



MINDANAO TRUST FUND RECONSTRUCTION & DEVELOPMENT PROGRAM

Introduction

Mindanao Trust Fund for Reconstruction and Development Program (MTF-RDP) aims to assist economic and social recovery in the conflict-affected and vulnerable areas of Mindanao. The ***Mindanao Trust Fund*** (MTF) is a mechanism for development partners to pool resources and coordinate their support for the MTF-RDP.

The Mindanao Trust Fund

In Mindanao, more than three decades of intermittent conflict have resulted in destruction of infrastructure, population displacements, deferred development, and lack of trust among people at the local level and between these and government authorities. Peace discussions have been going on and off between the Moro Islamic Liberation Front and the Government of the Republic of the Philippines. Several international development partners have taken steps to establish a World Bank administered multi-donor Mindanao Trust Fund to support post-conflict reconstruction and development in the conflict affected areas in Mindanao and to build confidence among the affected communities to strive for peace.

A multi-donor joint needs assessment was undertaken in 2004-2005, the findings and recommendations of which are guiding the MTF-RDP program. The MTF-RDP started in 2006; it is not expected to be a substitute for on-going or planned bilateral or multilateral programs for Mindanao. However, by focusing this fund on conflict-affected communities, initial resources will be focused on the worst-off areas.

Mindanao Trust Fund-Reconstruction and Development Program

The MTF funded program—Mindanao Trust Fund-Reconstruction and Development Program—will have two phases: ***Phase 1*** (on-going) will be *capacity-building* for and provision of technical assistance to the Bangsamoro Development Agency, local government units and community groups; it will include learning-by-doing activities in conflict-affected barangays through the implementation of community and local sub-projects. ***Phase 2*** (time to be determined) will comprise a *scaled up implementation* of the program in conflict-affected areas, provision of technical assistance, and continuation of capacity building for implementing groups.

The key counterparts for MTF-RDP are: 1) Office of the President for Peace Process; 2) Bangsamoro Development Agency; and 3) Local Government Units.

Program Objectives and Core Mechanisms

Objectives: The objectives of the proposed Program are to assist in the economic and social recovery in the conflict-affected areas of Mindanao, and to promote inclusive and effective governance processes. These objectives will be pursued through three interlinked activities:

1. ***Economic and social recovery*** is through the provision of assistance to barangays, municipalities, groups of internally displaced people, and local groups for sub-projects, where access to funding will be contingent on compliance with defined sub-project appraisal criteria requiring socially inclusive planning, equitable access to benefits, counterpart contributions, and observance of technical and safeguard policy standards.
2. ***Inclusive governance processes*** are promoted through involvement of key Mindanao stakeholders including barangays and municipalities engaged in participatory planning, implementation, and management of local development activities that are gender-sensitive and culturally appropriate.

3. **Effective governance** is promoted through the learning process of inclusive multi-stakeholder consultation and decision making at the level of municipalities, and barangays, supplemented by capacity building targeting the implementing agency, municipalities, barangays and community people's organizations to enhance an inclusive, transparent, and effective planning process regarding the use of project funds supplemented by local contributions whether from the Program or from other funding sources.

Program Principles: The Program encourages trust to be built within communities between different ethnic and religious sub-groups, between these and the government apparatus, and among decision makers, that *people are involved in defining rehabilitation and development priorities, that they develop the capacity to manage activities which address these priorities, and that they have access to resources to implement their sub-projects.* At the local level, this will be promoted through people's involvement in the identification, preparation, and implementation of sub-project activities.

Institutional Implementation Arrangements

Program Management: a **Steering Committee** composed of key government agencies, local key stakeholders, and participating donors, shall: a) provide overall policy and strategic guidance; (ii) review MTF budgets and plans vis-à-vis funding commitments; b) provide guidance on coordination with other development projects in the conflict affected areas; and c) provide regular oversight of the MTF.

The **Mindanao Working Group** composed of all co-financing partners and other interested groups shall serve as a forum for: a) information sharing on their other ongoing or planned assistance in the conflict-affected communities in Mindanao; and b) coordination between the Program and other projects/activities funded by these donors.

The World Bank as **Trustee and Administrator** is primarily responsible for the administration and financial management of the MTF funds. It is assisted by the **MTF Secretariat** that is responsible for coordinating the overall work program of the MTF. This includes, among other tasks: overseeing, coordinating, and reporting to the Steering Committee on the overall program of activities; liaising with current or potential donors regarding funding of the MTF; guiding and monitoring the implementation of the MTF-RDP; and providing technical assistance, as required.

Program Implementation: Bangsamoro Development Agency or the assigned Bangsamoro Entity and other Local Partners who will be responsible for managing and implementing the program are known as the **Program Management Offices** (PMOs). The PMOs will be mentored and supported by a **Technical Assistance Team** under the **Trust Fund Recipient** (TFR) for Phase I. The TFR will have overall financial management responsibility for the program under the MTF-RDP.

Barangays, municipalities, internally displaced people, and local groups will be assisted by the PMO, who will in turn be supported by Technical Assistance Team, to conduct and/or enhance inclusive, participatory planning of short and medium term community development plans, that prioritize local needs and sub-projects that address one or more of these needs, and capacity building on proper financial management and procurement of goods and services. Funds will be downloaded by the TFR directly to bank accounts of the community, barangay or municipal implementing organizations for approved sub-projects in the range of Php 300,000 to 500,000 each; anything higher will be on a case by case basis and fully justified. The respective organizations will implement, operate and maintain the sub-projects. A community organization will receive two to three cycles of assistance if the first cycle is well implemented and funds are available. Monitoring and audits for proper use of funds, quality of sub-projects, and enhancement of community relationships will be undertaken by the TFR, audit firms and the World Bank.