

Planting the seeds of a sustainable future

Produced by the Institute for Solidarity in Asia in partnership with the Center for International Private Enterprise

Over the next ten years, the world will need an additional one million metric tons of cocoa. Some of it will be harvested from the forests of Butuan in the Southern Philippines, where the city government is turning to agroforestry to save a fragile ecosystem and put a stop to mounting poverty. Assisted by the Institute for Solidarity in Asia (ISA), Butuan is now rewriting a five-year plan toward recovery and development that counts on the support of locals and investors in executing a massive reforestation and product development campaign that can advance economic growth.

“I can still remember a time when there were no private cars on our main roads,” says Ferdinand Amante, a doctor by profession and the current local chief executive of Butuan city. “They were used exclusively by loggers, with some trucks carrying only a single trunk. That’s how big they [the logs] were then.”

Mayor Amante speaks of a revival period between the 1950s and 1970s when Butuan experienced a rebirth in its logging industry. However, as entire forests were used up, the industry slumped and eventually collapsed, forcing locals to accept farming and fishing as a new way of life. After that, only relics discovered in fishponds bore traces of the city’s glorious past, when Butuan was recognized as a kingdom in Southeast Asia—a seafarer’s haven boasting storerooms full of gold and timber.

When he assumed office five years ago, Mayor Amante had a master plan to restore the city’s historic role as a premier commercial and trading post. A road to Bukidnon—the region’s major producer of rice and corn—was to be completed, and an international seaport with a Php1-billion shipyard facility was to be built. Investments were expected to flow into eco-tourism, business process outsourcing, and forest plantation projects.

But his plans for Butuan to become “the center for meetings and conventions and the gateway to tourist spots in the region” were affected by a fragile ecosystem. Heavy dependence on logging and wood-based industries had resulted in denuded forests and the unprotected watershed was causing regular flooding. At the time, the city was also experiencing mounting poverty at 26.07%.

Hot Chocolate

Impelled by circumstance, the mayor and his team sought to identify a more holistic and sustainable approach toward development. Ironically, it was also in Butuan’s ravaged forests that they found the beginnings of a solution, noticing two trees, *theobroma cacao* and *acacia falcata*, that could help lift the population from poverty.

“The by-product of the cacao tree is chocolate,” says Mayor Amante, “and there is a shortage of it in the world market.” Because of its tropical equatorial weather, Mindanao, the larger region to which Butuan belongs, is expected to fill-in the huge demand. After the nearby town of Marihatag closed a deal with Kennermer Foods International (KFI) for the planting of four million cacao trees, Butuan

began its own negotiations for massive planting. KFI is a major supplier of the US-based Mars Bars chocolate brand and other high-end cacao products, and can promise an annual gross income of Php180 thousand per hectare of cacao.

“Our initial target is to set aside 1,000 hectares for cacao because that is the minimum for KFI to establish a buying station in Butuan,” Mayor Amante explains. “Our next target is 10,000 hectares so that KFI can establish a milling plant.” He adds that the cacao will not be produced plantation-style. Instead, it will be produced in 40-hectare clusters managed by 10 to 15 farmers, with KFI providing a cacao specialist to help keep the trees healthy.

To assist these farmers, the city government plans to allow loans of up to Php55 thousand per hectare or a total of Php55 million for the projected 1,000 hectares, payable in three years. Because the hybrid cacao can already be harvested before the two-year mark, farmers will be able to pay off their loans within the first harvest.

According to city agricultural engineer Pierre Joven, cacao can be intercropped with coconut trees and fits into the city’s new philosophy of agroforestry. “We are expecting a delivery of 400,000 hybrid cacao trees from the Department of Environment and Natural Resources (DENR),” he says. “Unlike typical cacao which starts to bloom after two and a half years, hybrid cacao flowers in 18 months.” Other than intercropping, organic vegetables can also be planted under the cacao trees.

Plywood

Falcata, on the other hand was introduced in Butuan 80 years ago, but it has been modified so that a typical falcata tree can now be harvested at a diameter of 60 centimeters. Because of the rich soil of Butuan, falcata will

mature in seven years compared to ten in other areas of the region. Demand for it has remained strong among factories in Mindanao that use this soft wood specie to manufacture plywood and paper.

One hectare of falcata can yield an income of Php2 million in five to seven years, enough for a farmer to retire on. Its price has doubled since the city stopped the transport of lauan trees as part of an anti-illegal logging campaign. Lauan trees were formerly used to fabricate the front sides of plywood sheets, whose back sides were made of falcata. As of June 2015, Butuan has planted over 5 million falcata trees.

Other trees the city is looking to include in their agroforestry program are rubber and mahogany, also a slow-maturing alternative for falcata. For the city’s “Plant a Million Trees” project, local officials partnered with the Philippine Army in the reforestation of watershed areas and mountains using endemic hardwood species such as *mahogany*, *lauan*, *apitong*, and *kamagong*.

All in all, Butuan will plant 10 million trees by 2020.

Healing the land

In 2011, Butuan was cited by the national government for taking the lead in the apprehension of illegal loggers. In 2014 alone, the city put a stop to five major illegal logging operations.

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Mayor Amante leads the re-launching of the Grow a Million Trees Project.

Mayor Amante says that this has helped them to learn from the sins of the past and to strengthen their commitment to sustainability. Butuan has even done away with logging concessions which did not bother to replant, and reintroduced the idea of small landholding agroforestry.

In April 2014, city and barangay officials visited Bukidnon's Binahon Agroforestry Farm to learn about soil and water conservation techniques, multi-story and integrated pest management, organic farming, livestock production, and beekeeping, among others. This inspired them to increase the value chain and to incorporate farming into their development strategy.

Today, Butuan has allotted 16 hectares for a similar agroforestry farm. This is to be a laboratory for each barangay to test out ideas for their own agroforestry farms in the future. Since there are 27 barangays without land to spare, a "sister barangay" scheme has been set

up so that "farm-less" villages can share in labor and production.

A clinical approach

When Mayor Amante decided to run for office in 2020, he was aware of the influence of loggers in local politics. Now in his second term as mayor, he has shifted the city's focus to agroforestry, signaling the writing of a new page in Butuan's history. It is also an acknowledgement that the city can accomplish more if it is able to exercise more prudence in its policies.

Indeed, the secret to Butuan's recent successes seems to be its clinical approach to development. In 2013, Mayor Amante and his team began working with the Institute for Solidarity in Asia (ISA) to identify the city's economic niche and from there map out a plan to lower the poverty level to a single-digit percentage. "This is ambitious, but I know we can achieve it through our roadmap," says Mayor Amante.

The roadmap he refers to is a foundational element of the Performance Governance System (PGS), the collaborative platform ISA developed to help public sector organizations around the country deliver breakthroughs and transformations. Butuan's roadmap, created in 2013, details the steps the city will have to undertake toward becoming "a model for sustainable forest-based economy in the country by 2020, thereby giving its people the highest per capita income growth rate in Mindanao."

Of the local government's first foray into creating a green Butuan, Mayor Amante reflects, "The Plant a Million Trees project was successful but there was no sustainability. It was mostly promotional." He believes that the 2020 strategy will strengthen this project, and be more effective in cutting across many industries such as food security, renewable energy, water management, ecotourism, livelihood, and climate change mitigation.

When asked about how the local government was able to get community support for the agroforestry vision, Mayor Amante says the key is to let each resident take ownership. "It took us a while to gain their trust and confidence," Mayor Amante says. "But I told them that I had no personal agenda or plans to enrich myself, and that they could claim this vision as their own."

Emphasizing the economic aspect also helped. "Our barangay captains are enthusiastic because we assured them that if they could spare 20 hectares, they could earn Php2 million a year," the mayor adds. "This will make them independent from Internal Revenue Allotment (IRA)." A financing scheme has now been set up

for farmers who want to go into an agroforestry program.

Rooted in governance

To ensure the sustainability of the 2020 strategy and its gains, the local government has set up an Office of Strategy Management (OSM), which reports directly to the mayor. Its young, driven, dynamic, and resilient members are handpicked to executive massive resource generation activities, orchestrate expansive participation, build innovative practices, and make a significant difference in local government. The OSM drives transformation by assigning accountabilities and monitoring the efforts of about 970 city hall employees.

Of these, 765 permanent and 136 non-permanent employees are members of project teams called "vision-aligned circles" (VACS), put together to work on initiatives that contribute to the success of the agroforestry vision. The mobilization of hundreds of farmers to develop falcata-based agroforestry plantations, integration of falcata and cacao farms, capacity-building for banana farmers, geo-tagging of millions of seedlings, and creation of Barangay Economic Enterprises (BEE) are just some of the initiatives being taken care of by these VACS.

Citizen advisers from various sectors such as business, civil society, and the academe have also been brought on board to assist the local government. This multi-sector governance council has even carried out its own projects in support of Butuan's agroforestry vision.

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One major project is the Philhealth Eco-park, which showcases various tree species in a “tree farm”. Another is the Caraga Eco-park, now being developed as a naturally set rainforest ecosystem farm hosting 2,000 indigenous tree species. Both are open leisure and tourism sites, and promote awareness of Butuan’s 2020 vision.

These mechanisms reinforce the principles of integrity, competitiveness, and social responsibility, and confirm that Butuan’s economic strategy is rooted firmly in good governance practices.

The forest city

OSM consultant Earl Enrique Alcala says that one of the greatest challenges in implementing the agroforestry plan is transforming Butuan’s “logger” mentality into a “tree-planter” mentality. The local government has decided to approach this through the youth and has asked schools to prioritize forestry.

Together with DENR and the Department of Education, Butuan launched “Project Green Friday” which ensures that the city’s 80,000 elementary and high school students are involved in tree-planting activities every week. Elementary students are in charge of preparing nurseries while high school students take care of planting trees on about 30,000 hectares of mountain and shoreline land, as recommended by barangay captains. These activities are classified under their Technology and Livelihood Education subject.

The city is also planning a scholarship program where an elementary or high school student in Butuan could earn their way to college if they are able to plant 1,000 falcata trees. While the method is unorthodox, those 1,000 trees will be worth half a million pesos by the time that student goes to college.

One barangay, which is about 30 minutes from the town center, also plans to create a tree



One of Butuan City’s backyard nurseries.

forest park which will host guided tours for students. Its aim is to remind young people of Butuan’s glorious past and its bright future.

Moving forward, the city has identified three breakthrough goals that will pave the way toward its becoming a forest city. The first is to grow 5 million trees for production and protection by June 2015, with accomplishment to be verified through geo-tagging. The second is to establish 4 forest parks through private-public cooperation; and the third is to organize 1,000 farmers to develop 1,000 hectares of cacao plantation.

Convergence among various players at both the local and national level is vital to achieving these goals. “We were able to formulate a good vision to transform Butuan City, but what needs to happen is for this vision to transform our attitudes,” says Mayor Amante. “Understanding and keeping it in our hearts is important.” He adds that at the end of his term, he will remain in Butuan as a farmer.

Through the realization of the 2020 agroforestry vision, the natural resources and treasures that rightfully belong to Butuan will soon be returned to the city; and its people will know better about how to leverage them to alleviate poverty and achieve inclusive growth.

A more lasting Butuan is finally emerging.

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