

CONTENDING VIEWPOINTS ANALYZING THE 1996 MNLF-GRP FINAL PEACE AGREEMENT

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PRESENTATION OUTLINE

I. Historical Context

II. Phase I of the Agreement

III. Phase II of the Agreement

IV. Fiscal Autonomy

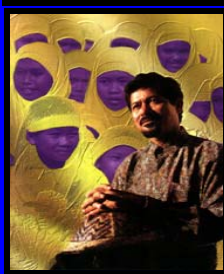
V. ARMM Governance

VI. ODA: A Lifeline

VII. ARMM A Decade Hence: Poverty and Underdevelopment

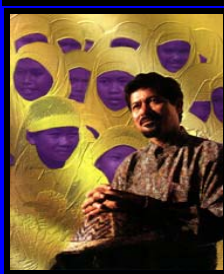
VIII. Lessons to be Learned

IX. Need for further in-depth analyses



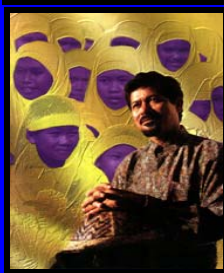
BRIEF HISTORICAL CONTEXT

- GRP-MNLF FPA signed in September 2, 1996
- Misuari and Ramos receive UNESCO Felix Houphouet-Boigny Peace Prize
- Preceded by Tripoli Agreement of 1976 and RA 6734 (ARMM Organic Act) in 1989 which created ARMM out of the provinces of Lanao Del Sur, Maguindanao, Sulu and Tawi-Tawi
- EO 371 in August 1996 created SPCPD and SZOPAD
- RA 9054 (New ARMM Organic Act) in 2001 expanded ARMM to include Marawi City and Basilan Province



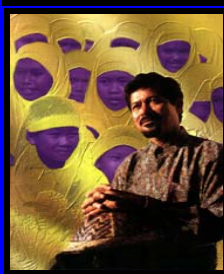
SINCE THEN...

- Misuari arrested in 2001 on charges of rebellion
- MNLF fighters dissatisfied; some have gone back to arms
- Balikatan and war on terror
- Armed hostilities increasing (Massacre in Marang)
- Holding hostage of Gen. Dolorfino to protest cancellation of tripartite meeting
- Current military operations in Mindanao triggered by Bossi kidnapping; large AFP mobilizations concentrated in Basilan and Sulu
- Can this situation be called peace?



Analyzing Phase I of the Agreement

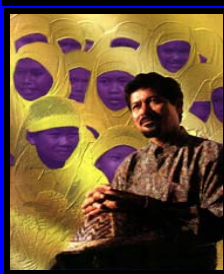
- ENVISIONED AS 3-YEAR TRANSITORY PERIOD



II. Analyzing Phase I of the Agreement

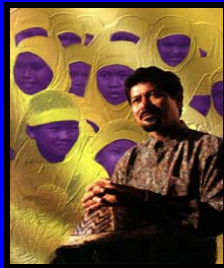
CONTENTIONS IN THE FIRST PHASE: INSTITUTIONAL ARRANGEMENTS

GRP Position	MNLF Position
<ul style="list-style-type: none">• Establishment of the SZOPAD covering 14 provinces and 9 cities including all those under the ARMM• Establishment of the SPCPD and the Consultative Assembly (CA).	<ul style="list-style-type: none">• The SPCPD and the Consultative Assembly had no direct powers and ill-funded• Little coordination between and among government agencies to support SPCPD



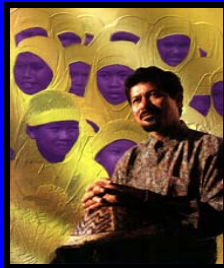
CONTENTIONS IN THE FIRST PHASE: ON THE REGIONAL GOVERNMENT

GRP Position	MNLF Position
<ul style="list-style-type: none">• Establishment of the ARMM Regional Government accomplished	<ul style="list-style-type: none">• Intervention of Malacañang in the ARMM elections • Lack of true autonomy, both political and financial



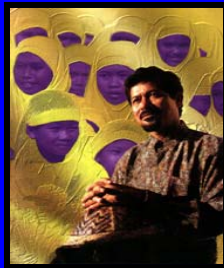
CONTENTIONS IN THE FIRST PHASE: ON FUNDING

GRP Position	MNLF Position
<p>The provision by govt. of development assistance amounting to P67.88 Billion from 1996 – 2000 and the facilitation of the channeling of Overseas Development Assistance (ODA) for ARMM and the SZOPAD Social Fund.</p>	<p>The failure of national government to remit the internal revenue funds in the first five years to the regional government</p>



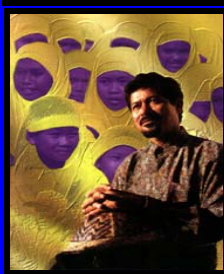
CONTENTIONS IN THE FIRST PHASE: ON SECURITY

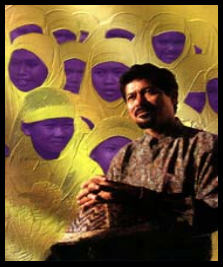
GRP Position	MNLF Position
Integration of MNLF members into the AFP and PNP	MNLF integrees not organized in separate units under MNLF-AFP deputy commander – violation of paragraph 20b and 20c of the Peace Agreement
Livelihood assistance to MNLF combatants	



III. Analyzing Phase II of the Agreement

- ENVISIONED FULL AUTONOMY
- A new autonomous region – amend ARMM Organic Act (RA 6734), and establish the following:
 1. *Executive Council, Legislative Assembly*
 2. *Special Regional Security Forces*
 3. *Integrated Educational System*
 4. *Economic and Financial System*
- Congress passed RA 9054 – New Organic Act for the ARMM; Marawi City and Basilan Province opt to join ARMM in a plebiscite





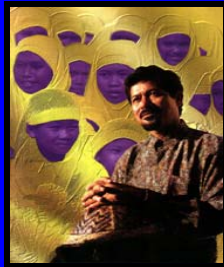
III. Analyzing Phase II of the Agreement

CONTENTIONS IN PHASE II: ON THE NEW ORGANIC ACT

GRP Position	MNLF Position
<ul style="list-style-type: none"> • Passage of RA 9054 in 2001 as the New ARMM Organic Act and its acceptance through a plebiscite. • Establishment of the ARMM Regional Government composed of an Executive Council, Legislative Assembly, and Administrative System. 	<ul style="list-style-type: none"> • RA 9054 was passed unilaterally by Philippine Congress, without consulting MNLF. • The August 14, 2001 plebiscite conducted without consulting the MNLF or the OIC is contrary to the letter and spirit of the 1976 Tripoli Agreement and the 1996 Peace Agreement.

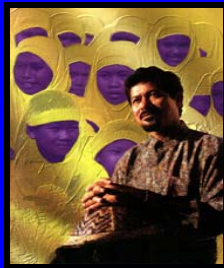
CONTENTIONS IN PHASE II: ON USE OF RESOURCES

GRP Position	MNLF Position
<ul style="list-style-type: none">• While national government continues to control and supervise matters of extraction, the regional government effectively has full authority over all areas of environment and natural resources within the ARMM.	<ul style="list-style-type: none">• The GRP has <i>unilaterally</i> defined strategic mines and minerals, which violates the agreement,• FPA states that the MNLF and the GRP, with the positive contribution of the technical experts of the OIC, will mutually agree on the definition of the strategic mines and minerals on a later date.



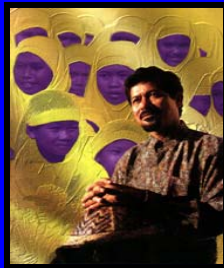
CONTENTIONS IN PHASE II: ON INSTITUTIONAL ARRANGEMENTS

GRP Position	MNLF Position
<ul style="list-style-type: none"> • Devolution of line agencies • Creation of an Autonomous Economic and Financial System is ongoing. • The Regional Economic Development and Planning Board has been created • Medium-Term Development Plan has been initiated for ARMM. • The Regional Legislative Assembly has been given powers to prioritize the System on Economic and Trade Agreements. 	<ul style="list-style-type: none"> • Inadequate resources and fiscal support



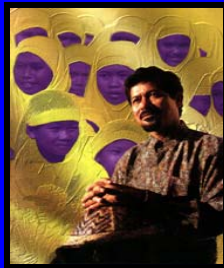
CONTENTIONS IN PHASE II: ON APPOINTMENTS OF MUSLIMS TO NATIONAL POSITIONS

GRP Position	MNLF Position
<p data-bbox="388 451 1079 811">Appointment of Muslims to national agencies pursuant to the right of representation in the national government.</p>	<p data-bbox="1118 451 1810 1115">The national government has not made a single appointment with the recommendation of the ARMM Regional Governor, contrary to Paragraph 65 of the FPA and to RA 9054, Article V, Sec. 2.</p>



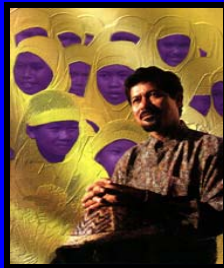
CONTENTIONS IN PHASE II: ON SECURITY

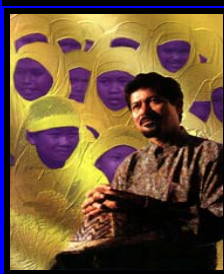
GRP Position	MNLF Position
<p>The Establishment of the PNP Special Regional Security Force for the Autonomous Region in 2002 with 1,500 MNLF integrees deployed throughout ARMM and the establishment in 2003 of the ARMM AFP Unified Command.</p>	<p>The AFP continues to deploy the MNLF integrees in combat duties to fight fellow Muslims of the Moro Islamic Liberation Front, as well as the recent conflict involving MNLF forces in Sulu. Significant numbers were killed, and others have gone on absence without leave (AWOL).</p>



CONTENTIONS IN PHASE II: ON EDUCATION

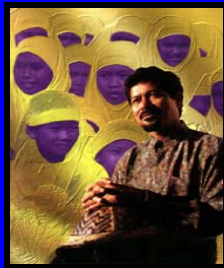
GRP Position	MNLF Position
<p data-bbox="401 462 900 636">Development and institutionalization of Madrasah education.</p> <p data-bbox="401 743 1074 1300">DepEd-ARMM is implementing the 2002 Basic Education Curriculum and the Madrasah Education program through the creation of a standard curriculum and professionalization program for Madaris and Arabic language teachers.</p>	<p data-bbox="1136 462 1789 696">There continues to be an insufficiency of funds for the educational system in the ARMM.</p> <p data-bbox="1136 803 1831 1229">Former ARMM Governor Dr. Parouk Hussin noted that from 2002 to 2004, more than P1 billion in ARMM funds were not released, while other funds were delayed in their release.</p>





The Politics of Disagreements

- Philippine Congress had minimal involvement in the negotiations, but had a central role in its implementation.
- Congressmen opposed the Interim Agreement. The Senate agreed to support the agreement only if amendments would be introduced, which dilute the powers and autonomy of institutions to be set up under Phase I of the agreement. Politicians, led by Senators, even filed a 54-page petition asking the Supreme Court to nullify the Agreement.



IV. Fiscal Autonomy

- Autonomy, to be effective, must be accompanied by the commensurate set of powers and funds to allow the fulfillment of such responsibilities.
- Financial resources must be provided to allow the region to stand on its own feet.

Fiscal Autonomy: RESOURCE CONSTRAINTS

Comparative Regional Share in Government's Expenditure (P Billions)

	1996	1997	1998	1999	2000	2001	2002	2004	2005
NCR	23.50	23.35	30.11	33.60	40.37	47.20	42.00	35.50	36.30
IX	7.20	8.68	11.77	11.80	14.39	17.50	16.70	15.00	15.20
X	9.80	12.06	10.32	10.70	12.88	15.50	14.30	14.70	17.40
XI	10.10	11.57	15.62	16.90	21.39	23.20	22.50	16.10	16.10
XII	5.70	7.20	8.40	8.90	12.04	14.10	14.30	14.60	15.20
CARAGA	---	0.25	6.12	8.60	10.10	15.50	14.10	10.90	14.90
CAR	4.70	6.33	8.06	8.60	10.16	14.20	11.40	10.00	10.90
ARMM	5.60	6.06	7.90	9.20	9.72	14.90	11.10	10.50	14.50
TOTAL	158.30	194.6	237.2	263.3	307.6	371.0	354.3	316.5	351.5

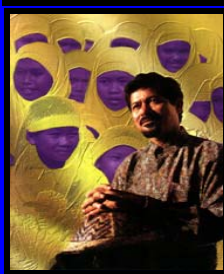
Fiscal Autonomy: RESOURCE DISTRIBUTION IN ARMM

Appropriation for ARMM by Object of Expenditure (1997 – 2006)

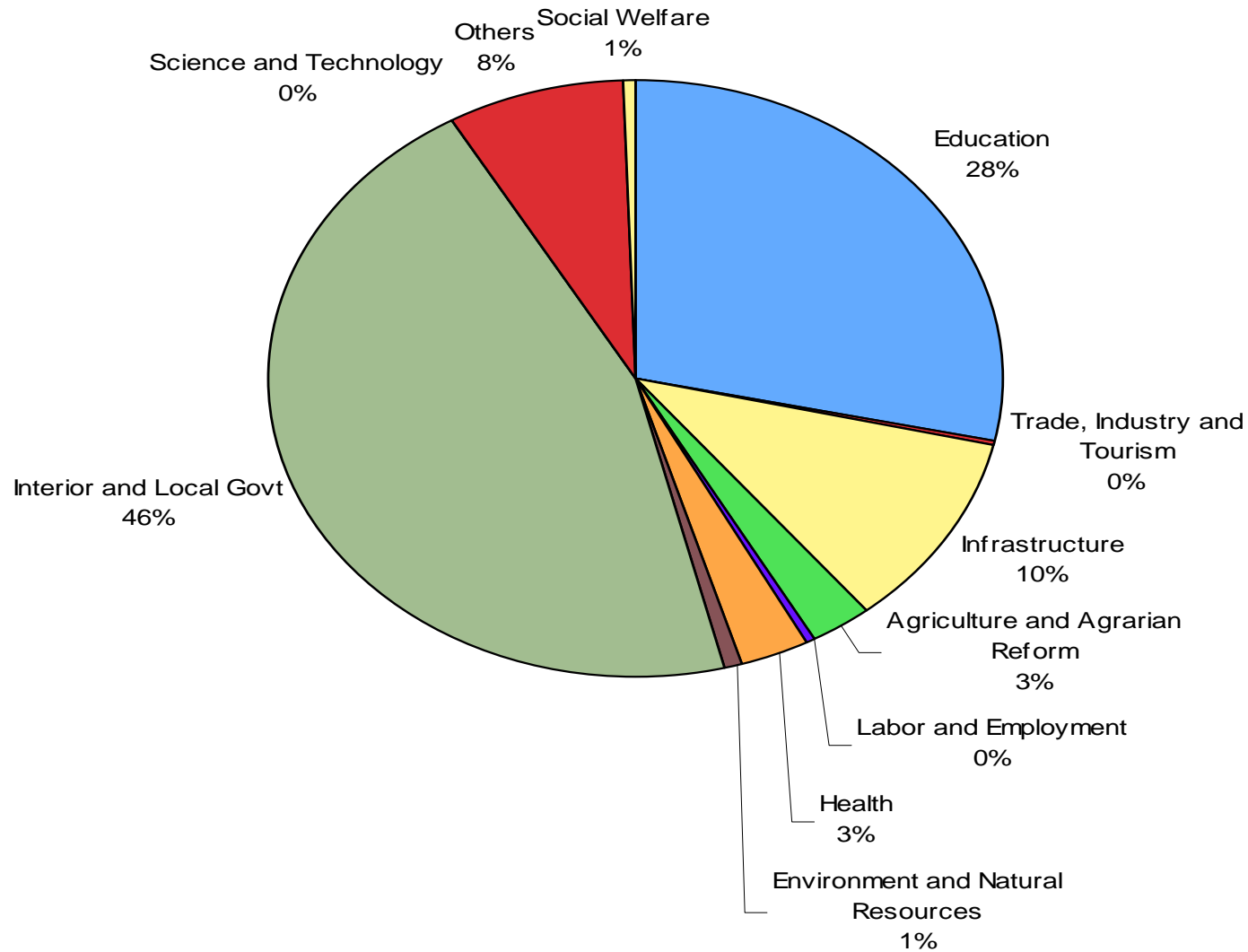
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Average
Personal Services	2.04	2.85	3.07	3.09	3.09	3.67	3.78	3.78	4.46	4.46	34.29
%	81.20	57.70	70.30	71.50	71.50	72.30	75.20	75.20	66.60	66.60	70.00
Maintenance & Other Operating Expenses	0.43	0.54	0.75	0.55	0.55	0.71	0.76	0.76	1.34	1.34	7.74
%	17.30	10.90	17.20	12.80	12.80	14.00	15.20	15.20	20.00	20.00	15.80
Capital Outlays	0.04	1.55	0.55	0.68	0.68	0.70	0.48	0.48	0.90	0.90	6.95
%	1.60	31.40	12.50	15.70	15.70	13.70	9.60	9.60	13.40	13.40	14.20
Total Appropriation (In Billion pesos)	2.51	4.94	4.33	4.33	4.33	5.07	5.02	5.02	6.69	6.69	48.97

Fiscal Autonomy: A note on personal services

- According to the World Bank, teachers comprise 74.9% of the ARMM workforce, followed by Department of Health at 7.5%.
- This means that more than 80% of people who draw salaries in ARMM come from basic services which are population sensitive: education and health
- There are 20 devolved offices to ARMM which have their own operations and administrative services (although not all draw funds from ARMM regional government)
- JICA claims that the personnel from the devolved agencies are not enough to provide for basic services in the entire region

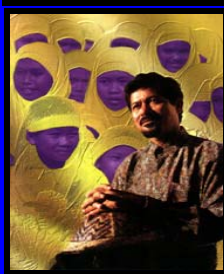


ARMM FUND UTILIZATION (2001-2005)



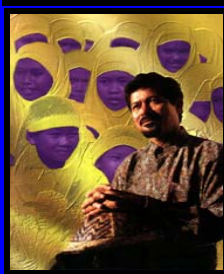
A note on Control of ARMM Funds

- According to the World Bank and a study by INCITEGOV, the ARMM regional government's funding is still controlled by the central government
- 95.2% of the regional budget is controlled just like any other regular department (WB)
- *“The ARMM has no more real of practical autonomy in deciding on the level and allocation of funds intended for its politically distinct mandate than other non-autonomous administrative agencies of national government”. – World Bank Joint Needs Assessment*
- *“Only a negligible 4% (of ARMM funds)...is completely within the control of (ARMM Regional Government)” – INCITEGOV Policy Paper*



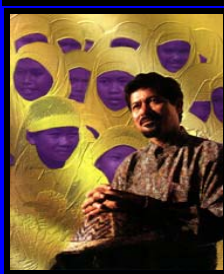
V. ARMM Governance

- The ARMM Regional Government is heavily dependent on national government for funding. Very minimal revenue is collected within the area.
- ARMM has to fund the cost of a regional governor and a legislative assembly – these do not exist in other regions
- Regional line departments of ARMM (e.g. ARMM-DepEd) have a bigger workload than the usual regional admin. offices (e.g. DepEd Region IV)



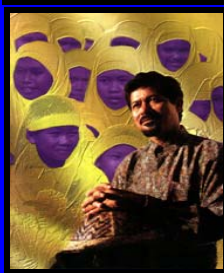
V. ARMM Governance

- Public services already being performed by LGU's in other parts of the country are still being performed by the ARMM Regional government
- Other services not yet devolved to LGUs elsewhere (like education) are already being performed by the ARMM regional government
- “ARMM costs tend to be higher than those in other regions” – World Bank Joint Needs Assessment
- **Thus, there are increased mandates, heavy dependence, and limited funds**



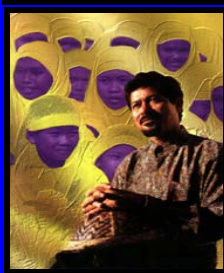
VI. ODA: A Lifeline

- ARMM gets by with support from the international community
- According to NEDA's ODA Monitoring System, \$87.4-million worth of on-going ODA Loans directly benefiting ARMM
 1. \$55.2-million ARMM Social Fund Project
 2. \$32.2-million Central Mindanao Road Project
- Another \$515-million worth of loans in 5 projects of which provinces of ARMM are part



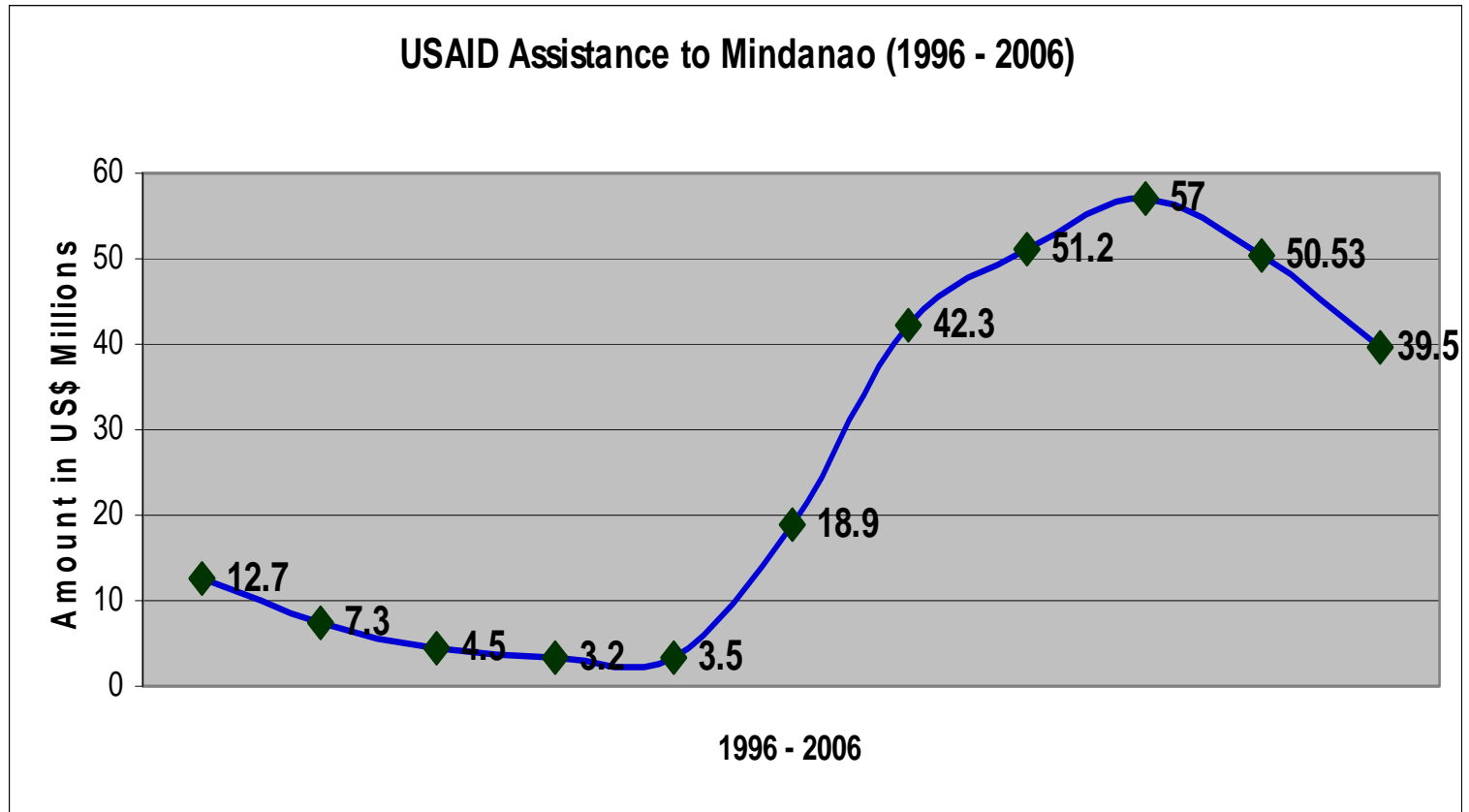
VI. ODA: A Lifeline

- The World Bank for example has completed its SZOPAD Social Fund Project (\$21.5-million, around half of which came from OPEC and Japan) and the Mindanao Rural Development Project (MRDP1 at \$1.25-million)
- It has the ARMM Social Fund (\$33.6-million), and initiated the Mindanao Trust Fund with a \$1.525-million infusion
- MRDP2 has recently been approved with \$83.7-million dollars, for all provinces in Mindanao



VI. ODA: A Lifeline

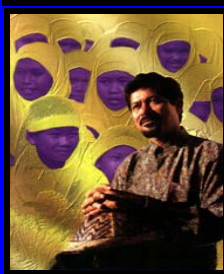
- USAID has given a total of \$292-million to Mindanao from 1996-2006

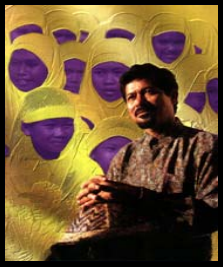


VI. ODA: A Lifeline

2006 USAID Assistance (in US\$ millions)

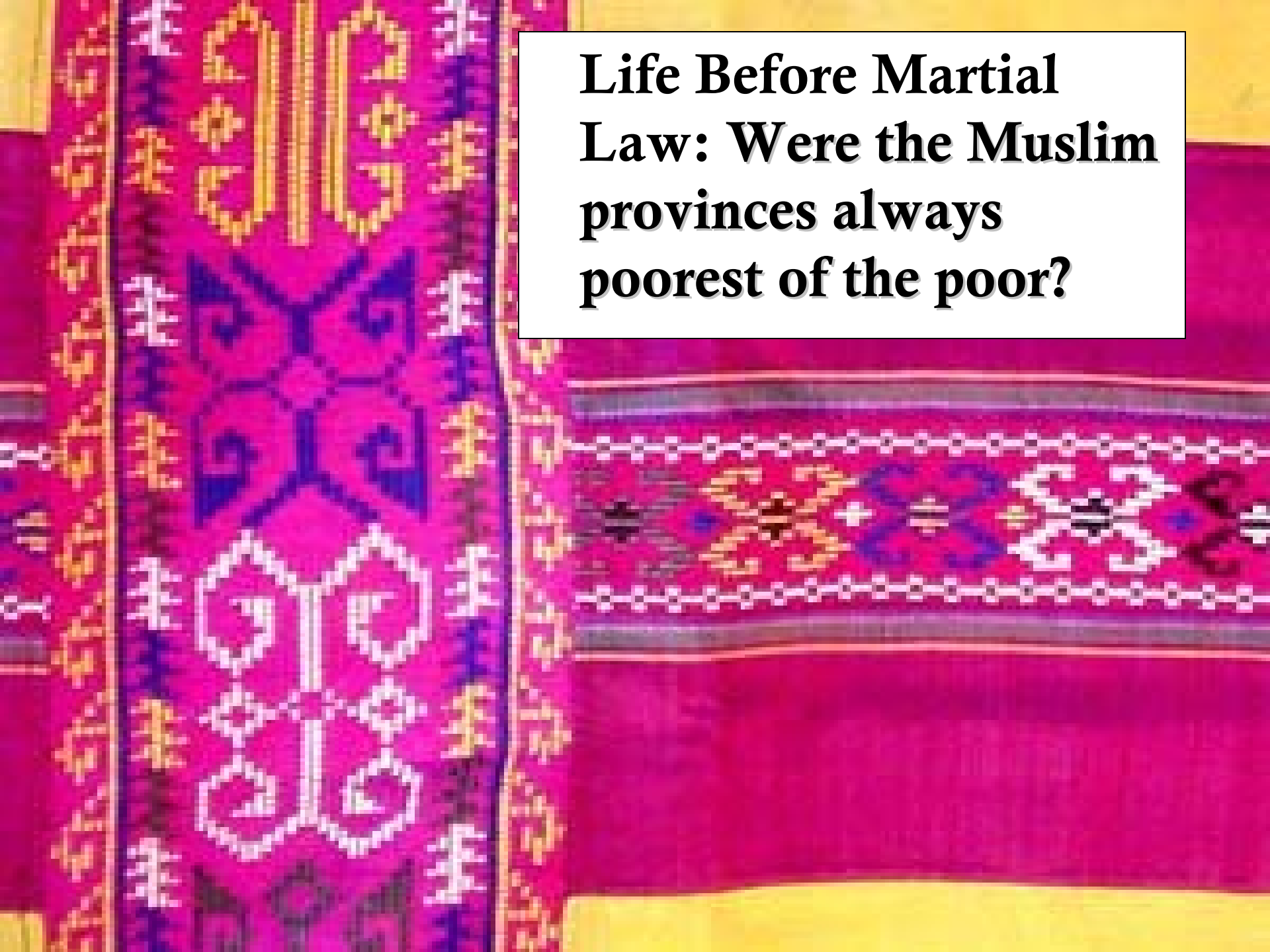
<i>Sector</i>	<i>Total</i>	<i>Mindanao</i>	<i>% for Mindanao</i>
Basic Education	11.9	11.9	100%
Conflict Mitigation in Mindanao	10.2	10.0	98%
Health	24.7	10	40%
Environment and Energy	9.9	5.3	54%
Economic Growth and Governance	12	2.3	19%
TOTAL	68.7	39.5	58%





VII. ARMM A Decade Hence: Poverty and Underdevelopment

In the end, the only way to gauge whether Muslim Mindanao has benefited after the signing of the Final Peace Agreement is to look at the development indicators on the ground

The background of the slide is a close-up of a traditional rug. It features a complex geometric pattern in shades of red, yellow, and blue. The pattern includes repeating motifs such as diamonds, squares, and floral-like shapes. The colors are bright and saturated, creating a rich, textured appearance. The rug is laid out on a surface, and the lighting highlights its intricate details.

**Life Before Martial
Law: Were the Muslim
provinces always
poorest of the poor?**

RANKING ACCORDING TO NUMBER OF HOUSEHOLDS IN OCCUPIED DWELLING UNITS WITH PIPED WATER, 1970

Rank	Province	1970 (%)
2	Batanes	87.6
3	Camiguin	78.6
4	Mountain Province	69.9
7	Surigao del Norte	49.5
27	Lanao del Norte	19.7
<u>28</u>	<u>Lanao del Sur</u>	<u>19.6</u>
31	Zambo del Sur	19
32	Surigao del Sur	18.4
<u>37</u>	<u>Sulu</u>	<u>15.5</u>
38	Bataan	15.4
39	Pampanga	13.3

Access to Electricity, 1970

Rank	Provinces	% HH with Electricity, 1970
10	Davao del Sur	25.9
20	Lanao del Norte	14.4
28	Zambo del Sur	10
34	Surigao del Norte	7.3
<u>38</u>	<u>Sulu</u>	<u>6.7</u>
40	Leyte	6.7
41	North Cotabato	6.4
42	Davao Oriental	6.3
50	Ilocos Sur	4.5
51	Bukidnon	4.4
<u>58</u>	<u>Lanao del Sur</u>	<u>3.7</u>
59	Camiguin	3.1

Poverty in ARMM

Poverty Incidence

REGION	1997		2000		2003	
	%	Rank	%	Rank	%	Rank
NCR	8.50	15	11.50	15	7.30	15
5-Bicol	57.00	2	61.90	2	47.90	4
6-Western Visayas	45.90	8	51.00	8	48.40	3
8-Eastern Visayas	48.50	6	51.10	6	43.40	6
9-Western Mindanao	45.50	7	53.00	7	49.40	2
10-Northern Mindanao	52.70	4	52.20	4	44.30	5
12-Central Mindanao	55.80	3	58.10	3	38.40	7
CARAGA		---		---		---
CAR	50.10	5	43.80	5	31.20	9
ARMM	62.50	1	71.30	1	53.10	1

Human Development Index in ARMM: Lowest 10 provinces

1997		2000		2003	
<i>Province</i>	<i>HDI</i>	<i>Province</i>	<i>HDI</i>	<i>Province</i>	<i>HDI</i>
Sulu	0.336	Sulu	0.351	Sulu	0.31
Lanao del Sur	0.415	Tawi-Tawi	0.390	Maguindanao	0.36
Maguindanao	0.416	Basilan	0.425	Tawi-Tawi	0.36
Tawi-Tawi	0.430	Maguindanao	0.461	Basilan	0.41
Basilan	0.439	Ifugao	0.461	Masbate	0.44
Ifugao	0.452	Lanao del Sur	0.464	Zamboanga del Norte	0.45
Lanao del Norte	0.470	Agusan del Sur	0.482	Sarangani	0.45
Agusan del Sur	0.482	Samar	0.511	Western Samar	0.47
Samar	0.493	Lanao del Norte	0.512	Eastern Samar	0.47
Sarangani	0.494	Sarangani	0.516	Lanao del Sur	0.48

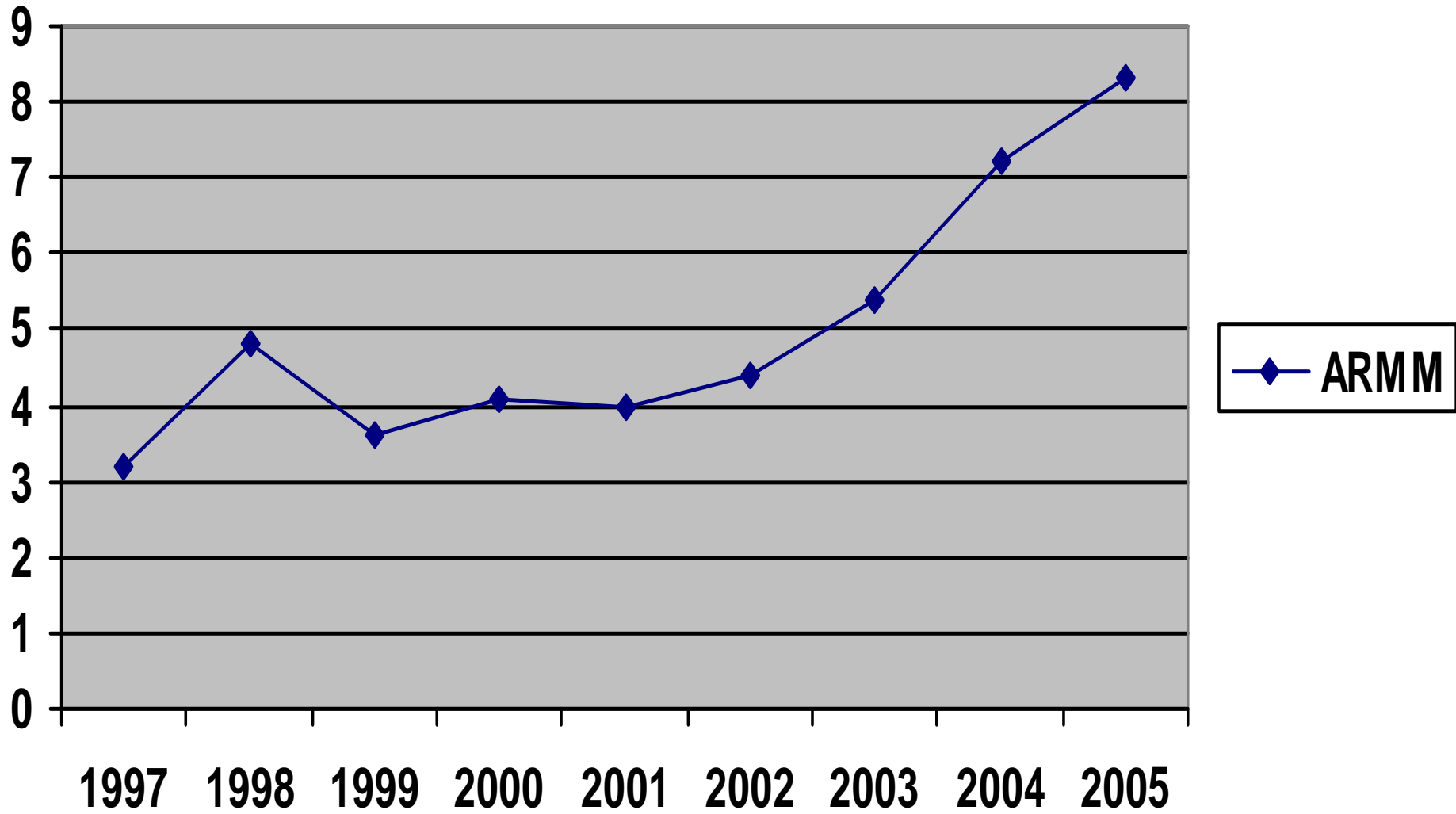
GRDP Per Capita (2001 – 2006)

	Region	2001	2002	2003	2004	2005	2006
	National	12,746	12,843	13,139	13,789	14,186	14,676
NCR	METRO MANILA	30,048	30,077	30,970	33,867	35,742	37,855
CAR	CORDILLERA	17,749	17,889	18,114	18,111	17,919	18,171
V	BICOL	5,950	6,060	6,273	6,442	6,632	6,685
ARMM	MUSLIM MINDANAO	3,799	4,455	4,493	3,382	3,433	3,486
XIII	CARAGA	6,828	4,900	4,823	6,589	6,690	6,912

Annual Per Capita (1997, 2000, 2003) ARMM Provinces

<i>Province</i>	<i>1997</i>	<i>2000</i>	<i>2003</i>	<i>% change from 1997 to 2003</i>
Maguindanao	21,915.00	19,967.00	14,198.00	-35%
Basilan	22,269.00	13,193.00	13,265.00	-40%
Tawi-Tawi	19,794.00	11,349.00	10,780.00	-45%
Sulu	8,994.00	7,850.00	8,430.00	-6.2%

Unemployment Rate in ARMM, 1997-2005

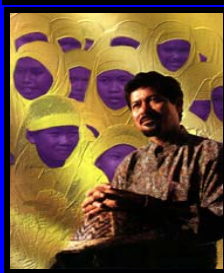


Life Expectancy (in years, 2003) Top 10 and Bottom 10 Provinces

Top- and bottom-10 provinces in life expectancy (in years), 2003			
Top Ten Provinces	Years	Bottom Ten Provinces	Years
Cebu	72.6	Antique	62.6
Pampanga	72.2	Kalinga	62.5
Batangas	71.8	Apayao	62.4
Bulacan	71.4	Eastern Samar	61.7
Camarines Sur	71.3	Western Samar	61.4
Nueva Ecija	71.2	Basilan	60.6
Davao del Sur	71.1	Lanao del Sur	57.9
Rizal	71.0	Sulu	52.8
La Union	70.6	Maguindanao	52.0
Cavite	70.5	Tawi-Tawi	51.2

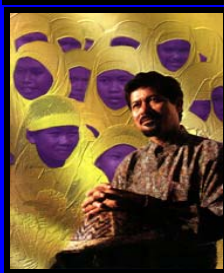
ARMM A Decade Hence...

- The statistics are dismal: highest infant mortality rates, lowest literacy rates, lowest secondary school participation rates, highest drop out rates... the list goes on.
- ARMM continues to be the poorest, the most neglected, the least productive, the worst performing region in the country in almost all measures
- In some aspects, it is worse off today than it was prior to the Peace Agreement in 1996.



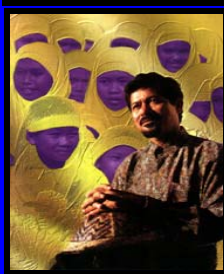
VIII. Lessons from the FPA

1. Peace process must include all stakeholders, especially civil society. This will give the process and the agreement that it will produce the legitimacy and the critical political constituency it needs to succeed.
2. Implementers cannot be completely divorced from the negotiation of the agreement. This will avoid the presence of *spoilers* whose commitment to peace is only tactical
3. Sustained commitment to peace must be ensured by incorporating mechanisms that will make non-compliance costly for either party.



VIII. Lessons from the FPA

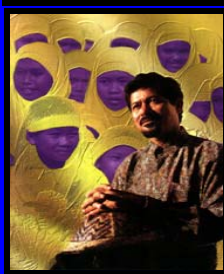
3. Strengthen absorptive capacity of the ARMM regional government through capacity-building and electoral reforms.
4. The implementation of the institutional changes must be rationally undertaken by all agencies. This will prevent the lack of coordination between and among implementing agencies
5. Genuine autonomy and lasting peace cannot be attained unless the **central government divests itself of substantial powers and invest the same to local communities and allow them to chart their own destiny**. This requires an overhaul of the entire government philosophy.



Confidence-building for Peace

Confidence-building measures are important to resuscitate the peace agreement, among them are demands from the MNLF and other sectors:

- Release Misuari, and
- Hold Tripartite talks as stipulated in the agreement



IX. Further Studies

• **Overseas Development Assistance** – an integrative, consolidated look at all the major players in ARMM and their programs. This is vital given the fact that ARMM seems to be dependent on ODA for developmental projects, due to limitations on the regional budget.

• **Resource Allocation and Control** – is the pie big enough?

• **The ARMM Local Government Code** – what needs to be done to rationalize the regional and local government relations?

