Implementing Change Processes for Inclusive Social and Economic Development in Situations of Conflict and Fragility: Lessons from the Philippines

Yvonne Müller and Stephanie Schell-Faucon

Executive Summary

This paper presents a case study illustrating the approach adopted by the Philippine–German Conflict Sensitive Resource and Asset Management Program (COSERAM), which was implemented in Mindanao by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)[1] with a broad range of Philippine partners from the state level, civil society, and the private sector.

Taking as an example the support provided to Butuan City from 2011 to 2014, the case study analyzes how to assist government agencies in designing and implementing a complex change process that fosters inclusive and sustainable socio-economic development in an extremely volatile conflict situation. The development challenges described are representative of various parts of Mindanao. Parts of the approach that were successfully developed and implemented by the City and its partners are currently being replicated in other areas.

A huge asset and precondition for the case study project was the newly elected leadership of Butuan City, which entered office with a strong will, a commitment to good governance, and a vision to transform the City's poorest conflict-affected communities, which were largely neglected by public services and influenced by non-state armed groups. Both the absence of government institutions and legitimacy in the area as well as a precarious security situation called for something other than standard approaches to socio-economic development. The case study shows which strategy was developed and how it could be implemented successfully – despite several setbacks.

1 The program was implemented on behalf of BMZ.

For four years the COSERAM Program provided the City and its partners with a broad range of tailored political, procedural, and technical advice and financial support. The implementation of this change process – hereinafter referred to as "the inclusive co-management project" – was carried out in three phases. The paper illustrates how the level of leadership and responsibility for the implementation of the project of the City was gradually and continuously increased. With the City becoming the "face of the project" vis-à-vis the affected communities, direct interventions by GIZ decreased.

Although the project experienced a number of setbacks throughout the process (including violent incidents and difficulties in providing secure land tenure), it has successfully improved the socio-economic situation of the population in the project area. Government services and financial support through various development schemes are now available. Two years since this project has ended, the communities are developing their land in collaboration with the City and national agencies, and the vast majority are confident that the local and central governments will further assist them in doing so. The positive response by the local communities to the transparent and participatory approach also prompted the neighboring province to replicate the approach of conflict-sensitive reentry and participatory planning in other areas.

The case study shows how fundamental approaches and principles of GIZ's common practice were successfully integrated into a change process driven and managed by the partner. The paper's analysis shows that three sets of principles were instrumental for the successful implementation. First, sustainability and risk mitigation require continuous monitoring of both the political economy and conflict situations as well as an adoption of a context-specific, incremental approach of multi-sectoral dialogues. Second, a clear distribution of responsibilities and roles between main actors enables the leadership of the major partner. Lastly, conflict-sensitive management is needed that involves a highly flexible modus operandi, the provision of safe spaces, as well as reflexive management.

In relation to smart implementation, the case study illustrates GIZ's long-term, sustainability-oriented approach to strengthen the partners' capacities to realize complex change processes in a holistic and context-specific manner.

Introduction

The Philippines is marked by numerous violent political and social conflicts. Inequitable access to its wealth of resources and assets is at the core of these conflicts. Conflicts over land use, monopolistic land ownership, poor governance, and dysfunctional institutions all contribute to the exploitative use of resources and constitute a major challenge to development. The consequences are weak economic development and the increasing impoverishment of several population groups, primarily Indigenous people, women, and young people.

Despite its vast natural resources (in particular mineral resources and forests), the region of Caraga in the northeast of Mindanao is one of the poorest regions in the country. A fact-finding study commissioned in 2008 by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Philippine government confirmed that the inequitable access to natural resources and land is one of the main causes of violent conflicts in Caraga. For decades, this situation has been fertile ground for non-state armed groups, in particular the New People's Army (NPA), which is the armed wing of the Communist Party of the Philippines and historically has had its stronghold in Caraga.

In order to prepare for a joint development program in Caraga that is agreed upon by the Philippine and German governments, five core peace and development needs were identified for the region in 2009: (1) land classification and demarcation; (2) processes of regulation and enforcement; (3) management and utilization of natural resources; (4) human security, need for local conflict transformation and livelihoods; and (5) access to services. These needs were the basis for the elaboration of the Philippine–German Conflict Sensitive Resource and Asset Management Program (COSERAM), which started in 2011. Its **overall objective** was to ensure the governance of land and natural resources in selected areas of the Caraga region in a peaceful and sustainable manner, thereby benefiting the community.[2]

The COSERAM Program, currently commissioned until end of 2018, is steered by a National and a Regional Program Steering Committee, both consisting of five government agencies of the Philippines: the Department of Environment and Natural Resources (DENR), the Department of Inte-

2 COSERAM Conceptual Framework and Proposal to BMZ.

rior and Local Government (DILG), the National Commission on Indigenous Peoples (NCIP), the National Economic and Development Authority (NEDA), and the Office of the Presidential Adviser on the Peace Processes. The COSERAM Program is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in cooperation with various local, regional, and national partners from the state level, civil society, and the private sector.

This paper presents one of several approaches developed and piloted by GIZ with its Philippine partners in the context of the COSERAM Program in Caraga.

A huge asset of Butuan City when approaching GIZ for support in 2011 was its newly elected leadership with a strong political will and a vision for inclusive socio-economic development.

Although it appeared to not be so difficult to find interested investors of various kinds, the City government initially had underestimated the complex character of this endeavor.

- The area was, in fact, not accessible for government officials, since relations with the local population had been disrupted. The communities felt threatened by the idea of external investors being given land use rights for the land they occupied partly. The non-state armed groups were alarmed and tried to incite the communities to reject the City government's efforts.
- Relations between the formal partners for the co-management of the area, that is, City government and DENR, were complicated and strained due to the very diverse interests in the area. Hence, the steering and management structures were dysfunctional.
- There were high expectations and political pressure on the City government to show results, as promised in the electoral campaign. It was expected that the City fosters economic development by entering into concessional agreements and resolving the unclear land tenure situation.
- At the same time, "backstage" power relations and economic interests were influencing key stakeholders and increasing the conflict escalation potential.

Recognizing the huge levels of defiance as well as the weak capacities of the City government itself, the City's mayor requested the support of the COSERAM Program. The COSERAM Program Steering Committee agreed to provide the assistance through GIZ. They saw this case as a

good learning opportunity for partners on all levels, as the development challenges of this particular forestland in Butuan City and the questions of how it could be best co-managed in collaboration with DENR while involving the residents are representative of challenges in various areas of Mindanao. Many local and national government agencies are confronted with similar problems, such as the inaccessibility of an area for government officials, overlapping claims on land rights, as well as powerful informal actors with incompatible interests.

Although the COSERAM Program Steering Committee initially expected this support to last no longer than two years, it turned out to be a lasting four-year collaboration of GIZ with Butuan City and its partners. In the following, we refer to this whole change process as "the inclusive co-management project," according to its main objective.

The COSERAM Program through GIZ provided the City and its partners with a broad range of political, procedural, and technical advice as well as financial support. The case study shows how fundamental approaches and principles of GIZ's common practice were successfully integrated into a change process driven and managed by the partner.

Context

More than half of the 2 million hectares of land in the Caraga region is classified as forestland. Butuan City, with a population of approximately 270,000, is the biggest city in the region and has been a center of the regional and national wood industry since the 1950s; 26,800 hectares – or 33 percent of the whole territory of Butuan City – is classified as forestland.

The inclusive co-management project of the City and its partners focused on an area comprising more than 10,000 hectares of classified forestland. The area is spread over eight different local government units, so-called *Barangays*, led by elected *Barangay* Captains. This land used to be managed by the Nasipit Lumber Company Inc. under a timber license agreement issued by DENR. The company ceased its operations in the mid 1990s due to allegations of human rights violations, especially regarding the treatment of their labor force and unsustainable management of the forest. It left behind idle land that no one managed or controlled.

As is quite common in the Philippine context – which is defined by high population growth and the regular movements of internally displaced

people, either due to natural disasters or violent conflicts – the abandoned area quickly became occupied by various groups using the land and claiming tenure rights over time. Initially, the land was mainly occupied by former workers of the lumber company who had lost their employment. Partly they remained because they had been promised an allocation of land in return for outstanding salaries. Many also stayed despite the absence of alternative employment opportunities due to the decline in the traditional wood industry and also due to a number of concessions being withdrawn in other parts of the region and country. Over time, settlers from other parts of Mindanao moved in as well. Most households engaged in different agricultural activities for subsistence. This happened with and without tenurial instruments, formally and informally.

Additionally, the same land was and is home to Indigenous communities. They had been forcibly displaced when the lumber company started operations in the early 1950s. Some of them returned, and a claim of the Indigenous communities to parts of the land as their ancestral domain added to the complexity of conflicting tenurial claims. According to the Philippine Indigenous Peoples Rights Act of 1997, these Indigenous communities can be granted ownership rights to a territory that they can prove as their ancestral domain in a defined process led by NCIP. However, in this case, the legitimacy of the claim was not clear. Although the national laws on the rights of Indigenous people is one of the most progressive worldwide, it is also often misused to exploit the vast natural resources for the economic benefit of influential individuals and land brokers. Fears and uncertainties of settlers as well as authorities on the implications of such claims on their rights and mandates fueled conflicts between settlers and Indigenous communities.

The complexity of the context of the co-management area of Butuan City reflects the region's history of conflicts over access to natural resources and land use with various human rights violations – be it in terms of the people's socio-economic, cultural, political, or civil rights. It led to an exploitation of land, creating wealth for very few while impoverishing the majority over many decades and providing fruitful grounds for recruitment activities by the NPA, the armed wing of the Communist Party of the Philippines.

During the 1980s and 1990s, the forest area of Caraga was a refuge for the NPA. They closely cohabited with the Indigenous communities; still today, the NPA is known to recruit heavily from Indigenous communities. This is partly possible because the Indigenous communities feel – and

actually are – extremely alienated by government services, which neither reach them in remote areas nor reflect their specific needs. This was further aggravated through various disruptions of the lumber companies' operations by the NPA while simultaneously making it difficult for government agencies to access the concession area. Sometimes education and health services were provided by the companies, but these also ceased to exist when the companies left. The area of Butuan City, where the Nasipit Lumber Company Inc. had operated, was a crucial home base from where the NPA had started recruiting and spreading their activities in the region. Incidents of violence occurred also in Butuan City when officials tried to enter the co-management area, for example shootings and harassment through the confiscation of technical equipment by armed groups.

This fragile situation of land insecurity and the increasing tensions due to more people continuously settling down persisted also after the timber license agreement had been officially cancelled in 2003 and the agreement of the Butuan City with DENR to co-manage the area was signed in 2004. Such co-management agreements with local government entities are a tool for DENR – the authority legally mandated to manage public lands and natural resources – to share competencies and management functions for a particular piece of public land with the respective local government. In the case of Butuan City, the agreement was signed, but the structures defined for co-management (especially the Co-Management Steering Committee, technical working group, co-management office) were never established. Neither the former City government nor the relevant government agencies such as DENR had made a firm attempt to fulfill their mandates and provide public services. One reason certainly was that the area was known as being influenced by the NPA.

The combination of all these factors (i.e., settlers with unclear tenurial claims, overlapping land claims, military groups, and lacking management structures) led to a complete absence of public service delivery by government agencies in the area for many years. One of the aggravating negative effects was that, in 2010, the majority of the population in the area lived below the poverty threshold of $2 per day and profoundly mistrusted any intervention by the government through both local government and national line agencies. Tensions and suspicion also existed between and amongst the communities – with some of them being more closely affiliated to the NPA than others, and some families perceiving to have more legitimate rights on the land and its use than others.

DENR and the City government disregarded the area more or less until 2010. In 2010 a new City mayor was elected based on a campaign promising good governance and socio-economic development for the poor in general, and in conflict-affected areas of the city in particular. In line with these general principles, he actively searched for appropriate investors. With the new dynamics of the City, domestic as well as international investors showed high interest in the area.

The mayor, however, quickly realized that the unclear tenurial arrangements and weak management structures as well as the tense security context for government officials were severe constraints for sustainable socio-economic development of the area. Entering into agreements with investors without a transparent process and the consent of the local population would provide grounds for armed groups to engage in violent conflicts. This would significantly affect the potential operations of any investor in the area. The developments in the neighboring province Agusan del Norte provided a warning, in which a timber license agreement for 60,000 hectares directly adjacent to the project area was issued without proper consultation and information processing. In such a scenario, neither the local population nor the City government or the investors would benefit.

In this situation, the City mayor requested support via the COSERAM Program through GIZ. The main objective was to "open" the area or to prepare the grounds allowing for peaceful and sustainable socio-economic development, thereby benefiting the communities.

Given the above context, the inclusive co-management project faced several major implementation challenges to accomplish its objective:

- How can a multi-stakeholder cooperation be set up and facilitated toward aiming at building new trust among stakeholders and allowing for deliberation and negotiation if stakeholder groups in the project area are inaccessible?
- How can a pragmatic local approach be established to resolve overlapping land tenure claims that touch upon the mandates of various line agencies such as DENR (which has the mandate to manage forestland) and NCIP (which is mandated to protect the rights of Indigenous people)?
- How can the interests of powerful players – that is, investors – be managed so that they do not jeopardize the conflict transformation and dialogue process?

At the outset, four particularly critical issues or development challenges were revealed that would require specific deliberation in the strategy of the project.

The government has no "face" and no safe entry in the project area

The project area was not accessible to government officials and GIZ personnel for security reasons. Also, GIZ staff could not offer to act as an external broker between the government and the local communities. Hence, it was crucial to first explore the question of which actor would be acceptable to the majority of the local communities and be able to gain their trust. This intermediary would, of course, also have to be trustworthy for the City government so that it actually would be able to act as an independent broker. Eventually, the intermediary would prepare the ground for the government officials to take up their role as a reliable service provider and become the "face" to the local communities. The risk of this approach was that the intermediary could be perceived as the "face" substituting governmental services, which would further weaken the government's legitimacy in the area. Thus, particular strategies needed to be developed in order to avoid this effect, including an exit strategy of the intermediary from the outset.

Interrupted relations between the two key partners

The relations between the two main governmental partners, jointly responsible for the management of the area, were strained and more or less dysfunctional at this point. At the time, DENR had a reputation of taking intransparent decisions and was often accused by the population of being partly corrupt. This could potentially endanger the City government's attempt to establish a positive reputation. Nevertheless, the inclusion of DENR was mandatory due to its constitutional mandate as the primary agency for the management of public lands and natural resources, and its formal role in the management structure of the project area according to the 2004 co-management agreement between DENR and the City government. The challenge here was how to mitigate the risks and come to joint commitments.

Political pressure on the City mayor

Although the City mayor was committed to an inclusive and collaborative process that would not want to put at risk long-term peace and security, he was under severe pressure by brokers and investors to enter into concessional agreements for the area, fulfilling his promises to foster economic development through increased private investments. These stakeholders had high levels of political influence and could exercise power on the mayor to act swiftly, which could jeopardize the change project at any time and, in a worst-case scenario, cause the conflict to escalate. However, (re-)establishing trust and relations with the local communities would need time. The different expectations among parties on priorities and pace created a politically dangerous situation for the mayor that needed to be managed with considerateness. Therefore, strategies allowing the Mayor to appease and reassure these stakeholders for a certain period of time needed to be found.

Unclear legitimacy of claims by local settlers and Indigenous people

The legal situation on land use and tenure rights in the area had a high degree of uncertainty. Some settlers possessed certificates on (private) land use and tenure rights in the area, which, according to legal standards, should not exist in an area classified as public forestland. This opened opportunities for misuse by "backstage" power players driven by personal economic interests. Clarifying which claims were legitimate (i.e., which of the tenurial instruments were obtained in an official procedure), was a necessary but highly sensitive issue. As the shooting of a government official in 2010 illustrated, this undertaking would only be possible in cooperation with – and with the support of – the local population. Another particularly sensitive subject was a specific claim by a group of Indigenous people. The legitimacy of claims to ancestral domains are usually hard to establish and require a complex verification process that lasts several years, often causing fear and conflicts in non-Indigenous communities. Verification would include questions such as: Were these people truly indigenous or just claiming to be so in order to obtain access and rights to land? Have these people perhaps been influenced by land brokers or other individuals, misusing the progressive national laws on the rights of Indige-

nous people to get access to the forest resources for economic exploitation?

Continuous reflection on these challenges and their changes over time guided the design and implementation of the project.

Tracing the implementation process

The implementation of the inclusive co-management project can be broken down into three phases:

1. Vision and project design for the inclusive co-management project (April to September of 2011)
2. Re-entry of the government into the co-management area (October of 2011 to March 2012)
3. Realization of the inclusive co-management project with the communities (April 2012 to beginning of 2015)

The following sections outline each phase along its most important milestones.

Phase 1: Vision and design for the inclusive co-management project

This initial phase was implemented between April and September 2011. Its main objectives were:

- to identify the stakeholders needed for socio-economic and inclusive development in the co-management area and define a joint vision for the co-management project;
- to agree on principles of cooperation and to develop a concept for how the identified main challenges could be addressed.

A small team consisting primarily of personnel from the City's offices most relevant for the management of the forestland (planning, investment promotion, and agriculture) and appointed by the City mayor and GIZ staff of the COSERAM Program prepared an initial project design.

As a first preparatory step, the team took part in a training course on multi-stakeholder dialogues and cooperation. This is a core principle and methodology in conflict transformation, and GIZ wanted to emphasize

from the beginning that a holistic approach was needed and had to include various sectors, agencies, and the communities – be it Indigenous people or settlers. The training enabled the participants to understand the relevance and benefit of multi-stakeholder cooperation in a protracted conflict context. The team was introduced to various tools of analyzing the current situation and designing a comprehensive approach (e.g., stakeholder analysis, conflict analysis, time line, influence power grid, levels of decision-making). It established hereby a common understanding on all relevant stakeholders and resulted in an initial strategy on how to cautiously and gradually involve additional actors.

The team realized in the course of this process that the implementation of a multi-stakeholder approach in this particular forestland area urgently called for the (re-)vitalization of the dormant Co-Management Steering Committee (CMSC). As determined in the co-management agreement of 2004, this committee was the central body formally mandated to steer the management of the area. According to this agreement, DENR and the City were the co-chairs of the committee. Further members were the regional directors of the following six government agencies: the Department of Agriculture, the Department of Agrarian Reform (DAR), the DILG, the Department of Social Welfare, the Department of Trade and Industries, and NEDA. With this setup, the team acknowledged that, as co-chair, DENR was to be brought on board first before any Co-Management Steering Committee could be convened. This was particularly crucial, as DENR – due to a lack of working relations with the City at the time – had not been involved in any trainings and preparations so far and could easily feel sidelined.

The outcomes of the training were presented to the City mayor, who approved the general direction and agreed to discuss the project with the regional director of DENR. To flank this effort, GIZ simultaneously briefed the COSERAM Program Steering Committee on the proposed next steps and the need to revitalize the steering structure of the co-management area. Since the regional directors of DENR, DILG, and NEDA were members of both Steering Committees and had formerly approved the support of GIZ to the co-management area through the COSERAM Program, the shared responsibility for the success of this comprehensive change process became very obvious.

As a result and first milestone, a meeting of the CMSC took place in May 2011. The CMSC approved the suggestion to jointly foster socio-economic and sustainable development in the area through a comprehen-

sive and incremental multi-stakeholder process and cooperation. It was decided to establish a Technical Working Group (TWG) composed of relevant staff from all member organizations to ensure the implementation of the process. The TWG was led by the representative of the City, the head of the City planning office. Additionally, the City government was authorized to establish a Co-Management Project Office for the operational activities. GIZ was requested to facilitate the further conceptualization process with the TWG. It was also recommended to formalize the cooperation of the City with GIZ through a Memorandum of Understanding.

The TWG needed time to find its role, to get into an open exchange, and to trust each other with different institutional backgrounds and – at times – overlapping mandates. However, they realized rather quickly that they themselves and their institutions lacked information on the actual situation in the co-management area in general, and Indigenous people in particular. They were not sufficiently aware of the Indigenous leadership structures, customary laws and practices on land ownership, and use of these communities. This information was – if at all – only known to NCIP. Although it was impossible to consult the Indigenous communities at this point in time of the project, there was also no institutional link of the TWG with NCIP. NCIP was not a member of the CMSC structure agreed in 2004 and consequently was also not represented in the TWG.[3]

To address this gap, GIZ again made use of the COSERAM Program Steering Committee, where NCIP was a member. Hence, GIZ could easily approach the regional director of NCIP. In July 2011, GIZ hosted an informal exchange between the TWG and the regional director of NCIP – dubbed as "*Kapehan*" (meaning "fireside chat" in an Indigenous language). The event provided a safe space for an open dialogue of the local government agents with NCIP, which had been rarely in contact so far.

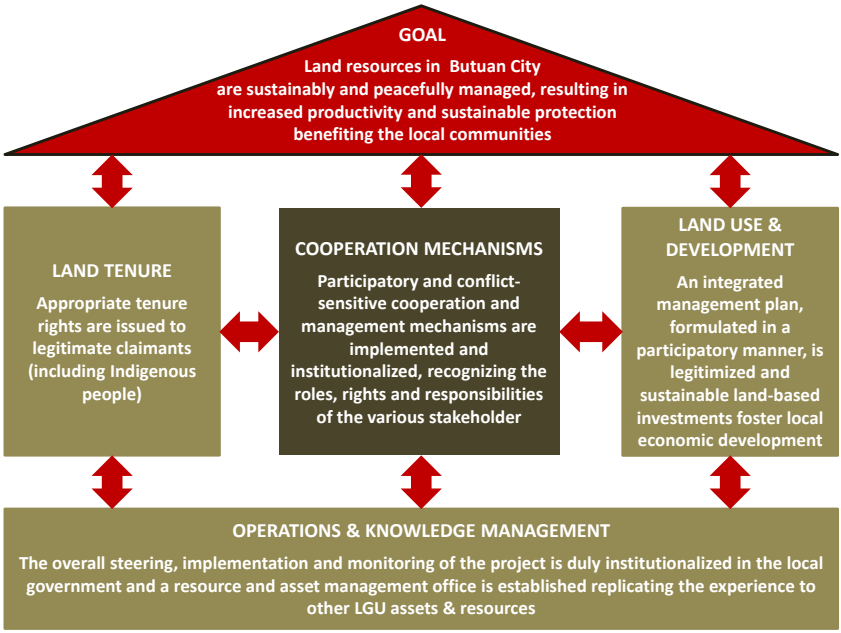
This informal exchange prompted greater awareness of, and acceptance toward, the rights of Indigenous people by the members of the TWG. The most important and tenable output was the formal request of the TWG to

3 NCIP was established under the Indigenous Peoples Rights Act in 1997, but it had been hindered in its operations for many years due to a petition filed before the Philippine Supreme Court challenging the constitutionality of the Act. Even though the Supreme Court eventually upheld its constitutionality in 2003, the constitutional dispute between the jurisdictions of DENR for the management of public lands (i.e., all classified forests, mineral reservations, national parks) and the Indigenous claims under the Act remained unresolved.

NCIP to assist in the implementation of the inclusive co-management project. As a first follow-up measure, a discussion with traditional and customary leaders of the Indigenous tribe to which the group claiming the area belonged was facilitated by NCIP. It aimed at generating their support for the engagement of the local Indigenous community into the co-management project.

By August 2011, a vision with the main objective and basic concept for the inclusive co-management project was developed (see Figure 1). It formed the basis for the respective Memorandum of Understanding between Butuan City and GIZ signed in the same month. For the development of the vision for the inclusive co-management project, the TWG additionally sought the advice of two local non-government organizations (NGOs) that were experienced in working with Indigenous communities and had a good reputation in community work. They enriched the discussions with their community perspective.

Figure 1: Vision (goal) and components of the inclusive co-management project



Source: Authors

Conflict sensitivity appeared as a cross-cutting issue in the whole concept. It also contained strategies on how to address the implementation challenges initially identified, which are described below.

- Inaccessibility of the project area by government agencies

A gradual process was envisaged with (1) collection of in-depth information about the situation and concerns of the population through an NGO as intermediary; (2) re-entry of the co-management partners facilitated by the intermediary; and (3) gradual establishment of direct cooperation mechanisms between the governmental partners and the local communities.

- Strained relationships to DENR and other line agencies

Establishing inclusive cooperation and management mechanisms was at the center of the whole strategy, recognizing the relevance of each stakeholder with its rights and responsibilities. Due to the special role of DENR in the steering of the co-management area, strengthening the cooperation of the City and DENR was a particular focus. A first success in the cooperation with the line agencies was their acknowledgement that NCIP had a crucial role to play and thus was invited as a regular member of the TWG.

- Political pressure on the mayor to facilitate new concessions with investors

The consultative re-entry process into the area via an intermediary was to be accompanied by a parallel process of defining criteria for the assessment and selection of potential investments in the area. These criteria were to be developed in an inter-disciplinary manner involving government agencies, academia, civil society, and the private sector. This process was designed to inform potential investors that a transparent assessment of investment proposals was envisaged. It was also meant to ease the pressure a bit and provide more time for the preparation of an inclusive decision-making process on investment projects.

- Unclear legitimacy of the claims of local settlers and Indigenous people

Financial and technical support for the verification of the claims was prioritized and a close cooperation with NCIP envisaged. Clarification of land tenure through a participatory and transparent process and issuance of appropriate tenurial instruments to legitimate claimants – both settlers and

Indigenous people – was incorporated as a main pillar into the projects concept.

Overall, several objectives were to be pursued with these strategies: (1) committing the Co-Management Steering Committee to a structured, transparent process of decision-making; (2) sending positive and clear messages to residents as well as to potential investors that the City and DENR were committed to looking for sustainable investments only; (3) gaining time to establish consultation and cooperation mechanisms with the local communities in order to involve them in the decision-making on investment projects and the overall management of the area.

A good indicator for the significant progress made already in the course of this initial phase was the visit of the Chairperson of the Committee on Economic Cooperation and Development of the German Parliament at the end of August 2011. Only five months after the project had taken off, the City mayor felt safe and confident enough to invite the German delegation to visit a cooperative of local farmers at the periphery of the project area under the protection of the local communities.

In September 2011, the CMSC formally approved the overall concept and a comprehensive work plan for each project component for the inclusive co-management project.

Altogether, the conceptualization phase was characterized by the strong role of GIZ in designing and facilitating activities, providing conceptual inputs, and clarifying roles and cooperation mechanisms between the main implementing partners.

Phase 2: Re-entry of the government into the co-management area

The second phase of the project was implemented between October 2011 and March 2012. Its main objectives were:

- to establish initial direct contact between the City and the local communities of all eight *Barangays*;
- to support the TWG working as a team that constructively makes use of the diversity of its member organizations with its different – and at times overlapping – mandates.

Establishing direct contact would be done through engagement of a local NGO as an intermediary, tasked to act as a "door opener" and facilitator of first contact for the City government and its partners. Beforehand, the

TWG and GIZ deliberated the pros and cons of cooperating with a local NGO to establish access of the government actors to the local communities. The hypothesis was that established trustful relationships of the local communities and the NGO would be a helpful basis for the City government to reconnect with the communities and be introduced as a development partner. Finding an NGO willing and able to play this role was, however, a challenge. Finally, a well-established NGO with a good reputation among both communities and government agencies was found.

The main tasks of the NGO were: a) improving information for the City and raising awareness with the local communities on the objectives, structure, and current state of the Co-Management-Project; b) identify members of the local communities who potentially could become part of a community-level counterpart body to the formal co-management structures; and c) prepare and facilitate the initial direct contact between the City government and its partners with the local communities.

It was clear that this strategy involved the risk of further undermining the already weak government structures and legitimacy on the ground: If the NGO's activities were not sufficiently linked back to the governmental implementing partners, an NGO would be established as the "face" of the project and service provider. Important for the selection of the NGO was the credibility of the staff, the reputation as being a neutral party, and their access to the communities of the area.

It was strategically decided to contract the NGO formally through GIZ for the initial tasks. Above all, it was a risk-mitigating measure for the staff of the organization: Through the engagement of GIZ – as an international organization perceived as a neutral broker in the region – the NGO staff did not have a formal line of responsibility to the City government or DENR, both of which were still perceived by the local population and the armed groups as conflicting parties.

The staff members of the NGO successfully established close contacts with the local communities. The information collected by the NGO were used to design information events in each of the *Barangays*, in which the City government and its partners presented and discussed the general objectives and concept of the inclusive co-management project to the local communities. This phase culminated in the conduct of public information and consultation events.

Part of the preparation for the information events was the formulation of key messages to be communicated by the City mayor and TWG members as well as anticipating how to respond to questions and issues that

might be raised by the local communities. Those messages were based on the grievances, allegations, and concerns of the local communities collected by the NGO's community workers. For instance, it was confirmed that legal recognition of existing claims and land tenure instruments was the key issue for the local population.

In February 2012, with exception of one *Barangay*, the information and consultation events were successfully conducted, reaching a critical portion of the population in the area. The delivered key messages proved to be well prepared and were well received by the communities. The mayor and the TWG members who were present managed to keep the discourse with the local participants constructive and avoided entering into confrontational arguments. However, in one of the *Barangays*, almost no participants came to the announced event. Reportedly, armed groups prevented the greater part of the local community from participating. This concerning information led to intensive reflection and discussion within the TWG, the NGO, and GIZ on its implications and potential strategies to redress the situation. Since obviously the local community was interested in joining the event, it was decided to proceed with the information events as scheduled in the other *Barangays* and to repeat the one in the concerned *Barangay* a few days later. Finally, the information event was successfully repeated on another date.

This was the first time in many years that government officials had entered the area seeking a direct exchange with the local population. The events, thus, were the initial step to (re-)establish the confidence and trust of the local communities in the seriousness of the City's intentions to prepare the ground for the pro-active and constructive engagement of the local communities in helping the project to progress.

To sustain the positive initial effect of the information events, the TWG ensured that there was follow-up on several agreements between the City mayor and the local communities on short-term resolutions for urgent concerns. For instance, a disputed auction on the portion of land where the processing plant of the old timber company was located was stopped to clarify legitimacy of the auction. Also, an impassable farm-to-market road was rehabilitated in the weeks following the information events.

The conducting of successful information events was an important test for the acceptability of the developed concept by the local communities. With its strong presence, the City government presented itself as the committed driver of the project. Also, it was a strong push for the self-

confidence and motivation of the TWG as a team, showing that they could successfully manage a very critical situation.

An unexpected but very important by-product that the NGO was able to compile due to the established trustful relationship with the local population was detailed data on the population (settlers and Indigenous people), various land tenure instruments possessed by some residents, and existing local governance structures in the area. The data on a variety of tenurial instruments included also relatively recently issued certificates on granted land use rights by several government agencies – including members of the CMSC. Although it was not the result of a representative survey, this data challenged the previous assumption that most settlers illegally occupied parts of the project area and raised questions on the practice of certain authorities in issuing tenurial instruments. It also indicated that resolving the land tenure conflicts in the area might develop into a more complex and legally challenging issue than expected. The findings even revealed that one particular individual, a well-known land broker, possessed up to 800 hectares of land within the area – whereas legally a maximum of only 5 hectares would be possible. Other reports of local communities on the intensive activities of well-known land brokers in the area – confirming investigations conducted by NCIP – stressed the need to approach the land tenure issue comprehensively and with priority.

In order to further foster the work of the TWG as a team, in October 2011 GIZ conducted a team-building activity. This included also the joint assessment of important capacity development needs of the TWG members with respect to the implementation of the different components of the project. Additionally, the process to develop criteria for the assessment and selection of potential investment projects was started in December 2011. The initial workshop involved the TWG as well as additional participants from academia, the private sector (e.g., farmers associations), NGOs, other governmental agencies, and members of the City's investment-related council commissions. With this wide range of participants, the involvement of all relevant actors and bodies in this crucial and sensitive process was ensured.

The end of this preparatory phase constituted the signing of a Financial Agreement in March 2012 between Butuan City and the COSERAM Program with the support of GIZ concerning the implementation of the project. The Financial Agreement also incorporated capacity-development measures for the TWG, as identified in the joint assessment in October 2011. GIZ committed to provide 48 percent of the planned total costs of

the project over a period of two years. The remaining funds would mainly be covered by Butuan City, manifesting the mayor's high commitment and also his personal political responsibility to the project. DENR committed to 5 percent of the total planned costs.

GIZ's role in this phase was still a very strong one in terms of conceptualizing activities and reflecting on new information and developments. However, the TWG was brought into a successively more pro-active role, slowly taking over the preparation and facilitation of meetings and activities, for instance.

Phase 3: Realization of the inclusive co-management project with the communities

The actual implementation phase with the communities started in April 2012 and ended at the beginning of 2015. The main objectives were:

- to establish sustainable structures and mechanisms for the steering and management of the project, including the refocusing of the TWG to its original task as a support and advisory body of the CMSC;
- to implement the inclusive co-management project according to the agreed vision and components, fostering an inclusive socio-economic development of the co-management area.

The full-fledged start of the implementation, however, was hampered by the fact that the inclusive co-management project did not yet have a strong operational body to implement project activities: Although already authorized by the CMSC to establish a so-called Co-Management Project and Program Office (CMPPO) in May 2011, conflicting opinions of the City council members on the administrative anchoring of the office within the City administration delayed the establishment of the CMPPO for months. This hampered the implementation schedule for the inclusive co-management project from the beginning and remained a significant challenge throughout the implementation. As a result, the TWG facilitated the establishment of a Project Implementation Team (PIT) as an interim solution to partly compensate for the resulting lack of personnel resources for the implementation of the project until the formal appointment of staff for the CMPPO. However, since the PIT members were still the regular staff of their respective agencies and offices, their resources for the implementation of activities under the inclusive co-management project were limi-

ted. Thus, the implementation of the project significantly gained pace only after the approval of the CMPPO at the beginning of 2013.

Although the information events in the re-entry phase initially (re-)established the contact with the local communities, the relations were still fragile. Due to the absence of a strong operational body for the project, i.e. the CMPPO, which could drive forward the further trust-building and shaping of the cooperation mechanisms with the local communities, it was decided to continue utilizing the NGO to engage with the initial re-entry for this task. Due to its successful work establishing close contacts and trust with the local communities, the NGO was in a good position to organize the local communities and support the establishment of community-based cooperation structures. Based on the strategy to establish the City government as the "face" of the project, the City government directly contracted the NGO. With this, the NGO was now acting as a service provider directly on behalf of, and steered by, the City government. Only after a couple of months and mutual complaints by the NGO and the City government did it become obvious that both the City and the NGO had not yet fully adapted to this change in roles. The City government was not yet able to administer, steer, and monitor service contracts. As a consequence, the work of the NGO in the area was not sufficiently linked and coordinated with other work packages of the inclusive co-management project, with the NGO implementing its own agenda on development of the area. Under the facilitation of GIZ, finally the main contractual and procedural issues were able to be resolved, but the relations between the City and the NGO never completely recovered until at the end of the contractual relationship. As a positive outcome of this experience, the TWG and PIT / CMPPO staff realized that they needed to engage much more directly in relation-building with the local communities and that the administrative part of the implementation required equal attention and resources. Also, supported by the respective capacity-building measures provided by GIZ, the City government reacted with internal structural and procedural adjustments.

The political pressure on the City mayor and the CMSC to enter into agreements with investors continued to be a constant threat to the project. As a mitigating measure, GIZ intensively lobbied to approach the development of criteria for the assessment and selection of potential investment projects in a two-staged process. To show the City councils and investors that existing investment proposals were being taken seriously, investment proposals were to be checked against a set of criteria. These criteria could

be developed in a rather quick process and approved by the CMSC and City council. To ensure that only investment projects that promote sustainable socio-economic development would be approved, relevant international standards and principles for land-based investments (e.g., the UN Food and Agriculture Organization's Voluntary Guidelines on Tenure of Land and Natural Resources, or Principles for Responsible Agricultural Investments of the FAO, the International Fund for Agricultural Development, and the World Bank) were used as reference for the development of the criteria. Investment proposals successfully passing this first-level check, however, would need to obtain the approval of the potentially affected local communities before any agreement could be signed. Although the TWG, in principle, agreed on this two-staged process, the political pressure through the City council and the CMSC was huge, and the Mayor and the TWG were able to prevent action on decisions made by the CMSC or the City's Investment Board on concrete investment proposals several times, but only at the last minute.

The political sensitivity of the issue and complexity of the approach caused several delays, diversions, and loops in the formulation of the criteria for assessment and selection of investment projects. After a rather tedious process, the criteria were finalized and approved by the TWG only at the end of 2015. Adoption by the CMSC is still outstanding; however, the City agricultural office and the public–private partnership office are applying them today.

As also the information events confirmed, effectively approaching the land tenure and land development issues was a key concern and success factor for the whole inclusive co-management project. As a precondition, a detailed stocktaking of the actual land use and tenurial claims in the project area was necessary. However, any attempts of DENR to survey the area in 2010 and earlier resulted in harassments and even killings because such activities were interpreted by the local communities as preparatory actions to oust them from the area and prepare the entry of external investors. To avoid previous mistakes and resolve the fears of the population, a highly participatory process of elaborating land use plans was set up, including a participatory approach on stocktaking of the area. Through intensive consultation and dialogue activities with the local communities, the PIT explained the participatory approach toward the land tenure issue and land use planning anchored in a principle of close community involvement. This finally enabled the conduct of a perimeter survey for the whole co-management project area in June 2013. The peaceful conduct of this

survey, in cooperation with the local communities, was a very important milestone and success for the inclusive co-management project. Although the co-management agreement was signed already in 2004, only now were the exact borders of the co-management area clear to all stakeholders.

Perimeter survey of the co-management area in cooperation with the local communities

In an intensive process over several months, GIZ capacitated the PIT (later the CMPPO) in implementing the participatory land use planning. This included exposure to GIZ-supported project sites in other regions of the Philippines, in-house trainings, training-on-the-job, and back-stopping of the multi-sectoral and multi-agency team. The team finally conducted the participatory planning exercises in all eight *Barangays*, including a detailed recording of existing land uses and tenurial claims, but also of conflicts over land use and development priorities of the local communities. Meanwhile, it was also clarified by NCIP that the claims of Indigenous people in some parts of the area did not qualify for an Ancestral Domain, that is, a certificate of communal ownership of this Indigenous group in the area. Thus, the very particular Indigenous planning and management regime did not apply, but the Indigenous population within the project area needed to be treated in the participatory planning process as a special group of the local community. In order to effectively involve them,

NCIP advised and facilitated particular processes and tools that were in accordance with the Indigenous governance system and customary laws for the involvement of this community.

In order to support the ongoing trust and confidence-building between the City government and the local communities, the local communities should already see visible positive effects of the improved relations with the City government and its partners in the phase of shaping and deepening the cooperation mechanisms and preparing for the participatory planning process. A first measure in this regard was the delivery of the immediate actions promised by the Mayor during the initial information events. To provide initial tangible results, the project concept earmarked funds for further small-scale infrastructure projects with immediate effect on improvement of the living conditions of the local communities. Being the result of a consultative process, the CMSC approved the implementation of six small-scale and quick-impact projects enhancing the water supply in the eight *Barangays*. In order to avoid the creation of additional conflicts as well as anticipating the results of the participatory land use planning exercise, the CMPPO ensured that only those projects were selected that were unanimously supported by the whole community. In the intensive consultations with the local population, awareness was also raised about the participatory formulation of land use plans, which was to start concurrently with the implementation of the small-scale and quick-impact projects. Memorandum of Understandings between the CMSC and the respective *Barangays* formalized the agreements and the mutual contributions in October 2013.

The final outputs – land use plans at the *Barangay* level – were adopted at the beginning of 2015. Although their integration into land use and development plans at the City level is still ongoing, they provide the official bases for the land use and development direction of the inclusive co-management area.

As already indicated in the re-entry phase, the situation on tenurial claims was highly complex. The existence of several types of presumably legally issued tenurial instruments that were, however, not in accordance with legal standards created doubts that the situation could be resolved within the capacity of the co-management partners alone. To provide support and potential avenues to engage national-level agencies, GIZ once more utilized the COSERAM Program Steering Committee. Through the facilitation of GIZ, the Caraga offices of DENR and NEDA, together with Butuan City, jointly commissioned a legal study on land rights. The co-

Participatory planning session in Barangay Dulag, facilitated by the PIT

management area of Butuan City was one of the two areas for which the study was to assess the possibilities for resolving the tenurial overlaps and recommend tenurial instruments that could be issued to the local population. Besides other recommendations, the study emphasized the potential of using a little known Joint Administrative Order of DENR, NCIP, and DAR on outlining basic steps on how to resolve overlapping tenurial issues.

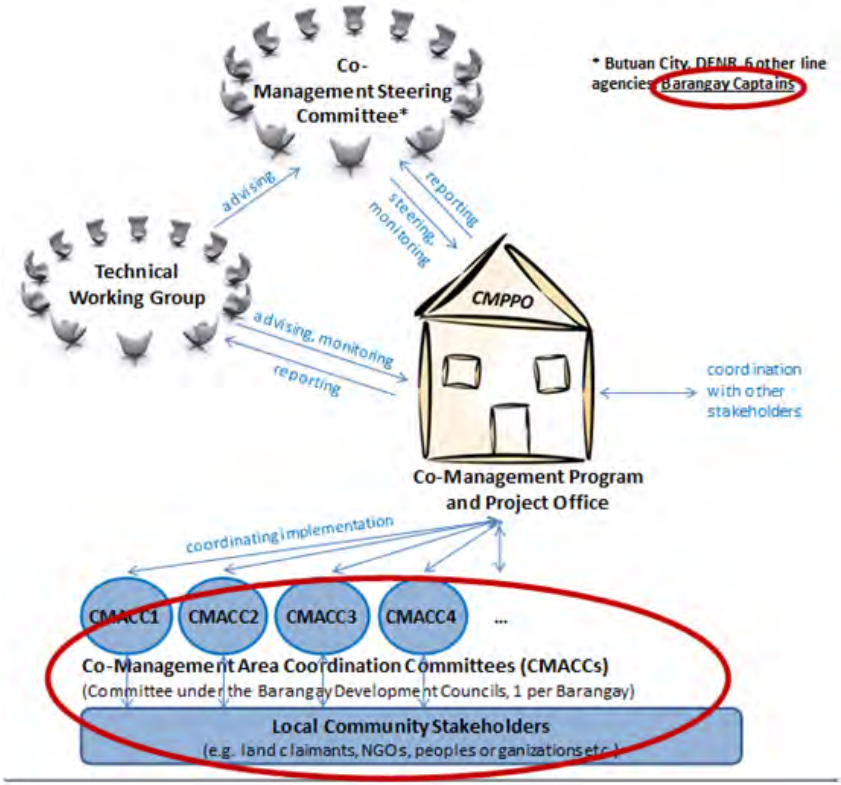
The backbone and cross-cutting task for the sustainability of the inclusive co-management project was the continuous strengthening of the functioning of the CMSC, its TWG, as well as the CMPPO as the operational unit. To support this, GIZ provided constant strategic advice and coaching to the CMSC and the TWG. Additionally, the PIT and (later) the CMPPO were the recipients of various trainings and intensive coaching on cooperation management by GIZ staff – besides capacity development on technical issues. Whereas, for instance, the involvement of NCIP in the project could be institutionalized at a very good level, it remained challenging throughout the inclusive co-management project to obtain the full support and commitment of DENR, both in the steering and in the implementation. However, communication and cooperation mechanisms between the implementing partners and the local communities were successfully insti-

tutionalized, resulting in a sustainable, positive impact on the relations with the local communities. As a result of an intensive dialogue between the CMPPO, local communities, and GIZ, community-based co-management structures (so-called Co-Management Area Coordination Centers) were established. To be effective, they were linked both to the formal co-management structures as well as to the *Barangay* Development Council as the formal governance structure at the local level (see Figure 2).

Despite those successful developments in trust-building and establishing coordination mechanisms with the local communities, there were several setbacks at several instances throughout the implementation phase. In 2013 and 2014, Caraga, including the project area, witnessed a heightened general security situation with the movement of armed groups and so-called counter-insurgency measures of the armed forces. This hindered the implementing partners and GIZ staff from entering the project area, resulting not only in delays of the implementation but also allowing for rumors to circulate quickly on the real intentions of the City. Although there were no direct threats against the government agencies or GIZ, threats to community members were not unusual, and it was often unclear as to what extent they were related to the project.

In order to better monitor those security risks and the development of conflicts in the project area, a system to monitor the conflicts in the co-management area was established. Furthermore, the City developed a comprehensive communication strategy to ensure that the communities would be well-informed about the plans and next steps of the City and the progress of the project. The system for collecting and analyzing information on the security and conflict situation involved sources from the local communities and provided useful information for the joint reflection and adjustment of measures of the co-management project. The *Barangay* Captains and member of the communities supported the CMPPO in the continuous monitoring and analysis of the security and conflict situation. They were also an important backbone to the communication strategy, ensuring that the progress of the project was also broadly known in the communities.

Figure 2: Amended management structure of the project linking formal steering structures to governance structures at community level (new features in red circles)



Source: Authors

GIZ's support in this implementation phase focused on coaching and strategic advice to the City mayor and the Project Implementation Team. GIZ was generally invited as an observer (e.g., to the Co-Management Steering Committee meetings), but the leading role was with the City. Technical expertise was mainly provided for the setup of the local conflict-monitoring system and the communication strategy.

Lessons from the case study: Achievements and principles that guided the project implementation

The results achieved by the inclusive co-management project were considerable, despite a number of setbacks in the course of the implementation (including violent incidents and difficulties in providing secure land tenure).

Violent conflict has not ended in Caraga and Mindanao, but the number of conflicts in the inclusive co-management project area have declined. Since 2014 the social and economic situation of the affected population has steadily improved. Government services and financial support through various development schemes are now available. Among them are a 36 million pesos (approx. €675,000) fund from the National Greening Program of DENR, benefiting close to 2,000 families and including 600 families from a part of the co-management area that was most affected by violent conflicts and the presence of the NPA. Another huge fund of 360 million pesos (approx. €6,750,000) from the Philippine Rural Development Program is geared toward the support of those areas most severely affected. With this support, the communities are developing the land with cash crops (cacao, coffee) and industrial trees (falcate and rubber), and farm-to-market roads are being constructed or improved. Interviews and focus group discussions conducted by GIZ confirmed assessments of the City government that the vast majority of people are confident that the local and central governments will assist them further.

The institutional achievements of the project went beyond more effective and efficient administrative structures and procedures. Huge progress was to be observed in the change of attitudes of government officials. The positive response of the local communities on the transparent and participatory approach convinced not only the City but also prompted the neighboring province to replicate the approach of conflict-sensitive re-entry and participatory planning in other areas.

Three sets of principles were instrumental for the successful implementation of the project:

- principles guiding the implementation process and its design
- principles guiding the responsibilities and roles of the main actors
- principles guiding the support provided by GIZ

Principles guiding the implementation process and its design

The fact that today both the City and the local population of the project area are benefiting from inclusive socio-economic development is first and foremost a result of the process that was applied in the project. The following principles guided this implementation process:

- Do No Harm and conflict sensitivity to mitigate risks, ensure context-specific and culturally sensitive processes, and achieve sustainable development results

At the center of the whole implementation process were the principles of Do No Harm and conflict sensitivity. To mitigate security risks and to avoid other unintended negative impacts in the course of the project implementation, an in-depth analysis of the situation by the partners themselves was required and had to be reviewed on a regular basis. This context analysis had to take into account the interests, anxieties, and relationships of all stakeholders and the conflict dynamics over time. The causes of the conflicts and potential factors that could further escalate or de-escalate the levels of violence had to be identified in order to decide on an appropriate conceptual approach.

As the case study indicates, such an analysis is not easy to establish and starts with a process of raising awareness about potential risks. Thereby, the government officials realized that they were not familiar enough with the area to ensure that their analysis included all actors and interests. Support by various partners – particularly NCIP and local NGOs – was needed to better understand the history and dynamics of the co-management area. The context (as described in the "Context" section above) was not fully clear from the outset but is the product of a continuous analysis of the partners involved.

In the course of the implementation, the partners of the inclusive co-management project experienced several setbacks, which also included violent attacks on community members who engaged in the process. Although some of these incidents were claimed by the NPA, others were related to individual disputes. Regardless of the motives, each time the partners of the project realized that they were again lacking information and that continuous monitoring – but also transparent information on the progress of the implementation process – was a must. It was only in 2014 that the City government set up a conflict-monitoring system together with the communities and developed a comprehensive communication strategy.

Over time, all methods, tools, and instruments applied – be it for land use planning or conducting quick-impact measures for small-scale livelihood support – were discussed with the partners in terms of their conflict sensitivity. The following principles are the result of this conflict-sensitive lens.

- Multi-stakeholder approach to ensure participation and inclusiveness

The success of a change project in volatile conflict situations cannot be guaranteed, but prioritizing efforts in engaging all relevant and affected stakeholders – leaving no one behind – is a key in striving toward sustainable results. Multi-stakeholder dialogues and multi-sectoral cooperation are crucial approaches for such settings and based on the principles of participation and forming partnerships.

As the case study shows, reaching out to a variety of different actors of civil society and at the state level allowed the government agencies not only to re-enter into the co-management area but also to improve the cooperation and efficiency of the agencies. For instance, the urgent need to address illegitimate claims of land brokers misusing Indigenous people's rights resulted in a new alliance of the City with NCIP. Sharing the same interest of promoting legitimate claims on land, this cooperation enabled a relatively quick verification of the claim at hand. The fact that this particular claim was found as not qualifying for ownership rights under the Indigenous Peoples Rights Act eased a lot of anxieties on the side of the settlers. But it also required the development of sound strategies on how to adequately involve the Indigenous people as a stakeholder group with particular customs and needs. The latter was only possible through the support of NCIP and the close cooperation of the City and NCIP.

Multi-stakeholder cooperation is, however, a very demanding approach. It is rarely smooth and linear and requires time and patience. To be successful, government agencies and officials needed training and coaching on how to set up and "orchestrate" such a process. They had no prior experience of involving so many different partners, nor were they very confident working in networks and building alliances with state and civil society actors. It was a very new experience to engage with the communities at eye-level and form real partnerships, which resulted, for instance, in joint conflict-monitoring and land use planning processes. After the initial hesitation of some crucial government officials, those same people became the most committed persons in the participatory processes over

time. The increased openness and capacities to reach out to settlers as well as Indigenous people as equal partners were key enabling factors for the actual implementation of the project, resulting in the formalized involvement of the local communities in the co-management of the area.

Engaging with all relevant actors and ensuring inclusiveness, of course, always raises the question and challenge of how to deal with powerful agents who pursue incompatible goals and try to influence the project and/or the communities – be it non-state armed groups using the means of violence or influential economic stakeholders, such as the abovementioned land brokers. To address these challenges, the following principles were of great relevance.

- Incremental process to steadily increase ownership of all stakeholders

The case study is a good example that, in highly disputed contexts, incremental implementation is required. The higher the potential of violent escalation of a conflict, the more caution is needed when bringing stakeholders of various backgrounds and affiliations together. At an early stage of the process, huge roundtable discussions, for instance, would have run the danger to just serve as a welcome platform for the most vocal and influential stakeholders. Trust-building processes of this kind require, first, the identification of change agents within the communities and agencies that can become credible voices and supporters of the project. It was a learning process for Butuan City and the other involved government agencies to understand that partnerships had to be forged in a careful process of stepwise increasing the number of stakeholders in line with growing levels of trust and ownership for the project. But even after the government agencies had access to the area, they still had to design their approaches slightly differently from *Barangay* to *Barangay* within the co-management area. For example, in some parts of the co-management area, the first public consultations were well attended; in others the process failed and afforded time for reflection on what the missing link was and what contacts, data, or information was still needed.

For an incremental process to work out and to increase a sense of ownership, it is of utmost importance to *start the project initially with those change agents that are highly motivated, have the political will, and are ready to invest in the process*.

The investment can be quite different according to the partners' capacities, but in all cases it means making significant additional efforts beyond business as usual. In the case study, it is implied that the City leadership

backed up its lip service with financial commitments in the annual budget. The sincere commitment of Butuan City manifested in a counterpart of more than 50 percent to the financial agreement with GIZ. This counterpart was further increased in the course of the process, with additional funds being added for the implementation of more small-scale investment measures for livelihood support to the communities.

Other stakeholders who increasingly were enrolled in the process also needed to invest. This is particularly true for the communities in the co-management area. For the *Barangay* Captains and all involved community members, investment meant time and active participation in planning and management processes – while also needing to earn their livelihoods. Even more importantly, it required the courage of the communities to safeguard and lobby for the project, especially when being approached by stakeholders with other incompatible interests in the area. The reaction of influential power players, and especially of non-state armed groups on such developments, cannot be predicted, of course. It was always clear that the project could be perceived as a threat, especially to the NPA, and might trigger violence. At the same time, there was also a certain probability that those groups would be careful to strongly oppose or disrupt interventions if the local community saw those developments as being beneficial for them. Especially the NPA, claiming to fight for the rights of marginalized communities, would take the risk of losing the support of its constituencies.

- Develop and implement strategies to mitigate "backstage" actions of influential stakeholders with interests incompatible with the objectives of the project

"Backstage" power-plays of influential stakeholders challenging the development vision of a change project cannot be circumvented but need instead to be analyzed with, and by, key implementing partners in order to determine adequate strategies on how to deal with them. It is neither helpful to scapegoat, sideline, or ignore these stakeholders, nor can it be of interest to provide them too much space and voice to interfere with the project. Butuan City and its partners had to either find ways of constructively engaging these stakeholders in the process or – if this was impossible – at least mitigate the harm they could do to the process. In their case, these actors were stakeholders urging for land-based investment. As a strategy to ease the political pressure and appease the potential investors, the formulation of transparent assessment and selection criteria for invest-

ment projects was started right at the beginning. Although this process was not finalized for a long time, the premature signing of agreements with investors could be prevented. Although the investment selection criteria have not yet been adopted or applied at the level of the City, several City departments have applied them, including the City agriculture and public–private partnership offices.

- Targeting short-term milestones while keeping the long-term vision in mind and keeping the long breath

The case study also demonstrates that complex change processes need time and perseverance by all involved. The "long breath" is normally not to be expected from the beginning. It needs to be nurtured throughout the process by highlighting achieved milestones and transparency on challenges encountered. Though this seems rather obvious for most agencies supporting good governance, conflict transformation, and comprehensive development processes, it cannot be emphasized often enough, as it might not reflect the perspective of the main change agent and partners. As the case study shows, the City had initially hoped that the process would perhaps need a year. The COSERAM Program Steering Committee saw the support by GIZ limited to two years. When eventually entering into a financial agreement with GIZ at the end of 2011, the partners already foresaw a further implementation period of two years. Finally, it needed a bit more than four years before GIZ was able to withdraw its support to the partners and allow them to continue on their own.

When there is a lot of political pressure and high expectations from the population, it is particularly difficult for the actors involved to accept that so much time will be needed. Hence, emphasizing as an external advisor from the beginning that a process might need many years could even heighten the temptation to opt for quick solutions, like those that seem to have been offered by the land brokers. Therefore, it is helpful to clearly think in terms of milestones and communicate successes achieved on the way. In the case study, significant milestones were, for example, the reactivation of the Co-Management Steering Committee, the signing of the Memorandum of Understanding with GIZ, the alliance with NCIP, the request by the neighboring province to learn from Butuan City and join the process of training local government officials in conflict-sensitive land use planning or the implementation of first quick-impact measures supporting the livelihood of communities. Butuan City reported many of these milestones and achievements on its website, in the media, and also

in the communities. Successes as well as setbacks encountered were regularly discussed in the respective Co-Management Steering Committees as well as the COSERAM Program. This allowed all partners to understand the dynamics better and to maintain their engagement.

Principles guiding the responsibilities and roles of the main actors

Transparency on the responsibilities and roles of all stakeholders involved in a change process is generally of great importance, but even more so if the aim is to re-establish the legitimacy of government agencies in situations of fragility and conflict. As responsibilities and roles may shift during the course of implementation, regular clarification is needed throughout the cooperation. Although this is also not a new lesson to most agencies supporting good governance, conflict transformation, and comprehensive development processes, the case study offers some insights on the interplay of government and non-governmental agencies as well as external advisors.

Ensuring the leadership of the main change agents

Although GIZ had initially a very active role in bringing together different stakeholders of the project, the preparatory activities were already designed in a manner to enable the City government and its core partners to take the leading role and be the "face" of the change project. Despite several critical moments and varying levels of success regarding the degree of commitment and involvement of the different governmental stakeholders, the City managed to take the lead in the implementation of the project and institutionalized – with the support of other government agencies – comprehensive steering and cooperation structures and mechanisms involving local communities. The publicity of successes achieved had to be associated with the main change agents and the associated Philippine government agencies. This also meant that GIZ as well as the NGO that assisted as an intermediary had to sometimes subdue their own legitimate interest of promoting their own organization.

Trust-building with the support of intermediaries

In situations of fragility and conflict, the population often loses trust in governmental institutions and services and/or they perceive the state as being a conflict party. Hence, the collaboration with non-state actors, for example local NGOs, can be crucial, if not indispensable. Provided that these intermediaries are able to gain the trust of – or already enjoy the confidence of – the population, they may act as brokers and facilitate the process of (re-)establishing disrupted state–society relationships. However, in order to ensure that this actually strengthens state legitimacy and leads to a robust cooperation mechanism between the state and society in the long run, a clear strategy to sequentially reduce and readjust the role of intermediaries is essential. The non-state actor has to be able to re-establish its dissociative role as the watchdog of the state; on the other side, the state needs to prove itself to be trustworthy in order not to undermine the role and reputation of the intermediary either (GIZ [Deutsche Gesellschaft für Internationale Zusammenarbeit], 2015, pp. 20f.).

In the case study, this worked out to the benefit of the City. It even prompted the City to continue work with the support of other civil society organizations. The process also did not harm the role or reputation of the NGO. The potential risks implied for the intermediary were, however, also not reflected by the project in its full scope. The co-management partners and even GIZ had a certain governmental bias when reflecting upon the roles.

GIZ as external broker and advisor

As described, in situations of conflict and fragility, local capacities, resources, and trust among actors – especially between the state and citizens – are often scarce. At the same time, enhancing capacities and rebuilding trust in the state and among various sectors of society is a long-term process. To respond to urgent needs, external expertise and resources may become necessary to fill capacity gaps in managing public resources and to support the (re-)establishment of structures to ensure public service delivery (GIZ, 2015, pp. 11f.).

GIZ is an implementing agency of the German development cooperation that supports partner countries to set up and implement change processes for a limited and target-bound time. Hence, GIZ needed to ensure

its role as an external advisor and facilitator throughout the whole process. It is clear that GIZ can play an important role in facilitating new alliances and supporting cooperation management among diverse partners. In particular in conflictive contexts and interrupted relations, GIZ often serves as a neutral broker, bringing together different actors. However, this engagement needs to be carefully reflected. GIZ itself has – as an implementing agency of the German government and acting upon bilateral agreements among states – a slight bias toward government agencies. To work toward sustainable results, GIZ always has to pay attention to not become an implementing party itself that substitutes tasks of other stakeholders in the partner system. In contexts of fragility and conflict, this risk is particularly high, as the conflicting parties often have weak capacities and/or could use the support by GIZ as a vehicle to indirectly voice their stands and positions. Although the latter has not happened in the case study, there were numerous situations in which the City and its partners would have preferred that GIZ take the lead. Allowing this to happen would only create dependencies on GIZ as an implementing partner. Therefore, it is important to keep in mind that, eventually, a conflict cannot be solved by external actors. It requires first and foremost the will and interest of the conflicting parties, who likewise need to be capable of handling change processes and emerging conflicts over the long term.

Principles guiding the support provided by GIZ

The above principle – "GIZ as external broker and advisor" – already indicates that there were also a number of principles that guided the support GIZ provided to the implementing partners.

Comprehensive support for key actors to increase their capacities and maintain their commitment to the project despite setbacks and delays

GIZ provided the City and its key implementing partners with a broad range of tailored political, procedural, and technical advice as well as financial support. This included strategic and methodological advice as well as capacity development at all levels: strengthening human capacities, organizational development, networking, and cooperation as well as the development of an enabling framework for local policies. The mea-

sures ranged from the provision of technical expertise to the strengthening of administrative and managerial capacities of the institutions.

Through this comprehensive support, the partners understood the challenges at stake and the approaches needed. Thereby, they underwent change processes in their own institutions, which impacted also on policies. It resulted, for example, in the capacity of the local government, in particular the City mayor, to engage in national policy dialogues on the guidelines of co-management areas.

Comprehensive support also implied that GIZ had to understand the political commitments and needs of the main implementing partners beyond the project context. Within the mandate of the COSERAM Program, GIZ involved the City mayor and the regional directors of DENR and NCIP repeatedly in other initiatives not directly related to the change project in order to strengthen their position and to foster alliances with heads of other governmental agencies. For instance, upon the initiative of GIZ, the City jointly commissioned a legal study on potential solutions for resolving overlapping land rights with the regional offices of DENR and NEDA, the strongest government agency.

Providing time and space for trust-building and ensuring monitoring through reflection and feedback loops

Especially in the beginning of the process, GIZ strategically supported relationship- and trust-building between various groups and individuals. Without developing trust, all the feedback loops and reflection would not have led participants to bring up the critical issues that needed to be addressed. GIZ regularly facilitated informal encounters to ensure that there was a constructive atmosphere that provided a safe space for exchanges. For instance, the *Kapehan* of the NCIP regional director and informal meetings later with Indigenous leaders allowed the staff of the implementing agencies to get to know each other and better understand different points of view. This reduced anxieties about the "other" and their intentions and provided space to jointly identify possible solutions to conflicting interests and risks of the work. This was underpinned by special measures to foster more exchanges on the leadership level, in particular between the City mayor, the DENR regional director, and the NICP regional director. One of the highlights that prompted more direct contacts afterwards was a joint learning visit by the City mayor and the NCIP

regional director to Germany (the DENR regional director was intended to join as well, but was not allowed to travel by the DENR national office). Another connector was the abovementioned land rights study, which was jointly commissioned by the City, DENR, and NEDA, and provided recommendations for the local, regional, and even national levels.

Open and critical reflection was made possible due to the increased levels of trust. Initially, GIZ facilitated regular feedback loops at different levels of the project. This was always done after crucial activities with the local communities (e.g., the public consultation events). Reflection sessions with the technical level generally also included direct feedback from the TWG to the mayor and a discussion with him on the conclusions. Altogether, effective steering and management by partners requires a well-established reflection-and-monitoring system of the partners. The case study shows that partners can be supported in establishing conflict-sensitive monitoring systems if the benefits of such a system are understood.

Keep your vision in mind but maintain flexibility and openness to readjust strategies and support measures

Long-term planning in situations of conflict and fragility is often challenged by dynamics on the ground, requiring adaptation, capability, and flexibility in order to come up with adequate responses. At the same time, development partners legitimately require an agreed upon framework and set of indicators to ensure that chosen approaches and activities serve the situation on the ground as well as the envisioned objective(s). Although the envisaged (mid- to long-term) objective is clear, approaches may vary, according to the dynamics and corresponding emerging opportunities in a given setting (GIZ, 2015, pp. 28f.).

The intensity and type of support provided by GIZ in the presented case study varied according to the implementation phase, but prompt and flexible reaction to the needs of the partners was practiced throughout the whole project. As the case study shows, some capacity-development measures had to be added when an unexpected lack of capacities became apparent. Numerous – and at times administratively cumbersome – adjustments had to be made.

Altogether, the tailor-made and flexible provision of advice and specific capacity-development measures, combined with regular reflection and

planning exercises, enabled the implementing partners to make use of emerging opportunities and also to adjust strategies and operational plans to delays and the changing environment. The overall vision and goal remained the same throughout the process and guided the numerous changes.

References

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). (2015). *Capacity development in situations of conflict and fragility. German approaches and lessons learnt by GIZ*. Eschborn: Author.