

*Transformational
Diplomacy is
Winning the
War on Terror
in the Strife-Torn
Region of
Mindanao*

Executive Summary	I
Introduction and Historical Background	I
Diplomacy	4
Development	5
Defense	6

Securing Peace in Mindanao through Diplomacy, Development, and Defense

August 2006

Executive Summary

The Government of the Republic of the Philippines (GRP) and the United States Government (USG) are pursuing a successful strategy incorporating diplomacy, development, and defense to secure peace and defeat terrorists in Mindanao. This strategy is based on the principle that the threat of terrorism is eliminated only when both terrorists and the ideology that supports their actions are defeated. In Mindanao, the GRP and USG are working in partnership to expand a stable zone of peace and development, thereby denying domestic (Abu Sayyaf Group) and international (Jemaah Islamiyah) terrorists the physical and psychological space they require to survive.

The U.S. Embassy in Manila maintains a strong bilateral relationship with the

Philippines based upon a shared history and common goals in today's world. Vibrant economic and political ties between the two countries strengthen governance, spur economic growth, and reduce the threat posed by terrorism in the Philippines.

Development assistance from the American people improves the lives of average Filipinos – Muslims and Christians alike – in the areas of health, education, economic livelihood, and the environment. Finally, U.S. military assistance is enhancing the professionalism of the Armed Forces of the Philippines (AFP) and strengthening its ability to respond to a range of modern threats, including domestic and international terrorists.



A Muslim villager and her son on the island of Tawi-Tawi watch ceremonies to welcome the visit of the US Navy hospital ship Mercy in June 2006.

Introduction and Historical Background

The 2006 National Security Strategy of the United States (NSS) states that worldwide, the U.S. "has an unprecedented opportunity to lay the foundations for future peace." In the Philippines, the USG contributes to a just and lasting resolution to the decades-old conflict in Mindanao between the GRP

and Muslim separatists. To be successful, U.S. foreign policy in the Philippines must maximize the impact of the three interdependent components outlined in the NSS: diplomacy, development, and defense.

Mindanao is the focal point of many of these complemen-

tary USG efforts. Mindanao, including the Sulu archipelago, comprises about one-third of the Philippines' territory and one-quarter of the country's total population of 87 million. Sadly, it has the highest levels of poverty in the country because of the longstanding conflict between the central government and

Introduction and Historical Background



“We have made progress in the fight against terror. We use an iron fist when necessary, but we are prepared to use the hand of friendship as well. The Filipinos taught us this.”

— U.S. Senator Daniel Inouye, August 2006

separatist groups within the Muslim population, which numbers approximately four million. The conflict in Mindanao jeopardizes the Philippine's economic and social development and represents a tangible threat to regional security. The ensuing lawlessness provides physical sanctuary for domestic and international terrorists and spreads suffering among the general population that leaves many young men susceptible to terrorist ideologies.

The United States has a compelling interest in an anticipated GRP-Moro Islamic Liberation Front (MILF) peace accord, which could end 30 years of armed conflict in Mindanao, reduce support to terrorists, and greatly improve regional stability. In 2006-2007, the USG is preparing for an increased assistance package to Mindanao in the event that the GRP and the MILF do reach a final peace agreement. The U.S. is ready to support the consolidation of the peace process and deal a significant blow to the practice and ideology of terrorism by quickly responding to the opportunity provided by such an agreement.

The GRP and the USG believe that a peaceful, prosperous, and secure Mindanao is key to the success of the Philippines's overall development in the 21st century. Through diplomacy, development, and defense, the U.S. is helping the GRP meet the challenges of establishing lasting peace in Mindanao, thereby reducing the operational capability and

ideological appeal of terrorist movements.

Terrorists are on the run in the Philippines. In 2001, much of the Sulu Archipelago was grim and dangerous territory. Al-Qaeda-linked terrorist groups held sway in key islands, terrorizing inhabitants, murdering and kidnapping Americans and Filipinos, and gradually building linkages with other terrorist groups in the region. Today, thanks to the creative and coordinated efforts of the Philippine Government with their partners from the U.S. military, U.S. civilian agencies, and NGOs, the terrorists have been weakened. An improved Armed Forces of the Philippines (AFP) is better able to track and confront armed terrorists, and has built trust with local communities.

Dynamic, focused, and well-collaborated development efforts are providing schools, health care, improved roads and bridges, new ports, and commercial centers that give residents hope for a future without violence. Creative diplomacy is building on these successes, creating the framework for future cooperation with the Philippines, while using exchanges and public diplomacy to build lasting linkages between the U.S. and the people of the region. Defense, Development and Diplomacy is winning the war on terrorism in the Philippines.

Philippines – United States Relations

The United States administered the Philippines — first as a Territory and subse-

quently as a Commonwealth — between 1901 and 1946. Following independence in 1946, the Philippines and the United States maintained strong political and economic ties throughout the Cold War. Bilateral relations today continue to benefit from cooperation in a range of activities from trade relations, joint military exercises, and defense reform to counterterrorism cooperation.

The U.S.-Philippines relationship is strengthened by the millions of overseas Filipinos and their children who today call the U.S. their home. In addition, the United States continues to recognize the valor of Filipino war veterans who fought side-by-side with their American counterparts during the Second World War. Many Filipino veterans living in the Philippines and the United States enjoy U.S. Department of Veterans Affairs and Social Security Administration benefits as a result of their military service.



An American service member meets Filipino veterans on Jolo at a ceremony to honor their service during World War II.

Introduction and Historical Background

Mindanao

A combination of poverty and discrimination has contributed to a sense of resentment and alienation among many Filipino Muslims. This partially explains the creation of the Moro National Liberation Front (MNLF) and the violence that ensued between the MNLF and the GRP in the 1970s.

After decades of intermittent fighting and negotiations, the MNLF signed a Peace Agreement with the GRP in 1996. The Peace Agreement led to the creation of the Autonomous Region in Muslim Mindanao (ARMM). Today, the ARMM comprises the island provinces of Tawi-Tawi, Sulu, and Basilan; the mainland Mindanao provinces of Lanao del Sur and Maguindanao; and the Islamic City of Marawi.

The Moro Islamic Liberation Front (MILF), which split from the MNLF in 1978 to pursue its own path towards independence, was not a party to the 1996 agreement. A ceasefire, in place since 2003, holds between the AFP and the MILF while negotiations continue to permanently end the GRP's conflict with the primary remaining Muslim separatist movement in Mindanao. The USG supports the ongoing negotiations between the GRP and MILF toward a comprehensive peace agreement that will benefit the people of Mindanao.

Unfortunately, recent years have witnessed the emergence of more radical Islamic elements in

Mindanao that are inspired by the international jihadist movement. The Abu Sayyaf Group (ASG) traces its origins to Al-Qaeda training camps in Afghanistan in the 1990s. By 2001, the ASG had morphed into a vicious kidnap-for-ransom gang, preying upon tourist resorts and local schools. However, the September 11, 2001, attacks upon the United States and the subsequent U.S.-led Global War on Terrorism may have reinstalled a sense of jihadist purpose and urgency within the ASG.

The AFP, USG, and many international observers believe that members of the Indonesian-based Jemaah Islamiyah (JI) are present in Mindanao. Umar Patek and Dulmatin, two JI terrorists implicated in the 2002 Bali bombings, are believed to have sought shelter in the lawless, conflict-affected areas of Mindanao and provided training to ASG members. The Rajah Solaiman Movement, a home-grown terrorist group that perpetrated the Super Ferry and the February 14, 2005, Valentine's Day bombings, has also been linked to the ASG and JI.

USNS Mercy Visit to the Philippines

The U.S. Navy hospital ship *Mercy* traveled to the southern Philippines in May and June 2006 to provide medical and humanitarian assistance as part of a six-month deployment in Southeast and South Asia. In this coordinated effort with the GRP and NGO relief organizations, the USNS *Mercy* visited Zamboanga City and Basilan from May 28 to June 2, Jolo from June 3 to June 10, and Tawi-Tawi from June 11 until its departure from the Philippines on June 18.

The USNS *Mercy* supports U.S. disaster relief and humanitarian operations worldwide with various medical and dental services, and has a range of medical equipment plus a team of multi-specialized medical professionals on board. U.S. medical personnel on board, NGO partners, and GRP counterparts conducted more than 50,000 health interactions in Mindanao during the deployment, ranging from public health outreach in remote towns to surgical procedures on board the ship.

In just one example of the public diplomacy successes of the USNS *Mercy* deployment, the USNS *Mercy* staff treated a victim of the March 2006 terrorist bombing of the grocery store in Jolo City that killed nine civilians and injured 25. USNS *Mercy* medical staff treated the victim's second-degree burns and provided advice on physical therapy needed to help his damaged arm heal properly.



The USNS hospital ship Mercy anchored off Tawi-Tawi Island in June 2006.

***"This is your country to shape, to bring peace and prosperity so all citizens benefit."
— U.S. Ambassador Kristie A. Kenney, July 2006, addressing Muslim students participating in a USAID-supported Congressional internship program***

Diplomacy

Security Engagement Board

After several months of discussion, the GRP and the USG announced the establishment of the Security Engagement Board (SEB) in March 2006, a new security consultative mechanism that will facilitate cooperation on non-traditional security concerns, including terrorism, smuggling, piracy, and other emerging security threats. Terrorism is foremost among these threats and the SEB provides a comprehensive framework for counterterrorism cooperation involving military forces, civilian authorities and NGOs. The SEB is a unique institution in the region and is a model framework for other bilateral and regional cooperation against terrorism and non-traditional security threats.

Public Diplomacy

Public Diplomacy is a key element in building linkages

of good will and cooperation between Mindanao and the U.S., with a wide range of State Department-funded exchange programs directly addressing and engaging Muslim youth and community leaders. Every year, for example, the Youth Exchange and Study (YES) program enables a dozen Muslim teenagers from Mindanao to spend a year in the U.S., attending school and living with American host families. Evaluation sessions with alumni from this program and other exchanges routinely show completely changed and overwhelmingly positive perceptions of America based on these exchange experiences.

The U.S. Embassy in Manila also brings the American message directly to people in Mindanao, supporting "American Corner" library facilities in Jolo, Tawi-Tawi and Zamboanga, and using these resources as a base for outreach to local students and residents. This network helped the Embassy organize a very successful speaking tour in 2005 for an American Muslim Imam to speak directly to Muslim clerics and worshipers, rejecting notions that the U.S. is hostile to Islam and Muslim society. Such outreach and exchange is building a foundation of future community leaders with a positive understanding and appreciation of the United States.

Law Enforcement Cooperation

U.S.-Philippine law enforcement cooperation also plays an important role in the U.S. government's approach to fighting terrorism in Mindanao. The U.S. Pacific Command's Joint Inter-Agency Task Force - West (JIATF-W) is active in Mindanao, and has a robust program of maritime interdiction training and coordination. JIATF-W includes participation by the U.S. Drug Enforcement Agency and brings in Philippine law enforcement partners as well, seeking to bridge the seams between military forces and civilian law enforcement. The U.S. State Department's Anti-Terrorism Assistance Program helps train Philippine National Police on the latest methods in investigating and interdicting terrorist activity as well as fighting money-laundering and uncovering terrorist finances.

A newly established Senior Law Enforcement Advisor at the U.S. Embassy will help the Philippine National Police transform itself into a more effective force confronting today's challenges. Finally, cooperation between the U.S. Department of Defense, Department of State, and Philippine counterparts has resulted in an effective Rewards for Justice program that has paid millions of dollars to Filipino citizens who have provided information leading to the capture or killing of terrorists in Mindanao.



American Muslim Imam Bashir Arafat (with tie) visits madrassah students on Jolo. Arafat spoke on Islam and tolerance in a lecture program throughout Mindanao sponsored by the U.S. Embassy.

Development

As the USG's primary development assistance agency, the U.S. Agency for International Development (USAID) first supported the development of Mindanao's infrastructure in the early 1990s with, among other projects, the construction of a new airport in General Santos City. Following the 1996 Peace Agreement between the GRP and the MNLF, USAID responded immediately with livelihood training, infrastructure development, and other economic incentives to facilitate the reintegration into mainstream society of former MNLF combatants. USAID activities also offer hope to separatists of the MILF and other disaffected Muslims that the long-simmering conflict in Mindanao can be resolved justly and through peaceful means.

U.S. development assistance to the Philippines increased in 2002 as the country became a focal point in the war on terrorism. In the aftermath of September 11, contributing to the development of Mindanao and denying international terrorists sanctuary in the Philippines became a primary U.S. national security goal. Between 2001 and 2005, USAID provided \$220 million, or approximately 60% of its total assistance to the Philippines, to reinforce GRP efforts to secure a lasting peace in and build a better life for the people of Mindanao.

The commitment to Mindanao continues today. USAID is helping communities in conflict-affected areas of Mindanao rebuild a peaceful economy by providing former combatants with

the production inputs, training, and marketing assistance needed to become small-scale commercial farmers. The American people support producers' associations and chambers of commerce in Mindanao, and is developing much-needed basic infrastructure, such as ports and bridges.

USAID provides technical assistance to local governments across Mindanao to reduce corruption by making administrative processes more transparent. The USG trains and encourages local governments to use sound environmental practices to manage forests, coastal and fisheries resources, and solid waste; and provide quality health services for family planning, TB diagnosis and treatment, and maternal and child health.

Finally, USAID is increasing access to quality education, improving the quality of instruction — particularly in math, science, and English — and providing vocational training opportunities and courses to prepare out-of-school youth for re-entry into the formal education system.



Muslim students in Zamboanga City hold backpacks donated by the U.S. Government.

U.S. outreach and exchange programs are building a foundation of future community leaders.



U.S. Ambassador Kristie A. Kenney (left) and Basilan Governor Wahab Muhtamad Akbar (far right) open a bridge funded by the American people. Governor Akbar is a former member of the Abu Sayyaf Group, and is now dedicated to working with the U.S. to bring peace and progress to Basilan.

Defense

Extremists and terrorists can capitalize on poverty and dissatisfaction with government, which create an environment more open to extremist ideology and more willing to provide support and shelter to terrorist groups. The Joint Special Operations Task Force-Philippines (JSOTF-P) is tasked with eliminating the recruiting ground and sanctuary for terrorists — and the ideology that fuels their activities — in the southern Philippines, and does so hand-in-hand with development work and diplomacy.

When JSOTF-P arrived in the Philippines in 2002, it worked with its Filipino partners to devise a model to defeat the enemy that later came to be known as “The Basilan Model” and which we now call “The Philippines Model.” Basilan, an island in the Sulu Archipelago, was once a strong-

hold of the ASG. With the arrival of JSOTF-P, a concerted combination of applied military force and development assistance — the iron fist and the hand of friendship — succeeded in driving the ASG from Basilan and restoring both peace and hope to the island. In 2002, 14 AFP battalions were deployed on the island to pursue terrorists. Today, only one battalion is needed to keep the peace.

The Philippines model is an approach to counter-terrorism that addresses three areas concurrently: 1) strengthening the AFP's ability to establish a secure environment for local residents; 2) confronting the ideology that supports terrorism and planting seeds of dissent within the network of terrorist supporters; and 3) improving physical infra-

structure, health services, schools, and community resources to earn the trust of local communities. JSOTF-P helped the AFP engage in a focused information campaign to positively influence others using public affairs and information operations. The robust presence of the AFP and JSOTF-P on Basilan enabled the expansion of existing USAID activities on the island to more inland and remote areas.

The success of the Philippines model required close collaboration with various members of the U.S. Embassy in the Philippines and numerous domestic and international NGOs. Through a creative combination of USG activities, the lawless terrorist elements of Basilan were separated from the local populace and their



A soldier from the U.S. Joint Special Operations Task Force – Philippines (JSOTF-P) assists a Filipino victim of a bomb blast on March 27, 2006, in Jolo. Nine people died and 25 were injured in the attack. The explosive device was planted on the ground floor of a grocery store along a busy street in downtown Jolo.



An American service member helps a local resident test new reading glasses provided during a free Medical Civic Action Project (MEDCAP) on Jolo in 2006 organized by JSOTF-P.

Eliminating the recruiting ground and sanctuary for terrorists goes hand in hand with development work and diplomacy.

Defense

support base and their ideological influence were diminished. When both their sanctuary and recruiting grounds in Basilan were eliminated, the ASG was forced to leave the island.

Equally important for the longer-term security of the Philippines is defense reform. Resulting from a joint defense assessment in 2003, the Philippine Defense Reform (PDR) program is a comprehensive effort to bring about long-term, fundamental institutional improvements in both the AFP and the Department of National Defense. This multi-year program involving a resident team of 11 U.S. subject matter experts will enhance the Philippines's national security, both internally and externally, and improve its regional capabilities.

Reforms will center on enhancing strategic planning; developing a comprehensive manpower management program; budget and resource management; maintenance management and supply systems; and the AFP's intelligence, operational, and training capacities. The success of PDR contributes directly to the success of Philippine units combating terrorists in Mindanao.



U.S. service members meet schoolchildren on Basilan.

Bringing the "Basilan Model" to Jolo

ASG and JI fugitives continue to hide in places across Mindanao, but their reach and influence has been decreased as a direct result of U.S. support to the GRP in meeting the terrorist threat. ASG and JI members are now largely confined to pockets on the island of Jolo.

Since October 2005, the AFP and JSOTF-P working shoulder-to-shoulder in Jolo have completed development and humanitarian projects valued at more than \$3.5 million, including improving more than 22 kilometers of roads; building 20 new classrooms; renovating 12 existing classrooms; and constructing or renovating four medical clinics. The AFP and JSOTF-P have also built 15 new water wells, a new water reservoir, and five community centers; and supported free medical outreach programs that helped 50,000 patients.

USAID continues to work with JSOTF-P in expanding its operations on Jolo as well, constructing bridges and wells, bringing Internet connections and solar-powered electricity to remote communities, and improving the health service delivery systems of local governments.

These activities generate popular support for the AFP, enhance their freedom of movement and control over the terrain, strengthen force protection, and improve information sharing. Collectively, these projects have positively impacted key communities on Jolo Island and provided critical access into areas that were recently sanctuaries for terrorists.

"Philippine Defense Reform sends a very strong signal to the region about the Philippines's commitment to counter-terrorism and regional security."

-- U.S. Assistant Secretary of State Christopher Hill, July 2006



A medical service member from the U.S. Navy hospital ship USNS Mercy checks a young boy's heart rate during Mercy's visit to Jolo in 2006.

EMBASSY OF THE
UNITED STATES OF
AMERICA

MANILA,
REPUBLIC
OF THE PHILIPPINES

1201 Roxas Boulevard
Manila, Philippines 0930

Phone: (63-2) 528-6300
Fax: (63-2) 522-1608
E-mail: mnlinfooffice@state.gov

manila.usembassy.gov

Photo Credits:
U.S. Embassy Manila,
USAID Philippines,
U.S. Army, U.S. Navy.



Securing Peace in Mindanao through Diplomacy, Development, and Defense

**SNAPSHOT: The Impact of U.S. Development Assistance
in Mindanao**

- More than 22,000 former MNLF combatants are now earning incomes through corn, rice, and/or seaweed production. USAID has trained an additional 6,500 former MNLF combatants to produce high-value crops such as finfish and bananas.
- 558 small infrastructure projects (\$50,000 or less) and almost 20 larger ones (\$50,000 to \$1,000,000) have been completed in Mindanao to date, benefiting nearly two million people.
- 292 rural banks are profitably providing loans and deposit services to more than 300,000 micro-enterprise clients, 82% of whom are women.
- 95 graduates of ARMM universities have completed a four-month internship program at the Philippines House of Representatives, where they gained hands-on legislative experience.
- 6,500 households in 227 remote communities are now equipped with solar-powered, renewable energy systems in partnership with the private sector.
- 260,000 students and 18,300 out-of-school children and youth benefit from increased access to learning opportunities — including vocational training, improved facilities and educational materials, and strengthened instruction of English, science, and math.
- Computers and Internet connections have been introduced to 330 schools, benefiting nearly 320,000 students and 9,000 teachers.



A Muslim student accesses the Internet on the remote island of Jolo thanks to computers and equipment provided by USAID's Computer Literacy and Internet Connection (CLIC) Program, which has assisted more than 300 schools throughout the Autonomous Region in Muslim Mindanao (ARMM).

