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## Innovations in Sustainability Business Models – Toward Development for Peace in Conflict-affected Zones in the Philippines



**Abstract:** - The proposed business model (also termed herein as the Business Sustainability Framework) presents strategies for agribusiness and approaches to restoring the forests and watersheds that were initiated in the Province of Bukidnon in Northern Mindanao, Philippines. It is believed that the framework deserves merit for replication in other conflict-affected zones. This study aimed to conceptualize and document a holistic and collaborative approach taken to develop a model for an inclusive and sustainable business practice that can ensure food security and support livelihoods of the Indigenous People (First Nations) of Bukidnon, many of whom are smallholder farmers, while augmenting environmental resilience. The methodology applied for developing the model in Bukidnon utilized various strategies namely, social preparation, community organizing, participatory community development planning, as well as study tours and cross learning programs for farmers from the Bangsamoro to model sites in Bukidnon. The results of these strategies demonstrated that the key components of the framework, namely securing availability of food (i.e., adequate and nutritious food on the table), livelihood opportunities (i.e., through the production of cash crops for sale to generate sustainable disposable income), and reforestation of degraded forests and watersheds (i.e., maintaining the integrity of the ecosystem and adequacy of water supply) can be pursued effectively through a more participatory collaboration between corporations and communities. This paper emphasizes that the creation of food security and livelihood opportunities, alongside inclusive community development and the promotion of ethics and values formation, is urgent given the pressing need for the newly-established government in the Bangsamoro Autonomous Region in Muslim Mindanao (or BARMM) to deliver the much needed dividends of peace through inclusive and equitable partnerships between companies and communities. Based on the promising outcomes and results in Bukidnon, it is believed that the replication of the framework in the conflict-affected Bangsamoro region can lead to sustainable agribusiness economic models and help bring equity and social justice, and enhance environmental sustainability. The study recommends that the authorities give special consideration to the promotion of the proposed model in the Bangsamoro.

**Keywords:** Inclusive development, creating shared values, partnerships, peace, sustainability

### I. INTRODUCTION

The approval of the Bangsamoro Organic Law (BOL), formation of the Bangsamoro Transition Authority (BTA), and the creation of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) has ushered in a new era in Muslim Mindanao, with prospects for lasting peace better than ever before. It is the first step toward finding the resolve to the long struggle of nearly half a century of the Bangsamoro people for social justice, economic equity and sustainable development. Notwithstanding, much remains to be done as we move forward with the implementation of the road map for the Bangsamoro, as agreed upon between the Government of the Republic of the Philippines and various negotiating parties from the Bangsamoro as part of the peace process.

One of the main priorities should be to ensure that resources deployed for development are strategically well-planned and supported by sound economic policies, and that both the authorities and the people of the Bangsamoro have a key role in determining where, when and how the investments for growth and development will be made and who will be the beneficiaries. In other words, one would need to ensure that development interventions will not be “corporate or donor-driven”, as is often the case in many developing countries where policy development and investment programming exercises are heavily influenced by external agencies or by the private sector, but with little or no ownership by the people such investments are meant to benefit. Importantly, the development framework for the region must bear in mind the need for an inclusive and broad-based approach to economic growth, poverty reduction and environmental sustainability. In this context, it is essential that development partners show respect for the culture of the Bangsamoro, dignity to its traditional leadership, and for meaningful participation of the Bangsamoro people in deciding on the projects that they themselves can truly “own”. Winning early dividends of peace would be vital to sustaining the momentum for peace or else the Bangsamoro people

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may quickly become disillusioned and, once again, the cycle of violence could repeat itself that no one wants to see.

This paper presents the conceptualization and documentation to study a framework which was implemented successfully among the Indigenous People (IP) of the Province of Bukidnon and initially tested among Moro Muslims in the mainland Provinces of Lanao Del Sur and Maguindanao in the Bangsamoro. The study aimed to validate the practice of inclusive agri-business that worked well among smallholder farmers in Bukidnon and can serve in formulating innovative models for equitable and sustainable development in the Bangsamoro. The *Framework for Transformative Community-Corporate Partnership for Business Sustainability* (or simply, the Framework) sought to redefine the role and behavior of corporations and partner communities who wish to make sustainable and responsible agribusiness investments in the region. The Framework sets forth development strategies, approaches and best practices for the effective management of environmental and social risks and impacts, and for “creating societal value” that can be equitably shared between both corporate investors and local communities.

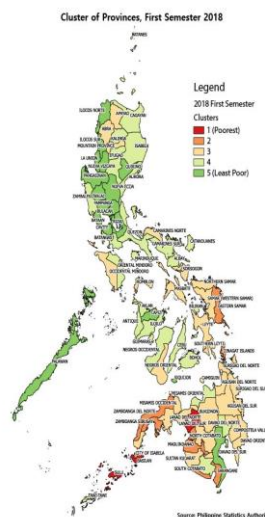
What follows is the socioeconomic and development context of the region, the agriculture development potential, strategies for agribusiness with a focus on the smallholder farmer, framework for agribusiness development, the results emanating from the application of strategies proposed in the Framework, and finally key conclusion and policy recommendations for promoting inclusive, equitable and sustainable agribusiness practices in the Bangsamoro.

## II. THE CONTEXT

### i. Poverty, Hunger and Social Indicators

The Bangsamoro remains one of the poorest regions in the country. According to recent data published by the Philippine Statistics Authority, poverty incidence in the Bangsamoro was recorded at over 55% in the year 2018, which is nearly three and a half times the national average of 16.1%. The poverty map presented below in Figure A depicts the stark difference in poverty between Mindanao as compared to the rest of the country. Similarly, Table 1 shows the comparative figures on a number of social and economic indicators, again demonstrating that the region has lagged behind not just the country but also from rest of Mindanao.

**Figure A: Poverty Map of the Philippines**



Legend

1	Upper Poverty Incidence among families is $\geq 60\%$ of population
2	Upper Poverty Incidence among families is $\geq 40\%$ of population but less than 60%
3	Upper Poverty Incidence among families is $\geq 25\%$ but less than 40%

4	Upper Poverty Incidence among families is $\geq 14\%$ but less than 24%
5	Upper Poverty Incidence among families is $\leq 13.99\%$

Table 1: Selected Indicators on Development Gaps

Indicators	ARMM	Rest of Mindanao	Philippines
<b>GDP per capita, PHP (2018)</b>	31,322	117,311.73	164,607.93
<b>I In current prices in constant prices (2000)</b>	14,248.37	59,550.83	86,968.29
Source: PSA			
<b>Poverty** Incidence (%), 2015 / 2018)</b>	56.2 / 55.4	32.75/ 26.21*	22.2 / 16.1
Source: PSA			
<b>Net Enrollment (%), SY 2018-19)</b>	73.24	94.27*	94.05
- <b>Elementary</b>	35.76	72.50*	81.41
- <b>Junior High</b>	11.04	41.90*	51.24
- <b>Senior High</b>			
Source: DepEd			
<b>Access to electricity (% HH, 2015)</b>	54.54	85.64	91.05
Source: FIES			
<b>Access to safe*** water source (% HH, 2015)</b>	15.09	53.27	55.27
Source: FIES			
<b>Access to sanitary**** toilets (% HH, 2015)</b>	20.46	66.58	73.77
Source: FIES			
<b>Seal of Good Housekeeping (% LGU*****, 2019)</b>	69	94.8*	89
Source: DILG			
<b>Private Armed Groups (PAGs) / Potential PAGs, 2018)</b>	72 / 127	N/A*****	77 / 167
Source: PNP*****			

Sources: as stated.

\*Average of all enrollment of regions in Mindanao excluding ARMM

\*\*Poverty threshold is min. income required for a family/individual to meet the basic food & non-food requirements.

\*\*\*wherein the community has a water system that is working, see data to see other primary sources of water of families

\*\*\*\*Sanitary Toilets is described as Water-sealed sewer septic tank used exclusively by household

\*\*\*\*\*Includes Municipal, Provincial and City level Local Government unit as described by the DILG

\*\*\*\*\*<https://newsinfo.inquirer.net/1053409/pnp-tracking-nearly-80-private-armed-groups-in-run-up-to-2019-polls>

\*\*\*\*\*According to PNP Remaining PAGS; 2 in CAR and 1 each in Region 3, 4-A and 5

Note - GDP per capita: Population computed was 2015 official count multiplied by the official growth rate by the PSA: Philippines 1.612, ARMM – 2.89% and Mindanao at 1.81%

Table 2: Comparative Poverty Incidence in BARMM Provinces

	2015 Poverty Incidence	2018 Poverty Incidence
<b>Autonomous Region in Muslim Mindanao (ARMM)</b>	<b>56.2</b>	<b>55.4</b>
Basilan	28.8	65.25
Lanao del Sur	73.8	68
Maguindanao	47.4	47.49
Sulu	71.75	65.85
Tawi-Tawi	10.9	17.25

Source: Regional Social and Economic Trends, PSA, BARMM, 2019.

As can be seen from the Table 2 above, there is has not been much improvement during recent years. The provinces of ARMM are some of the poorest in the country. The high poverty incidence in Sulu and increased poverty in Basilan can be attributed to the security situation in the two provinces. Similarly high poverty rate in Lanao del Sur is also a result of the recent “Marawi Siege” which took place in May 2017 and lasted for five months. The Siege witnessed the destruction of the entire Islamic City of Marawi as a result of infiltration of fighters from the Islamic State who colluded with local elements causing the emergence insurgence of violent extremism in Mindanao. The siege has placed additional burden on the internally displaced persons (IDPs) as the process of resettling communities has been extremely slow. Displaced populations consistently rate lower than people who have never been displaced on indicators including food consumption, access to basic services and trust in government (WFP, 2011). Furthermore, returned households are almost as vulnerable as those still displaced, as often-lengthy displacement results in losing one or more harvests, missing schooling and in some cases having to sell capital assets to meet basic needs. In this way, displacement drives the inter-generational transmission of poverty. Moreover, the recent Coronavirus is causing serious hardships and further exacerbating the poverty situation for many in the Bangsamoro.

The Bangsamoro people have been fighting for their right to self-determination since the 1970s. This long history of armed conflict has claimed more than 100,000 lives and impoverished millions of Filipinos right across Mindanao. Unaddressed problems have related to landlessness, joblessness and limited livelihood opportunities, social injustices, and different forms of oppression and exploitation over the years have continued to fuel violence and conflict. The National Economic and Development Authority (NEDA) estimated that about PhP230 billion worth of funding is needed to reduce poverty among residents and help jumpstart the Region’s economy (NEDA,

2014). Over population is one of the indicators of poverty. Sharply increasing population has put increasing burden on the country's food requirements. Unable to meet the domestic food demand, the Philippines has to import increasing amounts of food, including the staple food rice, to meet its requirements. Using the same population growth trend as in the past with about 1.9 million more people added each year, it has been estimated that as against 18 million hungry people in 2013, today the figure stands at about 26 million (SWF, 2018).

Increasing poverty and hunger can cause social, economic and political instability, and it has a direct correlation with rising degrees of insurgency in various vulnerable parts of the country. Mindanao, including the Bangsamoro, has certainly seen much violence and conflict for a number of reasons, including the fact that this part of the country remains the poorest where families live in desperate conditions not having enough food on the table to feed large families of up to 7 or 8 in a household. In fact, data shared confidentially by the Armed Forces of the Philippines (AFP) shows that there were over 75 attacks on agriculture and non-agriculture industry in Mindanao over the past 4-5 years. People who feel increasingly marginalized are venting their anger over large plantations and industry whom they think are not adequately sharing the profits from their large investments with the communities who are in fact providing the land and labor for the industries operating in the region.

The agriculture sector is the mainstay for livelihood of the Mindanaoans and indeed also of the Bangsamoro people. It represents the economic backbone of the ARMM / Bangsamoro, employing 70 percent of the working population and accounting for over 60 percent of the Regional Gross Domestic Product (RGDP). However, it is also a sector of subsistence. The sector's potential was never taken advantage of over the many decades of war and long neglect on critical issues. These issues, among others, include: security of land tenure, slowness in the availability of licenses and permits for agricultural investments, lack of extension support and financial services, dilapidated infrastructure and especially farm to market roads, inaccessibility to markets, and low levels of agricultural productivity – thus leading to lost opportunities (FEF, 2014).

The impact of the on-going conflict in Mindanao on food security, or having reliable access to a sufficient quantity of affordable and nutritious food, needs to be underscored. While hunger and malnutrition in these areas might not have been single-handedly caused by the conflict, the tension has aggravated the situation of smallholder farmers who form the bulk of the rural population. The latest available Food Security and Nutrition Analysis by the Integrated Food Security Phase Classification says high levels of acute food insecurity are seen in the ARMM, wherein poor economic access due to high incidence of poverty, underemployment and increased food prices were cited as the main contributing factors.

## **ii. Environmental Degradation**

The region, as the entire country, has also reached critical levels of environmental degradation. The decline in primary forest cover is alarming, falling from 70 percent in the 1900s, to 34 percent in the 1970s, and to only 3 percent in 2000. In recent years, this figure is estimated at less than 1.8 percent (Hineleban, 2017). The long-term effects of depleting forests on food, water and energy security are devastating as it results to less rainfall, extended dry seasons, and reduced water supply for consumption, irrigation and hydropower energy. Forests are important to cause condensation to produce rainfall as they provide the differential in temperature - the vital cool air - for condensation to occur; otherwise, the clouds will simply be blown away by the wind.

Mindanao's power supply is largely dependent on hydroelectricity sourced from Lake Lanao in Lanao del Sur and the Pulangi River system in Bukidnon. This supply has now become unreliable in the face of worsening deforestation of watersheds and siltation of river systems. Pulangi Dam is now operating at about half its capacity due to heavy siltation of the Dam brought about by deforestation of lands upstream. Moreover, in some rivers there is a drastic decrease of up to 75 percent river water discharge due to decline in rainfall over a 30-year period from two major river tributaries in Northern Mindanao (NIA). This is a dire situation which is recurring in the dry season when water is needed the most for crop production. This is not just an environmental loss, but a huge economic and social loss for the company and the communities, and indeed for Mindanao as a whole.

## **iii. Agriculture Development Potential**

Notwithstanding the foregoing, Mindanao still has vast under-utilized lands waiting to be developed and reforested. Interventions are needed to alleviate poverty through the introduction of innovative- and culturally-

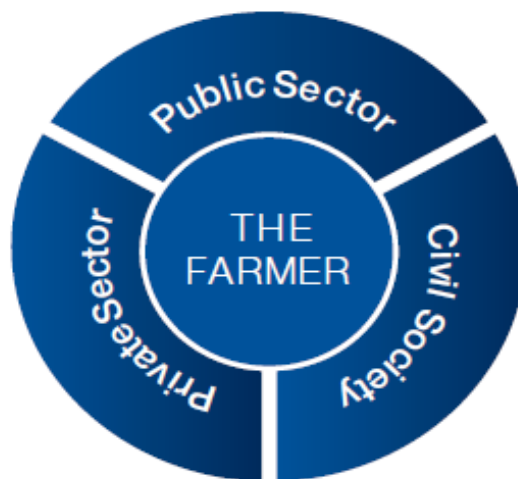
sensitive approaches for sustainable development. Mindanao is the food basket of the Philippines. It can be part of the solution. Mindanao holds great potential and currently produces majority of agricultural products and exports of the Philippines, mostly in the form of fresh fruits. It provides over 40% of the food requirements of the country.

Yet, Mindanao still has vast areas of land that can be developed into zones of agricultural production. The Bangsamoro alone has more than 170 thousand hectares of fertile arable land waiting to be tilled. The region's GRDP for agriculture, forestry and fisheries is estimated at about P50 billion. However, according to a study (Casiple, 2014), yields per hectare of land of most crops produced in the Bangsamoro are well below the national averages. The study estimated that if the current yields can be brought closer to the national average yields of crops and a 10 percent increase in the production area can be made possible, this could have the effect of doubling the GRDP to over P100 billion. When optimized and employed well, Mindanao can not only assure food security for the country, but also provide the much needed produce to neighboring countries as well as it is the gateway to Southeast Asia.

### III. AGRIBUSINESS DEVELOPMENT STRATEGIES

#### i. Key Actors

It is necessary to look at the growth of the agribusiness industry within the context of the agriculture sector as a whole, as these are closely intermeshed. Inclusive growth needs to draw the interactive participation of four key actors: the smallholder farmers, the private sector, the state and the development sector.



**Figure 2:** Key Actors

#### Smallholder Farmers

Small family farms account for the bulk of the agriculture sector, since they make up the majority of farms in the Bangsamoro agricultural landscape. The average size of farmland area per household is very small estimated at just 2.1 hectares with smallholders comprising about 248,528 farms (NSA, 2012). The framework of intervention for inclusive agricultural growth in Bangsamoro should be cognizant of the plurality of smallholders who represent the vast majority of agricultural producers in the region, and also require security of land tenure. Smallholders are classified as follows:

- *Stand alone or independent smallholders* are those who till their land on their own with no or minimal assistance from the government, non-government organizations, or the private agribusiness sector;
- *Assisted smallholders* are represented by small farmers that usually received assistance from the government and non-government organizations thru the provision of agri-inputs, financing and extension services; and

- *Integrated smallholders* are small farmers that are well integrated into the value chain of specific crops they propagate through joint venture arrangements with large-scale agribusiness firms.

#### Private Sector

The operations of a few agribusiness firms - like La Frutera, Agumil, Matling Industrial and Commercial Corporation inside the Bangsamoro - offer insights to what important roles they can play in agricultural development of the region. It has shown that there is a rapid increase of value addition opportunities through agribusiness relative to primary production. Agro-processing enterprises like Matling Commercial Corporation are increasing demand and the effective size of the market for cassava farmers' products. Exporters (La Frutera) and agro processing enterprises (Agumil) are furnishing crucial inputs and services to the farm sector for those with no access to such inputs. This is inducing productivity and product quality improvements.

There are the small-scale private enterprises providing various transportation and support services, and post harvest facilities to farmers. As smallholders get organized, they in turn can be brought out of subsistence and into the formal sector, and operate as cooperative/private sector entities. The effective organization of smallholders is often a precondition for post-harvest facilities and processing to emerge, whether through independent private initiatives or through the smallholder organizations. Agribusinesses also are stimulating market induced innovation through value chains and networks. Domestic and export systems are becoming more mutually supportive.

#### Public Sector

High poverty incidence in an economy that is heavily dependent on fragmented smallholder agriculture and the slow expansion of agribusiness-led commercial ventures in Bangsamoro territories, are indications that existing regional government agricultural development programs have not sufficiently addressed the hurdles. There is a consensus on the need for the Bangsamoro government to continue creating an enabling environment for the development of smallholder farming system, as well as for the growth of private investment through stable and well-functioning institutions, e.g. for land tenure systems and more generally for property rights, for contracts and market regulations, for incentives and support services, for business and labor regulations, and for trade. Underpinning these will be the restoration of law and order and the rehabilitation and upgrading of essential infrastructures.

Also, the Bangsamoro government must continue to provide essential, high-return public goods, notably those related to public research and development (R&D) and extension services, complementing private investments in this area. Integrated policy packages that directly support smallholder market access, capacity, and efficiency will be critical, whether they be through directed government agricultural programs or the promotion of joint ventures between agribusiness firms and smallholders. There is also a need to leverage the interest of the business sector in agriculture and related value chains. This can bring fresh capital to rural areas and contribute to increasing supply, quality, and market distribution of produce, generating positive financial, economic and social returns. It must ensure that business investments do actually create positive benefits and are in keeping with emerging principles of responsible investment in agriculture, which requires clear incentives and safeguards.

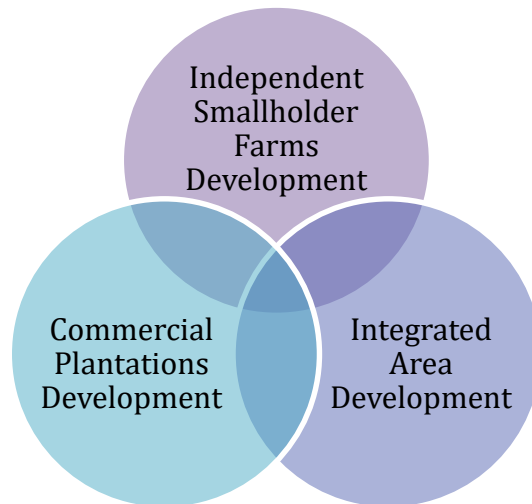
#### Civil Society Organizations

Civil Society Organizations (CSOs) have a wide range of roles as development actors and change agents. These include – but not limited to – the delivery of basic services, support to local development, policy influencing in support of participatory and democratic governance, and the promotion of demand-driven accountability mechanisms. Civil society – including Non-Government Organizations (NGOs) and foundations – can mobilize the community to meet its unique social, environmental and economic needs. It can also demonstrate innovative programs that can be scaled-up by governments and businesses, and provide risk mitigation tools that build market confidence. Some CSOs play a special role in serving as buffer social agents in times of state and market failures that may happen during conflict escalation or recurrence. Building resiliency to these shocks and preparing smallholders for meaningful engagement with the state or market sectors are examples of this special role.

## **ii. Strategic Growth Paths**

Three strategic growth paths are proposed to synergize the contributions of the above-mentioned actors:

- Harness the potentials of *independent smallholder farming system* for food security and domestic and regional market demands;
- Promote *private sector led commercial crop plantation farming system* for export and high value markets; and
- Develop and replicate the sustainable *integrated area development system*.



**Figure 3:** Strategic Growth Paths

This paper highlights the merits of the first Strategic Growth Path, namely: *Harness the potentials of independent smallholder farming system for food security and livelihood, and meet domestic and regional demands*. This approach would focus on the development of smallholder farms, which represent the vast majority of farming units in the Bangsamoro. The thrust of this approach will be to: increase the productivity of smallholder farms; facilitate the increased value of farm produce, particularly through the development of forward linkages through product enhancement and further processing facilities; and increase the sector's resilience to risk, including through climate change mitigation and adaptation measures.

The *increase in productivity* can come principally through: increased land utilization, particularly through assistance to farmers in consolidating their land use and property rights and reduced vulnerability to risk; increased farm yields through improved extension services to small-holders, particularly aimed at adopting sustainable agricultural practices such as soil erosion control, and facilitating access to suitable technologies, production inputs, and market information; improved farm-to-market roads and transport, and small-scale water harvesting and irrigation facilities; and improved access to rural finance.

Dealing with agri-input bottlenecks, particularly fertilizer will be critical. Consideration should be given to providing transport subsidies for fertilizers for an interim period, being withdrawn once the appropriate infrastructures are in place and private sector providers and smallholders are sufficiently strengthened.

The *facilitation of increased value of farm produce through forward linkages* will involve efforts to: ensure a better understanding of the value chain approach to agro-industrial development among the bureaucracy, private sector and farming community; enable and encourage small-holders to consolidate their production to facilitate profitable opportunities for common services (such as cold storage, drying and other post-harvest facilities) and further processing; and make it easier and less costly to do business, by simplifying business and labor regulations, facilitating access to finance, and providing suitable incentives.

The *increase in the sector's resilience to risk* will involve: a much better understanding of the factors impinging on farmer risks, particularly relating to the impact of climate change; and design and deployment of farm finance and insurance products.



### iii. Smallholder Farmer Partnerships with the Private Sector

The restoration of peace in Mindanao opens the opportunity to harness the vast untapped and underutilized tracts of highly arable land that, if properly managed and utilized, offers the potential for sustainable, equitable and inclusive growth for many years to come. The Bangsamoro Development Plan (BDP, 2015) proposes to undertake policies and activities to attract more private investors to invest in the Bangsamoro agricultural sector. Commercial farms will be encouraged, provided they are linked with small farmers/fishers through production contract agreements, covering processing and marketing as well. Agricultural/food processing and the creation of new products from traditional crops will also be promoted. Equally important are the priority programs planned under environment, which are: reforestation and management and protection of forestlands and watersheds, a conflict-sensitive assessment of the mineral potential of the region; watershed management of Lake Lanao and Liguwasan Marsh, enforcement of environmental policies to counter pollution due to environmental exploitation, and disaster risk reduction and management programs for flood control.

The ratification of the BOL is a significant milestone that has created the foundation for lasting peace and sustainable development to be achieved. This is important not only for the Bangsamoro, but for all people in Mindanao and all other Filipino citizens as a whole who all have to gain as one country, one nation. Such positive developments provide an impetus for the underdeveloped Bangsamoro region, with its rich agricultural lands and good climatic conditions, to offer both large and small holder agribusiness developers the opportunity to make reasonable profits, while creating sustainable jobs and better income opportunities as partners and members of Bangsamoro communities. The Bangsamoro Government leaders believe that this is critical to sustaining the momentum of peace through development, and are looking to the private sector to become the “beacons of hope” to quickly achieve positive and lasting change.

One such private sector partner is the Unifrutti Group of Companies, which has been operating several successful ventures in the ARMM since 1996 such as La Frutera Inc., (Datu Paglas, Maguindanao), Wao Development Corp. (Wao, Lanao del Sur) and Mount Kalatungan Agri Ventures Inc. {Amai Manabilang (formerly Bumbaran), Lanao del Sur}. Unifrutti’s inclusive approach to business development and its outreach efforts to local communities (since 1996) have earned much respect among the people and the leadership of ARMM and local traditional leaders. The Group’s reputation has grown as a trusted partner and thus the company has enjoyed a healthy and mutually beneficial relationship with key leaders and communities in the region (Tuminez, 2009).

Unifrutti, and its associated partner for social responsibility - Hineleban Foundation, Inc. - is a non-profit, non-stock organization engaged in livelihood development and ecosystems conservation work, believe that any approach or framework to livelihood improvement should go beyond basic sustenance to include key components of food security; supporting livelihood projects; securing the availability of water by supporting reforestation programs; facilitating community development planning for the provision of equipment and infrastructure and, last not least, inculcating a strong values formation program. These are considered essential components of cooperation between communities and corporations which can transform their partnership based on mutual trust and premised on the rationale that companies are an integral part of the membership of the larger community in any given area of investment.

Such a framework can serve as a guide for corporate investors on how to do business in the Bangsamoro by providing strategies and best practices (based on actual experiences of existing corporate investors in the Bangsamoro such as Unifrutti itself) in managing social and environmental risks, and aligning these with international performance standards and benchmarks followed by sustainable businesses across the globe. It also captures the sentiments of Bangsamoro leaders as to the kind of development they want for their region, which is one that protects, enhances and restores the environment while bringing food security and decent livelihood opportunities to the people, and shares the benefits of investment and growth widely in society.

## IV. GOAL AND OBJECTIVES

The overall goal of the study was to validate the Framework that successfully worked amongst the smallholder IP farmers in Bukidnon and see the viability of its potential replication in Muslim Mindanao especially in smallholder farms in Lanao del Sur and Maguindanao.

The specific objectives of the study were to assess:

- The success of the Kuyagan Food Self-Sufficiency component in Bukidnon and determine if it will also work well in the Bangsamoro;
- The success of the Calliandra System of Reforestation in Bukidnon and validate if the reforestation approach is also applicable in the Bangsamoro; and
- The success of the Sustainable Livelihood component through community partnership in Bukidnon to determine if it can also be successful also in the Bangsamoro.

## V. METHODOLOGY

The methodology was a combination of various processes and procedures such as social preparation through project briefings and community orientations, community organizing; trainings and study tours, participatory community development planning, personal interviews; technical support and values formation classes, team building, and replication of activities from one community to other communities. Details of these procedures are discussed below:

### Social Preparation

This activity was initiated through project briefings and orientation. It aimed to inform the community about the rationale, objectives and approaches of the project. It also aimed to “buy in” their involvement and participation, particularly in the major interventions which were introduced. Social preparation was conducted first at the level of the Local Government Unit (LGU), then with the concerned barangays, and finally down to the target communities.

### Community Organizing

This activity was conducted through community mapping and environmental profiling. It is a tool that helped the farmers get directly involved in their own development. It enabled the communities to map out details of where they live, assess and be aware of existing natural and physical resources, and environmental concerns, as well as encourage them to consider what they can achieve on their own. Such an approach was a way of encouraging and empowering communities to take action for themselves. Twenty (20) farmers were chosen with in consultation with the local leader/s for each community in Barangay Songko in Lantapan and in Barangay Lirungan in Talakag Bukidnon. The same approach was followed in the Bangsamoro and an initial test for replication of the Framework which was pursued in selected Barangays namely, Punod in Amai Manabilang in Lanao del Sur as well as in four Barangays in the Municipality of Talayan, in Maguindanao, namely, Tamar, Lanting, Marader and Fukol.

### Participatory Community Development Planning

This was undertaken to solicit the community aspirations and perspectives in community development. A Community-Based Investment Plan (CBIP) is a product of the said community organizing and planning. It is undertaken based on the participatory poverty and resource analysis and profiling of the community situation. The plan was presented to other stakeholders such as the municipal and barangay government officials for possible integration into their respective development planning and programming processes. The involvement of other stakeholders was an important element in the process of community investment and community development planning. This means that while investment options were identified and suggested, being adaptive and flexible in the plan implementation was also important. Priorities were given to projects that bring catalyst effect to community engagement and development. Projects that create synergy in terms of community participation and counterpart, investment were given top priority.

Importantly, the CBIP suggests including a combination of both software (training, capacity building, skills development and values formation classes) and hardware (water supply, farm to market roads, electricity, etc.) projects, the implementation of which would depend on the capacity of the investor to implement. The goal of the CBIP is to provide menu of community engagement activities to ensure a continued success of investment in the community and, at the same time, securing strong community participation and mobilization for ensuring

overall inclusive and sustainable development of the host communities. In rolling out the Framework in the Bangsamoro, the application of CBIP was utilized with selected Barangays in Lanao del Sur and Maguindanao.

#### Values Formation Classes

One-hour values formation classes were conducted once every two weeks among the IP households in the communities in Bukidnon and once every month among the communities in Lanao del Sur and Maguindanao. The values lessons in Bukidnon were Bible-based while those in the Muslim communities were based on the holy Quran wherein values and leadership modules were developed by Ustadzes (Muslim Teachers). The values classes also focused on teaching farmers how to be good stewards of the natural resources and environment, as well as an opportunity for farmers to learn technical aspects of farming, tree planting, goat raising and fishpond production. The values classes revitalized and refreshed the rich cultural values and traditions of the Muslim communities.

#### Trainings and Study Tours and Cross Learning Program

Farmers were empowered to enhance their capacities and capabilities through technical trainings such as tilapia fishpond production, goat and duck raising, vermi production as well as climate change and disaster risk reduction, and financial literacy. Personal interviews and group discussion were integral part during trainings and study tours since debriefings were done to discuss lessons learned during the tour. The study tours or cross learning aimed to familiarize the farmers with the concept and components of the proposed Framework. It also aimed for farmers to appreciate the practical application of the Framework as part of the business model of Unifrutti as well as explore application areas for the Framework in the Bangsamoro. The officers and members of four organized cooperatives in Barangays Tamar, Lanting, Fukol and Marader of the Municipality of Talayan in Maguindanao as well as the 20 farmers in Barangay Punod in Amai Manabilang, Lanao del Sur were exposed to the realities of the components of the Framework through a study tour to Hineleban Farms in Kalugmanan, Manolo Fortich, Bukidnon.

The farm, also known as Tuminugan, is about 66 hectares of land where Hineleban has its skills development school, laboratories and reforestation sites where the Foundation has tested its demonstrated its proven methodology for reforestation. Since the establishment of the farm some 30 years back, Hineleban has planted nearly 5 million native and indigenous species in and around the farm, as well in a number of mountain ranges of Bukidnon. The Bangsamoro farmers were exposed to the mechanics of how reforestation or assisted forest regeneration can be facilitated using specific species that can help to maintain moisture in the soil and control natural or man-made forest fires. In addition to the exposure to Hineleban methodologies and approaches to organic crop production and reforestation, team building was a critical part of the trainings provided to the Bangsamoro farmers.

#### Technical Support and Initial Replication of Framework Activities in the Bangsamoro

The lessons learned by the farmers from the four barangays in Talayan and one barangay (Punod) in Amai Manabilang during their study tour and cross learning program in Bukidnon facilitated the initial replication of the model based on the Framework in their respective communities. All through out the process Hineleban, together with its corporate partner Unifrutti, provided hands on support by making available staff and inputs, and helped guide the Bangsamoro farmers in their farm activities to help start the process. Vital support for the interventions also came from a project funded by the Australian Department of Foreign Affairs and Trade (DFAT) through the Philippine Business for Social Progress (PBSP).

## **VI. DISCUSSION ON FRAMEWORK CONCEPTS AND COMPONENTS**

### **i. Key Concepts and Aspects in Framework Design**

#### Land Ownership and Culture in the Bangsamoro.

Land is central to the identity of the Bangsamoro. It is not a simple matter of ownership or possession, as the significance of land has been ingrained in history and tradition. Land is a birthright where oftentimes, the formal legal requisite of ownership (e.g., certificate of title) is deemed a superfluity. It will be important for investors to show respect for and acceptance of the Islamic and Indigenous Peoples' traditions with respect to land, within the

bounds of the legal framework. The *Datu* (traditional leadership) system, which concentrates power over subjects and their properties, prevails with the *Datu* or traditional leader regarded as the protector and provider of his people. Investors must also be willing to work within the cultural and legal constraints that may be present, and be aware of and ready to commit to the required social and environmental standards. For example, the presence of IDPs due to conflict and further possible displacement due to investment activities must be seriously considered. The same is true with respect to the rights of IPs, their cultural heritage and the nature of their engagement or interaction with the more dominant culture in the Bangsamoro.

### Creating Societal Value

When entering the Bangsamoro, corporations need to view themselves in a new role: as a member of the community, the community being the entire municipality or municipalities in which their investments are located. While their core business is the project investment, their participation with their communities recognizes the resources and networks that such an investing corporation can bring to the community. The corporation should view itself as a catalyst and conduit since it is creating direct job employment, while simultaneously building opportunities for livelihood generation for all members of the community. Thus, private investors should:

- Take a holistic approach to inclusive, equitable and sustainable investment and growth, through participatory community development planning – *private enterprises becoming members of communities and providing resources for social development activities*;
- Develop a genuine appreciation of the unique culture of the Bangsamoro and promote inter-cultural dialogue, through the conduct of continuing values programs – *people of faith working together, side by side, and learning from each other*; and
- Undertake sustainable investment programs, through financial and technical support for meeting the highest standards of sustainability – *care for the environment and creation of livelihood opportunities will be the key differentiators for success of operations*.

The afore-mentioned guidelines are also consistent with the principle of *creating shared value*, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do, but at its center (Porter and Kramer, 2011). Communities need business, and business needs communities. The investment approach which informs the development of a framework for inclusive business acknowledges that the private sector has the means for increasingly the motivation to contribute to sustainable development outcomes as part of their core business. Through shared value, agribusiness investments in the Bangsamoro region will not only help propel economic growth, but will also ensure that there will be enough resources and opportunities for the Bangsamoro people now and in the future. Ultimately, with food on the table and opportunities created for sustainable livelihood, the prospects for peace and prosperity will be even so much greater.

### Social and Environmental Sensitivity

Given the momentum of private initiatives, it will be important to ensure that: (a) the private sector investments are sustainable and in harmony with the natural and cultural environment of the Bangsamoro; and (b) the benefits of growth and investment are equitably distributed among the Bangsamoro population. In this context, it is recognized that such rapid, large-scale project development can have very significant impacts on the underdeveloped Bangsamoro region – either positively or negatively. This is true for both plantations and smallholder development. Unfortunately, many companies remain trapped in an outdated, narrow approach to value creation. The track record of numerous corporations in the Philippines has shown a disregard or lack of sensitivity to both the environmental and social fabric of communities.

This is not the kind of development that Bangsamoro leaders envision for their people. Instead, the development that is being envisioned is one that engages the community as a partner (not just a beneficiary), and one that proactively identifies and manages social and environmental responsibilities. Thus, mainstreaming sustainability in all facets of core business operations must be seen as an essential element of values creation and longer-term

sustainable business investments. As an illustration of this approach, Unifrutti’s *Sustainability Code* is one that can help to inform investors on the nature and form of standards and policies that should be mainstreamed to ensure social responsibilities and environmental resilience.

**Table 1: Elements of a Sustainability Code**

Area	Elements
<b>Social</b>	<ul style="list-style-type: none"> <li>• Enforce a Social Policy, and Occupational Health &amp; Safety Policy that does not discriminate workers, but instead offers opportunities and benefits to all workers regardless of ethnicity and gender;</li> <li>• Ensure labor and working conditions are in accordance to the mandated policies of the Department of Labor and Employment (DOLE), International Labor Laws (ILO) and others (International Finance Corporation’s Performance Standards and the World Bank’s Operational Policies);</li> <li>• Provide accessible potable drinking water source and supply for hydration of workers; build staff houses with functional and hygienic comfort rooms for workers; employ company doctor/nurses and first aiders to ensure medical concerns are immediately and appropriately attended to;</li> <li>• Prioritize employment of local workers and acquisition of service providers from nearby communities;</li> <li>• Establish continuous training, education and competence programs to ensure that workers carry out their respective tasks correctly and safely, and can respond immediately in cases of emergencies;</li> <li>• Employ a DOLE-accredited Safety Officer;</li> <li>• Conduct thorough risk assessments and provide necessary safety measures to workers who handle sensitive/complicated tasks;</li> <li>• Implement a Grievance Redress Mechanism to effectively address and monitor complains from workers, IPs, and stakeholders;</li> <li>• Uphold and respect cultural practices, traditions and religious ceremonies as part of the affected communities’ or IPs’ belief; and</li> <li>• Organize monthly Environment, Health &amp; Safety Committee (EHSC) meetings to tackle issues related to workers safety, environment, and community.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Implement soil erosion prevention and control programs such as year-round planting of vegetative ground covers in steep-slopes, major and in-field roads, berms and sides of canals, as well as planting along contours to prevent or minimize soil erosion;</li> <li>• Discriminate use of herbicides;</li> <li>• Prohibit the use of nematicides, rodenticides, Class Ia, Ib and Class II as listed by the World Health Organization (WHO);</li> <li>• Employ ecosystem and water conservation measures;</li> <li>• Implement integrated waste, wastewater and pest control/management measures;</li> <li>• Faithfully adhere to the establishment and maintenance of buffer zones and conservation areas;</li> <li>• Plant indigenous trees in non-arable areas;</li> <li>• Adhere to and maintain voluntary international standard certifications:               <ul style="list-style-type: none"> <li>○ Rainforest Alliance;</li> <li>○ ISO 14001 (Environment Management System);</li> <li>○ Global GAP (Good Agricultural Practices);</li> <li>○ ISO 50001 (Energy Management System);</li> <li>○ ISO 9000 (Quality Management System);</li> <li>○ ISO 22000 (Food Safety Management System); and</li> <li>○ OHSAS 18001 (Occupational Health &amp; Safety Management System).</li> </ul> </li> </ul>

Source: Unifrutti Sustainability Code, 2015.

### Need to go Beyond Standard Compliance Policies & Risk Minimization

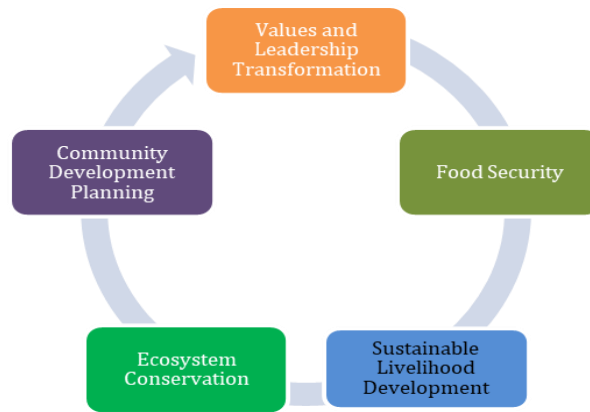
At the very minimum, companies should comply with national regulations and international standards on safeguard compliance policies. Beyond compliance, companies should be aware of their socio-economic, political and environmental impacts and their ability to create or exacerbate conflict. There is the Need to build on this awareness: Companies should implement procedures and policies to minimize damage that may result from their own business or those of their partners (International Alert, 2000). Notwithstanding the need to comply with the afore-mentioned performance standards, the companies need to go beyond compliance and proactively create positive “*societal value*”, by optimizing the external multipliers of their own operations and engaging in innovative social investments. What are needed are wide-ranging stakeholder consultations, and advocacy and civic institution building, including collective action with other companies and communities. This necessarily requires the need for a Strategic Commitment – CEO and board level leadership on corporate responsibility issues, supported by internal management systems.

In a recent study conducted by the Peace Research Institute Oslo, the study recommended that policies to promote business participation in post-conflict peacebuilding should include the identification of specific business opportunities and potential markets in the regions and economic sectors considered most promising. In addition, they should adopt available lessons about the possibilities and limitations of different public and private incentives. For domestic policymakers, the message is clear: *companies need unambiguous signals and firm commitments from state authorities to prevent uncertainty and to continue exploring new opportunities*. Moreover, the strength of these signals and commitments is proportional to the participation of local communities in their development. The study also recommended that programs are fine-tuned by region or sector, as needs and expectations can differ significantly across these contexts (PRIO, 2019).

#### **ii. Components of the Framework**

The afore-mentioned parameters of the Framework that can be translated into developing an agribusiness model that ensures all investment in the Bangsamoro will achieve greater wealth and shared prosperity between investors and communities, where both partners share profits throughout the entire value chain of production, processing and marketing operations. Consequently, not just a sustainable source of employment is provided, but also the opportunities for generating higher levels of income leading to an improved quality of life for the Bangsamoro. This can only be achieved through a sincere and well-intentioned partnership between the farmer and the investor following the development strategies enunciated above, which clearly must go beyond the normal performance standards on safeguard compliance policies and include key elements for ensuring longer-term social, economic and ecological sustainability.

Thus, in addition to the Bangsamoro Performance Standards, the Framework recommends that the strategies described below be pursued by investors through a holistic set of interventions that will bring about peace through business development, that is: reduce the potential for conflict by creating employment and generating income and livelihood opportunities in the region. Alongside this, community engagement, or working collaboratively with community groups to address issues that impact their well being, is paramount in the strategy (PBSP, 2018). This report also describes various business sustainability models in the Bangsamoro and is consistent with and reinforces the elements of the Framework described herein. There are important differences, however, in that the Framework is more holistic in terms of the agricultural development challenges and agribusiness strategies, and provides the analytical underpinnings for the components on which the Framework is anchored.



**Figure 4:** Components of the Framework:

*Community Empowerment through the Creation of Societal Value*

a. Values and Cultural Adaptation: *Enhancing shared values and promoting a culture of peace, justice and equality among women and men.*

The unique cultures found in the Bangsamoro region require a firm understanding and adaptation from investors to foster a harmonious relationship between the corporation and local community, workers and other stakeholders. The continuous promotion and adoption of universal values that promote social responsibility, environmental awareness and peace within and among communities is to be carried out throughout the entire lifetime of any investment in the Bangsamoro.

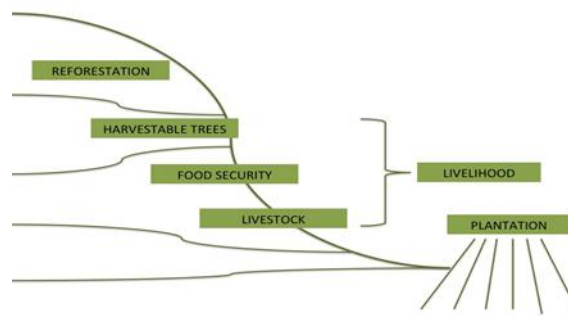
To facilitate this, the BDA with inputs of Ustadzes (Muslim teachers), has developed a *Values and Leadership Transformation Program (VLTP)*, comprising eight modules on topical themes (BDA and Hineleban, 2016):

- *Islamic Leadership and Management;*
- *Ethics and Morality;*
- *Islamic Principles of Mutual Cooperation and Solidarity;*
- *Islamic Development and Governance;*
- *BDA Core Values;*
- *Peace and Conflict Resolution;*
- *Integrity, Family and Spirituality; and*
- *Universal Corporate Values.*

Through the VLTP, the relationship between and among corporate and community stakeholders is laid down and their respective values are strengthened. Over time, this relationship becomes mutually beneficial and lasting as it is anchored on shared universal values, which emanate from the core of the corporation and radiate out to the communities, defining how corporate development initiatives are to be jointly undertaken. The modules are seen as an integral part of social preparation and mobilization, and will be freely shared with investors who may wish to utilize them for enhancing values and leadership in the Bangsamoro.

b. Participatory Community Development Planning: *Empowering communities to take the lead in meeting their present and future needs through participatory community development planning.*

Investors are encouraged to support the creation of a holistic and comprehensive community development plan from the mountain ridges down to the farms, through the river systems and aquifers, and to the coastal areas and coral reefs, as applicable. The development of the plan shall be facilitated by a professional community development specialist, with the full participation of all members of the community, including the corporation. Figure 5 below shows a schematic of how the different parts of the a community development plan could fit together with public sector, communities and the private sector exploring partnerships in the different parts commensurate with their interests and comparative or competitive advantages.



**Figure 5:** Scope of a Community Development Plan

Community development planning should be facilitated using people-centered tools which are designed to address sensitivity of Bangsamoro cultures and customary practices in promoting infrastructure investment, market access, and value-chain development initiatives, as well as to carefully assess and evaluate the total impact, positive and negative, of a program or a project in a inclusive and participatory manner.

c. Family Food Self-Sufficiency: *Ensuring food security and improved nutrition and health of farmers and their families*

Plantation workers and smallholder farmers in underdeveloped areas like the Bangsamoro are often unable to produce enough food to feed their own families, much less the rest of their community. Proven technologies for food self-sufficiency for smallholder farmers that have been successful in other parts of Mindanao can be adopted with the support of investors. Thus, investors are called on to support the establishment of small community farms that will ensure that farmers and their families will have physical, social and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. Crop and livestock production performance of the farms, as well as community health status and other nutrition-related indicators, should also be monitored over time.

d. Environmental Conservation and Ecosystem Restoration: *Reviving ecosystems through reforestation and watershed protection to ensure continuous water supply for food production and irrigation.*

The major rationale for reforestation is to secure water, food and energy – while conserving biodiversity. Farmers must be helped by corporations to invest in the protection and regeneration of forests, which will support rivers for irrigated agriculture, rainfed food production, supply of drinking water and hydroelectric power generation – all necessary for a successful agri-venture. The corporate sector needs also to provide appropriate incentives to the communities to participate in ecosystem restoration and conservation activities in an around their farmlands.

e. Livelihood Development for Sustainable Disposable Income: *Supporting livelihood development and increasing the disposable income of smallholder farmers and other community members*

Corporations increase the disposable income of community members by paying salaries and wages to workers (direct employment and decent work) or rental to landowners (land lease). They must also do the same for smallholder farmers and other community members (who are not workers or landowners) by directly engaging them in all levels of the agribusiness value chain -- from production, harvest, processing and marketing – and ensure they receive a decent share.

This can be achieved through various modalities such as community partnerships, wherein corporations assist smallholder farmers organize themselves into cooperatives and enter into a joint venture with them. The key goal of this business model is to constitute landowners and farm workers as business partners to provide each of them the opportunity to become stakeholders to collectively reap the benefits from potential returns of the business. This will be undertaken by sharing the ownership of assets, performance of functions or management of operations between the “producer cooperative” (i.e., the host community) and the company/corporation (i.e., the investor).



Corporate investors can also assist in setting up micro-small business enterprises that provide goods and services to allow disposable income to circulate within the local economy. This assistance can be through direct contacts with suppliers of the goods; providing training for service enterprises (e.g., blacksmithing, repair shops, etc.); and connecting specialty goods to the end market, i.e., family handmade soap-making enterprise with a compelling story that can be marketed to retail outlets in premium shopping malls in Manila. In summary, the creation of sustainable livelihood opportunities where market profits are equitably shared with local communities should be an integral component of any corporate investment in the Bangsamoro.

### iii. Application of the Framework

The application of the Framework as translated into a model discussed below draws on the experience of Unifrutti Group of Companies and Hineleban Foundation Inc. over the last 20 years in supporting environmental conservation and livelihood development in IP communities in Mindanao. They are concrete illustrations of how the proposed performance standards and mix of development strategies are being operationalized and are making positive environmental and economic impacts on the ground, both at the core business or plantation level and, more importantly, in the local communities.

At the heart of Unifrutti's/Hineleban's model which it calls, *Transformational Business Partnership* with communities in Bukidnon, is the *Sacred Customary Compact* signed on December 2012, which recognizes the "native title rights" of the Seven Tribes of Bukidnon. These rights go beyond land and environment to include the tribes' historic, cultural and spiritual rights and governance systems, all of which are legally recognized, respected, protected and promoted under the Indigenous Peoples Rights Act or IPRA of 1997. Such a model, given its positive results to date, can also be one for application or replication in the Bangsamoro with appropriate adjustments to suit the unique characteristics of the region.

#### Emerging Inclusive Agribusiness Model

Spanning the six mountain ranges in Bukidnon and Lanao del Sur, which serve as key watersheds from which six major rivers emanate providing the much-needed water for drinking, hydropower, and irrigation for agriculture food production. Unifrutti's/Hineleban's model recognizes that the health of the community and health of the environment are intertwined. Thus, the initiative is designed to restore mountain forests (to increase rainfall), as well as provide appropriate incentives through food security and livelihood opportunities for the community to participate in conservation activities. The Initiative is a comprehensive approach to creating a sustainable business and community environment and comprises three main components as described below. Specific activities under each component were identified and agreed upon with the communities through a participatory process {using Participatory Cultural Impact Assessment (PCIA) tools}, and are captured in community development plans.

#### ***Component 1. Kauyagan Food Self Sufficiency***

Hineleban's Mindanao Rainforestation Initiative recognizes the need to first meet food self-sufficiency and better nutritional needs before any community-led environmental conservation activities can be successfully done. Through its Kauyagan (a lumad term for "livelihood") Food Self-Sufficiency Program, Hineleban is committed to providing technical assistance and agricultural inputs for the sustainable and efficient use of three hectares of land (per farmer/family) in their partner communities that reside in the buffer zones of Bukidnon's four mountain ranges, wherein: On some 3-3.5 ha of land, farmers can produce food and cash crops and also grow trees for assisting the rainforestation effort. About 0.35 ha can be adequate land for the production of food crops. Farmers are able to produce all of the carbohydrates and protein nutritional requirements for a family of seven (parents + five children). Another 0.50 ha and up to 2.65 ha can be developed for cash crops for sale for income generation, and also for growing indigenous and commercial trees.

Farmers and their families are taught on Hineleban Model Farm how to grow indigenous grain and native vegetables such as Adlai (Job's Tears), Kamote (sweet potatoe), Lutya (Taro) or Gabi, Turmeric, Patani (beans), Patola, Sayote, Alugbati, etc., alongside small livestock such as goats and native chickens. IP lands in their ancestral domain can be allocated for short-, medium- and long-term income generation activities through crop or tree production, as follows:

- Short-term (1.5-3 year) – coffee, adlai, or abaca;
- Medium-term (3-5 years) - cacao or bamboo; and
- Long-term (10-12 years) – Caribbean Pine and Brazilian Fire trees.

Through the power of *hunglos* (collective farming, similar to Bayanihan), the first training/demo farm was established in Barangay Songco in Lantapan, Bukidnon in 2014. Seven other demo farms had been established since, serving as source of seedlings, fertilizers and technical know-how for farmers and their families in the community to establish their own farms. There is visible difference among the community members on the availability of food and nutritional levels have also improved as evidenced by improved health conditions among community members. Communities are also made aware that the mountains of Mindanao are the only long-term solution to attaining food self-sufficiency with three crop cycles per year; hence, the importance of Component 2 on reforestation.

### ***Component 2. Calliandra System of Reforestation***

The Unifrutti Group and Hineleban Foundation have been working on reforestation technologies for over 30 years (since 1990) and have involved and empowered IP stakeholders in buffer zones in the effort over the last eight years. Furthermore, they have developed an accelerated serial succession technology using Calliandra, a leguminous small to medium-sized fast growing tree proven to be very effective in suppressing the growth of cogon grass, which is one of the main culprits of forest fires in the mountain terrains of Bukidnon. Once established, Calliandra quickly provides dense canopy cover and generates rich forest litter resulting in a damp microclimate that not only discourages the occurrence of grass fires, but also enables the establishment of primary or secondary reforestation. The technology has been studied and endorsed by the College of Forestry and Natural Resources (CFNR) of the University of the Philippines in Los Banos (UPLB).

While the goal of massive mountain reforestation (which is to create micro-climates to restore rainfall and water supply) can only be seen in the medium to long term, the state of Hineleban reforested areas planted with Calliandra as a nitrogen-fixing nurse crop such as in Wao, Lanao del Sur is promising. In partnership with the Local Government Units (Municipality and Barangay) and farmers' cooperative (Banga Farmers Watershed and Development Cooperative), the Hineleban team regularly monitors the survival and health of Calliandra wildlings and permanent tree seedlings that have been transplanted. As part of its reforestation efforts, Hineleban faced the formidable challenge of convincing IP communities living in the buffer zones to stop cutting the remaining forests for their survival; thus, the integration of Component 3, whose objective is to provide viable sustainable livelihood alternatives.

### ***Component 3. Sustainable Livelihood through Community Partnerships***

Unifrutti and Hineleban help to connect communities with interested private entrepreneurs in developing business ventures in crops such as coffee, abaca, and bamboo, and possibly cacao. In doing so, the duo brings into play what the private sector does best which is to ensure the availability of four essential elements: production technology, processing, quality control and access to markets. Through this approach, IP and Bangsamoro communities have the chance to upgrade their level of production and processing, and also have access to buyers at fair market prices for products of consistently high quality. This, in turn, helps the communities to not just meet their basic needs and security of food, but also enables them better affordability of social services for future generations to come as a result of disposable income that they can now earn for themselves.

Hineleban introduced high value Arabica coffee as a cash crop for income generating opportunities in the four mountain ranges of Bukidnon. Over the period of about 5 years some 30 hectares were developed for Arabica Coffee to be produced in ancestral domains of IP farmers. Though there has yet to be an independent impact assessment conducted, the initial results have been quite promising, as described below.

## **VII. PRELIMINARY RESULTS AND CONCLUSIONS**

The *Hineleban Coffee* partnership with communities in Bukidnon has clearly demonstrated that fresh coffee berries harvested by indigenous tribes is brought to the Hineleban Farm and is processed all the way from de-

pulping and de-hulling to roasting, and is then shipped to various destinations around the country. The Department of Trade and Industry (DTI) in fact donated some of the equipment for coffee processing to the Hineleban Foundation. Through this partnership, IP coffee farmers have sustained twice the yields per hectare, and with prices per kilo that are 300% over trader prices (up to P21 per kilo as against P6 per kilo), thereby giving the farmers incomes that are as high as 600% than what they were ever able to achieve independently prior to the partnership. Consequently, there has been a visible difference in the quality of life of a number of coffee farmers in Bukidnon, their houses are better constructed, they have more disposable income for the education and health of the family, and they have better means of transportation. Importantly, as a result of adequacy of food on the table for the family, the health conditions of the children have also improved.

In a smart way, Hineleban tied its coffee sales to its tree planting program under the Mindanao Rainforestation Initiative. This is called “Sip and Reforest” program. For every bag of beans bought, Hineleban plants a tree. And the growth of the tree can be tracked by the coffee consumer through a GPS tag number which is shown on the coffee bag. As a result of this initiative, and prior projects, Hineleban has planted nearly 5 million trees on its Tuminugan farm and in the four mountain ranges of Bukidnon. Further, recently Hineleban has partnered with Globe Telecommunications Inc., whereby the latter is providing support for rainforestation to help lower its carbon footprint.

Hineleban’s holistic and integrated approach for inclusive agribusiness development is one that has helped to bring peace and harmony in the mountain ranges of Bukidnon, through livelihood creation and ecological restoration for securing watersheds through reforestation, is one that deserves merit for replication elsewhere. It is also one which is innovative in the manner that partnerships were broadened with like-minded partners who have the heart and sincere intentions to alleviate poverty and hunger, and promote a culture of peace.

The Bangsamoro is well-placed to emulate this through the collaboration of communities and the private sector to help lift the lives of the Bangsamoro and draw down early dividends of peace now that the BOL is passed and a new government is in place. It is important that projects using such approaches be promoted at an early date so that development gains can be quickly consolidated giving peace a chance to last a lifetime. As noted earlier, the initial replication of the model has been introduced in 5 barangays in Lanao del Sur and Maguindanao; however, it is still early to determine their success as it takes time for results and outcomes to emerge with a lagged period of time after project completion. It would be necessary to especially determine the growth in income of the Bangsamoro farmers as had been witnessed by IP farmers in Bukidnon for coffee production.

Hence, it would be useful to conduct an evaluation of the sites in the Bangsamoro to examine the progress to date, which can also further enlighten the improvements to the model that may be needed specific to the Bangsamoro needs and situation. In the interim, however, Hineleban, through a partnership with the Bank for Philippine Islands (BPI) (Hineleban, 2017), has been sustaining the operation and is introducing an integrated model (similar to the one in Bukidnon) in Barangay Punod in Lanao del Sur, and is now also looking to scale up crop production in other areas of the Bangsamoro and neighboring provinces in Mindanao utilizing the Framework principals and approaches.

The two other components of the Framework namely, community development and values formation were also introduced by Hineleban, with varying degrees in the four mountain ranges of Bukidnon. As noted earlier, community development planning is being facilitated with the support of government departments to come in for supporting coffee production, such as the supply of coffee equipment supplied by DTI. Similarly, in the barangays concerned in the Bangsamoro where the Framework is just initially being replicated, every Friday which is the holy day for Muslims, the community members come together for values formation classes for one hour. Those unable to participate must get prior permission to be excused or be willing to sacrifice up to one month of salary deduction. Such kind of penalty can be a strong force for encouraging the community members to adhere to the discipline of attending the weekly classes and practicing the values taught in their jobs as well as in their lives. Given the strong faith of the people in Lanao del Sur and Maguindanao, there are seldom any absentees and the values program is working very well.

Moving forward, it would be important that all components to the extent possible are applied in the development of agribusiness models for optimizing the socio-economic and ecological gains that are possible from a

community-corporate partnership. Further, unity within any given community or tribes, and the acceptance of leadership among community members as well as the private sector are important pre-conditions for the model to work effectively. Further, with transparent and accountable cooperation, and a high degree of patience and resilience over the longer-term among all partners concerned, the chance for the success of the model is highly likely.

## VII. RECOMMENDATIONS

The following operational and policy recommendations have been developed after discussions with communities and other stakeholders including those from the private sector, CSOs, and the academe.

Key recommendations would include the need to:

- Commence development needs assessment in the Bangsamoro. The assessment should examine the *social, economic, land, tenure, ecological, infrastructural and institutional* needs of the communities. The newly created Ministry of Agriculture, Fisheries and Agrarian Reform (MAFAR) would be in a good position to commence this process, together with the BDA.
- Solicit support from the BTA through the provision of budgetary resources to conduct surveys and pre-feasibility studies is highly recommended. This should be followed by possible technical and financial assistance from development partners and / or the national government-sponsored “Development Fund” for the Bangsamoro as committed under the BOL.
- Convene meetings of interested private sector corporations, development partners and CSOs to discuss the possibility of establishing a Trust Fund for Inclusive Agribusiness Development, and a mechanism to facilitate development cooperation among parties concerned. MAFAR, together with other key agencies and chambers of commerce and industry, could take the lead role in this initiative.
- Forge a stronger values-based leadership program among community members. Once- a-week training sessions on values and leadership which can be combined with technical training can reinforce values formation among community members and leaders. The eight-module publication of BDA on the Values and Leadership Transformation Program can be used for the implementation of weekly sessions to be conducted by Ustadzes.
- Identify private sector parties who may be interested in helping the communities and developing the camps as zones for agri-business and peace, and involve the private sector for widening and deepening awareness of the Framework (and other related inclusive business models) that can be introduced in the Bangsamoro.
- Strengthen partnerships between the private and public sectors for exploring collaborative agribusiness approaches as proposed under the Framework. The Economic Development Board and the Sustainable Development Council, soon to be established as proposed under the BOL should get involved in the active facilitation of Framework application and formation of the Trust Fund as noted earlier.
- Expand collaboration with national and international partners, including the academe, and explore cooperation especially in areas of connectivity as in farm to market roads, ports development, as well as links with the ASEAN through the active promotion of joint venture partnerships in agribusiness promotion using the principles set out in the Framework.
- Consider starting a program or workshop series for farmers and other members of society, as well as students and faculty, on issues concerning peace and sustainability, and strengthening the curriculums at universities to include values-based leadership and peace education for folks across all segments of society.
- Broaden engagement on trainings for LGUs and the Bangsamoro government staff and ministerial leadership, and explore collaborations with institutions in the Philippines and from abroad, especially in the areas of governance and sector policy analysis on key economic and institutional issues and challenges.
- Engage in Training of Trainers programs for application of the Framework for personnel from the newly-created ministries in the Bangsamoro, in particular those from agriculture, education, health, trade and industry, science and technology, and social services sectors, as well as interested private sector corporations.

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