,266	15,436	46,408	37,643	5,526
Mindanao	20,291,600	476	383	3,565	42,629	52,981	5,692
CAAM	6,537,469	99	173	1,693	66,035	37,789	3,861

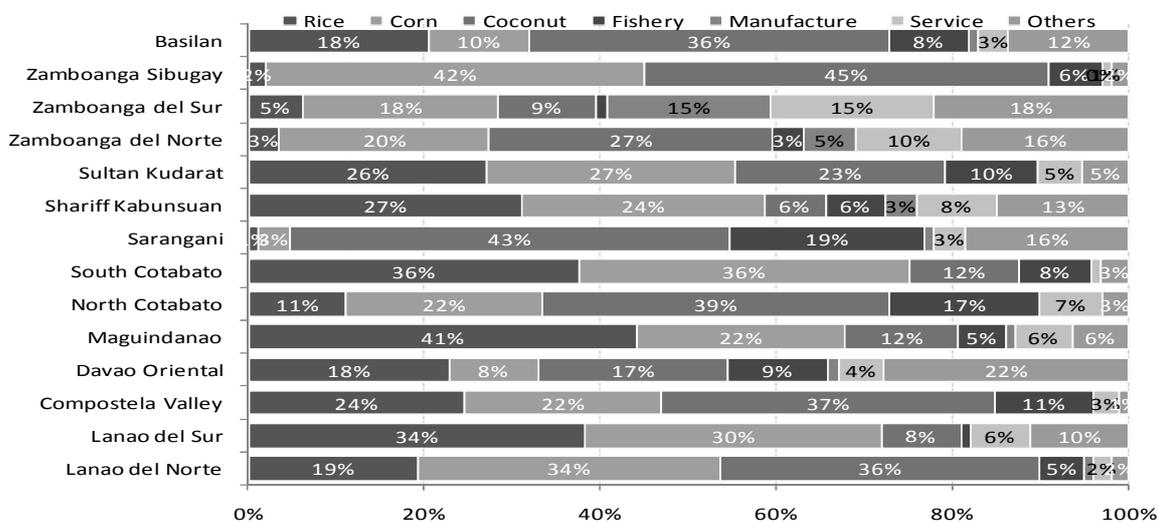
Source: National Statistic Coordination Board (NSCB)

### 3.5 ISSUES, CHALLENGES AND GAP ASSESSMENT IN THE ECONOMIC SECTOR

- Issues and challenges in the Economic Sector were identified as follows: agriculture, commerce, industry and tourism subsectors. The specific problems were generalized as lack of post-harvest facilities, lack of entrepreneurial capability of most farmers, low productivity. Also, tourism is regarded as an untapped and undeveloped industry while bearing in mind the need to protect and preserve CAAM's eco-tourism potentials by ensuring functional tourism sites by 2010 and inventory of tourism potentials and environmental scanning.

#### Agri-industries as Income Source in CAAM

- Figure shows the Proportion of Agricultural Products as Income Source at the Provincial level within CAAM. Maguindanao is the largest rice producer attributing 41 percent of its income coming from the said agricultural produce followed closely by South Cotabato and Lanao del Sur with figures at 36 and 34 percent, respectively.

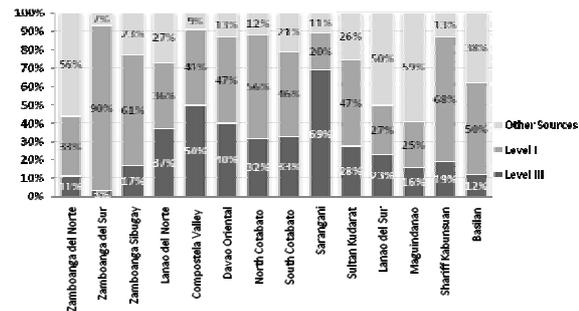


Source: SERD-CAAM Social Survey Database

### 3.6 ISSUES, CHALLENGES AND GAP ASSESSMENT IN THE INFRASTRUCTURE SECTOR

#### Water Supply Subsector

- There is a need to conduct more substantial study of the various water bodies that can be tapped as potential water source, particularly those within CAAM.



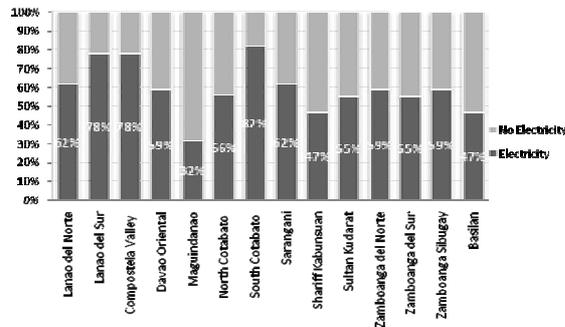
Water Supply Sources and Level in CAAM

Source: SERD-CAAM Social Survey Database

- Figure identifies that there exists a huge gap in the need to provide potable water supply system in CAAM provinces.

### Power and Energy Subsector

- Figure states that the level of electrification within the provinces of CAAM is relatively low as compared to the national level with electricity currently being supplied to 58 percent of CAAM areas.



Bar chart comparing levels of electrification at the provincial level

Source: SERD-CAAM Social Survey Database

### 3.7 ISSUES, CHALLENGES AND GAPS IN THE ENVIRONMENT SECTOR

#### Weak Law Enforcement

- The Philippine Government has maintained Environmental Impact Assessment (EIA) laws as well as various environmental standards to regulate air, water, soil, noise pollution and solid wastes. EIA is preliminary analysis on the foreseeable potential impacts of either private or public projects.

#### Flooding

- From 1995 to 2005, flooding has been the worst natural disaster in the Philippines. Also in Mindanao, it has been a major natural disaster which caused the overflow of the Cotabato River Basin (CRB). The CRB is the second largest river in the Philippines, next to the Cagayan River Basin in Region II.

### 3.8 ISSUES, CHALLENGES AND GAPS IN LOCAL GOVERNANCE AND ADMINISTRATION

#### Technical and Managerial Competence

- Technical and managerial competence of civil servants is an obvious factor of good governance. This may be less of a constraint than it used to be, as access to education has improved, but rapid changes require ongoing development of skills.

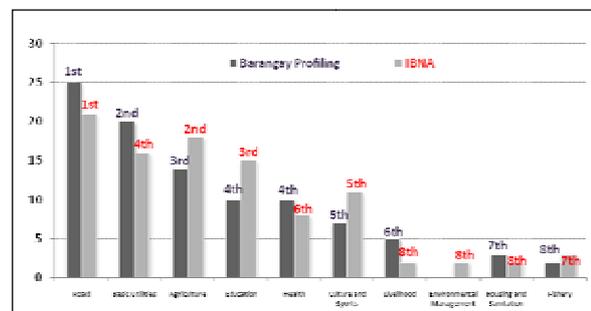
#### Organizational Capacity

- Good governance has to be built on the quality of organizations so that development is based on this rather than simply relying only on political will, personal will of a strong leader and state power, which may not be sustainable over the longer term.

### 3.9 NEEDS ASSESSMENT BY SECTOR AND SUB-SECTOR

#### IBNA and Barangay Profiling Recommended Need Categories

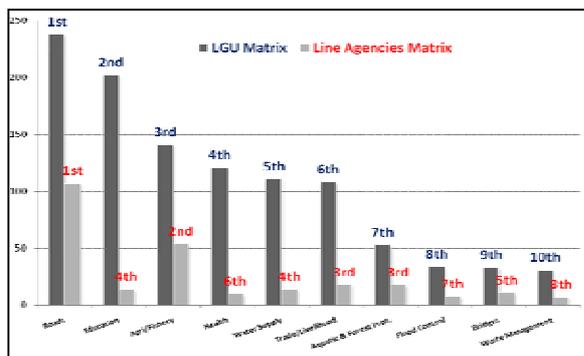
- Basic Utility, Agriculture, Health and Livelihood must be the focused areas of Immediate Term Plan. The next step is to position these critical development sectors within a workable time frame (See Figure).



Results of Barangay Profiling and IBNA

**Line Agency Matrix Survey Result**

- The sectors identified on the List of Priority Projects (see Figure) submitted by the LGUs in the conflict-affected areas in Mindanao (CAAM) consist of the following: Social, Economic, Infrastructure, Economic, Environment, and Local Administration.
- The result of the Consolidated LGU Matrix of High Priority Projects showed that among the sectors, the Social Sector recorded the largest number of projects comprising roughly 35 percent of the priority projects requested by the LGUs. This makes social the highest priority sector among LGUs.



**Priority Projects by Sectors at CAAM Level (LGU and Line Agency)**

- It is highly recommended that before aiming to catch up with the Philippine average, there is a need to initially attain CAAM average among the provinces. Facility provision is disproportionately distributed within the provinces of CAAM.

## 4. RECONSTRUCTION AND DEVELOPMENT OF CONFLICT AFFECTED AREAS IN MINDANAO

### 4.1 SOCIO-ECONOMIC DEVELOPMENT FRAMEWORK FOR CAAM RECONSTRUCTION AND DEVELOPMENT

- The 15-Year Socio-Economic Development Plan (SEDP) for CAAM covering a period from 2009-2023 serves as a unified framework for the reconstruction and socio-economic development of CAAM towards the consolidation of peace in Mindanao.

#### Vision

- *We envision a progressive and sustainably developed CAAM, the homeland of a culturally and religiously diverse people. A home to peace-loving, healthy, self-reliant, empowered and dignified citizenry who live in a harmonious, safe and ecologically-balanced environment and a self-sustaining, diversified and progressive economy that provides human wellbeing and equitable access to opportunities under a competent, responsible and resolute peoples' leadership.*

#### Mission

- *With the aim of achieving peace and enhancing social development, the people of CAAM shall promote a culture of peace and security, ensure social justice and human equity, improve delivery of social services, attain economic growth, encourage the viability of sustainable development, promote socio-cultural integrity and adopt participative, transparent and accountable governance.*

#### Goals

##### Goal 1: Peace Building

- To attain a genuine culture of peace and security by implementing sustainable peace-building initiatives through people's participation and empowerment.

##### Goal 2: Social Welfare Improvement

- To level up the CAAM to the country's average on social development indicators by 2023 by improving access to education, health services, utilities, infrastructure, employment and livelihood with particular focus on poverty reduction.

##### Goal 3: Economic Development

- To intensify economic development by creating an investment-friendly environment that is conducive to sustainable agriculture and industrial productivity and ensures food security.

##### Goal 4: Infrastructure Development

- To advance the infrastructure development by constructing and rehabilitating transportation networks and communication facilities that will support the industries and build up power and water supply distribution up to the remotest barangays.

##### Goal 5: Environmental Consideration

- To sustain environmental stability by balancing the demands for production and the protection of the ecosystem to prevent any untoward destruction of the environment and occurrence of disasters.

### **Goal 6: Indigenous Acceptability and Harmonization**

- To promote a cohesive society by inculcating respect and tolerance for indigenous rights, traditions, beliefs, practices and artifacts, as well as finding common grounds for cooperation and unity.

### **Goal 7: Development Administration and Governance**

- To improve the local bureaucracy, planning and implementation, strengthening the fiscal management, enhancing capacity of public servants and fostering community participation and public-private cooperation.

## **4.2 MACRO-ECONOMIC DEVELOPMENT DIRECTIONS FOR CAAM**

### **GRDP Growth Target**

- CAAM's GRDP growth rate must steady down at 5.49% trend in order to sustain a progressing trend. This rate will lead to a doubling of the GRDP in 15 years expectantly breaching the 125M mark by 2023. With this, Agriculture and Fisheries (AFF), Industry, and Services Sectors are expected to experience relatively high growth regimes and there will be an increase in the amount of goods and services.

### **Expected Population Trend**

- Basing from its current trend and if growth rate pegs at 3.64%, CAAM's population is expected to surge for the next 15 years. From a 6.4M figure in 2009 CAAM population is expected to grow two-folds higher in 2023 at a figure of 12.4 million.

### **Spatial Development Strategies in CAAM**

#### **\* Tri-Polar Development Centers**

- Three key cities to be capacitated as tri-polar development centers in CAAM are as follows: Marawi City, Pagadian City and Cotabato City (see Figure in next page). The development of these growth centers is envisioned to go hand in hand with the implementation of projects that will strengthen its physical linkages, enhance existing support systems as well as gradually establish a stronger socio-economic linkage among the three key cities.

#### **\* Development Corridors**

- As the linkage among the three key cities is strengthened; the dispersion of development towards other areas encompassed within such linkage is expected, thus effecting the formation of the development corridors. The corridors are deemed vital in connecting trade and commerce among the three key cities and other areas within their respective corridors.

#### **\* Development Districts**

- Ultimately, it is envisioned that the Tri-Polar Development Centers with development corridors interconnecting these three are expected to influence the growth of their respective neighboring areas as they will bridge development to potential development districts in CAAM. These development districts are the Western District, the Central district, and the Southern District (See Figure).



**4.3 SEDP TIME FRAME FOR THE PRIORITIZED SECTORS AND SUB-SECTORS**

**The Time Frame**

- The Immediate-Term Plan has a time frame of three years, the Short-Term Plan is six years and the Mid-Term Plan is also six years. The scope of work plan per timeframe is hereby discussed. The results of the Needs Assessments scheduled in the timeframe are then shown in Figure.

\* The Immediate Term Plan (2009-2011)

- The Immediate Term Plan Phase addresses the Basic Human Needs (BHN) to create a strong foundation for future development of the CAAM. This will address specific intervention in the following subsectors: water, health, education and electricity.

\* The Short-term Plan (2012-2017)

- The plan consists of implementing projects that address the Economic and Environment issues and challenges. The interventions in the Economic Sector include interventions in Agriculture and Fishery as well as Livelihood, Trade and Industry while the Environment sector includes strategies to: Strengthen Institutional Capacity.

\* Medium Term Plan (2018-2023)

- The Mid-Term Plan contains strategies that will bring the necessary development ingredients for sustainable peace and development, in reducing the development gaps between CAAM and Philippines.

Sector	Subsector	IMMEDIATE TERM			SHORT-TERM						MID-TERM					
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Social	• Health															
	• Education															
	• Housing/Shelter															
Infrastructure	• Farm-to-Market Roads															
	• Water Supply															
	• Power and Energy															
Economic	• Agriculture and Fishery															
	• Livelihood and Trade															
Environment	• Aqua-Forest Protection /Conservation															
	• Waste Management															
	• Flood Control															
Local Administration	• Institution, Tax System															
	• Capacity Development															
Infrastructure	• Roads & Bridges															
	• Tri-polar Growth Centers															
	• Development Districts															

*Socio-Economic Development Plan Time Frame*

#### **4.4 SEDP IMPLEMENTATION ARRANGEMENT**

##### **Review and Approval**

- The implementation of the SEDP is one of the critical aspects of the planning process. Its success depends on the effectiveness and efficiency of the institutional machinery, the political will and the technical capability of the implementers, the adequacy and timeliness of the financial support and assistance, and the full cooperation of the private sector among others.