Docusign Envelope ID: 78EF1620-7219-8071-8042-51AC63D9D5A4

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**United Nations Development Programme**

| | | |
|---|---|---|
| **Project title:** Philippines Biodiversity Financing Program | | |
| **Country:**<br>*The Philippines* | **Implementing Partner (GEF Executing Entity):**<br>*Biodiversity Management Bureau, Department of Environment and Natural Resources* | **Execution Modality**:<br>*National Implementation (NIM)* |
| **Contributing Outcome (UNSDCF/CPD, RPD, GPD)**:<br>*COOPERATION FRAMEWORK OUTCOME 3: By 2028, all people benefit from just transition to low-carbon, climate-resilient development, sustainable management of environment, natural resources and biodiversity and strengthened resilience to disasters and natural hazards.* | | |
| **UNDP Social and Environmental Screening Category: Moderate** | **UNDP Gender Marker: GEN2** | |
| **Quantum Award ID:** *1544492* | **Quantum Project ID:** *01005501* | |
| **UNDP PIMS ID number:** 9980 | **GEF Project ID number:** 11600 | |
| **LPAC meeting date: 17 July 2025** | | |
| **Last possible date to submit to GEF: 8 May 2025** | | |
| **Latest possible CEO endorsement date: 9 January 2026** | | |
| **Project duration in months: 72 months** | | |
| **Planned start date: 9 July 2026** | **Planned completion date: 9 July 2032** | |
| **Expected date of Mid-Term Review (MTR) submission to the GEF:** 9 July 2029 | **Expected date of Terminal evaluation (TE) submission to the GEF:** 9 January 2033 | |
| **Expected Operational Closure Date:** 9 April 2033 | **Expected Financial Closure Date:** 9 October 2033 | |

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**Brief project description:**

Under-investment remains a huge constraint for biodiversity conservation: the financing gap for the Philippine Biodiversity Strategy and Action Plan (PBSAP 2024-2040) is USD 1.24 billion/year[1]. In response, the DENR BMB and UNDP initiated Phase II of the BIOFIN Project to build capacity and support various finance solutions. The following barriers remain to fully implement the National Biodiversity Finance Plan (NBFP): weak institutional capacities for resource mobilization; low public/private sector investments for biodiversity; biodiversity investments not benefiting IPLCs; increasing agricultural subsidies impacting biodiversity; and limited participation of local governments and private sector in biodiversity investments. The project aims to increase public and private sector biodiversity investments and reduce financial flows with incidental environmental impacts to support the KMGBF-aligned PBSAP targets. Four components will deliver the project outcomes: (1) Improved management effectiveness of NBFP implementation, (2) Increased financing for local BSAPs, (3) Reduced agriculture-related subsidies with incidental environmental impacts, and (4) Effective Advocacy and Partnerships. By supporting financing of the PBSAP, these outcomes will directly benefit 7,000 people especially IPLCs, and improved management of 70,833 ha of terrestrial protected areas (PAs), 46,985 ha of Marine PAs, 19,900 ha of restored land and ecosystems, 29,000 ha of landscapes and 32,000 ha of marine habitats under improved practices. The project aims to generate increased biodiversity finance equivalent to 30% of the financing gap, i.e. USD 372,413,793. Subsidies with negative environmental impacts will be reduced by 25% in the targeted landscapes.

| **FINANCING PLAN** | |
|---|---|
| GEF Trust Fund grant (GBFF) | USD 3,502,968 |
| UNDP TRAC resources | USD 0 |
| Confirmed cash co-financing to be administered by UNDP | USD 0 |
| **(1) Total Budget administered by UNDP** | **USD 3,502,968** |
| | |
| *(2)* **Total confirmed co-financing to this project not administered by UNDP** | **USD 31,231,827** |
| **(3) Grand-Total Project Financing (1)+(2)** | **USD 34,734,795** |
| **SIGNATURES:** | |

[1] Exchange rate of USD1=Php 58.0 applied

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| | | |
|---|---|---|
| **Signature:**<br><br>Secretary Juan Miguel T. Cuna, DENR | **Agreed by Implementing Partner** | **Date/Month/Year:**<br><br>7-Jul-2026 |
| **Signature:** DocuSigned by:<br><br>Edwine Carrie, Deputy Resident Representative | **Agreed by UNDP** | **Date/Month/Year:**<br>22-Jun-2026 |

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# Acronyms and Abbreviations

| | |
|---|---|
| ADB | Asian Development Bank |
| AHP | ASEAN Heritage Parks |
| AIP | Annual Investment Plan |
| BDFAP | Biodiversity-friendly Agricultural Products |
| BDFE | Biodiversity-friendly enterprise |
| BDRAP | Biodiversity-responsive agricultural practices |
| BERS | Biodiversity Expenditure Reporting System |
| BFP | Biodiversity Finance Plan |
| BIOFIN | Biodiversity Finance Initiative |
| BPKMD | Biodiversity Planning and Knowledge Management Division of BMB |
| BMB | Biodiversity Management Bureau of DENR |
| BPPS NCE | Bureau for Policy and Programme Support, Nature, Climate and Energy |
| BRMDU | Biodiversity Resource Mobilization and Development Unit |
| BSP | Bangko Sentral ng Pilipinas |
| BSWM | Bureau of Soil and Water Management (of DA) |
| CADT | Certificate of Ancestral Domain Title |
| CAWED | Caves, Wetland and Other Ecosystems Division of BMB |
| CBD | Convention on Biological Diversity |
| CBFMP | Community-based Forest Management Program |
| CCC | Climate Change Commission |
| CCET | Climate Change Expenditure Tagging of the CCC |
| CCS | Climate Change Service of the Undersecretary for Financial Management, DENR |
| CH | Critical Habitat |
| CLUP | Comprehensive Land Use Plan |
| CMD | Coastal Management Division of BMB |
| CMEMP | Coastal and Marine Ecosystems Management Program (under DENR) |
| DA | Department of Agriculture |
| DAO | DENR Administrative Order |
| DBM | Department of Budget Management |
| DENR | Department of Environment and Natural Resources |
| DILG | Department of Interior and Local Government |
| DOF | Department of Finance |
| DOST | Department of Science and Technology |
| DSWD | Department of Social Welfare and Development |
| DTI | Department of Trade and Industry |
| EEZ | Exclusive Economic Zone |
| EMBC | Eastern Mindanao Biodiversity Corridor |
| ENRA | Environment and Natural Resources Academy of the DENR |
| ESSP | Exit Strategy and Sustainability Plan (of the BIOFIN project) |
| FASPS | Foreign-Assisted and Special Projects Service of DENR |
| FFP | Forest Foundation Philippines |
| FPE | Foundation for the Philippine Environment |
| FLUP | Forest Land Use Plan |
| FMB | Forest Management Bureau of DENR |
| GAD | Gender and Development |
| GBFF | Global Biodiversity Framework Fund |

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| | |
|---|---|
| GEF | Global Environment Facility |
| GEFSEC | Global Environment Facility Secretariat |
| GEWE | Gender equality and women's empowerment |
| GR | Gender-responsive |
| IAGSMEC | Incubator/Accelerator for Green Small and Medium Enterprises Center |
| ICCA | Indigenous Communities Conservation Area |
| IFAD | International Fund for Agricultural Development |
| IMM | Impact Monitoring and Measurement |
| IPBSAP | Indigenous Peoples Biodiversity Strategy and Action Plan |
| IPLC | Indigenous Peoples and Local Communities |
| IPPF | Indigenous Peoples Planning Framework |
| KBA | Key Biodiversity Area |
| KMGBF | Kunming-Montreal Global Biodiversity Framework |
| LBFP | Local Biodiversity Finance Plan |
| LCA | Local Conservation Area |
| LBFP | Local Biodiversity Finance Plan |
| LBIP | LBFP-Investment Program |
| LBSAP | Local Biodiversity Strategic Action Plan |
| LDDRM | Local Disaster Reduction and Risk Management |
| LGU | Local Government Unit |
| MSME | Micro, Small, and Medium Enterprises |
| NBFP | National Biodiversity Finance Plan |
| NCIP | National Commission on Indigenous Peoples |
| NEDA | National Economic and Development Authority |
| NGA | National Government Agency |
| NIPAS | National Integrated Protected Areas System |
| NPD | National Parks Division of BMB |
| OECM | Other Effective Area-based Conservation Measures |
| PA | Protected Area |
| PAFID | Philippine Association for Inter-Cultural Development, Inc. |
| PAFP | Protected Area Finance Plan |
| PBSAP | Philippine Biodiversity Strategy and Action Plan 2024-2040 |
| PENCAS | Philippine Ecosystem Natural Capital Accounting System law (Republic Act No. 11995) |
| PHP | Philippine Peso (USD1 = PHP 58.0 used in this document) |
| PIR | GEF Project Implementation Report |
| POPP | Programme and Operations Policies and Procedures |
| PPG | Project Preparation Grant |
| PPP | Public-private partnership |
| PPS | Policy and Planning Service of the Undersecretary for Policy and Planning, DENR |
| RBSAP | Regional Biodiversity Strategic Action Plan |
| RIIC | Regional Inclusive Innovation Center |
| RTWG | Regional Technical Working Group |
| SCIS | Strategic Communication and Sectoral Initiatives of DENR |
| SEC | Securities and Exchange Commission |
| SEP | Stakeholder Engagement Plan |
| SESP | Social and Environmental Screening Procedure |
| SGLG | Seal of Good Local Governance of the DILG |
| STAP | GEF Scientific Technical Advisory Panel |
| TNFD | Task Force on Nature Related Disclosures |

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| | |
|---|---|
| UNDP | United Nations Development Programme |
| WRD | Wildlife Regulations Division of BMB |
| ZP | Zamboanga Peninsula project site |

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## DEVELOPMENT CHALLENGE

1. The Philippines, a country of more than 7,000 islands with a combined landmass of 300,780 km$^2$, is one of 17 megadiversity countries that together host 70% of the planet's species. It is also one of the most threatened biodiversity hotspots, due to its high population density[2], anthropogenic pressures on terrestrial and marine resources, and vulnerability to climate change impacts. While the country has a long history of conservation efforts, the prevailing environmental threats and lack of financing to comprehensively address them will seriously constrain the attainment of the Kunming-Montreal Global Biodiversity Framework (KMGBF) targets reflected in the Philippines Biodiversity Strategy and Action Plan (PBSAP) 2024-2040, which is still undergoing updating. This project seeks to address critical barriers to the mobilization of biodiversity finance needed to fully implement the PBSAP 2024-2040 through increasing public and private sector investments. It will also contribute towards national policy priorities under Ambisyon 2040 and The Philippine Development Plan 2023-2028; National Adaptation Plan (2023-2050); National Agriculture and Fisheries Modernization Plan; and the Indigenous Peoples Biodiversity Strategy and Action Plan (IPBSAP).

**Status of Biodiversity in the Philippines**

2. The Philippine islands feature diverse topographic landscapes ranging from rugged volcanic mountains, plateaus, and vast fertile plains — now cropland for rice, corn, and coconut — to long coastlines with some of the world's most diverse coral reefs. The varied geological histories, climates and topography of different parts of the archipelago contribute to its exceptionally diverse biota. The diversity of small biogeographic regions in such a compact area makes the Philippines ecologically unique. Consequently, the Philippines ranks fifth globally for plant diversity, hosting 5% of the world's flora. Its coastal and marine biodiversity includes 464 hard corals, 1,770 reef fish and 42 mangrove species[3], and the country is home to 855 globally important species of plants, corals, mollusks, elasmobranchs, fishes, amphibians, reptiles, birds, and mammals. It is also one of Southeast Asia's most important centers of amphibian and reptile diversity. Regarding endemicity, more than 25,000 species of wild flora and fauna are found only in the Philippines, it ranks 4$^{th}$ for bird endemism and almost 75% of its mammal species are found nowhere else on Earth[4].

3. The Philippines is endowed with a rich variety of ecosystems. In 2020, the country's forests accounted for nearly one-fourth of its total land area, at around 7.23 million ha. Agricultural ecosystems covered 13.57 million ha in 2023, up from 13.09 million ha in 2016[5]. Inland waters ecosystems include 421 principal rivers, 18 priority river basins and 216 lakes[6]. The coastal and marine ecosystems encompass 889 coastal towns, 34,600 km of coastlines, and 2.2 million ha of territorial waters within the country's exclusive economic zone (EEZ). The Philippines holds the third-largest reef area in the world, with a total area of 22,500 sq. km. Urban ecosystems encompass 33 highly urbanized cities, 108 component cities and five independent component cities, including the classified urban barangays of 1,488 municipalities[7]. As the anthropogenic impact of biodiversity loss will be most felt in densely populated urban areas[8], urban ecosystem biodiversity is now included as a thematic concern in the PBSAP 2024-2040.

**Biodiversity Conservation and Management Initiatives**

4. The main government initiative to protect and conserve biodiversity has been the establishment of a system of protected areas (PAs) through the National Integrated Protected Areas System (NIPAS) under Republic Act

[2] The highest in Southeast Asia except for Singapore, at 382 people/km$^2$ in 2021 Source: https://www.theglobaleconomy.com/rankings/population_density/South-East-Asia/

[3] 5th National Report to the Convention on Biological Diversity. Biodiversity Management Bureau, Department of Environment and Natural Resources. 2014.

[4] Philippine Biodiversity Strategy and Action Plan 2024-2040 (draft abridged version). Biodiversity Management Bureau, Department of Environment and Natural Resources. 2024.

[5] https://www.statista.com/statistics/1045556/land-area-used-for-agricultural-crop-cultivation-philippines/. Downloaded on 15 October 2024.

[6] 6th National Report to the Convention of Biological Diversity. Biodiversity Management Bureau, Department of Environment and Natural Resources. 2019.

[7] https://www.psa.gov.ph/statistics/population-and-housing/node/164857 . Downloaded 29 October 2024.

[8] 5th National Report to the CBD of the BMB-DENR, Ibid.

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7586. Currently, there are 248 PAs comprising 114 legislated PAs covering 4.43 million ha, 13 proclaimed PAs encompassing 1.1 million ha and 121 PAs as part of the initial components covering about 2.26 million ha.

5. Additionally, the Biodiversity Management Bureau (BMB) of the Department of Environment and Natural Resources (DENR) has identified 228 Key Biodiversity Areas (KBAs) with a total area of 10.6 million ha. KBAs are sites that are globally significant for biodiversity conservation and are considered actually or potentially manageable for conservation; they are the areas of greatest value and highest conservation priority within the overall Philippines territory, which, in its entirety, is already a Global Conservation Hotspot[9]. There is an ongoing updating of KBAs, with additional terrestrial and marine KBAs to be added to the list. However, the PA system does not yet cover these KBAs and surrounding production landscapes, which are essential for the connectivity of PAs, areas of critical habitats and other sites that are globally significant as key biodiversity corridors. The result is a highly fragmented landscape, consisting of unsustainable agricultural and natural resource production systems and incompatible land uses, which further expose the remaining natural habitats to diverse threats.

6. The fragmentation of natural forests and other habitats has been officially highlighted as the major threat to the country's biodiversity[10]. To address this gap, the BMB has initiated other management modalities in collaboration and partnership with stakeholders, including the establishment of Other Effective Area-Based Conservation Measures (OECMs), i.e., Local Conservation Areas (LCAs) and Critical Habitats (CH), among others, and recognition, documentation and registry of Indigenous Communities Conservation Areas (ICCAs). Lately, the BMB has initiated the preparation of Local Biodiversity Strategic Action Plans (LBSAPs) that support implementation of the PBSAP at provincial and city/municipal levels. More recently, and in order to further promote stronger collaboration among national and local stakeholders towards achieving the Philippines' commitment to the KMGBF's 30x30 target, a draft DENR Administrative Order (DAO) has been prepared that provides guidelines on the identification, selection, recognition and registration of OECMs. Aside from CHs, ICCAs, and LCAs, the draft DAO lists other potential OECMs that include archeological areas, areas under community-based forest management agreements, coastal greenbelts, critical watersheds, fisheries refugia, globally/nationally important agricultural heritage systems and green spaces for public use, etc. among others[11]. The government has supported the development of the Indigenous Peoples BSAP that will form part of the updated PBSAP. This IPBSAP provides the areas of ancestral domains for effective management, including ICCAs, that will support the national contribution to the GBF 30x30 target.

7. With support of development partners and global funding facilities, the government is being assisted to strengthen its biodiversity management strategies through resilience-building, biodiversity corridor approach, nature-based solutions, adaptation actions, sustainable land management, local innovative solutions and community-based ecosystem adaptation, among others. The institutionalization of BD financing is led by BMB but involves other DENR Central Office units, as well as key National Government Agency (NGA) partners such as the National Economic and Development Authority (NEDA), Department of Agriculture (DA), Department of Interior and Local Government (DILG), Department of Social Welfare and Development (DSWD) and Department of Finance (DOF), as well as targeted Local Government Units (LGUs) in existing project pilot areas. In addition to the important role played by the national, provincial and local government agencies, the Philippines has a very active civil society sector that has long championed biodiversity conservation through national and local NGOs and universities that provide significant community engagement, environmental education outreach, and scientific and technical support to the government. Key players among these such as the Philippines Biodiversity Foundation have been engaged in the Biodiversity Finance (BIOFIN) project activities and this project will seek to provide continuity within the relevant geographies.

[9] Project Document. Global Environment Facility and United Nations Development Programme, Biodiversity Partnerships Project (BPP)/Partnerships for Biodiversity Conservation: Mainstreaming in the Local Agricultural Landscape. Biodiversity Management Bureau (BMB) of the Department of Environment and Natural Resources. 2010.

[10] 4th National Report to the Convention on Biological Diversity. Biodiversity Management Bureau, Department of Environment and Natural Resources. 2009.

[11] Draft DENR Administrative Order – Guidelines on the Identification, Selection, Selection, Recognition, and Registration of Other Effective Area-based Conservation Measures (OECMs). DENR. October 2024.

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8. Private sector engagement in biodiversity conservation activities and contributing towards its financing remains very weak, despite some progress facilitated through the BIOFIN project. Efforts are being made by the government to enable private sector engagement in public-private partnership arrangements and ecotourism development in and around protected areas, to encourage the inclusion of biodiversity in Corporate Social Responsibility (CSR) initiatives, strengthen engagement and enhance values and marketing of produce from biodiversity-friendly agricultural practices, and for companies to declare their nature-related financial disclosures. Current efforts to support MSMEs pay little attention to promoting the environmental benefits of their activities.

9. In particular, this Biodiversity Financing Programme will build on the significant baseline support to BMB/DENR provided by the BIOFIN Project since 2014, by institutionalizing biodiversity financing coordination and management mechanisms, scaling-up finance solutions that are currently in the piloting phase and by demonstrating new finance solutions. With the current uncertainty of the BIOFIN Project's extension, it is intended to enable a transition from BIOFIN to support the government through this GBFF BD Financing Program, or to complement future BIOFIN Project work. The project will complement ongoing projects including the UNDP-GEF Biodiversity Corridor Project that is currently working on OECMs, improved PA management and mainstreaming biodiversity management in local development plans in eastern Mindanao; the UNDP-GEF Securing Long-Term Sustainability of Multi-functional Landscapes in Critical River Basins of the Philippines Project by piloting innovative finance solutions in SLM demonstration areas; and the Seventh and Eighth Cycles of the GEF Small Grants Programme and the Securing Long-Term Sustainability of Multi-Functional Landscapes in the Philippines Project through the establishment of MSME Accelerator/Innovation Hubs. It will also seek to learn from and collaborate with the ongoing GEF-7 Asian Development Bank (ADB)-assisted Partnerships for Coral Reef Finance and Insurance in Asia and the Pacific on piloting coral reef insurance mechanisms.

The GBFF project through the BMB-BRMDUs will provide technical assistance for the creation and capacity-building of the DENR Biodiversity Finance Unit. The recently enacted Republic Act No. 11995 titled AN ACT INSTITUTIONALIZING THE PHILIPPINE ECOSYSTEM AND NATURAL CAPITAL ACCOUNTING SYSTEM, MANDATING ITS USE IN POLICY AND DECISION-MAKING, DESIGNATING THE AGENCIES RESPONSIBLE INSTITUTIONAL ARRANGEMENTS AMONG RESPONSIBLE AGENCIES, AND APPROPRIATING FUNDS THEREFOR, otherwise known as the PENCAS law, provides for the creation of new plantilla positions for the DENR to carry out the functions under the said law that can provide the anchor to facilitate the formation of this DENR Biodiversity Finance Unit. This will be coordinated with related projects including the ADB-supported rapid natural capital assessment approaches in the Philippines, which is part of the ADB-co financing support to countries from the GEF-7 project ID 11041 Transforming policy and investment through mainstreaming rapid approaches for natural capital assessment and accounting (IADB, global); and UNEP/GEF-7 project GEF ID 10386 Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscape.

Through DENR's Foreign-Assisted and Special Projects Service FASPS, the project interventions will also be coordinated with the ADB/GBFF project GEF ID 11589 Strengthening Globally Significant Biodiversity Corridors in the Philippines through Local Community Empowerment, which will focus on two globally climate-resilient reefs in the Southern and Eastern Philippine Seas as biodiversity corridors: (1) Southern Leyte-Siargao and (2) Davao Gulf-Pujada Bay. As such, it will overlap the geographical scope of the current project in Mt. Hamiguitan, Pujaba Bay and Siargao Islands. The ADB/GBFF project will support restoration and conservation actions at these sites and will integrate innovative financial solutions and capacity-building for IPLCs and multi-sectoral management bodies.

For Eastern Mindanao, specifically in Mt Hamiguitan, this GBFF BD Financing Program will provide interventions for improved management of terrestrial ecosystems while the ADB Project (as provided in the PIF for GEF project ID 11589) will cover the coastal and marine areas. The ADB project will overlap in Pujada Bay only as it will focus solely on marine corridors. Under this Project, UNDP's work in Pujada Bay will focus on coral reef insurance and ecotourism development as part of finance solutions that will complement the ongoing GEF-UNDP-BMB Project on large marine mammals. Biodiversity values of this coastal and marine area will be generated as part of the LBSAP planning processes, but no NCA accounts will be established as these are programmed under the ADB workstream. With this shared landscape also covered by the GEF-UNDP-DENR Integrated Approach in the Management of Biodiversity

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Corridors in the Philippines, this GBFF Project will strengthen the financing interventions towards the implementation of the Provincial Conservation Plans which will be the entry points of the Local Biodiversity Strategy and Action Plans (LBSAPs) for Regions XI and XIII.

See the section below on **Cooperation with Ongoing Initiatives and Projects**, and the Output descriptions in Prodoc **Annex 24** for further details.

**Biodiversity Values and Ecosystem Services**

10. The country's biodiversity resources form the foundation for the provision of ecosystem goods and services that sustain and fulfill the well-being of its large population. As biodiversity is the hinge pin for the provision of ecosystem services, the BMB, through its BIOFIN, estimated the total value of ecosystem services drawn from biodiversity resources in the Philippines at USD 5.37 trillion[12] (USD 92.586 billion[13]). Nevertheless, it remains necessary to value the many ecosystem services that biodiversity and associated processes contribute to the well-being of the country's populace through impacts on security, the necessary material for good life, health, and social and cultural relations. In recognition of the value of natural ecosystems to support economic, social, and environmental policy development and decision-making, the Philippine Government enacted Republic Act No. 11995, otherwise known as the PENCAS law, on May 2024 entitled "*An Act institutionalizing the Philippine Ecosystem and Natural Capital Accounting System, mandating its use in policy and decision-making, designating the agencies responsible institutional arrangements among responsible agencies, and appropriating funds therefor*". Furthermore, the PENCAS seeks to provide a system for the collection, compilation and development of physical and natural capital accounts in the government as a tool for physical and development planning and programming, policy analysis, and decision-making. At the same time, the PENCAS is to serve as a comprehensive data framework in the generation of natural capital statistics and accounts towards their progressive integration in macroeconomic indicators[14]. This PENCAS law will support the implementation of the Natural Capital Accounting Roadmap.

11. **The prevailing under-investment in biodiversity cannot be over-emphasized (see Fig.1)**. The estimated cost for the implementation of the existing PBSAP (2015 to 2028) was Php 24 billion (USD 413,793,103[15]) per year. However, the government's annual financial allocation for the PBSAP implementation was assessed at only Php 5 billion (USD 86,206,896), **representing a funding gap of Php 19 billion (USD 327,586,206) per year.** Further, the projected estimate to fund the implementation of the updated PBSAP (2024-2040) is Php 92.8 billion (USD 1.6 billion) per year against the government's financial allocation of Php 20 billion (USD 344.827 million). **This translates to an annual financing gap for full PBSAP implementation that is more than three times higher, at Php 72 billion (USD 1,241.379 million[16]) per year** - at a time when pressures on biodiversity have never been greater.

[12] An Update on the Compilation and Synthesis of Existing Valuation Studies on Philippine Biodiversity 2023. Mercado, Diolina and Michelle Yu. BIOFIN Project. January 2024

[13] Approximate current exchange rate of USD 1 = PHP 58.0 applied

[14] Republic Act No. 11995. Congress of the Philippines. May 2024.

[15] Exchange rate of USD1=Php 58.0 applied to all figures here

[16] Update on Biodiversity Finance Plan. Biodiversity Finance Project. BMB and UNDP. 2024

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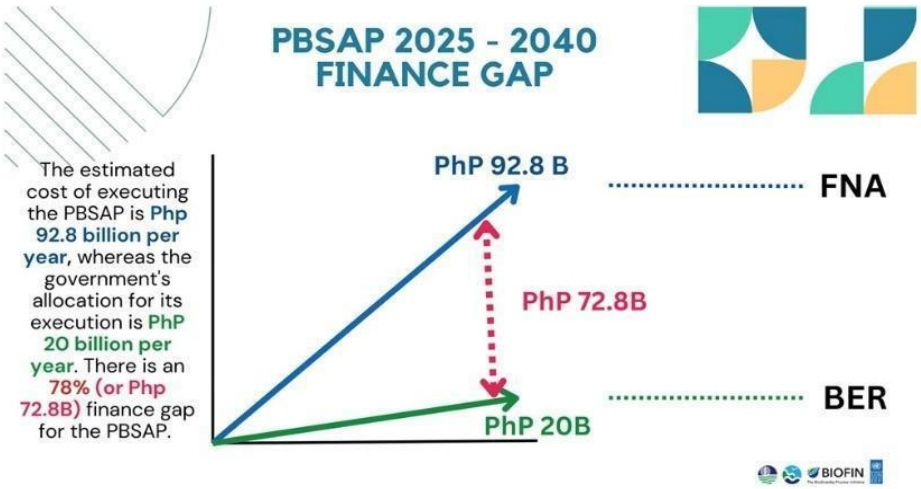



**Figure 1. PBSAP 2025-2040 Finance Gap**
*(Note: FNA: Estimated cost of PBSAP implementation from Financial Needs Analysis; BER: Biodiversity Expenditure Report total for government allocation for its execution)*

**Biodiversity Threats and Drivers**

12. **Ongoing population growth and the impacts of economic development remain underlying factors** that continue to exert intensifying anthropogenic pressure on the natural resource base. With a population of over 114 million in 2023 and a projected population of 134 million by 2050[17], these pressures are set to increase. Economic development has been rapid, with an average annual growth rate of over 6% from 2012 to 2019[18], and forecast 6.0% in 2024 and 6.2% in 2025[19]. As a result of continued recovery and reforms, the Philippines is on track to transition from lower-middle to upper-middle-income status this fiscal year[20]. In the context of the current project, economic growth can drive increased resource exploitation and more intensive land use but also increase the available wealth (both public and private sectors) to invest in financing solutions to environmental problems impacting biodiversity.

13**. The five major direct drivers of biodiversity loss** recognized in the PBSAP include climate change, habitat loss and fragmentation, overharvesting, pollution, and invasive alien species. These drivers disrupt native biodiversity and ecological processes through competition, predation, disease spread, and ecosystem alteration[21]. The project's approach is to facilitate resource mobilization for the overall PBSAP's implementation, therefore it targets these issues indirectly and the finance solutions demonstrated in Component 3 mainly address issues concerned with habitat loss and fragmentation on the ground, and unsustainable agricultural practices in Component 4. Institutional challenges are listed as a sixth threat – in the context that biodiversity threats are complex and inter-related, demanding integrated and collaborative strategies that go beyond conventional boundaries to ensure effective conservation. Gender roles and inequalities affect how people use and manage the environment. Gender differences in decision-making power can impact how biodiversity is managed and can lead to unequal access to resources, and

17 https://data.who.int/countries/608#:~:text=Overall%20Population%20over%20time&text=In%20the%20Philippines%2C%20the%20current,17%25%20to%20134%2C373%2C439%20by%202050.
18 Philippine Statistics Authority (PSA)
19 ADB
20 https://www.worldbank.org/en/country/philippines/overview#:~:text=The%20economy%20has%20sustained%20its,income%20status%20this%20fiscal%20year.
21 Philippine Biodiversity Strategy and Action Plan 2024-2040 (draft).

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increased vulnerability to climate change and biodiversity loss. This is highly relevant to biodiversity financing and is discussed further below.

14. The above-mentioned biodiversity threats are **aggravated by the lack of financing** needed to address them effectively through improved management – for example, from public and private sector investments that could be re-directed towards improved biodiversity management, improved policy coherence that better aligns sector policies with sustainable development requirements and removes perverse incentives for practices that cause the loss and degradation of biodiversity. These have been major barriers in addressing the country's biodiversity threats and have hindered the government's actions towards implementing nature-based solutions that can accelerate biodiversity management.

15. **The threats posed by ongoing climate change impacts** are highly significant for ecosystems, species and people. The National Adaptation Plan 2023-2050[22] highlights that poor management and exploitation plague Philippine ecosystems, which have undergone rapid degradation in recent decades, that this degradation is expected to be compounded by major climate change impacts, and that worsening climate trends will have severe impacts on Philippine ecosystems, biodiversity and overall ecological stability if not addressed promptly. Three highlighted impacts are sea level rise inundating mangroves (32% of mangroves exposed to 1m sea level rise by 2030), increased air temperatures bleaching coral reefs (19% of coral reefs exposed to 1$^{o}$C rise between 2030-2040), and extreme precipitation causing inland flooding of forested areas (over one third exposed to flooding exceeding 1m depth between 2030-2040). Priority adaptation responses are the development of ecosystem accounts (valuation of ecosystem services); protected and rehabilitated biodiversity across habitats and ecosystems (especially through ridge-to-reef, ecosystem-based adaptation, and nature-based solutions); and enabled and empowered communities to lead ecological management. While climate change is an underlying driver for change, the project will not be addressing this aside from including aspects of resilience in the project planning work and on-the-ground implementation.

**Baseline on Biodiversity Finance**

16. In response to this lack of financing for biodiversity management, the DENR BMB, with assistance from UNDP, embarked on implementing Phase II of the BIOFIN Project[23] aimed at generating "high levels of awareness and technical capacity about a wider range of finance solutions that are available to countries and locales". Another intention of BIOFIN II was to "support finance plans and solutions on the ground to develop feasibility studies, design new policies, enable the required capacity development, support advocacy of prioritized solutions, and implement through piloting and scaling"[24]. BIOFIN II has implemented diverse yet complementary finance solutions that actively promote the involvement of both the public and the private sector. Since 2018, various finance solutions have evolved since the country's Biodiversity Finance Plan was crafted to determine the financing requirements of the twenty targets of the PBSAP (2015-2028). The financial solutions implemented through the BIOFIN II project are listed in **Table 1** below.

17. In terms of gender mainstreaming, The Magna Carta of Women (MCW) directs agencies to adopt gender mainstreaming as a strategy to pursue gender equality and women's empowerment. Government agencies and local government units are mandated to prepare their Gender and Development (GAD) Agenda, a six-year framework and plan to guide the pursuit of Gender Equality and Womens' Empowerment (GEWE), and their annual GAD plan and budget, the one-year translation of the GAD Agenda. The BMB has established its GAD Focal Point who leads the GAD efforts of the Agency, and it maintains a gender database which serves as the basis for interventions needed to plan for annual programs and activities to address gender gaps and to monitor progress towards achievement targeted outcomes of activities aimed to resolve any observed gender-issue.

[22] Climate Change Commission and DENR 2023. National Adaptation Plan of the Philippines.

[23] The Biodiversity Finance Initiative – BIOFIN - Phase II (global project led by UNDP including the Philippines)

[24] BIOFIN II Project Document. Biodiversity Management Bureau, United Nations Development Programme. 2018.

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**Table 1. Finance Solutions piloted under the BIOFIN II Project**

| Finance Solutions – Public Sector | Finance Solutions – Private Sector and Citizenry |
|---|---|
| FS1: Improved Biodiversity Reporting at the DENR | FS5: Crowdfunding |
| FS2: Improved Biodiversity Reporting by NGAs | FS6: Funds mobilized from gaming applications |
| FS3: Report on Environmental Trust Funds | FS13: "Year of the Protected Areas" (YoPA) campaign |
| FS4: Mainstreaming Biodiversity in DENR Regional Programs | FS14: Report on private sector investments in BD |
| ***Mainstreaming Biodiversity in Local Government Units:*** | FS15: Use of digital platforms for market access of biodiversity-friendly enterprises (BDFEs) and PAs |
| FS7: Increased LGU budgets for biodiversity conservation | FS16: Harness public-private partnership collaboration in the PA sector through policy development |
| FS8: Access and synergy with national government agencies | FS17: Private sector engagement through corporate social responsibility programs and similar mechanisms. |
| FS9: Proposed environmental fee system for LGUs | |
| FS10: Programs submitted for Energy Regn. ER1-94 | |
| FS11 Development and roll-out of biodiversity indicators for the "Seal of Good Local Governance" | |
| FS12: Investment Program for Protected Areas | |

18. FS1 and FS2 primarily involved tagging DENR and other government agencies' biodiversity-relevant expenditures. The BIOFIN project report revealed an increase in biodiversity-relevant appropriations from Php 3.2 billion for the period 2008-2013 to Php 10.1 billion in 2014-2018. Related to FS1 and FS2 is FS4, which focuses on preparing regional and local Biodiversity Strategy and Action Plans (BSAPs). The RBSAPs aim to serve as anchors for regional and provincial stakeholders to determine priority actions, targets, and indicators that will contribute to the attainment of PBSAP targets. The BIOFIN project reported that regional BSAPs have been prepared for regions 4B (SW Tagalog), 6 (Western Visayas), and 7 (Central Visayas), including provincial BSAPs for the provinces of Aurora and Zamboanga Sibugay and the city of Zamboanga. Key headway is also noted in the implementation of the other finance solutions both at the national and site level, including FS12, which advocates for the sustainable financing of all PAs in the country. Capacity-building activities on the Protected Area Finance Plan (PAFP) preparation have been provided to 13 PAs under the ASEAN Heritage Parks (AHP) and Year of the Protected Areas (YoPA). The BIOFIN Project also provided training on PAFP formulation to the staff of another 14 PAs within the Biodiversity Corridor Project. PAFP training for 31 PA Superintendents (PASUs) was provided through the Environment and Natural Resources Academy (ENRA) of the DENR. Another vital finance solution at the national level to promote mainstreaming biodiversity in local government units (LGUs) is FS11, which aimed to develop and roll out biodiversity indicators in the "Seal of Good Local Governance (SGLG) of the Department of Interior and Local Government (DILG). Three biodiversity indicators have been incorporated into the SGLG - Wetlands and Water Management Initiatives, Parks and Green Spaces Development, and Strengthened Wildlife Law Enforcement[25].

19. The finance solutions at the site level mainly centered on the mainstreaming of biodiversity in local governments, implemented in the two provinces of Negros Island, Negros Occidental and Negros Oriental. These finance solutions included: a) allocating local funds for biodiversity conservation; b) accessing programs of national government agencies; c) private sector engagement; d) accessing financial benefits from Energy Regulation (ER) 1-94; and e) developing policies that will trigger biodiversity financing. The collaboration with the two Negros provinces resulted in significant increases in the budgetary allocation of Php 19.6 million[26] in 2023 to Php 22 million in 2024 for Negros Oriental, and Php 421 million in 2023 to Php 476 million in 2024 for Negros Occidental.

20. Against this backdrop and building on the BIOFIN II baseline, this project will address the following **barriers:**

[25] Country Results Report, Final Report. Biodiversity Finance Initiative Programme in the Philippines. 2023.

[26] Presentation on Developing Finance Solutions for Biodiversity Conservation on Negros Island, Philippines. Paguntalan-Marte, Lisa, Philip Godfrey Jakosalem, and Hannah Torres-Sarao. Philippine Biodiversity Conservation Foundation, Inc. October 2024

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- *Weak institutional capacities to undertake resource mobilization and facilitate partnerships for increased biodiversity financing in support of the implementation of the NBFP;*
  >> There is no office/unit within the BMB and DENR, both at the central and field levels, dedicated to specific tasks relating to resource mobilization and biodiversity finance solutions. More significantly, the staff capabilities of technical offices in BMB and DENR are inadequate regarding knowledge and skills to carry out specific tasks to formulate and implement policies to generate funds and resources that would augment the budget outlay of the BMB and DENR. This weak central institutional capacity impacts biodiversity conservation in terms of the limitations it imposes on resource mobilization for full implementation of the PBSAP.

- *Low public and private sector investments for biodiversity financing resulting from non-biodiversity management spending priorities;*
  >> The BIOFIN project study revealed a significant shortfall in funding for biodiversity conservation compared to the actual financial requirements specified in the PBSAP. The DENR's regular budgetary outlay for biodiversity dropped from Php10.4 billion to Php 5.3 billion between 2014 and 2018. Further, the estimated cost for the implementation of the existing PBSAP (2015 to 2028) was Php 24 billion (USD 413,793,103) per year. However, the government's annual financial allocation for the PBSAP implementation was assessed at only Php 5 billion (USD 86,206,896), representing a funding gap of Php 19 billion (USD 327,586,206) per year. Direct private sector investments in biodiversity have been almost nil owing to the absence of clear-cut policies on private participation in biodiversity conservation and management. The significant drop in DENR's regular budgetary outlay for biodiversity between 2014 and 2018 and near absence of direct private sector investments in biodiversity are major barriers for fully financing PBSAP implementation, which are holding back the action at scale (eg for new PAs and OECMs, PA and OECM management, ecosystem restoration and landscape management measures needed to reverse prevalent threats to the Philippines' biodiversity.

- *Increasing harmful subsidies in the different sectors, specifically the agriculture sector, with negative biodiversity impacts;*
  >> Subsidies are provided to boost agricultural production. However, providing these subsidies, for example, for using glyphosate and applying fertilizers and pesticides, especially for agricultural practices in sloping and hilly areas, has resulted in environmental impacts with negative biodiversity impacts. These environmental impacts include soil erosion, pollution of water bodies, declining land productivity, etc. These environmental impacts include soil erosion and siltation of streams, pollution of water bodies affecting aquatic biodiversity, eutrophication of coastal areas including coral reefs, declining land productivity, impacts on insect populations and food chains in ecosystems, etc. Unsustainable agricultural practices that cause such negative impacts on biodiversity are prevalent and the reduction of subsidies for unsustainable practices is a key measure towards facilitating the uptake of biodiversity-friendly agricultural practices (such as organic farming), thus enabling the reduction of related threats to biodiversity.

- *Limited stakeholder participation (local governments and the private sector) and gender disparity in projects that encourage biodiversity/nature-positive investment;*
  >> There is a lack of strong stakeholder participation and engagement in policy dialogues, planning, and financial resource mobilization, particularly among IPs and upland communities. This anomaly engenders the implementation of projects that are unresponsive to the problems and issues confronting the IPs and upland communities and further perpetuates gender inequality. As locally-owned and supported patterns of development are essential to address local needs effectively and to ensure their sustainability, it will not be possible to achieve real positive sustainable development impacts for communities and their environment including biodiversity values unless a more inclusive and participatory approach is introduced.

21. The project aims to increase public and private sector investments for the accelerated implementation of the National Biodiversity Finance Plan (NBFP) for the updated PBSAP (2024-2040) by sustaining, expanding and replicating biodiversity finance solutions that have been introduced by BMB, with support from UNDP's Biodiversity Finance Initiative (BIOFIN). It will directly support the pre-identified strategies and financial solutions (including OECM financing and BSAPs financing) in the PBSAP 2024-2040 and NBFP.

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22. This project envisions an institutional biodiversity funding mechanism emplaced in BMB that is capacitated to lead the implementation of the National Biodiversity Finance Plan through partnerships and accelerated resource mobilization strategies. It aims to increase gender-responsive public and private sector biodiversity/nature-positive investments to enhance the implementation of the KMGBF-aligned PBSAP. It reinforces the need to implement the updated PBSAP's NBFP (currently being updated) by demonstrating finance solutions in select project sites for scaling-up and/or replication in other non-project sites by the government. This project will support implementation of the NBFP with relevant policies, budget allocation, and institutionalized platforms and tools that will improve biodiversity financing, provide results, and benefit IPLCs while ensuring social and environmental safeguards, including inclusiveness, a human-rights based approach and gender equality and women's empowerment (GEWE).

23. It is this project's vision that other NGAs, i.e., other than DENR and local governments, prioritize spending on biodiversity through programmatic mainstreaming and policy coherence efforts. This project also aims to provide mechanisms that will encourage the private sector to mainstream biodiversity in their business models and increase biodiversity/nature-positive investments that will benefit IPLCs, including women, at the site level.

**Future Narratives**

During project design, the following three potential future scenarios were articulated, taking into account the two key underlying drivers of environmental change - population growth and climate change, and how these may play out up to the 2050s. The five main direct drivers of biodiversity loss recognized in the PBSAP and discussed above are: climate change, habitat loss and fragmentation, overharvesting, pollution and invasive alien species. The underlying factors of ongoing population growth and climate change impacts exert a strong influence on the prevalent drivers and threats to biodiversity in the Philippines. The interventions planned through the project are largely robust to uncertainty around how these drivers may evolve over the coming decades and should have a significant positive impact regardless of future trends.

**Narrative 1: Incremental changes in population growth and climate change allow a fragile balance to be maintained, with some negative impacts**

25. In this future scenario, the Philippines social-ecological system remains viable but in fragile balance, with terrestrial and marine productivity in gradual decline for a range of natural resource uses. The Philippines population is projected to increase by some 20 million to 134 million by 2050, placing increased pressure on land and habitats for key agricultural commodities such as rice and maize coupled with marine fisheries and aquaculture to provide food security. In order to meet the demands of a growing population, infrastructure and industrial development increase pressures on habitats and environmental quality. While resources are available for biodiversity conservation, policy trade-offs are inevitable with the increased demand for land and resources. Such trade-offs may conflict with the GBF 2030 targets for placing 30% of terrestrial and marine areas under protected areas and OECMs, thus the current project's efforts to enable local level recognition, planning, financing and conservation-management of such areas including OECMs in Ancestral Domain areas will be significant for the longer term.

According to the NAP[27], climate change (the IPCC's "Middle of the Road" option SSP2-4.5, used in the Philippines NAP) results in more frequent and severe extreme weather events such as heavy rains with accompanying floods and landslides, and extended seasonal droughts with heat waves. Loss and damage from climate change are concentrated among the poorest and vulnerable, 80% of whom are women. These result in coral bleaching, storm damage to mangroves and coastal forests, seasonal forest fires and challenges of uncertainty for farmers. A 0.3m sea level rise impacts coastal areas by 2050, impacting up to 387,000 people and causing infrastructure damage of 40 billion Php, while extreme sea events[28] increase these to 2 million people and 86 billion Php. The average maximum wind speed of typhoons and super typhoons is expected to rise by 33% within the 2050 decade, increasing

[27] Climate Change Commission (CCC) and the Department of Environment and Natural Resources (DENR) 2023. National Adaptation Plan of the Philippines. info.climate.gov.ph

[28] Short-term increases in sea levels such as storm surge and large waves

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damage to human settlements and ecosystems. While the current project cannot leverage the level of investment needed to counter such anticipated impacts, it will contribute towards strengthened local resilience through supporting the integration of climate resilience into regional and local planning that incorporates ecosystem-based adaptation (through forest, wetland and marine habitat protection and sustainable management), support for nature-based solutions linked to local enterprise development (eg for ecotourism) and increased local capacity for financing sustainable development practices (eg through MSME hubs).

**Narrative 2: Rapid increases in human population accompanied by incremental climate change impacts exert great pressure on biodiversity**

26. Under this future scenario, the social-ecological system is under increased pressure. Population growth is rapid, to some 150 million people by 2050 with greater demand for food security, land and marine resources. Housing and infrastructure needs are much greater, and demands on land and natural resources are expected to intensify. As in Narrative 1, financial resources are available for biodiversity conservation, but the increased pressures on the economy for other development needs conflict with these needs. Industrialization and infrastructure demand for resources create a large environmental footprint, fragmenting and depleting natural habitats across more islands. Under this scenario, the project's support for increased national capacity for more integrated policy-making and planning for the financing of PBSAP implementation, coupled with increased local level awareness and practical planning measures, will be significant to counter and mitigate demands from other sectors that may negatively impact biodiversity.

The climate change impacts described above will exacerbate these pressures, as ocean warming, sea level rise and storms damage coastal habitats, and cyclones, heavy rains and droughts increasingly affect terrestrial habitats that are already impacted by greater anthropogenic pressures, including habitat loss and fragmentation, overexploitation and pollution. As in Narrative 1, the project cannot prevent such impacts arising, but will enable financing, planning, capacity development and awareness raising that support increased resilience of natural habitats and communities through regional and local planning and budgeting, ecosystem-based adaptation, nature-based solutions linked to local enterprise development and financing of sustainable development practices, inter alia.

**Narrative 3: Rapid increases in human population and climate change impacts result in extreme pressure and collapse of ecosystems and species populations**

27. In this future scenario, the social-ecological system is showing signs of collapse, as the large human population footprint (at the growth rate described in Narrative 2) is accompanied by more rapid global warming under the SSP5-8.5 scenario (the IPCC's "Fossil Fueled Development" pathway) that exceeds 1.7oC by 2050 and climate change impacts include more intense and prolonged drought and floods, significantly more severe cyclone impacts with increased number and intensity of storms and catastrophic damage to coastal habitats, forests, settlements and storm surge inundation of coastal zones. According to the NAP by 2030, up to 11 million Filipinos are projected to be exposed to heat indices greater than 42°C, with this number expected to increase to up to 74 million by 2050 (under the SSP5-8.5 scenario). Labor productivity loss or reduced work capacity due to heat stress is projected to reach up to PHP 466 billion by 2030 and a staggering PHP 870 billion by 2050. In this convergence of economic strain, social vulnerability, and ecological disruption, climate change is expected to exact a heavy toll on the Philippines. As in the above narratives, the project will increase capacity and leverage significantly greater funding to support biodiversity conservation at national and local levels as well as greater private sector engagement, but in this case, overshadowed by critical social welfare and disaster response needs.

28. Under all future scenarios, the project will enable greater resilience to the forecast increased population, economic development and climate impacts on biodiversity through mobilizing greater financial resources, and a more coherent and integrated government and civil society response at both national and local levels in support of biodiversity management, restoration and the removal of specific threats.

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## Strategy

29. The project's Theory of Change (TOC) (**Figure 2**) summarizes the services and products through which the project will achieve its intended outcomes, medium and longer-term impacts and overall development objective. It responds to the threats and barriers described in the Development Challenge above and describes a set of causal linkages between the services and products to be delivered by the project outputs, outcomes, and medium and longer-term impacts arranged logically to form "impact pathways" presented as the project component outcomes. The assumptions that connect the outcomes and impacts are also indicated in the diagram.

30. Under the **baseline scenario** (see Development Challenge above, Results and Partnerships sections and **Annexes 21 & 23**), there is continuing decline of terrestrial and marine biodiversity due to diverse prevalent threats combined with significant barriers for effective biodiversity governance that include weak institutional capacities to undertake resource mobilization and facilitate partnerships for implementation of the NBFP; low public and private sector investments for biodiversity financing resulting from non-biodiversity management spending priorities; biodiversity/nature-positive investments not benefiting IPLCs; Increasing harmful subsidies in the agriculture sector, with negative biodiversity impacts; and limited stakeholder participation and gender disparity in projects that encourage biodiversity/nature-positive investments. The GEF-supported Project Alternative responds to the development challenge by systematically addressing these barriers. In doing so it takes full account of the substantial baseline summarized for each project component and will coordinate with ongoing initiatives described in the Results and Partnerships section.

31. Overall, the project will support global efforts consistent with the CBD's Global Biodiversity Framework in addressing the diverse threats to the Philippines outstanding biodiversity. In particular, it will contribute towards strengthening the resource mobilization for the financing of the PBSAP 2024-2040, consolidating the progress made in recent years by the government with assistance from the BIOFIN II Philippines project, plus other GEF and other donor projects that have supported issues including ICCA development, sustainable financing of PAs and natural capital accounting. As such, it will build on the efforts of the BMB/DENR, related government institutions and civil society organizations and the significant baseline investments already committed, to strengthen the financing for biodiversity conservation through a more participatory approach that capitalizes on the knowledge and capacity of different stakeholders.

32. This project envisions the institutionalization of biodiversity resource mobilization and development capacity within DENR-BMB to lead the implementation of the National Biodiversity Finance Plan through partnerships and accelerated resource mobilization strategies. It aims to increase gender-responsive public and private sector biodiversity/nature-positive investments to enhance implementation of the KM-GBF aligned Philippine Biodiversity Strategy and Action Plan (PBSAP). It reinforces the need to implement the updated PBSAP's National BD Finance Plan by demonstrating models for emerging biodiversity-financing modalities (PPP, PES, blended finance) for scaling-up and/or replication in other non-project sites by the government. It will also introduce a TNFD system with BSP and SEC to enhance sustainability reporting for financial institutions, publicly listed companies, and training institutions/community of practice and assist in initial roll out of TNFD for at least one adopter from each group.

This project will support its implementation with relevant policies, budget allocation and institutionalized platforms and tools that will improve BD financing, provide results and impact the welfare of IPLCs while ensuring social and environmental safeguards, including inclusiveness, human-rights based approach and, gender equality and women empowerment (GEWE). It is the Program's vision that other National Government Agencies, i.e., other than DENR, and local governments prioritize BD spending. This project also aims to provide mechanisms that will encourage the private sector to mainstream biodiversity in their business models and increase BD/nature positive investments that will benefit IPLCs, including women, at the site level.

33. As shown in the Theory of Change diagram below, four interconnected project strategies (plus M&E) are required to achieve the Project objective through the achievement of the following Outcomes:

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IF:
(1) The government is equipped with strengthened institutional, financing and monitoring capacities for effective and gender responsive implementation of the National Biodiversity Finance Plan;
(2) Sufficient public and private sector resources are re-directed towards the development and implementation of LBSAPs with support from the Regional Development Councils, LGUs and the private sector, and innovative financing solutions are demonstrated in project landscapes that provide opportunities for learning and scaling up;
(3) Agriculture-related subsidies that have incidental environmental impacts are reduced; and
(4) Effective advocacy and partnerships result in desired multi-stakeholder support for BD financing

THEN:
Increased public and private sector investment mobilization will reduce the financing gap for gender-responsive implementation of the National BD Finance Plan, accelerating achievement of the KMGBF aligned PBSAP targets.

ASSUMING:

- Biodiversity management continues to be a priority in the national agenda;
- High uptake by local governments and private sector on increasing BD-positive investments;
- IPLCs are willing to work with local governments and the private sector, and *vice versa*, on BD-positive investments
- Private sector institutions are willing to participate in TNFD sustainability reporting
- Pilot-testing of innovative financing mechanisms is well grounded in locally-relevant theories of change, monitored effectively and supports risk management, learning and upscaling.

The assumptions, challenges and risks associated with the pilots for each innovative financial solution in Component 2 will be detailed through the participatory design of a theory of change for each pilot to ensure these are locally-driven and relevant, thus providing the basis for monitoring, risk management, learning and upscaling in each case. The pilots will take account of baseline experience in the Philippines (see Annex 24) and international experience and guidance such as that provided by STAP29.

34. It aims to be transformative through its contributions to policy coherence on public funding for biodiversity, which should contribute significantly towards closing the biodiversity financing gap in the Philippines. It also specifically aims to leverage private sector contributions through a combination of innovative finance solutions and the Micro, Small and Medium-sized Enterprise (MSME) accelerator / incubator hubs. It will build institutional capacity for biodiversity financing and the implementation of systemic changes as mentioned above and facilitate multi-stakeholder dialogues on finance solutions including LBSAPs and reduction of agricultural subsidies with incidental environmental impacts.

35. The socio-economic benefits delivered by this project are expected to be substantial, through the enhanced long-term delivery of the PBSAP 2024-2040 enabled by increased resource mobilization for the NBFP. Anchored within the goals of the Philippine Development Plan, the PBSAP 2024-2040 works towards the vision that "By 2040, Philippine biodiversity is valued, effectively conserved and managed through inclusive and transformative actions delivering climate-resilient ecosystems and sustained benefits to Filipino communities." By promoting sustainable use of natural resources and integrating biodiversity values into national accounting systems, the plan aims to demonstrate that conservation can go hand-in-hand with economic growth protecting the environment while supporting livelihoods and enhancing resilience to climate change impacts.

29 https://www.stapgef.org/resources/advisory-documents/clarifying-risks-gef-projects-focus-innovation-risks ; https://onlinelibrary.wiley.com/doi/10.1002/bse.70018 ; https://www.science.org/doi/10.1126/sciadv.adr1000

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Overall, the design of the project components takes into account two key underlying drivers of environmental change - population growth and climate change, and how these may play out up to the 2050s – with the intention that the components will be robust under all plausible futures, while noting that the extent of this would be tested by how extreme conditions actually become (i.e. under Narrative 3). The project's main thrusts of enabling resource mobilization for biodiversity conservation and ecological restoration, and a whole of society approach to stakeholder engagement that includes women, youth and IPLCs will strengthen adaptive capacity to worsening climate conditions and enable collective action in response to increasing resource scarcity and pressure on ecosystems.

Benefits related to field activities are described under the respective Outputs below. These are expected to provide direct benefits to at least 7,000 people (50% women) including IPLCs through their involvement in LBSAP formulation and implementation; utilization of resources accruing from the ICCA Trust Fund, PES, impact investments and blended financing, e.g., PPP projects; improving MSME business models with BD considerations; and as farmer cooperators in applying BDFAPs and SLM as tools in reducing subsidies with negative environmental impacts. Benefits will also accrue to the private sector as BD related investments from the private sector lie at the center of the Project's objectives, hence increasing private sector participation is a major approach to ensure that innovative finance solutions are put at the core of increasing resources for PBSAP implementation. MSMEs will also be provided with technical assistance on how BD management interventions can be made part of their business models.

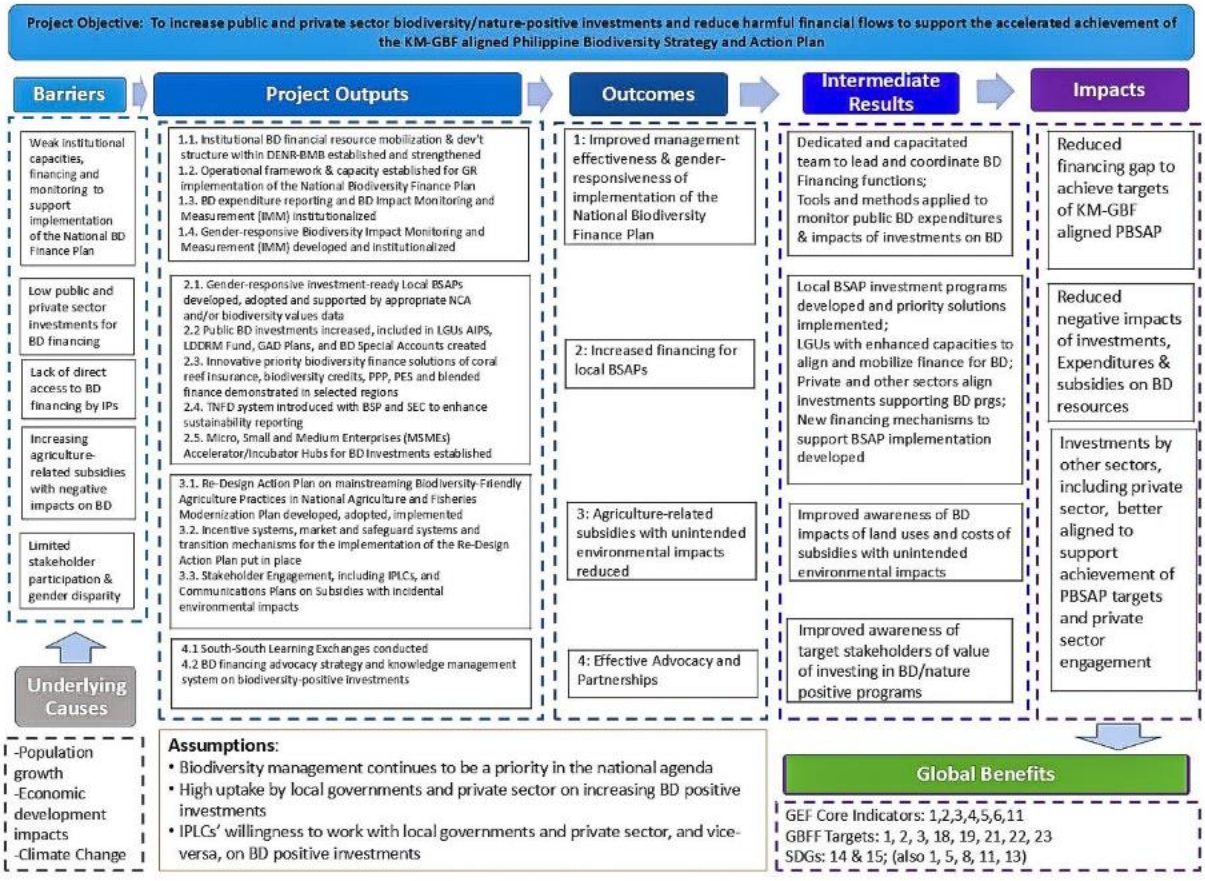



**Figure 2. Theory of Change diagram for the project**

36. The project baseline and GEF Alternative Strategy remain aligned with the original PPG Request Form, except that the second component has been removed and Outputs 2.3 and 2.4 adjusted in line with GEF Secretariat

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feedback. The Incremental reasoning for the project design is summarized in **Table 2** below. Further information on the project baseline connecting to the project alternative is provided for each Output in **Annex 24**.

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**Table 2. Incremental Reasoning for the Project Components**

| Baseline practices | GBFF Alternative Strategy | Global Environmental Benefits (GEBs) and Project impacts |
|---|---|---|
| **Component 1: Improving institutional capacities, financing and monitoring for effective and gender-responsive implementation of the National Biodiversity Finance Plan** | | |
| PBSAP 2024-2040 in the process of being finalized, National BD Finance Plan to support it under development - finance gap estimated at USD1.2 billion/year for its implementation. Capacity within BMB/DENR for BD financing increased through BIOFIN project support, but full institutionalization of functions not yet in place. Mechanisms for BER and IMM remain under development. | Accelerated delivery of resource mobilization for the NBFP and PBSAP through institutionalization of BD financing functions within BMB/DENR; increased capacity and operational framework for gender-responsive NBFP implementation; institutionalization of BER and IMM linked to an inter-operable PBSAP M&E platform within the DENR. | Resource mobilization for the gender-responsive and effective implementation of the National Biodiversity Finance Plan enabled, thus contributing to the overall effectiveness of the PBSAP 2024-2040 and contribution of the Philippines to the KMGBF targets. |
| **Component 2: Financing Investment-Ready Local Biodiversity Strategy and Actions Plans (LBSAPs)** | | |
| The BIOFIN Project and GEF-7 BD Corridors project have assisted BMB/DENR in developing and implementing LBSAPs to cascade the PBSAP actions down to the local level as mandated by BMB's Technical Bulletin No. 2021-5 or Guide in the Formulation of LBSAPs, whose roll-out has been limited to very few regions and provinces, and they need supported by finance and investment plans. Financial support from public and private sources at the local level has been insufficient to adequately support LBSAPs. Financial solutions face various barriers including policy, regulatory and proof of concept acceptance. MSMEs lack capacity for sustainable business practices that benefit biodiversity and lack the technical support to do so. | This component will assist the Regions and Provinces in project landscapes to develop Investment-ready LBSAPs, incorporating finance and investment plans. The LBSAP and LBFP preparation guidelines will be updated to incorporate NCA and BD valuation data. Public BD investments will be increased and secured through fiscal measures. LBSAPs channel increased funding for LCAs and OECMs such as ICCAs in IPLC areas through LGUs, including national funding for PAs for ICCAs that lie within PAs through the Integrated Protected Area Fund. Innovative priority BD finance solutions will be demonstrated to enable scaling up, including coral reef insurance, biodiversity credits, PPPs in PAs, PES and blended finance and conservation agreements. The introduction of TNFD will be supported. MSMEs will be supported through incubator / accelerator hubs to support IPLCs and introduce green practices. | Effective and gender-responsive implementation of LBSAPs, with enabled public and private sector resource mobilization supported by innovative finance solutions and enhanced MSME capacity support improved management of terrestrial and marine PAs, terrestrial and marine KBAs and ICCAs, restoration of forest, brushland, grassland and wetland/mangrove habitats, and related GHG emissions reduction within the three project landscapes. |
| **Component 3: Reforming/repurposing subsidies with incidental environmental impacts** | | |

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| | | |
|---|---|---|
| The BIOFIN project study (in 2023) on agri-related subsidies with incidental environmental impacts recognized that the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP) provided a mechanism for supporting BDFAPs. The NAFMIP 2021-2030 is meant to serve as a directional plan to steer sector-wide growth over the next decade. Among the challenges identified in the NAFMIP is the need to address the rapid degradation of the environment, by recognizing farms as multi-functional systems that deliver environmental benefits as well as food and income. However, it has lacked stakeholder buy-in and proof of concept for BDFAPs. | This Component will implement the recommendations of the BIOFIN study on agri-related subsidies with incidental environmental impact. With the NAFMIP providing a cross-sectoral perspective, a Re-Design Action Plan for re-purposing agri-related subsidies will be developed and implemented. The project will help repurpose direct production subsidies to strengthen approaches and expand the coverage of safeguards towards enhancing the resource base for more diverse sustainable production. Focused information, education, and communication campaigns will broaden support at national and field levels for the transition from BAU practices to BDFAPs, while engaging and benefiting IPLCs in areas adjacent to PAs, MPAs and KBAs. | The supported transition towards BDFAPs in targeted areas of the project landscapes adjacent to PAs / KBAs will reverse land degradation through SLM practices. More generally, it will put in place and demonstrate the mechanisms for the removal and repurposing of agricultural subsidies that have incidental environmental impacts in line with the related PBSAP objective. |
| **Component 4: Partnerships and Knowledge Management** | | |
| The BIOFIN project has established effective knowledge management and communications functions within its PMU in BMB through its outputs to establish effective advocacy and partnership strategy and to strengthen BMB as the BIOFIN Program owner. However, these functions are not fully institutionalized. A strong partnership of government and non-governmental organizations has been formed in support of the BIOFIN project. The global BIOFIN Programme has a vast range of experience in demonstrating BIOFIN methods and finance solutions, yet these have not been fully assimilated or tested in the Philippines. | The project will develop an advocacy and communications strategy that reflects its institutional base within DENR/BMB and BD finance mainstreaming needs within other DENR units, within key NGA partners and LGUs in project landscapes. Institutional mechanisms outlined in the updated PBSAP as a finance solution will be facilitated. Advocacy and partnership efforts will also engage and upscale private sector engagement in demonstrating BD finance solutions. The project will also enable learning through the Global BIOFIN Programme, related projects and other global platforms to promote knowledge exchange. | Strengthened partnerships among relevant national and local government agencies enable mainstreaming of BD financing in support of the NBFP and PBSAP implementation. Enhanced private sector engagement increases financial flows in support of the NBFP and PBSAP. Strengthened global knowledge exchange increases local capacity and effectiveness of finance solutions in supporting resource mobilization for the PBSAP. |

37. The Project is aligned with the following GBFF Action Areas and Targets:

**Table 3. Project alignment and contributions to GBFF Action Areas and Targets**

| Action Area | Targets | Alignment and Contributions to Action Area Objectives and Targets |
|---|---|---|
| One | 1, 2, 3 | Component 2 supports development of LBSAPs and LBFPs consistent with KMGBF-aligned PBSAP (2024-2040) at project sites, including spatial planning (Target 1), ecosystem restoration (Target 2), capacity development and TA for conservation of OECMs and PAs (Target 3), and pilot-testing selected finance solutions. |

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| | | |
|---|---|---|
| Two | 1, 2, 3, 22 | Component 3 supports IPLC stewardship and governance by enabling funding for IPLC conservation areas within existing PAs. Also, for LBSAP development, a participatory planning process will align LBSAPs with the IPBSAP and Ancestral Domain Sustainable Planning and Development Plans of IP communities in Project sites (Target 22). A Local Conservation Area Trust Fund will be developed to support local governments in protecting OECMs (Targets 1, 2 & 3), and IPLCs' shift towards biodiversity-positive practices (Target 22). Output 2.5 will establish MSME Hubs to support IPLCs. Knowledge management in Output 4.2 will develop knowledge materials for IPLCs on LBSAPs, Conservation Trust Funds and finance solutions such as ecotourism investments, MSME Accelerator/Innovation Hubs and impact investments. |
| Three | 14, 15, 18 | Component 1 will contribute towards policy alignment and development by improving institutional capacities, financing and monitoring of NBFP implementation across agencies. It will institutionalize BD Financing Programme coordination and activities within BMB/DENR units and build institutional capacities for mobilizing resources to implement the PBSAP and NBFP, and include Natural Capital Accounting in LBSAP planning (Target 14). It will institutionalize biodiversity expenditure tagging and Impact Monitoring and Measurement for public and private finance (Targets 14 & 15). Component 3 will reduce agriculture-related subsidies with incidental environmental impacts (Target 18). Output 2.4 will promote nature-related financial disclosures for the private sector (Target 15). |
| Four | 18, 19 | The project objective speaks to this Action Area, and all Outcomes contribute towards leveraging financial resources for biodiversity management from public and private institutions and implementing financial solutions identified in the PBSAP and NBFP (Target 19). Component 3 aims to reduce agriculture-related subsidies with incidental environmental impacts (Target 18). |

**Project Landscapes and Sites**

38. Components 2 and 3 of the project include field-based demonstration of biodiversity finance solutions. Following consultation with DENR-BMB to determine priority areas in relation to the PBSAP 2024-2040 and in line with proposed site selection criteria for this project (see **Annex 21**), the following landscapes were selected to provide the scope for demonstration of diverse finance solutions in different localities, including the following protected areas (see **Figure 3** below and text):

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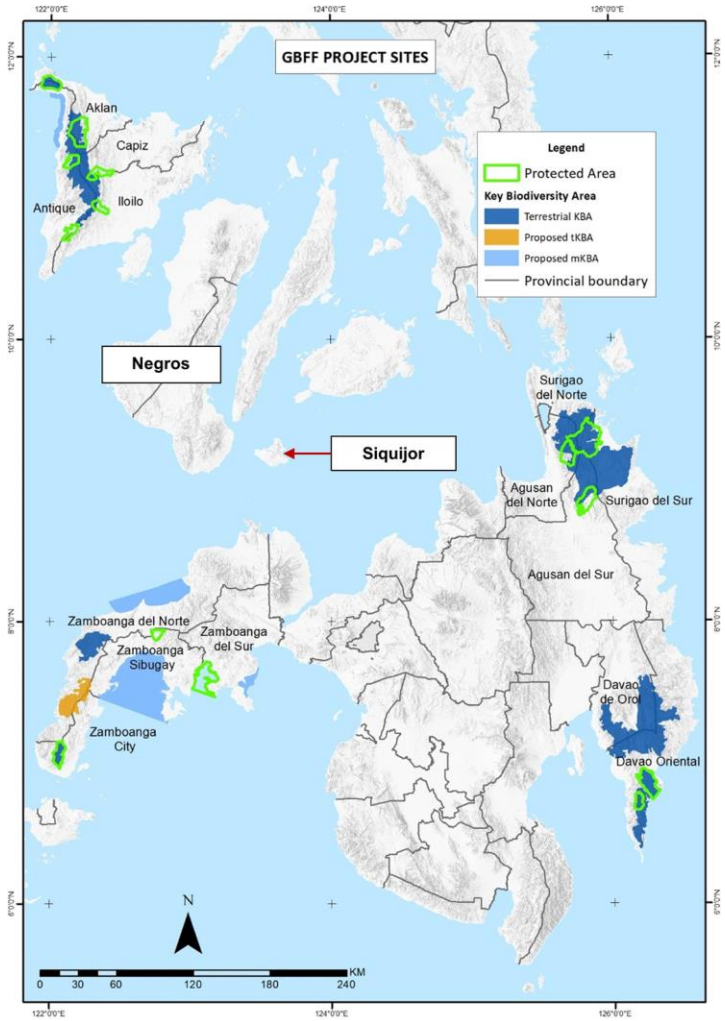



**Figure 3. Location of Project Sites**

**Central Panay Mountains, Region 6 - including protected areas:**

- Aklan River Watershed Forest Reserve
- Sibalom Natural Park

**Zamboanga Peninsula, Region 9 - including protected areas:**

- Naga-Kabasalan Protected Landscape
- Dumanquillas Bay Protected Landscape and Seascape

**Eastern Mindanao, Region 11 - including protected areas:**

- Mt. Hamiguitan Wildlife Range Sanctuary
- Pujada Bay Protected Landscape and Seascape

**Eastern Mindanao, Region 13 - including protected areas:**

- Cabadbaran River Watershed Forest Reserve

**Negros Island Region**

- Provinces of Negros Occidental, Negros Oriental, and Siquijor

39. Project site profiles, maps and a landscape/site/activity matrix are presented in **Annex 22;** and project map and site coordinates in **Annex 3.** The landscapes encompass globally significant terrestrial, coastal and marine regions

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including protected areas and KBAs that have potential to be managed as OECMs with support from the project. They support diverse globally threatened and endemic species, and some areas lie within ancestral domain territories of indigenous peoples, who will be engaged by the project to promote indigenous stewardship incorporating conservation objectives.

# Results and Partnerships

40. The following section describes the rationale, activities and key implementing partners for each project Output, incorporating stakeholder engagement, gender mainstreaming, social inclusion for IPLCs and social and environmental safeguards considerations (see **Annexes 8, 9A, 9B & 10**). Further details on the baseline conditions and elaborated rationale including policy, institutional and regulatory aspects are presented in **Annex 24.**

## Component 1: Improving institutional capacities, financing and monitoring for effective and gender-responsive implementation of the National Biodiversity Finance Plan *(Lead: BMB)*

**Component Total Budget: USD 4,538,025; GEF contribution: USD 477,886; Co-financing: USD 4,060,139**

***Outcome 1: Improved management effectiveness and gender-responsiveness of implementation of the National Biodiversity Finance Plan***

**Output 1.1: Institutional biodiversity financial resource mobilization and development structure within DENR-Biodiversity Management Bureau established and strengthened *(Lead: BMB)***

36. This Output aims to institutionalize and mainstream biodiversity financing activities within regular units staffed by regular BMB/DENR personnel. As such, this Output will build on the baseline provided by the BIOFIN Project to strengthen the institutional capacities for mobilizing resources to implement its KMGBF-aligned PBSAP and National Biodiversity Finance Plan (BFP). Rather than creating a biodiversity financing unit, the intention is to align the functions for biodiversity resource mobilization and development, including the biodiversity finance processes, within the existing structure of the BMB.

41. The proposed organizational framework for biodiversity resource mobilization and development will involve enhancing the BMB's capacities by incorporating biodiversity finance responsibilities into the existing structure and mandated functions of the Biodiversity Planning and Knowledge Management Division (BPKMD) – Policy, Program, and Monitoring Section and the other four technical divisions and respective sections of the Bureau. In this cross-functional setup, each of the technical divisions will assume responsibilities for biodiversity resource mobilization, development, and sustainability as an integral part of their functions. Meanwhile, the BPKMD will be responsible for providing direction and synchronizing and harmonizing the activities of the other technical divisions including the monitoring of resources leveraged to support the PBSAP implementation. Further information on the proposed framework is given in **Annex 24.**

42. In addition, a key part of the GBFF project work is to assess and work for the upscaling and installation of biodiversity financing functions in the DENR central level. The GBFF project through the BMB will work collaboratively with DENR-PPS on having a BD Financing Unit alongside the structure that will be strengthened within BMB - to maximise the plantilla[30] positions provided by the PENCAS Bill and supplement the capacity-building of BMB to DENR PPS. Organizing a biodiversity finance unit within the DENR-concerned field office(s) may also be necessary within selected project site(s) to coordinate project activities at the local level.

While the GBFF project initially aims to enhance the organizational structure of the BMB to increase its capacity for biodiversity resource mobilization, it will later, together with BMB, provide training to other DENR units at the central level and ultimately to field-level units within the project sites. Additionally, the GBFF will leverage inter-agency

[30] These are regular positions in government with security of tenure

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initiatives from the Biofin project to provide technical assistance to other concerned government agencies, such as the DA, DOST, DTI, DOF, SEC, DepDev, and NCIP, fostering a "whole of government approach" to mobilize resources for biodiversity conservation. The technical assistance to these national government agencies will be planned and coordinated with the inter-agency GBFF Project Board and Technical Working Group. Furthermore, the project, together with the BRDMDUs of BMB, will provide capacity-building for DILG to roll out the preparation of the Local Biodiversity Finance Plan, including a suite of financial solutions for the municipal, city, and provincial government units.

43. Critical to making the BMB-BRMDUs and the other similar units in the DENR central and field levels functional will be a gender-responsive capacity-building plan on biodiversity financing. The capacity-building work will consist of formal as well as on-the-job training on the BD finance planning and investment programming tools and techniques as an integral part of the biodiversity strategy and action planning process, plan implementation tools, and results and impact monitoring and evaluation, among other relevant topics.
**Key activities** include:

1.1.1 Draft and issue a BMB Special Order creating and defining the functions-including gender mainstreaming, structure, staff composition, and authorities, and other administrative arrangements of the BMB-BRMDUs;
1.1.2 Deployment and mobilization of staff and resources of the BMB-BRMDUs;
1.1.3 Preparation of a Manual of Procedures to guide the operations and protocol of, and gender mainstreaming and social inclusion within, the BMB-BRMDUs;
1.1.4 Prepare and conduct capability-building, including modules on gender and development (GAD), for the regular and contracted staff of the BMB-BRMDUs;
1.1.5 Provide technical assistance and training for DA, DOF, SEC, DOST, DTI, DepDev, and other concerned government agencies to enhance their capacities at resource mobilization to support biodiversity conservation.
1.1.6 Coordinate and arrange meetings of the Project Board, Technical Working Group, and other stakeholders, with GAD as a regular agenda item; and
1.1.7 Prepare periodic technical and financial reports.

**Output 1.2: Operational framework and capacity established for gender-responsive implementation of the National Biodiversity Finance Plan *(Lead: BMB)***
44. The accelerated implementation of the National BFP will ensure that biodiversity/nature-positive investments are provided to protected areas and priority OECMs, including conservation measures being undertaken by IPLCs, that will contribute to the country's 30x30 targets. Specific finance solutions for scaling up under Component 3 are prioritized in the PBSAP updating process and the present formulation of the NBFP presently being undertaken by the government. The BMB, through its BRMDUs, will be responsible for coordinating and facilitating the implementation of the NBFP. The project is expected to provide gender-responsive technical, capacity development, as well as policy advisory assistance to support the implementation of the NBFP in line with gender mainstreaming and social inclusion requirements described in the project's Gender Action Plan, Comprehensive Stakeholder Engagement Plan and Environmental and Social Management Framework (see Annexes). Activities include:
1.2.1 Formulation of gender-responsive policies such as those to support private sector engagement in OECM areas under the private-public sector and corporate approaches and other mechanisms including modalities to implement the various finance solutions to support the implementation of the NBFP;
1.2.2 Preparation of a gender and social inclusion-responsive Manual of Procedures for the preparation/revision/updating of the BFP based on the 2024 Biofin Workbook;
1.2.3 Preparation of 3-year gender-responsive investment programs to support the NBFP that will align with the 3-year forward planning adjunct to the budgetary process of the government at the national and local levels;
1.2.4 Preparation of proposals including the implementing guidelines/rules of procedures to operationalize the priority finance solutions specified in the NBFP and investment program;
1.2.5 Development of gender-responsive institutional frameworks and mechanisms for the coordinated implementation of the NBFP;
1.2.6 Formulate and implement gender and social inclusion-responsive capacity-building for DENR, concerned national government agencies, including government financial institutions, and the private sector that will be involved in implementing the NBFP;

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1.2.7 Mainstream gender in the preparation process and in the substance of the above-mentioned policies, manual of procedures, investment programs, proposals to operationalize the priority finance solutions, institutional frameworks and mechanisms, and capacity-building plan; use gender-fair language.
This Output will be implemented in tandem with Component 3, Financing Investment-Ready LBSAPs.

**Output 1.3: Biodiversity expenditure reporting institutionalized *(Lead: BMB)***
45. The BIOFIN project of the BMB-DENR has initiated the identification, tagging, and recording of DENR's biodiversity and biodiversity-relevant expenditures. An interoperable PBSAP Monitoring and Evaluation (M&E) platform within the DENR is also being developed, under which expenditure tagging within the M&E platform is planned and the tagging of biodiversity expenditures of the other 64 government agencies[31]. In addition, a recommendation in the ESSP of the BIOFIN project is to enhance the capacities of BMB and the DENR for results and impact monitoring and evaluation. The recommendations also include the use of the BIOFIN M&E platform for results and impact monitoring and management that can improve the existing information-technology decision support system for the BMB-DENR. This can later support the intention to have within DENR a department-wide operations control office supported by the use of information technology that can promote efficiency, transparency, and responsiveness of processes within the DENR[32]. Within this context, the Project will continue to support the institutionalization of results-based BD budgeting and expenditure reporting. This will be linked with a biodiversity audit or Impact Monitoring and Management (IMM) that will be appropriately set up for the country to track the results of the resources allocated for biodiversity management specified in Output 1.4 below.
**Key activities** include:

1.3.1 Pilot-testing of BD results-based budgeting as part of the Program Convergence Budgeting of the DENR, and assistance to DBM in developing budget call guidelines that call for BD inclusions/considerations;
1.3.2 Enhancement and operations of the Biodiversity Expenditure Reporting System (BERS);
1.3.3 Testing, fine-tuning and deployment of the PBSAP M&E System to incorporate the BERS, the implementation progress and results monitoring, and IMM;
1.3.4 Specification of the organizational requirements and staff complement for the operationalization of the PBSAP M&E System;
1.3.5 Conduct of a study to link the BERS and the PBSAP M&E System with the DENR M&E System/ Management Information System and how to mainstream gender and track IP consultation, engagement and participation therein in line with project stakeholder engagement and safeguards requirements;
1.3.6 Preparation of systems documentation and development of the Manual of Procedures, Instructions, and Protocols for the BERS and PBSAP M&E System;
1.3.7 Development of a training manual on the gender-responsive operations, procedures, and application for the users of the BERS and PBSAP M&E System of the BMB; and
1.3.8 Preparation of BMB procedures for software and hardware updates/upgrades, security and accountability policies to support the operationalization and refinement/updating of the BERS and PBSAP M&E System of the BMB.

**Output 1.4: Gender-Responsive Biodiversity Impact Monitoring and Management (IMM) developed and institutionalized *(Lead: BMB)***
46. In response to a BIOFIN Project ESSP recommendation, the GBFF project will support the development and institutionalization of biodiversity IMM as an integral part of the gender-responsive PBSAP M&E System within the BMB and later link with the DENR central-level M&E system. The goal of impact monitoring and management is to "manage and control the process of creating impact to maximize or optimize it (relative to costs). Managing impact occurs continuously and is facilitated by integrating impact measurement into the investment management process"[33]. Development of a BD taxonomy to enable consistent application of IMM and uniform reporting, and linkage of BD IMM to the Sustainability Reporting of SEC will be addressed, as well as review of the M&E system to ensure that it aligns with the updated KMGBF-aligned PBSAP. The IMM will particularly focus on assessing the extent

[31] Country Results Report. BIOFIN Programme in the Philippines , BMB-UNDP. 2023.
[32] Exit Strategy and Sustainability Plan. BIOFIN Project, BMB-UNDP. December 2023.
[33] A Practical Guide to Measuring and Managing Impact. European Venture Philanthropy Association June 2015: https://www.impacteurope.net/sites/www.evpa.ngo/files/publications/IMM_Guide2015_EN.pdf Downloaded 11 November 2024

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to which the investments contribute to meeting the goals, objectives, and targets based on the outcome and impact indicators and metrics specified in the KMGBF-aligned PBSAP. The IMM can then be utilized by the Philippine Government, particularly the BMB and DENR, to ensure that the financial, technical, personnel, logistical, and other resources generate the intended outcomes and impacts relevant to biodiversity conservation as outlined in the updated PBSAP.

The IMM development will incorporate gender mainstreaming and social inclusion requirements described in the project's, Comprehensive Stakeholder Engagement Plan and Environmental and Social Management Framework and Gender Action Plan (see **Annexes 8, 9 & 10**).

**Key activities** for IMM development include:
1.4.1 Creation of an IMM Technical Working Team within the BMB, including gender mainstreaming functions;
1.4.2 Design Development and Feasibility Study of gender-responsive IMM as an integral component of the PBSAP M&E System;
1.4.3 IMM Prototype start-up, testing, and acceptance;
1.4.4 Preparation of a Manual of Procedures to guide BMB staff in the gender and social inclusion-responsive operations, protocols, security, and maintenance of the IMM;
1.4.5 Training of BMB staff on the application and use of the IMM; and
1.4.6 Final acceptance and deployment of the IMM.

## Component 2: Financing Investment-Ready Local Biodiversity Strategy and Actions Plans (LBSAPs) *(Lead: BMB with DILG, DOF, DTI, DA, DENR, NCIP)*

**Component Total Budget: USD 16,221,712; GEF contribution:USD 1,542,753; Co-financing: USD 14,678,959**

***Outcome 2: Increased financing for local BSAPs***

**Output 2.1. Gender-responsive investment-ready local BSAPs developed, adopted and supported by appropriate Natural Capital Accounting (NCA) and/or biodiversity values data**[10] [11] ***(Lead: BMB-DENR with DILG)***

53. This component will assist the Regions and Provinces in developing Investment-ready LBSAPs that will help them achieve their local BSAP targets, as mandated by BMB's Technical Bulletin No. 2021-5 or Guide in the Formulation of LBSAPs, whose roll-out has been limited to very few regions and provinces. The formulation of the LBSAPs will involve IPLCs with the aim of establishing OECMs as the key 30x30 strategy of the government. NGOs will also take part in the LBSAP formulation and implementation processes as they are also primary stakeholders undertaking conservation actions at the site level, i.e., working with IPLCs (see the Comprehensive Stakeholder Engagement Plan, Environmental and Social Management Framework and Gender Action Plan in **Annexes 8, 9 & 10** for further information). ESIAs for planned field activities will be conducted early in the implementation phase according to identified needs in the ESMF (**Annex 9A**), aiming to protect, restore, and manage ecosystems while addressing societal challenges. In terms of the economic benefits derived from Component 3, the project will help to improve benefit flows from sustainable use of production areas across conservation areas ensuring that biodiversity conservation delivers tangible benefits to local communities through sustainable livelihoods, ecosystem services, and economic opportunities including through supporting biodiversity-friendly Enterprises (BDFEs). It will also reduce the impacts of climate change and other hazards through increased ecological and social resilience. The direct project beneficiaries in the targeted landscapes specifically include indigenous peoples and other local communities prioritizing women and other marginalized groups, who are expected to benefit through improved financing for ICCAs and LCAs, involvement in LBSAP implementation, MSME capacity development, and participation in BDFEs and BDFAPs. Through its support for integrating PA and OECM management into regional and local planning and financing mechanisms, this Output will contribute directly towards the improved management of terrestrial and marine PAs as well as OECMs, as well as supporting ecosystem restoration and placing wider landscapes and seascapes under improved management for biodiversity. Policies, programs and projects on habitat restoration will be identified in the RBSAPs and LBSAPs. These contributions to improved management of PAs, ecosystem restoration and landscape management will result in reduced GHG emissions.

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54. The GBFF project intends to facilitate the preparation of LBSAPs and accompanying Local Biodiversity Finance Plans (LBFP) consistent with the PBSAP 2024-2040 and the IPBSAP for the regions and provinces within the selected project sites, integrating PAs, MPAs and OECMs into local planning and financing frameworks. In total, five Provincial level BSAPs will be updated and seven new ones prepared; and one Regional level BSAP to be prepared for Negros Island Region. Also, one city-level BSAP will be updated. The locations are specified in Activities 2.1.7 and 2.1.8. The project will likewise enhance LBSAP and LBFP preparation guidelines to incorporate relevant NCA data and other resource valuation information and ensure that these plans are gender-responsive. An important aspect of the LBSAP and LBFP formulation will be the assessment of the value of biodiversity in the respective provinces and localities to provide an understanding of the significance and contribution of biodiversity to the sustainable growth of the other development sectors at the local levels, i.e., province, city, and municipality. The biodiversity valuation work should be able to reveal the dependencies of the local development sectors to biodiversity for the provision of ecosystem services. The implementation of the PENCAS law will significantly facilitate the biodiversity valuation in the GBFF project sites. The project will ensure strong complementation and avoidance of overlaps through coordination of project management with ADB/GEF Project 11589 in Pujada Bay, where biodiversity values of this coastal and marine area will be generated as part of the LBSAPlanning processes but no NCA accounts will be established as programmed under ADB workstream.

55. The project will also update the LBFP guidelines to include the improvements in the Biodiversity Finance Workbook of 2024 and incorporate the procedures for preparing an Investment Program that will serve as the implementing tool of the LBFP. The LBFP-Investment Program (LBIP) is a 3-year chunk of the LBFP and a program for utilizing investible funds to support the implementation of priority programs and projects. The investible fund consists of the LGU fund drawn from its regular budgetary outlay for biodiversity conservation, inclusive of non-office maintenance and other operating expenses and non-office capital outlay. The investible fund also specifies the funds that can be sourced from the different financial solutions. The Investment Program exercise can be aligned with the three-year forward planning of LGUs required in the joint guidelines of the DILG-DBM-DOF on investment programming and annual budgeting.

56. In collaboration with the DILG, the DENR-BMB will undertake **key activities** including:

2.1.1 Review, with a gender and social inclusion lens, and update the BMB's Technical Bulletin No. 2021-5 or Guide on the Formulation of LBSAPs to align with the KMGBF, the PBSAP 2025-2040 and IPBSAP and lessons learned in the initial LGUs assisted in the formulation of the LBSAP;
2.1.2 Review, with a gender and social inclusion lens and update the guidelines for the preparation of the LBFP to take into consideration the 2024 BIOFIN Workbook and to include the process for preparing the LBFP-Investment Plan. The guidelines must ensure that the aspirations, indigenous peoples' political structure, plans and activities, and practices of IPs supportive of biodiversity conservation are taken into consideration;
2.1.3 Prepare training modules for the preparation of the updated LBSAP, LBFP, and Investment Plan preparation process including a module on gender and social inclusion issues (including indigenous peoples), GAD policies and interventions in BD; use of gender-fair language and messages in materials;
2.1.4 Conduct training for BMB-BRMDUs and other concerned staff of BMB on the updated LBSAP, LBFP, and Investment Plan preparation process, ensuring gender-equitable participation;
2.1.5 Prepare a Memorandum of Agreement/joint guidelines between BMB-DENR and DILG for the preparation of the LBSAP, LBFP, and Investment Plan in the LGUs within the GBFF project sites and subsequently for roll-out by the DILG, including gender-responsive considerations;
2.1.6 Conduct training for DILG staff at the national and field levels on updated LBSAP, LBFP, and LBIP preparation processes ensuring gender-equitable participation;
2.1.7 Provide gender-responsive technical assistance in updating the LBSAP and preparing the LBFP, and LBIP of the following GBFF project sites (a) Provinces of Agusan del Sur, Agusan del Norte, Surigan del Norte and Surigao del Sur in the CARAGA region - taking off from the Provincial Conservation Plans and Biodiversity Corridor Management Plan that the GEF-UNDP-DENR Biodiversity Corridor Project are developing; and (b) the Province of Zamboanga Sibugay and Zamboanga City in the Zamboanga Peninsula;
2.1.8 Provide technical assistance in preparing the GR LBSAP, LBFP, and LBIP of the following GBFF project sites: (a) Davao del Sur, Davao de Oro, Davao Oriental in Region 11 - taking off from the Provincial Conservation Plans and

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Eastern Mindanao Biodiversity Corridor Management Plan being developed under the GEF-UNDP-DENR Biodiversity Corridor Project; (b) Zamboanga del Norte and Zamboanga del Sur in the ZP; and (c) the Provinces of Antique, Aklan, and Capiz in the CPM including the preparation/updating of the Negros Island RBSAPs to include the regions of Negros Island, Region 9, 11, and 13. 2.1.9 Provide technical assistance in the adoption and approval of the regional BSAPs (RBSAPs) and Provincial (PrBSAPs) by the respective Regional Development Councils and the Provincial Development Councils; and

2.1.10 Provide technical assistance in the mainstreaming of the RBSAPs and PrBSAPs in the regional development plans/regional physical framework plan and the provincial development plans/provincial physical framework plans, as well as for the integration of PAs, MPAs and other conservation areas into BSAPs;

2.1.11 Conduct stakeholder consultations in proposed project intervention areas to identify actionable priorities in LBSAPs and applicable finance solutions including PAs, MPAs and other conservation areas. Specific concerns and impacts, as well as viability of establishing access rules to support BDFAP, BDFE, NBS in KBAs will also be clarified. IPLCs should be the primary participants or beneficiaries to be considered in these interventions and FPIC requirements will apply to any changes in access and use of natural resources in AD or claimed IP areas. Conservation areas and corresponding conservation management agreements with IPLCs, with appropriate funding support through specific finance solutions, will be specified in the LBSAPs. Mobilizing public financial support for these conservation areas will be part of the work under Output 2.2.

2.1.12 Conduct appropriate information, education and communication (IEC) campaigns to duly inform and reinforce among stakeholders the biodiversity and landscape/seascape benefits targeted by the project.

**Output 2.2 Public biodiversity investments increased, included in Local Government Units' (LGUs) Annual Investment Plans (AIPs), Local Disaster Reduction and Risk Management (LDDRM) Fund, and Annual Gender and Development (GAD) Plans and with Biodiversity Special Accounts created *(Lead: BMB-DENR with DILG, DBM, and DOF),* and allocation of financial resources from the Integrated Protected Areas Fund for conservation areas of IPLCs within protected areas**

57. The Project will facilitate consensus-building and concrete resource mobilization for the development of investment activities. The project will work with DILG, Department of Budget and Management (DBM) and LGUs in tracking local BD expenditures and results. LGUs will also be assisted on a ring-fencing strategy where BD Special Accounts are established to ensure that revenues and available annual budget allocation accrue to this Account and are used only for BD management. Output 2.2 is directly associated with, and will become a consequence of, Output 2.1. The LBFP and LBIP to be produced under Output 2.1 will become the basis for the allocation of funds from the budgetary outlay in the Investment Program and associated AIP and annual budget of the LGUs in the proposed OECM areas within the GBFF project sites. The LBFP-LBIP will also serve as the basis for sourcing biodiversity investments from the finance solutions such as private sector participation to fund priority biodiversity programs and projects.

58. The BMB-DENR will work with DILG, DBM, and the DOF to develop and adopt a BD expenditure tagging and IMM for LGUs. Subsequently, these will be linked with the PBSAP M&E System specified in Outputs 1.3 and 1.4. Also, the GBFF project will assist LGUs in preparing proposals for biodiversity projects to be packaged within the nature-based solutions framework in order to access the Peoples Survival Fund of the national government. Furthermore, the GBFF project will collaborate with the DILG and DOF to establish a special account within the LGU, where proceeds from the regular budgetary outlay, revenues, grants, fees, and other financial receipts from BD-related activities will be remitted. Critical to the realization of Outputs 2.1 and 2.2 will be to work with the DILG, DBM, and DOF at the central and field levels to help the LGUs within the GBFF project sites.

57. Republic Act 7160 or the NIPAS Act and RA 11038 or the Expanded NIPAS Act provide for the establishment of an Integrated Protected Areas Fund (IPAF), which is a trust fund for the purpose of providing financing support for projects within protected areas under NIPAS. The IPAF, as provided under RA 10629, can receive donations, endowments, and grants in the form of contributions. Furthermore, this law allows all incomes generated from the operation of the System or management of wild flora and fauna accrue to the IPAF subject to the retention by the Board of each protected area, of seventy-five percent (75%) of all the revenue raised by the protected areas. This trust fund can thus be mobilized to support the conservation areas of IPLCs within protected areas through the

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inclusion of such projects in the work and financial plans of the Protected Area Management Boards (PAMBs) of protected areas for the access and utilization of the IPAF.

58. By enabling increased local financing through the Local Annual Investment Plans and Special Accounts, special trust funds of LGUs, and by enabling local financial support for IPLC engagement and financing of OECMs such as ICCAs within PAs through LGUs and the IPAF, the project will contribute towards the improved financing and management of PAs, MPAs and OECMs, and increased financing for habitat restoration and landscapes under improved practices for biodiversity. These contributions to improved management of PAs, ecosystem restoration and improved landscape management will result in reduced GHG emissions.

**Activities include:**
2.2.1 Develop the design and operating system for biodiversity expenditure reporting and IMM (see Outputs 1.3 & 1.4);
2.2.2 Conduct a study for the setting up of a Biodiversity Special Account at the LGU level;
2.2.3 Formulate policies for the installation of the LGU biodiversity expenditure reporting and IMM, including the Biodiversity Special Account; and
2.2.4 Assist in preparing the AIPs and annual budgets of LGUs, including their annual GAD Plan, DRRM Plan, and Budget, incorporating budgetary outlays for biodiversity conservation and management, initially in the provincial LGUs and later in the cities and municipalities at the GBFF project sites and supporting PAs and MPAs.
2.2.5 Assist LGUs in the review of their Local Revenue Code and assess the potential of allocating portions of the proceeds from fees and levies drawn from environmental and quarrying permits, leases, and licenses.
2.2.6 Assist the BMB and the PAMBs of PAs within the project sites in developing guidelines and templates for the preparation of IPAF work and financial plans to include support for conservation areas by IPLCs within protected areas.

**Output 2.3. Innovative priority biodiversity finance solutions of coral reef insurance, biodiversity credits, PPP, PES and blended finance demonstrated in selected regions *(Lead: BMB with DoF)***
59. From the BIOFIN project studies and assessments on innovative finance solutions, the Program will attempt to demonstrate at least one application of coral reef insurance and BD credits in in the project sites within the Eastern Mindanao Biodiversity Corridor (EMBC), with the aim of encouraging the participation of private sector companies and financial institutions (banks and non-banks) in BD financing. In addition, at least three demonstration models for emerging financing modalities will be set up, including PPPs in protected areas, impact investments, blended finance, and conservation agreements or Payments for Ecosystem Services (PES). These financing modalities target the participation of IPLCs, with conservation measures being undertaken at the site level including in PAs/MPAs. Non-Government Organizations (NGOs) will be engaged to provide mentoring to IPLCs, who will be involved in the design and implementation of the proposed finance solutions. The project's approach will include the development of a theory of change for each finance solution informed by baseline local and international experience, against which assumptions would be tested and risks inherent in the piloting would be managed. The intention is that the pilots will provide learning through effective monitoring, to inform the further adoption and scaling up of such finance solutions. The sectors anticipated to be involved include: agriculture, fisheries, tourism and recreation, water, renewable energy, insurance and financial services. It should be noted that no private sector partners have been identified at this point and prior to a project-related private sector engagement, a UNDP due diligence will be undertaken. [Note that this Output addresses the GBFF Private sector policy requirement].

*Coral Reef Insurance*

60. The project will coordinate with ADB/GEF Project 11589 in Pujada Bay, where the ADB Project will focus on marine corridors. Under the current Project, UNDP's work will focus on coral reef insurance and ecotourism development as part of finance solutions that will complement ongoing GEF-UNDP-BMB Project on large marine mammals. With the same Implementing Partner, strong complementation efforts will be coordinated to ensure Project management adjustments, if and when necessary.

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61. The Philippines has almost no experience implementing innovative financial solutions such as nature bonds, coral reef insurance, and BD credits except for those on coral reef study currently being carried out by the BIOFIN project and the ongoing GEF-7 Asian Development Bank (ADB)-assisted Partnerships for Coral Reef Finance and Insurance in Asia and the Pacific[34]. The BIOFIN project study entitled "CORAL REEF VULNERABILITY DATA FOR DEVELOPING INSURANCE IN THE PHILIPPINES" and is being carried out in a marine protected area in Bindoy, Negros Occidental, aims to gather, compile and analyze relevant data from a pilot site to support the development of a coral reef insurance scheme in the Philippines. The GEF-7 ADB-assisted project, being implemented in Indonesia, the Solomon Islands, Fiji, and the Philippines, aims to enable large-scale financing to increase the climate resilience of coastal businesses, communities, and livelihoods through an innovative public-private partnership (PPP) model for coral reef insurance. A key focus of this project is the implementation of a reef insurance model in Indonesia to be extended to the Philippines, Fiji, and the Solomon Islands. The project site in the Philippines is located in the Siargao Islands Protected Landscapes and Seascapes, within the municipality of General Luna, province of Surigao del Norte. The project can then be replicated in the Pujada Bay Protected Landscape and Seascape in EMBC, the coral reef study being carried out by the Biofin project in Negros Occidental, and the GEF-7 project in Siargao Island. Based on the results of this study, the project will proceed to develop and support an insurance product aimed at conserving the coral reefs and associated marine resources of Pujada Bay.

With Pujada Bay as the target site for coral reef insurance, there is a high likelihood of success in this area given the following: (i) quality of coral reef cover; (ii) existing governance mechanism for the Bay which is a national protected area and provides a relatively strong business case for designing a fund flow mechanism; (iii) high economic significance of the bay in terms of fisheries and ecotourism services; (iv) high vulnerability to climate change impacts and human-induced threats, thus, providing a business case for a coral reef insurance product.

The type of coral reef insurance to be pilot-tested in the Pujada Bay Protected Landscape and Seascape will be "parametric insurance", applying learning from similar initiatives elsewhere in the world. This type of insurance for coral reefs releases pre-agreed funds immediately after a triggering event (e.g., cyclone wind speed within a defined radius or a specific ocean temperature threshold), allowing for the immediate repair of reefs and associated coastal defenses (e.g., debris removal, rubble stabilization, coral re-attachment, etc.). Parametric reef insurance projects carried out in other countries include the **MAR (Meso-American Reef) Insurance Programme -** a well-established example covering 10 reefs in 4 countries since 2021 (see: https://marfund.org/en/wp-content/uploads/2024/06/MARInsurance-Brief-2024-b.pdf ); the Quintana Roo Reef Protection policy designed to protect 100 miles of the Yucatan Coastline in Mexico since 2018 (see: https://hive.greenfinanceinstitute.com/gfihive/revenues-for-nature/case-studies/quintana-roo-reef-protection-parametric-insurance/#:~:text=Developed%20and%20launched%20in%202018,the%20area's%20coral%20reef%20quickly.); and in Fiji and Indonesia (under the Asian Development Bank, with funds from the Global Environment Facility and the Asia-Pacific Climate Finance Fund).

The parametric coral reef insurance pilot project in Pujada Bay Protected Landscape and Seascape, internationally recognized as one of the "Most Beautiful Bays in the World" due to its coral, mangroves, and seagrass ecosystems, will provide for rapid financing for coral reef repair, debris removal, and habitat restoration immediately after cyclones, storm surges, and other natural hazards and events. The insurance cover will provide fast payouts based on specified triggers, ensuring the timely recovery of the bay's ecological and economic functions. Given the ecological significance of Pujada Bay Protected Landscape and Seascape, its linkage with the Mt. Hamiguitan Wildlife Sanctuary – a UNESCO-recognized heritage site - and the multifaceted ecosystem goods and services it provides, the coral reef insurance project will involve various stakeholders as potential policyholders/buyers. These stakeholders will include the LGU of Mati City, the Protected Area Management Board, the DENR, the provincial LGU of Davao Oriental, resort owners, dive operators, and the private business sector through their corporate social responsibility programs. The mechanisms for its governance, including the financing plan and other operational details for the creation and management of the parametric coral reef insurance policy will be developed in the first year of project implementation.

[34] https://www.thegef.org/projects-operations/projects/10431

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There are already several enabling policies in place that can serve as a robust foundation for the development and implementation of coral reef insurance in Pujada Bay, and potentially replicate this model in other regions across the Philippines. These vital legislative frameworks include Republic Act 7160, known as the Local Government Code (LGC), Republic Act 10121, which is the Philippine Disaster Risk Reduction and Management Act of 2010 (PDRRMA), and the National Disaster Risk Finance and Insurance Strategy (NDRFIS) established in 2015.

The LGC clarifies the jurisdiction of local government units (LGUs) over the management of municipal waters where many of the Philippines' precious coral reefs are situated. This legislation delineates the essential functions of LGUs, empowering them to enact and enforce local ordinances aimed at the conservation of reefs while facilitating the generation of revenue necessary for the effective execution of reef protection initiatives. It also grants LGUs the authority to establish marine protected areas (MPAs) within their respective territories, reinforcing ecological safeguards. Furthermore, the LGC mandates the development of medium-term coastal resource management (CRM) plans, compelling LGUs to advance integrated coastal management strategies that promote private-sector engagement in the protection and rehabilitation of coral reefs. The incorporation of coastal and marine resource accounting into national and regional financial figures is also a stipulated requirement.

On the other hand, the PDRRMA and NDRFIS focus on disaster risk finance, emphasizing the importance of insurance as a risk management tool. The disaster risk finance and insurance (DRFI) portfolio in the Philippines primarily pivots on proactive risk reduction measures, with significant allocations from the National Disaster Risk Reduction and Management Fund (NDRRMF) and the Local Disaster Risk Reduction and Management Funds (LDRRMF). Approximately 5 percent of the estimated public revenue derived from regular sources is earmarked for risks associated with frequent yet low-severity hazards. In the face of medium-frequency and severity risks, contingent credit lines are often arranged. For the transfer of risk, the government predominantly relies on the indemnity-based insurance offerings of the state-owned Government Service Insurance System (GSIS) that cater to hazards characterized by low frequency yet high severity. The LDRRMF outlines a range of allowable disaster risk management (DRM) activities, which include pre-disaster preparedness programs and payments for calamity insurance.

However, a notable gap exists within this comprehensive framework: it lacks explicit guidance on securing insurance specifically for the protection or rehabilitation of coral reefs. To address this pressing need, LGUs are permitted to explore various avenues to raise revenues and secure funding to implement integrated coastal management initiatives. These options include taxation, allocation of funds from internal collections, securing loans and grants, adopting user-fee schemes for waste management, leisure initiatives, and other environmental services, as well as arranging credit financing schemes.

Considering these existing policy frameworks and initiatives, the current project aims to build upon them by studying and piloting coral reef insurance in Pujada Bay. This innovative approach seeks to position coral reef insurance as a biodiversity finance solution that can effectively bridge the observed gaps in both policy and implementation. The insights garnered from this initiative can subsequently inform the development of a comprehensive national policy on coral reef insurance, creating pathways for its implementation in other ecologically significant coral reef areas throughout the Philippines.

*Biodiversity Credits*

62. BIOFIN is currently working with the Department of Development, Planning, and Economy (DepDev) for the crafting of a national framework for the adoption and implementation of BD credits. This BD credit framework will be incorporated in the Philippine Development Plan and thus serve as the national policy for BD credit implementation. Based on this national framework that will be developed through the ongoing BIOFIN Project, a pilot project in the EMBC site to assess and demonstrate the viability of BD credits will be carried out. The results of this pilot project will then be used to enhance the national guidelines and tools, including other necessary enabling environments, as this is not currently possible under BIOFIN. 62. Through the adoption and operationalization of

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coral reef insurance in Pujada Bay and Northern Antique Protected Landscape and Seascape, this output will benefit those MPAs, while habitat restoration sites will be supported through biodiversity credit modality demonstrations, benefiting GHG emission reduction.

The project seeks to establish a policy and enabling environment for the development of a verifiable, market-ready biodiversity credit mechanism to finance measurable biodiversity gains and community benefits aligned with the Philippine Biodiversity Strategy and Action Plan (PBSAP 2024–2040). It will address the issue of the inadequacy of traditional conservation funding to meet the country's biodiversity finance needs. Biodiversity credits offer a new mechanism to attract private investment into conservation by monetizing measurable biodiversity improvements. The pilot study aims to: (a) develop and test a Coastal-Marine Biodiversity Credit (MCBC) protocol, (b) establish a transparent monitoring, reporting, and verification (MRC) system, (c) strengthen community-based conservation finance, and (d) build a scalable model that could be replicated in other ecosystems and elsewhere in the country. The DENR-BMB will lead national oversight, while LGUs and community organizations manage local implementation. Independent academic institutions will verify data. Corporate buyers and investors will provide financial support through voluntary or compliance-driven credit purchases. The DENR-BMB, with support from DENR regional offices, Protected Areas Management Boards, and Protected Area Management Offices will oversee national efforts. The respective LGUs and community organizations on the sites will manage local implementations. Independent academic institutions will verify the data. Corporate buyers and investors will provide financial support through, initially, voluntary purchases as part of their corporate social responsibility (CSR) initiatives or compliance-driven nature positive and environmental and social governance commitments. The banks and other financial institutions/insurers will incorporate the biodiversity credit into their investment portfolios or possibly integrate this into their green bonds and sustainability-linked instruments. To facilitate the uptake of biodiversity credit through the provision of an incentive mechanism through the EIA/biodiversity offset obligations or offering tax incentives, recognition, or public procurement preferences.

*Private Sector Engagement in Biodiversity Conservation including PPPs, PES and Blended Finance*

63. The current project will build on a strong baseline that includes BIOFIN project support to BMB in crafting a DENR Administrative Order (DAO) that provides guidelines for the private sector's participation in the development and management of the PAs, including: private sector investment in Protected Areas (PAs) with a focus on conservation tourism, carbon credits, and other nature-based climate solutions, supporting livelihood opportunities for IPLCs; promoting conservation of natural resources in PAs through PPP projects, and habitat restoration that will also result in GHG emissions reduction benefits; and establishing guidelines and standards for conservation tourism and other PPP models in PAs, ensuring transparency, accountability, public participation, and good governance[33]. In addition, the National Economic Development Authority's Public-Private Center (PPC), through the BIOFIN project initiative, has offered assistance to DENR by providing guidance in operationalizing the PPP approach to biodiversity conservation.

64. In addition, and to further foster private sector engagement in biodiversity conservation, the BMB has proposed a DENR Administrative Order that provides the "GUIDELINES ON THE ENGAGEMENT OF PRIVATE SECTOR BUSINESS ORGANIZATIONS IN THE IMPLEMENTATION OF DENR BIODIVERSITY CONSERVATION PROGRAMS", which focuses on engagement of the private sector in the DENR biodiversity conservation programs through the corporate social responsibility modality.

65. To further explore the possibility of involving the private sector and financial institutions in biodiversity conservation, the BIOFIN project conducted a scoping study of **nature-positive impact investments** as a potential finance solution. While the growth of impact investments has been seen in recent years, these have been mainly in the sectors of agriculture, renewable energy, microfinance, housing, healthcare, and education. The inclusion of nature-based solutions and nature-based enterprises in the pipeline of impact investments will increase private-sector financing to meet biodiversity targets[34].

*Payment for Ecosystem Services*

65. Shared landscapes have been identified in the Project sites. Examples of PES schemes, while still wanting, have been demonstrated in other parts of the Philippines. Specifically, ecosystem services around which PES mechanisms

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can be designed, given the natural assets in the Project sites, include water, land, and disaster risk reduction. With Indigenous Peoples and Local Communities (IPLCs) being the major stewards of forest resources in the areas, potential ecosystem service suppliers are these IPLCs with resources users, including the Local Government Units (LGUs) and private sector companies as buyers of these ecosystem services. Potential fund managers, on the other hand, can include local a foundational framework for the development and implementation of the include local Non-Government Organizations (NGOs) working with IPLCs. The lessons from previous PES initiatives would provide foundational framework for the development and implementation of PES mechanism in the project sites. Furthermore, a Guidebook for the Implementation of the PES was developed by the in 2021 through a DENR project with assistance from the United States Agency for International Development. Shared landscapes have been identified at the project sites. While Payment for Ecosystem Services (PES) schemes are still in development, examples have been demonstrated in other parts of the Philippines. Given the natural assets present in these project sites, potential PES mechanisms could be designed around ecosystem services such as water management, land use, and disaster risk reduction.

Indigenous Peoples and Local Communities (IPLCs) serve as the primary stewards of forest resources in these areas. They can be potential suppliers of ecosystem services, while resource users, including Local Government Units (LGUs) and private sector companies, act as buyers. Additionally, local Non-Governmental Organizations (NGOs) working with IPLCs could serve as potential fund managers.

Lessons learned from previous PES initiatives will provide a foundational framework for developing and implementing PES mechanisms in the project sites. Furthermore, a Guidebook for the Implementation of PES was developed in 2021 through a project by the Department of Environment and Natural Resources (DENR), with assistance from the United States Agency for International Development (USAID).

Various institutional players in the environmental services sector include government agencies, corporations, the private sector, donor communities, civil society, and local government units (LGUs). In watershed management for water supply, key institutional players include the DENR, National Irrigation Authority (NIA), National Water Resources Bureau (NWRB), National Commission on Indigenous Peoples (NCIP), water supply companies, water districts, and local water utilities. Additionally, Community-Based Forestry Management Agreement (CBFMA) holders, assisting NGOs, sponsoring multilateral and bilateral agencies, and businesses such as multinational corporations engaged in agri-based industries.

The potential institutional players in watershed management for hydroelectric purposes include the Department of Energy (DOE), Energy Regulatory Commission, National Power Corporation (NPC), NCIP, independent power producers, distribution utilities/franchisees, regional electric cooperatives, Manila Electric Company (MERALCO), private independent-owned utilities, LGUs, holders of Certificates of Ancestral Land Doman Title/Claim (CADC/CADT), assisting NGOs, and sponsoring multilateral/bilateral agencies.

For biodiversity conservation-related like cases such in Kalatungan in Bukidnon and Mt. Matalinhgan in Palawan, the institutional players included the Protected Areas and Wildlife Bureau (PAWB-DENR); Department of Science and Technology; Philippine Council for Aquatic and Marine Resources Research and Development; Department of Agriculture (DA); Bureau of Fisheries and Aquatic Resources; Protected Area Management Board (PAMB); NGOs; academic communities; CADC/CADT holders; LGUs; and sponsoring multilateral/bilateral agencies.

66. The private sector development activities will incorporate gender mainstreaming and social inclusion requirements described in the project's Gender Action Plan (**Annex 10**), Comprehensive Stakeholder Engagement Plan (**Annex 8**), Environmental and Social Management Framework and Indigenous Peoples Planning Framework (**Annex 9)**.

67. The BMB, in partnership with the DOF, will undertake **key activities** including:

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2.3.1 Based on the results of the BIOFIN study and Partnerships for Coral Reef Finance and Insurance, prepare a plan including theory of change, monitoring and learning for the development and implementation of a coral reef insurance scheme in the GBFF project sites/;
2.3.2 Provide assistance and facilitate the crafting and passage of policy instruments for the adoption and operationalization of the coral reef insurance scheme at the GBFF site level in Pujada Bay in Region 11 in close coordination with ADB/GEF Project 11589, and in Northern Antique Protected Landscape and Seascape in Region 6;
2.3.3 Provide assistance for the establishment of institutional structures and partnerships with financial, business organizations, other concerned national government agencies, and local government units for the implementation of the coral reef insurance scheme in the GBFF project site/s including MPAs;
2.3.4 Conduct training and other capacity-building activities for coral reef insurance implementation, including use of gender-fair language and messages and gender-equitable participation;
2.3.5 Provide technical assistance in mobilizing funds for the coral reef insurance mechanism;
2.3.6 Formulate plan/s for replicating the coral reef model in other coastal and marine ecosystems of the country including MPAs through a scaling-up roadmap developed through consultation with stakeholders including indigenous peoples;
2.3.7 Conduct a pilot project to assess and demonstrate the viability of BD credits as a finance solution in the GBFF project sites in the EMBC incorporating a theory of change, monitoring and learning. The project will then provide input on enhancing the national guidelines for BD credits and contribute to creating an enabling environment for this finance solution that includes consideration of scaling up requirements through a consultation process involving relevant stakeholders including indigenous peoples' groups.
2.3.8 The GBFF project must ensure that the requirements for Free and Prior Informed Consent (FPIC) are complied with so that these innovative finance solutions can be carried out within ancestral lands.
2.3.9 Formulate implementing rules and regulations for the approved DENR DAO on PPP and CSR, and engage with MinDA regarding support for financing of the plan (PPP and blended financing);
2.3.10 Align with DTI on adjacent Green Economic Development and Green Growth Cooperation programs to identify compatible guidance on BDFE development and private sector engagement;
2.3.11 Explore having a business case with PPPC on projects that are PPP-able;
2.3.12 Conduct orientation/training on PPP modalities for PAs, MPAs and OECMs including development of theory of change and monitoring, learning and risk management;
2.3.13 Conduct a scoping study for PPP approaches in biodiversity management in GBFF project site/s in the EMBC and ZP (in collaboration with the Mindanao Development Authority), and CPM;
2.3.14 Pilot test at least two PPP projects in the GBFF project sites/s in EMBC and CPM to demonstrate the viability of the PPP approach for biodiversity management based on a theory of change approach that facilitates learning;
2.3.15 Conduct study and carry out pilot tests in the GBFF project sites of modalities for engaging NGOs, civil society groups, and IPLCs, such as ecotourism (with MInDA and Tourism Infrastructure and Enterprise Zone Authority in Davao Oriental, and Davao de Oro, and CPM), blended finance (in the EMBC sites) and conservation agreements or Payments for Ecosystem Services or PES (in Agusan del Norte, Davao Oriental, and Zamboanga City).
2.3.16 Evaluate the results of pilot tests for PPP projects against their theory of change and develop a scaling up roadmap through a consultation process involving relevant stakeholders including indigenous peoples' groups.

**Output 2.4. TNFD system introduced with BSP and SEC to enhance sustainability reporting *(Lead: BMB-DENR)***

63. Application of The Nature-Related Financial Disclosure (TNFD) by at least one exemplar or adopter for each of the financial institutions, publicly listed companies, and training institutions/community of practice providing technical assistance to the business sector will also be a key intervention area under this Component, contributing towards GBF Target 15: Businesses Assess, Disclose and Reduce Biodiversity-Related Risks and Negative Impacts. The BD expenditure taxonomy will also be rolled out to the private sector as a strategy for rolling out the shared language approach recommended in one of the BIOFIN project studies, to facilitate the implementation of TNFD and other finance solutions. The sectors anticipated to be involved include: agriculture, fisheries, tourism and recreation, water, renewable energy, insurance and financial services. It should be noted that no private sector partners have been identified at this point and prior to a project-related private sector engagement, a UNDP due diligence will be undertaken. [Note that this Output addresses the GBFF Private sector policy requirement].

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67. A report on TNFD prepared for the BIOFIN project revealed that the Philippine Financial System holds substantial assets amounting to 125% of the GDP, where a large part (94%) is held by banks. Accordingly, these bank portfolios are exposed to climate and nature risks. The report further stated that 33 % of outstanding loans of banks to both the capital-intensive sectors and micro-small-medium enterprises, depend on nature and are vulnerable to nature-related risks – yet risk reporting is very weak. The report then stressed the importance of the role that the regulatory financial authorities, primarily the Bangko Sentral ng Pilipinas (BSP) and the Securities and Exchange Commission (SEC), will play in risk and sustainability reporting. BIOFIN is currently collaborating with the BSP and SEC to establish a TNFD system and a national policy, aiming to enhance existing sustainability reporting, with a focus on biodiversity among financial institutions and publicly listed companies. Part of this collaboration is to develop a BD expenditure taxonomy for adoption in both the banking system and the private business sector. The private sector development activities will incorporate gender mainstreaming and social inclusion requirements described in the project's, Comprehensive Stakeholder Engagement Plan and Environmental and Social Management Framework Gender Action Plan (see **Annexes 8, 9 & 10**).

68. **Key activities** to be carried out by BMB-DENR include:
2.4.1 Develop BD expenditure taxonomy for the private and banking sectors to be rolled out through the SEC and BSP (linked to Output 1.3);
2.4.2 Drawing from the initiatives of BIOFIN, the project will establish the institutional, technical, and further policy foundation for TNFD implementation through comprehensive stakeholder engagement, baseline assessment, and readiness analysis. This component lays the groundwork for the TNFD program by mapping relevant stakeholders, reviewing existing biodiversity finance and ESG frameworks, and assessing institutional readiness. The institutional arrangement for TNFD Reporting builds on the present ecosystem for sustainability reporting of the Bangko Sentral and the SEC. This ecosystem consists of regulators, banks, non-bank Finance Institutions (NBFIs), Non-Finance Corporations, industry associations, and corporate participants;
2.4.3 Provide capability building assistance for the SEC in the roll-out of the TNFD of biodiversity for financial institutions, publicly listed companies, and training institutions/community of practice. The intention is to enhance the knowledge, technical capability, and readiness of SEC and other concerned government agencies, financial institutions, and private sector actors to apply the TNFD framework.
2.4.4 Assist SEC in the initial roll out of the TNFD on biodiversity for at least one adopter each from financial institutions, publicly listed companies, and community of practice/experts. The aim is to demonstrate and test the application of the TNFD framework in selected biodiversity-related sectors and ecosystems.
2.4.5 Develop a scaling-up roadmap for TNFD with SEC and other stakeholders through an inclusive approach that includes consultation with Indigenous Peoples groups.

**Output 2.5. Micro, Small and Medium Enterprises (MSMEs) Accelerator/Incubator Hubs established *(Lead: DTI, with DOST, DA, DENR)***
69. To support communities and introduce green practices to the business community, three MSME Accelerator/Incubator Hubs will be set up to provide technical assistance, catalytic resources and mentoring to at least 20 MSMEs. IPLCs are envisioned to be part of the value chains of these Hubs and thus are expected to benefit from increased biodiversity-positive investments. See **Annex 24** for details on MSME classifications in the Philippines.

70. Drawing from lessons from the BDFE and ISIP experiences and anchoring on DTI, DOST, and the DA initiatives (See **Annex 24** for details), the GBFF project intends to set up incubation/accelerator hubs within the GBFF project sites. The hubs, to be referred to as **Incubator/Accelerator for Green Small and Medium Enterprises Center (IAGSMEC),** will provide the space and facility for the delivery of technical, financial, organizational assistance, business development, marketing, and laboratory services to upscale BDFEs and at the same time encourage green practices including support for nature-based solutions within the enterprise ecosystem of small and medium businesses that will generate benefits to IPLCs from biodiversity conservation within PAs, MPAs and OECMs as well as wider project land and seascapes. Anchored on an integrated and "whole of government" approach, there will be a two-pronged strategy for business incubation and acceleration. The first strategy will focus on strengthening and commercializing BDFEs and BDFAPs and agri-based enterprises with mature technologies, thereby ensuring their

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sustainability and effectiveness in increasing benefits to IPLCs. The second strategy is greening the enterprise ecosystem of small and medium businesses through the adoption of technologies and practices that support biodiversity conservation and environmental protection.

71. The establishment of the IAGSMEC will be carried out within the GBFF project site/s in partnership with concerned national government agencies such as the DTI and DOST, local government units, research institutions, academe, the private sector, and non-government organizations that have programs and support activities for SMEs, including entrepreneur-supporting organizations. The key features and services of the IAGSMEC are detailed in **Annex 24.** Project support to IAGSMECs is directly linked and relevant to biodiversity conservation objectives as IAGSMECs will facilitate upscaling and enhancing the viability of biodiversity-friendly business enterprises (BDFEs), which currently are mostly micro enterprises, into viable small and medium enterprises. In addition, the IAGSMECs will support the adoption of biodiversity-friendly and climate smart strategies of SMEs in the project areas. The design of MSME support activities will also take into account climate-resilience / disaster risk reduction considerations, such as the locations and nature of activities. They will also incorporate gender mainstreaming and social inclusion requirements described in the project's Gender Action Plan, Comprehensive Stakeholder Engagement Plan and Environmental and Social Management Framework (see **Annexes 10, 8 & 9**). ESIAs for planned field activities will be conducted early in the implementation phase according to identified needs in the ESMF (**Annex 9A**), aiming to protect, restore, and manage ecosystems while addressing societal challenges.

70. The project will support the provision of technical assistance and training for the upscaling of BDFEs including biodiversity-friendly agri-aqua enterprises and the greening MSMEs by helping them adopt biodiversity friendly and climate smart strategies along their value chain The IAGSMEC will be an integral component of the on-going regular program of on technology incubation hubs of the DOST and the Shared Service Facilities of the DTI in the Negros Island Region and in the CARAGA Region (Region 11) to ensure sustainability of the this initiative beyond the project lifetime. With the support of DTI and DOST, the current relevant programs of these NGAs will be maximized so resources can be channelled to the needs of the Project sites.

72. With DTI as the lead agency in collaboration with DOST and DA, academia and private sector, **key activities include**:

2.5.1 Conduct master planning and feasibility studies for the establishment and operation of at least one IAGSMEC hub in the CPM, EMBC and ZP sites with full integration of gender mainstreaming and social inclusion considerations, as specified in the Comprehensive Stakeholder Engagement Plan, that ensure IPLCs will be primary partners and/or beneficiaries;

2.5.2 Based on the results of the feasibility study, facilitate collaboration with local government units, other relevant government agencies, academia, private sector, entrepreneur-supporting organizations, and other relevant NGOs for the provision of facilities and support services to the IAGSMEC hubs;

2.5.3 Establish the institutional and management arrangements for the IAGSMEC hubs within the GBFF project sites;

2.5.4 Ensure the designation of a Gender Focal Point to coordinate and lead gender mainstreaming efforts;

2.5.5 Prepare a gender-responsive Manual of Operations for the IAGSMEC hubs;

2.5.6 Conduct capability building for the officers and staff of the IAGSMEC hubs including beneficiary-IPLCs;

2.5.7 Provide assistance in the operations and maintenance of the IAGSMEC hubs;

2.5.8 The GBFF project will ensure that the requirements for Free and Prior Informed Consent (FPIC) are complied with so that supported MSME activities can be carried out within ancestral lands.

## Component 3: Promoting Sustainable Land Management and Good Agricultural Practices to Support Biodiversity Conservation *(Lead: DA with DENR, DILG, NCIP)*

**Component Total Budget: USD 7,003,305; GEF contribution: USD 756,936; Co-financing: USD 6,246,369**

***Outcome 3: Agriculture-related subsidies with incidental environmental impacts reduced***

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**Output 3.1: Action Plan to Mainstream Biodiversity through Sustainable Land Management, Agro-biodiversity, and Good Agricultural Practices in the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP) developed and implemented *(Lead: DA)***

73. This Component will implement BIOFIN's study on agri-related subsidies with incidental environmental impacts. With the National Agriculture and Fisheries Modernization Plan (NAFMIP) providing a cross-sectoral perspective, an Action Plan for re-purposing agri-related subsidies will be developed and implemented.

74. The NAFMIP 2021-2030 is meant to serve as a "directional plan to steer sector-wide growth over the next decade. It will guide the trajectory of more detailed and operations-oriented agri-fishery development plans such as commodity systems roadmaps, Provincial Commodity Investment Plans, and Comprehensive Land Use Plans[35]. Among the challenges identified in the NAFMIP is the need to address the rapid degradation of the environment, specifically, biodiversity, land, and water resources on which long-term food and nutrition security rests, including the impact of the food system on pollution and climate change. The NAFMIP recognizes farms as multi-functional systems that deliver not only calories and profits but also good jobs, health and nutrition, environmental benefits, which include greenhouse gas mitigation and biodiversity conservation, and cultural values.

75. The BIOFIN project study, completed in 2023, was to develop a framework for strengthening the conservation, sustainable use, and overall governance of agrobiodiversity resources and promoting biodiversity-friendly agriculture recommendations[36]. The study focused on agricultural practices that threaten the ecological integrity of the uplands/hilly lands above 18% in slope that host protected areas, key biodiversity areas, and watersheds. The study noted that production systems in the upland areas/hilly lands have generally been observed to have shifted from traditional systems involving multiple cropping, pockets of agroforestry systems, and use of heirloom open-pollinated varieties (OPV) into high external chemical input monoculture commodity production systems. These inputs include hybrid and GMO seeds, inorganic fertilizers, and pesticides. This has resulted in agricultural encroachment into habitats covered by Protected Areas and upper watersheds and has generated varying levels of environmental impacts. There were three farming systems identified that generate considerable environmental impacts in the fragile hilly landscapes, and these are a) rice systems as applied in agricultural with high agricultural heritage context (e.g., Cordillera rice terraces), b) yellow corn production in hilly lands, and c) highland vegetable production.

76. In terms of socio-economic benefits, it is anticipated that Component 3 will support sustainable practices in the agriculture sector through the adoption of biodiversity-responsive agricultural practices (BDRAP) to include sustainable land management strategies, organic farming, good farming practices, and biodiversity-friendly farming practices (BDFAPs) to promote the adoption of practices that are both environmentally sound and economically viable, assist in the removal and re-purposing of agricultural subsidies with incidental environmental impacts, and reduce the impacts of climate change and other hazards through increased ecological and social resilience. The direct project beneficiaries in the targeted agricultural landscapes specifically include IPLCs, prioritizing women and other marginalized groups. This Component will seek to reduce external pressures on PAs and OECMs by demonstrating BDFAPs in adjacent sloping agricultural lands to promote sustainable landscape management and increased local benefits to IPLCs and restoring at least 2,500 ha of degraded croplands.

77. The study cited the possibility of having the Department of Agriculture (DA) agricultural programs in upland areas/hilly lands reconfigured to meet the objectives of both the PBSAP and the NAFMIP. For this to happen, agricultural policies and programs, including incentive/subsidy systems and regulatory frameworks, as they apply in hilly land contexts, need to be revisited and re-purposed for the long-term sustainability of the agricultural

[35] National Agriculture and Fisheries Modernization and Industrialization Plan 2021-2030. Department of Agriculture. 2022.

[36] BIOFIN Study: Agricultural Practices and Agricultural Programs as Applied in Ecologically Sensitive Hilly Lands Final Report. BIOFIN Project/UNDP-BMB. June 2023.

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production systems in the ecologically fragile upland/hilly land ecosystem. The study then provided several action areas to transition from "business as usual" agricultural practices to biodiversity-responsive agricultural practices for three production systems: rice systems in agricultural heritage sites, yellow corn in hilly areas, and highland vegetable production. With the DA as the lead agency, the GBFF project will provide assistance in reviewing and updating the action milestones/plan specified in the BIOFIN study through the conduct of the following **activities:**

3.1.1 Within the framework of the NAFMIP and supportive of the DA-DENR Joint Special Order 2023-01 on BDFAPs, conduct dialogues/consultations at the national level to review and update the Action Areas/Plan cited in the BIOFIN study to transition from BAU agricultural practices (BAUAP) to BDRAP. These dialogues/consultations will be participated in by the concerned bureaus and units of the DENR and DA, including other DA Program Offices, the Philippine Council for Agriculture and Fisheries committees, other concerned offices of the DENR and government agencies at the central level, the private sector, and other stakeholders, including women's groups.
3.1.2 Conduct dialogues/consultations at the regional/field levels with the participation of the DENR and DA regional offices, the field offices of other concerned agencies, representatives of the protected area management boards (PAMBs), fisheries and aquatic resources management councils (FARMCs), state universities and colleges (SUCs), regional development councils, and other stakeholders, including women's groups, to review and obtain inputs in the updating of the Action Areas/Plan.
3.1.3 From the inputs of the national and regional/field dialogues/consultations, prepare the Updated Action Area/Plan (AAP) and corresponding work and financial plan (WFP) to operationalize the transition from BAUAP to BDFAP;
3.1.4 Obtain approval from DA and DENR of the Updated AAP and corresponding WFP; and
3.1.5 Establish demonstration sites to serve as exemplars in the shift from BAUAPs to BDFAPs in the GBFF project sites.
3.1.6 Monitor and evaluate progress at the demonstration sites to determine impacts

**Output 3.2. Incentive systems, market and safeguard systems and transition mechanisms for the implementation of the Re-Design Action Plan put in place**

78. The project will help repurpose direct production subsidies to strengthen approaches and expand the coverage of safeguards towards enhancing the resource base for more diverse sustainable production revolving around the commodity, and in the process, enhance resilient upland livelihoods. The Program will also assist in levelling-up safeguards by: (i) Establishing agricultural land use guidance frameworks building on socio-ecological lens; (ii) factoring in non-point soil erosion, pollution in DRRM/CCA and build back better plans; (iii) Assessing actual outcomes of existing efforts for safeguards, to appreciate strengths and gaps and effectively match the scope and scale of environmental impacts; and (iv) Promoting adaptive, location specific Agri programs that take into account carrying capacities of natural resource base in designing agri-related interventions. Part of the strategy also is deep diving into market and demand side management by (i) Improving capacities for farmers adopting BDRAP to participate in value chains, (ii) Optimizing market opportunities from mandated institutional markets and market niches, and (iii) Partnering with the Health and wellness sectors to enhance consumer education.

79. Additionally, setting-up enabling mechanisms to enhance successful transition will be a critical element of this Project component. This will involve, among others, (i) review and re-designing of protocols of the Department of Agriculture for area and beneficiary targeting; (ii) integration of the menu of BDRAP-oriented systems in standard technology package; (iii) gender mainstreaming; (iv) review and repurposing of direct production subsidies to support more R&D and extension work on safeguard-oriented programs; and (v) Levelling-up budgetary support for the coverage of safeguard-oriented programs to anticipate, prevent or mitigate environmental impacts. The activities under this Output will incorporate gender mainstreaming and social inclusion requirements described in the project's Gender Action Plan, Comprehensive Stakeholder Engagement Plan and Environmental and Social Management Framework (see **Annexes 10, 8 & 9**). ESIAs for planned field activities will be conducted early in the implementation phase according to identified needs in the ESMF (**Annex 9A**), aiming to protect, restore, and manage ecosystems while addressing societal challenges. The demonstration of BDFAPs in sloping agricultural lands adjacent to PAs and OECMs within the project landscapes will introduce sustainable landscape management and restore at

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least 2,500 ha of degraded croplands while engaging and providing benefits to IPLCs. These contributions to sustainable land management and restoration of degraded croplands will result in reduced GHG emissions.

80. The specific activities of the GBFF project will include the following:

3.2.1 Conduct a detailed assessment of the direct subsidies associated with environmental impacts of programs for hybrid and inbred rice in agricultural heritage areas, yellow corn production in hilly lands, high-value crops- highland vegetables in areas with hilly to steep slopes;
3.2.2 Determine which portion of the direct subsidies associated with environmental impacts can be repurposed to mitigate the ecological and biodiversity impacts but at the same time improve food safety prospects and ensure continuing opportunities for rural villages in fragile upland/hilly lands to economically benefit from the suitable farming activities;
3.2.3 Prepare a plan of investment for the use of the repurposed subsidies to support the three programs of DA for the upland/hilly areas and the formulation and implementation of safeguard systems; the investment plan for the repurposed subsidies must ensure alignment with the indigenous knowledge, systems, and practices, including the ancestral domain sustainable development and protection plan and other biodiversity-relevant plans of IPs;
3.2.4 Provide assistance in the preparation of site farm plans for upland/hilly lands, taking into consideration land carrying capacities and other ecological, economic, and social factors;
3.2.5 Conduct pilot activities to support the implementation of site farm plans in the GBFF demonstration sites and embed a robust M&E system in the design of the pilot activities, including a Randomized Controlled Trial approach. The pilot activities also aim to achieve synergies with adjacent PAs, MPAs and OECMs through sustainable land management and local benefits;
3.2.6 Provide assistance in the formulation of a guidebook for the preparation of Agricultural Land Use Plans of LGUs for subsequent incorporation in the guidelines for the preparation of land use plans of LGUs;
3.2.7 Provide technical guidance in the formulation of Agricultural Land Use Plans as a component of the Comprehensive Land Use Plans of LGUs;
3.2.8 Conduct participatory and gender-responsive value chain analysis to enhance production, processing, and marketing linkages of BDFAP and increase the viability and economic benefits from BDFAP. The results of the value chain analysis will provide the basis for specifying the institutional arrangements, incentives, promotion and product development support for BDFAPs, including the framing of capacity-building interventions of the stakeholders along the value chain including IPLCs;
3.2.9 Assist in the preparation of the implementing rules and regulations of DA-DENR Joint Special Order 2023-01 to guide specific actions at the national and field levels in promoting BDFAPs. This includes re-designing the Department of Agriculture protocols for area and beneficiary targeting, integrating the menu of BDFAP-oriented systems into the standard technology package, and incentives mechanisms, gender sensitivity, robust enforcement of regulatory measures, and other technical support services;
3.2.10 Conduct a cost-benefit analysis of the BDFAPs to determine the causal links between agricultural practices and environmental impacts. The results of this analysis can enhance the “buy-in” of the hilly land farmers and also support arguments for increasing investments in BDFAPs. Design and implement a capacity-building program to enhance the capabilities of DA, DENR, and other stakeholders to support the implementation of the Action Plan and the BDFAP guidelines. Capacity development focusing on BDFAP skills for IPLCs will be matched with grants, investments and direct market linkages to secure long-term benefits in line with IPPF requirements.

**Output 3.3 Stakeholder Engagement, including IPLCs, and Communications Plans developed on Subsidies with incidental environmental impacts**

81. To achieve Outputs 3.1 and 3.2, key stakeholders will need to “buy-in“ sufficiently at both national and local levels, but particularly the latter. Sufficient information, education, and communication (IEC) campaigns will be necessary to broaden support at national and field levels for the transition from BAUAPs to BDFAPs. Aside from DENR and DA, such a transition will also need the support of the DILG, the LGUs, and the NCIP, both of which have a relatively strong presence in the same landscapes.

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82. At the same time and more importantly, the BDFAPs in the upland/hilly land need to be socially reaffirmed and enforced through a stakeholder consultation process followed by communication of reaffirmed policies and agreements. Cross-sectoral bodies such as RDCs, PDCs, LDCs, and PAMBs will play a key leadership role in collaboration with farmer networks, the tribal councils of elders, civil society, and the business sector need to be engaged at the critical stages of the transition. The engagement of these stakeholders will also help leverage the adoption of the repurposed subsidies in order to achieve both socio-economic and environmental benefits.

83. The activities for this Output are as follows:

3.3.1 Preparation of a gender-responsive Stakeholders Engagement Plan on the subject of agricultural subsidies with incidental environmental impacts;
3.3.2 Preparation of a gender-responsive Communications Plan on the subject of agricultural subsidies with incidental environmental impacts;
3.3.3 Support for the implementation of both plans; and
3.3.4 Conduct an analysis of the winners and losers of subsidy repurposing together with the definition of measures to accompany the transition.

## Component 4: Partnerships and Knowledge Management *(Lead: BMB (PMU)*

**Component Total Budget: USD 3,663,677; GEF contribution: USD 391,777; Co-financing: USD 3,271,900**

***Outcome 4: Effective Advocacy and Partnerships***

84. Under this component, partnership strategies (with other NGAs, local governments, private sector, academic and research institutions and IPLCs will be developed and implemented. A knowledge management plan and corresponding infrastructure will also be put in place.

**Output 4.1. South-South Learning Exchanges conducted *(Lead: BMB (PMU)***

85. This Output will take advantage of the substantial experience and learning materials such as webinars, publications and podcasts available through the Global BIOFIN Programme[37], related projects and programmes globally and in the Philippines[38], as well as through global platforms such as the UNDP Sustainable Finance Hub[39] (see Output 4.2). Under the Global BIOFIN Programme there are excellent opportunities for South-South learning especially with other countries in Asia that can be facilitated by UNDP through online webinars and physical exchanges. BIOFIN functions as a platform for South-South/Triangular Cooperation, bringing together up to 45 prioritised countries but also sharing lessons learnt with additional CBD parties. Regional workshops and global conferences are the principal venues for face-to-face experience sharing, complemented by regional and global webinars, bi-lateral cooperation and utilising global knowledge management platforms.

**Activities include**:
4.1.1 A series of at least five webinars will be organized to exchange experiences on different finance solutions and identify common interests between the Philippines and relevant countries, and subsequently shared globally through the BIOFIN Knowledge Base[40];
4.1.2 At least two exchange visits will be arranged based on the identification of mutual benefits for the development of specific finance solutions, focusing on women, youth and indigenous participants;
4.1.3 The project will facilitate the participation of relevant stakeholders from the Philippines in BIOFIN regional workshops and global conferences (with costs borne by the related organizations rather than GBFF), prioritizing capacity development benefits to women, youth and indigenous participants.
4.1.4 Provide training opportunities targeted for women and indigenous participants.

[37] https://www.biofin.org/
[38] Such as: UNDP/GEF-8 Green and Blue Islands Programme, ADB/GEF Public-Private Partnerships (PPPs) for Coral Reef Insurance in Asia and the Pacific, CI/GEF Natural Capital Accounting project, etc.)
[39] https://sdgfinance.undp.org/
[40] https://www.biofin.org/webinars

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**Output 4.2. Biodiversity financing advocacy strategy and knowledge management system on biodiversity-positive investments *(Lead: BMB (PMU)***

86. Building on the BIOFIN Project Phase II, the GBFF project will develop an advocacy and communications strategy in its first year that reflects its institutional base within DENR/BMB and biodiversity finance mainstreaming needs within other DENR units, NGA and targeted LGUs in project sites. By targeting NGAs, institutional mechanisms outlined in the updated PBSAP as a finance solution will be facilitated. The project will make use of established platforms on social media, the BIOFIN Philippines webpage of the global BIOFIN website and through DENR/BMB to communicate news of activities, project results and progress on finance solutions.

87. Advocacy and partnership efforts will also be directed towards the private sector, seeking to engage and upscale private sector engagement in demonstrating biodiversity finance solutions related to Component 3 Outputs. The project will promote private sector engagement through industry bodies such as chambers of commerce and trade associations that provide entry points for raising awareness and opportunities for participation and advocating for biodiversity goals in CSR/ESG programmes. Engagement will be linked to the implementation or piloting of specific finance solutions, or capacity development programmes.

88. This Output will build on the knowledge management infrastructure established by the BIOFIN Project Phase II to generate and share knowledge on biodiversity finance. There is also linkage between biodiversity and SDG funds that will be addressed in this Output. Knowledge generated by the project will also be shared on UNDP BIOFIN and Sustainable Finance platforms[41] and the UNDP-coordinated Biodiversity Finance (BIOFIN) Initiative Phase II global project.

**Activities include**:

4.2.1 Prepare a gender-responsive advocacy and communications strategy in Year 1, with annual reviews and updates;

4.2.2 Run a public campaign in cooperation with the media to close the financing gap that exists for the KMGBF-aligned PBSAP to raise awareness of the issue and generate a sense of urgency across government and society;

4.2.3 Develop and conduct a programme of awareness-raising on biodiversity finance planning and implementation for the leadership and staff of relevant units within DENR, key NGA stakeholders, targeted LGUs in project pilot areas, IPLCs and other relevant stakeholders;

4.2.4 Advocate for DENR approval / implementation of the proposed policy on CSR initiated with support from BIOFIN II;

4.2.5 Develop and conduct a programme of awareness-raising and engagement activities for the private sector through key industry bodies and advocate for inclusion of biodiversity goals in CSR/ESG programmes,

4.2.6 Elaborate social media messaging on biodiversity finance aims, strategies, activities and results in line with the communications strategy;

4.2.7 Build capacity within BMB/DENR to provide and maintain biodiversity financing news and resources on the project website on an ongoing basis;

4.2.8 Enable academic institutions in pilot areas to act as knowledge hubs for regional and local involvement, conducting studies on the application of finance solutions, promoting student involvement in project-related activities, and linking PA managers with local researchers.

4.2.9 Distil good practices, case studies and lessons learned for capacity development, replication and upscaling linked to the current BIOFIN Workbook[42] and Catalogue of Biodiversity Finance Solutions[43] through inputs from National experts ;including case studies on women's roles in BD conservation and how BD initiatives contribute to advancing GEWE;

[41] Such as: BIOFIN Knowledge Base https://www.biofin.org/knowledge-base , Sustainable Finance Hub https://sdgfinance.undp.org/ , SDG Integration knowledge bank https://sdgintegration.undp.org/ and Panorama https://panorama.solutions/en/

[42] https://www.biofin.org/knowledge-product/guidebook-2024-results-based-budgeting-biodiversity

[43] https://www.biofin.org/finance-solutions

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4.2.10 Share knowledge gained from project activities globally through relevant UNDP platforms on biodiversity conservation, biodiversity financing and SDG financing, and the UNDP-coordinated Biodiversity Finance (BIOFIN) Initiative Phase II global project.

## Component 5: Monitoring and Evaluation *(Lead: BMB (PMU)*

**Component Total Budget: USD 1,654,038; GEF contribution: USD166,808; Co-financing: USD 1,487,230**

***Outcome 5: Adaptive management approach consistent with UNDP and GBFF policy standards***

**5.1 Monitoring, Evaluation and Learning (MEAL) Plan developed and implemented *(Lead: BMB (PMU)***

89. The project will implement a gender-responsive Monitoring, Evaluation and Learning Plan that adheres to GEF and UNDP requirements, enables effective evaluation of project progress and impact, and integrates gender, social and environmental safeguards risks. These activities will ensure that the project monitoring system operates effectively, systematically provides information on progress, and informs adaptive management to ensure the intended project results are achieved.

Given that this project includes the piloting of innovative biodiversity financing solutions (especially in Output 2.3), the MEAL Plan will capture and facilitate adaptive learning from monitoring these novel, innovative biodiversity finance approaches in order to demonstrate their effect (including providing financial benefits to IPs), enable their scaling, and, ideally, also helping to crowd in finance. Output 2.3 includes more detailed planning, monitoring and learning for each of the innovative financing solution pilots that should be coordinated with the overall project monitoring and evaluation in Component 5.

**Activities include:**

5.1.1 Convene project inception workshop within the first 60 days of the project to review, update and elaborate project plans and management arrangements.

5.1.2 Annual work plan preparation and monitoring of indicators in the project results framework for adaptive management including annual lesson learning sessions among project stakeholders and reflection meetings to incorporate lessons learned into workplans, including specific attention to learning from the piloting of innovative financing solutions.

5.1.3 Complete annual PIR review of work plan implementation for adaptive management of project activities including the Gender Action Plan, Stakeholder Engagement Plan and relevant social and environmental safeguard plans (ESMF/IPPF, etc.)

5.1.4 Conduct reviews of the Social and Environmental Screening Procedure (SESP) as needed, in particular for activities on the ground when they start and areas have been identified;

5.1.5 Respond to any additional reporting requirements from Government, GBFF or UNDP;

5.1.6 Hold at least two Project Steering Committee meetings per year

5.1.7 Conduct surveys as necessary to collate data to update results framework indicators annually, and at mid-term (Year 3) and end of project (Year 6), including surveys on estimation of direct beneficiaries (e.g., population engaged in project-supported enterprises, livelihood activities, training courses, etc.);

5.1.8 Conduct independent Mid-term Review of GEF-financed and co-financed activities in Year 3 in line with UNDP/GEF requirements and incorporate recommendations of MTR into revised project plans (management response) following PSC's approval.

5.1.9 Develop a participatory Exit Strategy and Sustainability Plan that includes consideration of learning and upscaling from innovative finance solutions as soon as the MTR is completed and prior to the Terminal Evaluation and ensure this is included in the SEP update at that time.

5.1.10 Compile a Project Completion Report to compile project results and lessons learned in Year 6, to inform the Terminal Evaluation.

5.1.11 Conduct an independent Terminal Evaluation of GEF-financed and co-financed activities in line with UNDP/GEF requirements within 6 months of project operational closure.

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Agreement on intellectual property rights and use of the logo on the project's deliverables and disclosure of information**:** To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed per relevant policies, notably the UNDP Disclosure Policy[44] and the GEF policy on public involvement[45].

Resources required to achieve the expected result:

90. The key inputs required to support the project outcomes that will deliver the project's change pathway are summarized by Outcome in **Annex 24.**

91. The project workplan in **Annex 4** provides the basis for resource allocation to achieve delivery of the project Outputs and activities, with budgeted M&E inputs described in the M&E Plan (**Section VI**), safeguards inputs budgeted in the ESMF (**Annex 9**) and gender inputs in the Gender Action Plan (**Annex 10**). The staffing, consultancy and subcontracted inputs for project management and implementation of the technical components and M&E are presented in the Overview of Project Staff and Technical Consultancies (**Annex 7**). The overall costing of the project by Outcome and Responsible Party is presented in the Total Budget and Workplan in **Section IX** and GEF Budget in **Annex 1**.

92. No UNDP support to project execution is possible under the terms of GEF-8. Therefore all UNDP staff inputs refer to its GEF Agency role and are covered by the GEF Agency fees.

Partnerships:

93. The project's approach towards working with partners and other stakeholders is described in the **Stakeholder Engagement Plan (Annex 8)** including the intended project roles of individual stakeholder organizations **(see Table 4 below**). As described in the Governance and Management Arrangements (Section VII), the project Implementing Partner is the Biodiversity Management Bureau (BMB) of the Department of Environment and Natural Resources (DENR), which will form the PMU and lead overall implementation of the project. BMB will co-lead the implementation of specific Project components with the Department of Agriculture (DA) and Department of Trade and Industry (DTI), specifically on the interventions on subsidies with negative environmental footprint (Component 3) and MSME Accelerator Hubs (Output 2.5), respectively. DA, with support from a Responsible Party, will work towards a stronger policy that involves areas and stakeholders outside legislated protected areas, specifically targeting those OECMs, and providing demonstration models where behavior change among farmer cooperators is evident. DTI, on the other hand, with support from a Responsible Party, will co-lead the development of MSME Accelerator Hubs and manage the implementation of Low Value Grants (LVGs) to be provided to selected MSMEs.

94. The **Project Board** will consist of DENR-BMB and UNDP, plus DILG and selected IPLC Federations as project beneficiaries, together with DA, DTI, DA-Bureau of Soil and Water Management (BSWM), NEDA, NCIP, DOF, Department of Budget Management (DBM) and a private sector representative.

95. An inter-agency **Technical Working Group (TWG)** will be created to ensure that concerned agencies are able to provide technical guidance in achieving the desired results of the Project. Following the participation of key agencies and partners in the implementation of BIOFIN, the TWG will involve concerned technical teams/divisions of the following agencies: DENR- Policy and Planning Services, BMB, DOF-International Finance Group, DBM, DA-Policy and

[44] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/
[45] See https://www.thegef.org/gef/policies_guidelines

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Planning, and DA-Bureau of Soil and Water Management, NEDA-Agriculture and Natural Resources Services, DTI, DILG, private sector and IPLC representatives. The role of the TWG is described in Section VII.

96. **Component 1** has significant focus on NGA engagement in delivering the PBSAP and NBFP, starting with the development of the institutional structure for biodiversity resource mobilization and development units (BRMDUs) within DENR-BMB in Output 1.1. This involves enhancing the BMB's capacities by incorporating biodiversity finance responsibilities into the existing structure and mandated functions of the Biodiversity Planning and Knowledge Management Division (BPKMD) – Policy, Program, and Monitoring Section and the other four technical divisions and respective sections of the Bureau. In addition, the GBFF project through the BMB will work collaboratively with DENR-PPS on having a BD Financing Unit alongside the structure that will be strengthened within BMB. In Output 2.1, the BMB, through its BRMDUs, will be responsible for coordinating and facilitating the implementation of the NBFP, including capacity-building for DENR, concerned national government agencies, including government financial institutions, and the private sector. In Output 1.3, the project will support the institutionalization of a biodiversity budgeting and expenditure reporting system (BERS) linked with the PBSAP M&E System and the DENR M&E System/ Management Information System. Similarly, Output 1.4 development and institutionalization of biodiversity Impact Monitoring and Management (IMM) as an integral part of the PBSAP M&E System within the BMB and later link with the DENR central-level M&E system. It will also link to the Sustainability Reporting of SEC.

97. More generally, with increased biodiversity financing as the primary objectives of the Project, DOF and DBM will play critical roles in securing the buy-in of other agencies in providing resources to PBSAP implementation. DOF, as the chair of the Green Force has a strategic position in moving the other agencies in delivering the country's biodiversity targets through increased financing. DBM, on the other hand, will be able to assist in ensuring that personnel resources to be recommended as part of the BDRMU will be sufficiently funded. DBM's roles will also be crucial in the Project's activities related with BD expenditure tagging, BD results-based budgeting and IMM.

99. In **Component 2**, the project's local biodiversity finance planning subcontracted organisations will work with BMB and regional DENR offices. Provincial and Municipal LGUs will be frontline agencies for the development and implementation of LBSAPs that are expected to directly contribute to PBSAP implementation on the ground. LGUs are also at the core of financing their LBSAP implementation, i.e., ensuring that BD related actions are at the core of their investment programming. DILG will have an important role in increasing public investments for LBSAP implementation through creation of Special Accounts for biodiversity financing in Output 2.2 (together with DOF and DBM), and will receive training support for LBSAP delivery in Output 2.1. The Project will involve IPLCs in: LBSAP formulation and implementation, PES, impact investments and blended financing, e.g., PPP projects; and improving MSME business models with BD considerations. With BD related investments from the private sector being at the center of the Project's objectives, increasing private sector participation is a major approach to ensure that innovative finance solutions are put at the core of increasing resources for PBSAP implementation, which will be promoted within the context of LBSAP delivery through increased nature-positive contributions from the private sector as well as modalities for engaging NGOs, civil society groups, and IPLCs in local initiatives for PES, ~~TNFD,~~ blended financing and impact investing in Output 2.3, while innovative financing solutions such as coral reef insurance, BD credits and nature bonds will heavily depend on private sector engagement including partnerships with financial institutions. The BSP and SEC will lead in establishing a TNFD system and related national policy in Output 2.4. DTI will lead the development and implementation of MSME Accelerator Hubs in Output 2.5, which will provide MSMEs with technical assistance on how BD management interventions can be made part of their business models.

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100. DA will lead the implementation of **Component 3,** to promote Sustainable Land Management and Good Agricultural Practices to Support Biodiversity Conservation. Supporting the transition from BAU agricultural practices (BAUAP) to Biodiversity Friendly Agricultural Practices (BDFAPs) in Output 3.1 will involve dialogues and consultations with the NOC for BDFAP created under DA-DENR Joint Special Order 2023-01, involving other DA Program Offices, the Philippine Council for Agriculture and Fisheries committees, other concerned offices of the DENR and government agencies at the central level, the private sector, and other stakeholders, including women's groups. In addition, there will be dialogues/consultations at the regional/field levels with the participation of the regional technical working groups specified in the Joint Special Order 2023-01, the field offices of other concerned agencies, representatives of the protected area management boards (PAMBs), fisheries and aquatic resources management councils (FARMCs), state universities and colleges (SUCs), regional development councils, and other stakeholders, including women's groups, to review and obtain inputs in the updating of the Action Areas/Plan. Thus substantial stakeholder consultation and buy in are necessary to progress this component. The demonstration of BDFAPs in Output 3.2 will involve IPLCs as farmer cooperators in applying BDFAPs and SLM as tools in reducing subsidies with negative environmental impacts. The awareness raising and advocacy for the transition to BDFAPS and subsidy reduction in Output 3.3 will need institutional ownership of DENR and DA, and the support of the DILG, the LGUs, and the NCIP, which have a relatively strong presence in the same landscapes.

101. Under **Component 4** (Output 4.2 in particular), partnership strategies (with other NGAs, local governments, private sector, academic and research institutions and IPLCs) will be developed and implemented. This component seeks to develop and implement an advocacy and communications strategy that reflects its institutional base within DENR/BMB and biodiversity finance mainstreaming needs within other DENR units, NGA and targeted LGUs in project sites. By targeting NGAs, institutional mechanisms outlined in the updated PBSAP as a finance solution will be facilitated. Advocacy and partnership efforts will also be directed towards the private sector through industry bodies such as chambers of commerce and trade associations, seeking to engage and upscale private sector engagement in demonstrating biodiversity finance solutions related to Component 2 Outputs. In Output 4.2, the project will seek to maximise the potential for learning and exchange with the Global BIOFIN Programme, related projects and programmes globally and in the Philippines – including opportunities for women, youth and IPLC members.

**Cooperation with Ongoing Initiatives and Projects:**

102. This BD Financing Programme builds on the BIOFIN Project by scaling-up finance solutions tested in current Project sites (e.g., LBSAPs, PA finance planning), for which feasibility studies have been conducted but are yet to be supported with proof of concept e.g., TNFD, biodiversity credits, coral reef insurance) and demonstrating new finance solutions (e.g., OECM Conservation Trust Funds). With the uncertainty of the BIOFIN Project's extension, a seamless transition will be undertaken to support the government through this GBFF BD Financing Programming. If additional resources for the BIOFIN Project materialize, this Project will complement BIOFIN's future work on sustaining NBFP implementation NBFP, improving capacities of BMB and DENR Central Office, strengthening NBFP contributions of other NGAs and LGUs, increasing PA financial planning and resource mobilization, providing additional demonstration models for finance solutions and increasing private sector participation.

103. The Project will support DENR's agenda on implementation of the PENCAS Bill and NCA Roadmap by demonstrating how NCA data can inform local planning processes such as LBSAPs. With BMB's technical bulletin on LBSAPs and ongoing alignment of the PBSAP with KMGBF targets supported by a GEF-8 Enabling Activity, this Programme will provide additional areas where LBSAPs are implemented, increasing BD financing and partnership-building.

104. From a portfolio approach, this Programme coincides with UNDP CO's work under the Climate Finance Network on climate change results-based budgeting, improving the country's Climate Expenditure Tagging (CCET). Under Component 1, this Project will align and determine complementation on biodiversity results-based budgeting and

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expenditure reporting. This Project will also reinforce the UNDP CO's efforts on increasing private sector participation through increased financing on NbS under the Canadian government-supported Accelerating Green and Climate Finance Project (AGCF) and BIOFIN. This Programme will sustain UNDP's work with the PPPC, SEC and BSP on strengthening PPP projects, maximizing the Sustainability Reporting Guidelines to incentivize PLCs and MSMEs on introducing green and climate initiatives through impact investments, CSR, etc.

105. With the UNDP-GEF Biodiversity Corridor Project that is currently working on OECMs, improved PA management and mainstreaming biodiversity management in local development plans, this Project will facilitate financing for biodiversity-related interventions by influencing LGUs' AIPs to include resources for LCA management, identifying biodiversity-friendly investments such as ecotourism activities, securing financial support for ICCAs and providing assistance to LGUs on meeting requirements for BD-related indicators under the Seal of Good Local Governance (SGLG).

106. With the UNDP-GEF Securing Long-Term Sustainability of Multi-functional Landscapes in Critical River Basins of the Philippines Project, the project can pilot innovative finance solutions in SLM demonstration areas such as valuation models and private sector investment matching for PES schemes, implement action plans with market incentives and safeguards for mainstreaming BDFAPs.107. With the BD Corridor Project, this Programme will complement the Seventh and Eighth Cycles of the GEF Small Grants Programme and the Securing Long-Term Sustainability of Multi-Functional Landscapes in the Philippines Project through the establishment of MSME Accelerator/Innovation Hubs where green investments can be promoted.

101. The GBFF project through the BMB-BRMDUs will provide technical assistance for the creation and capacity-building of the DENR Biodiversity Finance Unit. The recently enacted Republic Act No. 11995 known as the PENCAS law, provides for the creation of new plantilla positions for the DENR to carry out the functions under the said law that can provide the anchor to facilitate the formation of this DENR Biodiversity Finance Unit. This will be coordinated with related projects including the ADB-supported rapid natural capital assessment approaches in the Philippines, which is part of the ADB-co financing support to countries from the GEF-7 project ID 11041 Transforming policy and investment through mainstreaming rapid approaches for natural capital assessment and accounting (IADB, global); and . UNEP/GEF-7 project GEF ID 10386 Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscape.

102. Through DENR's Foreign-Assisted and Special Projects Service FASPS, the project interventions will also be coordinated with the ADB/GBFF project GEF ID 11589 Strengthening Globally Significant Biodiversity Corridors in the Philippines through Local Community Empowerment, which will focus solely on marine corridors. For Eastern Mindanao, specifically in Mt Hamiguitan, this GBFF BD Financing Program will provide interventions for improved management of terrestrial ecosystems. Based on discussion with the government, the ADB project will only overlap in Pujada Bay as it will focus on marine corridors. Under this Project, UNDP's work in Pujada Bay will focus on coral reef insurance and ecotourism development as part of finance solutions that will complement the ongoing GEF-UNDP-BMB Project on large marine mammals. Biodiversity values of this coastal and marine area will be generated as part of the LBSAP planning processes, but no NCA accounts will be established as these are programmed under the ADB workstream. With the same Implementing Partner, strong complementation efforts will be coordinated to ensure Project management adjustments, if and when necessary.

**Table 4. Project stakeholders and their roles in project implementation**

| Key Stakeholder, Role and Responsibility/Mandate | Proposed role in the project and involvement mechanism |
|---|---|
| **DENR National offices:**<br>● Undersecretary (USEC) /Assistant Secretary (ASEC) for Planning: Executive oversight of integrated policy formulation /planning. | **USEC/ASEC for PP:** Designation of BD financing focals, creation of BRMDU, development of supplementary guidance on and agricultural subsidies with environmental impact. |

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| ● Policy and Planning Services (PPS): Oversees overall planning and programming and review of policy initiatives.<br>● Human Resource Management Services (HRMS): Develop and manage overall HR capacity building program. **KIS**: Plan and oversee interventions for KM and information management.<br>● Knowledge and Information Services (KIS)<br>● Foreign Assisted and Special Projects Service (FASPS): Oversight for project management and monitoring.<br>● Field Operations Office (*TBD*): Supervision of all field related program implementation.<br>● GEF Operational Focal Point / Usec for Climate Change: monitoring and evaluation of GEF programs<br>● Climate Change Service (CCS): supports policy development and leads integration of climate change initiatives, and adaptation and mitigation strategies across DENR programs. | **PPS:** Strengthen institutional capacities, policy alignment, and monitoring mechanisms to ensure effective implementation of the NBFP and alignment with other relevant Philippine development plans.<br>**HRMS and KISS:** Build institutional capacity and workforce development to support biodiversity finance mechanisms. Specifically, One Nation, One Map for effective LBSAP development and Environment and Natural Resource Academies (ENRA) for foundational and competency training on BD Financing<br>**FASPS:** Facilitate linkages with other ongoing and planned programs to leverage international funding and alignment with global BD goals. Will also undertake overall coordination of implementation and M and E for DENR and reporting to oversight agencies.<br>**Field Operations:** Co-implementing on-ground conservation projects with LGUs, monitor its impact, and facilitate local partnerships for BD financing<br>**GEF Operational Focal Point:** Undertake portfolio level M and E; provide guidance and facilitate reporting to GBFF.<br>**CCS**: Integrate BSAPs as ecosystem-based adaptation into Local Climate Change Action Plans and National Adaptation Plans and linkage with appropriate blended finance mechanisms (e.g., People's Survival Fund, Green Climate Fund, PPPs) |
| **DENR Bureaus:**<br>● Biodiversity Mgt. Bureau (BMB): Lead implementer of NBSAP, NBFP and of the NIPAS.<br>● Forest Mgt. Bureau (FMB): Oversees forest management and National Greening Program & Forestland Tenure instruments.<br>● Mines & Geosciences Bureau (MGB): Oversees the mining sector development.<br>● Environment Bureau (EMB): Oversee the Environmental Impact Assessment (EIA) process.<br>● River Basin Coordinating Office (RBCO): Coordinates River Basin master planning.<br>● Ecosystems Research and Devt Bureau (ERDB): Serve as DENR's ecosystems research arm. | **Coordinated by USEC for Planning,** all cited bureaus will be supported to incorporate BD financing concerns in their respective sub-sector formulation of policy and standards and safeguards; national planning and implementation and technical assistance to LGUS and communities.<br>**BMB:** Serves as primary implementing partner and chair of the Project Board. Provides direct guidance through the R/DENR and PENROs in developing LBSAPs. Implement NBFP tasked with securing public-private investments. Institutionalize biodiversity expenditure tracking, co-develop and scale innovative finance solutions to support mainstreaming BD into national and local budgets aligned with the PBSAP and LBSAPs. It will establish a BD Resource Mobilization and Development Structure (BDRMDU) and enter into MOAs with responsible partners for delivery of outputs.<br>**MGB:** Integrate BD-positive investments in mining policies, leveraging rehabilitation and environmental funds for conservation, and development of PES and in rehabilitation plans and biodiversity offsets. Provide further support in development/updating of policies to establish conservation areas within mining areas; and mainstreaming of BD in the management of mining companies' Sustainable Development and Management Plan (SDMPs); and other applicable policies and guidelines.<br>**EMB** will integrate BD finance solutions in environmental regulations, compliance frameworks, and enforcement, such as environmental impact assessments, valuation studies, piloting and capacity building of local PES stakeholders.<br>**FMB** integrates forest conservation funding into policies, leveraging carbon credits, PES, and reforestation funds, to demonstrate sustainable forest management that can further mobilize public-private investments, and strengthens financial mechanisms for forest protection and biodiversity conservation.<br>**RBCO** integrates watershed and river basin management strategies into NBFP. Ensures RB conservation efforts such as basin restoration and water resource management, are matched with appropriate PES, conservation trust funds and other blended finance solutions and aligned with sustainable land-use plans. |

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| | **ERDB** integrates scientific research, ecosystem valuation, and guidance to BDFEs and PES to support BD financing strategies. |
| **DENR Regional offices**<br>● Regional DENR: Implement national DENR programs at regional, provincial and district levels. Provide direct technical support to LGUs, and other stakeholder organizations.<br>● Regional offices of MGB: Conducts assessments, develops and monitors environmental protection and rehabilitation, and social development programs.<br>● Regional office of EMB: Assesses, monitors and enforces environmental laws and promotes local climate adaptation and mitigation programs. | **All DENR regional offices**: Provide local operation leadership in facilitating partnerships, mobilizing investments, and integrating biodiversity into local plans and policies. Specifically, 1.) Facilitate LBSAP development and implementation, and integration with local development plans (e.g., CLUPs, LCCAPs, AIPs), 2.) Leverage current programs for conservation, 3.) lobby and provide technical guidance to increase biodiversity budgets and revenues, 4.) develop local PPP, CSR, and mine rehabilitation (e.g., FMRDP, SDMP) programs, 5.) Strengthen BDFAP and SLM engagements with DA through TWGs and pilot sites. |
| **Department of Finance (DOF):** DOF can mobilize funds for biodiversity through green bonds, taxes, and incentives. As well as integrating biodiversity into fiscal strategies and securing international funding. | As the chair of the Inter-agency Task Force on Sustainable Finance (ITSF) or the Green Force, DOF can mobilize domestic and international financing (e.g., green or sustainability linked bonds, blended financing), strengthen the implementation of the Sustainable Finance Roadmap (e.g., banking policies, taxonomy of sustainable finance), and pursue PPPs to demonstrate nature based solutions and impact investments.<br>DOF will co-chair the PB to validate biodiversity financing options and its viability with existing public and commercial financing mechanisms and develop policies to strengthen the implementation of the National BD Finance Plan. |
| **Banko Sentral ng Pilipinas (BSP):** BSP issues policies under the Sustainable Finance Framework which encourages banks and financial institutions to integrate environmental, social, and governance (ESG) factors into their risk management systems. | BSP can spur the mobilization of resources for BD financing such as green/blue bonds, impact investments, and blended finance mechanisms, through guidance on environmental risk management, promotion of sustainable finance roadmap and biodiversity related disclosures (e.g., TFND) and developing incentives for BD-linked investments. |
| **Public and private financial institutions (FI):** Various public and private financial institutions develop products and services aligned with ESG and other sustainable financing principles based on emerging global market trends, consumer demand, investment mandates, and regulatory compliance | FIs can mobilize capital for biodiversity investments through green/blue bonds, biodiversity credits, impact investments, and other blended finance solutions. They can also provide loans, grants, and equity funding for biodiversity-friendly enterprises and conservation projects, and increase nature-positive financing into investment portfolios through ESG and other sustainability metrics. |
| **Securities and Exchange Commission (SEC):** SEC creates policies, guidelines, and incentives for private sector investments in biodiversity conservation such as Sustainability Reporting and Disclosure Requirements, Green & Sustainability Bonds, Code of Corporate Governance, etc. | SEC can provide guidance on policies and regulations involving sustainability reporting, integration of biodiversity risk disclosure in the Philippine Sustainability Reporting Framework, and adopt other frameworks such as TNFD, BD expenditure taxonomy, and NCA. |
| **Department of Trade & Industry:** DTI provides business support services and incentives to sustainable business models such as inclusive value chains and green technologies. | DTI can help promote BDFE principles to MSMEs, integrate PPP green finance strategies into trade policies, and facilitate green economic PPPs in their industry development roadmaps. Specifically for this project, DTI can scale BDFEs through accelerator/incubator hubs near KBAs, mobilize additional investments in green supply chains, facilitate market access, and strengthen regional innovation plans through BDFE technologies and scaling strategies. |

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| **Department of Tourism:** DOT provides policy and infrastructure development, capacity building and marketing support to LGUs and industry stakeholders to promote sustainable tourism initiatives. | DOT can integrate nature-based tourism investments into the NBFP through its eco-tourism initiatives that generate sustainable revenue for conservation areas, including protected areas, marine sanctuaries, and biodiversity-friendly tourism enterprises<br>DOT can develop (PPPs) for biodiversity-positive tourism projects, and collaborate with DENR and LGUs to mainstream biodiversity financing in tourism development plans. |
| **Department of Science & Technology:** Provide technical assistance and development adaptable technologies for environmental protection and conservation. | DOST can support MSME accelerators and innovation hubs by providing appropriate technologies and innovation aligned with BDFE principles. It can leverage its Agribased Technology Incubator (ATBI) and DOST-SETUP for technology transfer and provide access to facilities and expertise through its collaboration with DTI on Regional Inclusive Innovation Centers (RIICs) |
| **Mindanao Development Authority (MinDA):** MinDA supports biodiversity financing, PPPs, ecotourism, policy coordination, and climate resilience for sustainable development in Mindanao | MinDA facilitates various PPP and blended finance for biodiversity conservation and supports scoping studies on effective PPP models in Mindanao. It plans to develop ecotourism and conservation financing in Eastern Mindanao Biodiversity Corridor (EMBC) and Zamboanga Peninsula (ZP) based on its collaboration with Tourism Infrastructure and Enterprise Zone Authority (TIEZA) to promote ecotourism in Davao Oriental and Davao de Oro. With its geographical focus, it can scale sustainable investment strategies for BDFEs and conservation projects in Mindanao. |
| **Department of Budget and Management:** DBM may allocate resources for conservation programs, integrating biodiversity into national budgeting frameworks, and ensuring alignment with development goals. It can establish funding mechanisms, monitor expenditures, and incentivize biodiversity-friendly projects through fiscal policies and public investment strategies | DBM can ensure biodiversity expenditure reporting and budget tracking are aligned with the General Appropriations Act (GAA). It can support the institutionalization of the NBFP by integrating biodiversity allocations into national and local budgets, enhancing fiscal transparency, and ensuring sustained funding for conservation initiatives .<br>DBM can explore restructuring budget priorities to reduce subsidies with negative environmental footprint and redirect funds to biodiversity-positive investments and collaborate with NEDA, DENR-BMB, and LGUs to align funding for PBSAP and LBSAPs through BD Special Accounts<br>Furthermore, DBM can pilot test BD results based budgeting as part of the Program Convergence Budgeting and provide budget call guidelines to incorporate BD in national budgeting processes. |
| **Department of Agriculture**<br>DA develops and implements policies and programs for agricultural development. It also serves as the country's focal point for land degradation neutrality and sustainable land management.<br>● Policy & Planning Service Bureau of Soils and Water Management (BSWM)<br>● Bureau of Agriculture and Fisheries Standards (BAFS)<br>● Regional offices (R6, R9, R11, R13): Regional offices guide and enable LGUs to implement devolved agricultural functions. | **Policy and Planning Offices**: Serve as PB member, oversee formulation of targeted policy instruments to support BDFAP, Organic Agriculture.<br>**DA-BSWM:** Co-develop guidance on SLM and BDFAP with BMB-CAWED for project sites and co-pilot assessments of common agricultural subsidies. Convenes BDFAP National Oversight Committee for implementation review and strategic planning.<br>**BAFS:** Complete recognition system for BD-friendly agriculture. Support LGU initiatives to include IP domains in OA programs.<br>**R/DA:** Serve as core member of site working group, guide LGU in implementing BDFAP, and incorporate learning in DA strategic regional programs of work. |
| **National Commission for Indigenous Peoples (NCIP):** NCIP formulates and implements policies for the enhancement of IP welfare. It facilitates land security, ancestral domain planning and IKSP documentation and mandatory IP representation in governance. NCIP also developed the Indigenous People's Biodiversity Strategy and Action Plan (IPBSAP) in 2024, which provides an | **National NCIP office:** Advocate for the integration of Indigenous Community Conserved Areas (ICCAs) and IPBSAP into the NBFP, PES opportunities and other IP-led biodiversity initiatives are supported by policies for their equitable economic participation.<br>**R/NCIP:**, Facilitate financing opportunities by advocating for LGU budget allocations and appropriate interventions at Ancestral Domain (AD) levels (with supporting NGOs, academes) particularly through negotiations with investors. |

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| important framework for IP engagement in conservation nationally.<br>● National Office<br>● Regional Offices (R6, 9, 11, 13) | Ensure integration of ADSDPP and implementation of Community Conservation Plans are properly supported by recurring BD revenues. |
| **Climate Change Commission (CCC):** CC is the primary policy making body on climate action in the Philippines, mandated to integrate climate resilience into national policies and engage multi-agency and sectoral as outlined in their National Adaptation Plan 2023-2050 and National Climate Change Action Plan 2011-2028 (NCCAP).<br>It promotes nature-based solutions in addressing climate change.<br>It has worked with UNDP on projects like "Accelerating Green and Climate Finance," which focuses on mobilizing resources for climate-resilient and gender-responsive initiatives.<br>The CCC also emphasizes the integration of biodiversity expenditures tracking into its established Climate Change Expenditure tracking (CCET) into national budgeting processes and promotes public-private partnerships to unlock additional funding that are aligned with biodiversity conservation efforts. | CCC can integrate climate change adaptation and mitigation into biodiversity conservation efforts, and align climate mitigation and adaptation funds, such as the Green Climate Fund and People's Survival Fund, and their private sector engagements with biodiversity projects, NBS, PES, and other funding mechanisms for LGUs and IPLCs. |
| **Reg Development Council (RDC) & NEDA**<br>● Public Private Partnerships (PPP) Center of the Philippines: Lead agency for development of PPPs. Provides policy guidance, project development support, and capacity building for agencies and LGUs.<br>● RDC- Economics Committee (RDC/EC) : Reviews sectoral plans for agriculture and NRM and IP affairs among others.<br>● RDC- IP Committee (RDC/IP): Reviews sectoral plans for agriculture and NRM and IP affairs among others.<br>● NEDA Reg Offices (NRO): Serve as the secretariat of the Regional Development Council and oversee preparation of Regional Plans. | NEDA NROs will support the mainstreaming of BD investments plans in LBSAPs, Regional Development Investment Programs; Regional Physical Framework Plans and Provincial Physical Framework Plans, and support these through PPPs,, BD special accounts with LGUs.<br>PPP can provide funds for feasibility studies of biodiversity projects and assist in development of PPP agreements with private sectors. Examples of which are eco-tourism, protected area management, and BDFAP. |
| **Department of Interior and local government (DILG):** Supervises /capacitates LGUs implement mandates.<br>● Provincial, Municipal LGUs: Formulate and implement local policies /programs following the Philippines Development Plan (PDP). | **DILG:** Support the incorporation of biodiversity targets in Seal of Good Local Governance (SGLG) to mainstream BD financing.<br>**P/M/LGUS**: Align LBSAPs with annual investment plans (AIP) and explore public-private partnerships (PPP) to meet BD funding goals. Realign agricultural services and subsidies to support BDFAP and Organic Agriculture.<br>Pursue integration of LBSAPs in Provincial Development and Physical Framework Plan (PDPFP), Comprehensive Land Use Plan (CLUP), Comprehensive Development Plans (CDP) and local environmental codes. |
| **National and local NGOs**<br>World Wildlife Fund Philippines (WWF), Phil Association for Indigenous Peoples Development (PAFID), RARE Philippines, Philippine Eagle Foundation (PEF), Philippine Biodiversity | NGOs can bridge the gap between IPLCs, LGUs and government agencies by initiating biodiversity projects, mobilizing biodiversity investments by securing grants, facilitating public-private partnerships, and co-implement biodiversity finance solutions. Their advocacy can contribute to policy |

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| Conservation Foundation Incorporated (PhilBIO).<br>Haribon Foundation:<br>These NGOs are actively engaged in site implementation and resource generation, frequently collaborating with BMB on advocacy efforts, national protected area (PA) system planning, monitoring, and management. These NGOs conduct technical studies that provide the scientific foundation for conservation efforts and its prospective valuation for biodiversity financing | development, advocating for BD budgets, and piloting of local finance solutions to validate BD investments.<br>NGOs can also provide vital assistance in the formulation and implementation of LBSAPs<br>Capacity-building of IPLCs on BDFE and market linkages and arranging support from local NGAs for livelihood and enterprise development programs and projects<br>DENR may formalize partnerships with specific NGOs based on their BD focus or conservation expertise, and effective engagement with IPLCs and LGUs in project sites during implementation, specifically: |
| **Indigenous peoples** (based on site selection)<br>IP networks and local communities (farmers engaged in agriculture, upland forestry, and other economic activities in key biodiversity areas):<br>IPLCs are prospective direct and primary stakeholders in the project. They stand to benefit from the Project and/or suffer the consequences of continuous environmental degradation. IPLCs have strong historical and cultural ties to their domains, which coincide with existing PAs and potential conservation areas. Their indigenous practices and knowledge systems are mainly consistent with conservation objectives and would be vital in developing and implementing a comprehensive IP Biodiversity Strategic Action Plan (IPBSAP). | A representative of the national IP Federation will be selected to be Project Board. IPs will be the Project's priority in terms of incentives, information and extension campaigns, and promotion of sustainable agriculture and biodiversity-friendly livelihood practices.<br><br>Local and regional IPMRs are instrumental in ensuring ADSDPP and IPBSAP are included in local development plans and are properly implemented. The project will work towards fully engaging IPs to demonstrate benefits of BDFE accelerator and innovation hubs. |
| **Women and youth:**<br>Potential undervalued or marginalized groups in local conservation efforts and management structures. Typically organized for sustainable livelihood and environmental programs that can be supported by BD financing. | The project will ensure gender-responsive and youth-inclusive policies and programs on BD financing for their meaningful participation and effective project design. Gender mainstreaming is addressed in detail in the Gender Action Plan for the project, and integrated throughout the project design. Opportunities for training, internships, exchanges and other forms of participation will prioritize women, youth and IPLCs. |
| **Academic and Research Institutions:**<br>Academes and RI provide credibility and updated understanding of the valuation of biodiversity, ecosystem services, and local ecosystem conditions for public knowledge and potential commercial applications. | They will advise on the necessary research and other studies and on sharing of scientific information on the target sites, the strengthening of LBSAPs, and their extension services that build the capacity of IPLCs and local NGOs . The Project will enter into MOA with these organizations to carry out BD research, baselines and long-term monitoring of changes and impacts on project sites to assess environment and economic potential for improved BD Financing. The proposed MSME hubs will be closely affiliated with academic institutions and draw on their expertise. |
| **Private sectors** such as: holders of industrial forest management agreements, investors in ecotourism, mining operators, etc.<br>Business associations, industry and trade groups<br>Most companies have policies on corporate social responsibility that can potentially support direct conservation efforts through financial investments and non-financial services. More importantly, their operations may have a direct impact on | The Project will actively engage with the private sector to explore various funding mechanisms and BD aligned directives such as PPPs, CSR, Impact Investments, ESG, BD Credits, PES, NBS, Green/Blue Bonds and Sustainability Linked Loans. |

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| biodiversity through its use of natural resources and manufacturing emissions. | |
| **Development partners** such as: Asian Development Bank, World Bank, GIZ, USAID etc. Development agencies mobilize funding, provide technical assistance, and support policy reforms for Philippine biodiversity financing. This includes facilitating grants, loans, blended finance, and impact investments, strengthening local capacities, and promoting PPPs to enhance biodiversity conservation, climate resilience, and sustainable natural resource management. | The project preparation team will ensure that there is close coordination and synergy with related Projects through BMB FASP, and that project-related initiatives are consistent with the overall national strategic directions and policy framework for biodiversity financing and sustainable development. |

**Table 5. Co-financing contributions to the GBFF project**

| Co-financing source | Co-financing type | Co-financing amount (USD) | Included in project results? | If yes, list the relevant outputs |
|---|---|---|---|---|
| UNDP | In-Kind | 150,000 | No | |
| DENR-BMB | In-Kind | 202,326 | No | |
| DENR-BMB | Public Investment | 4,657,058 | No | |
| DENR Region 9 | Public Investment | 265,772 | No | |
| DENR Region 9 | In-Kind | 433,781 | No | |
| DENR Region 11 | Public Investment | 141,269 | No | |
| DENR Region 13 | Public Investment | 23,603,904 | No | |
| DENR Region 13 | In-Kind | 1,562,781 | No | |
| DENR-FASPS | In-Kind | 214,936 | No | |
| **Total** | | **31,231,827** | | |

*note: rounded number of co-financing amount based on UNORE rate as of 1 Apr 2025*

Risks and Assumptions*:*

108. The project is categorized as Moderate Risk, with all twelve social and environmental principles and standards triggered: (See **Table 6** below). Key risks include community safety and security, cultural heritage, involuntary economic displacement, indigenous peoples' cohesion, capacity and access and use of natural resources and ancestral domain lands. Ensuring transparent governance, inclusive consultation and decision-making, and accessible grievance mechanisms are key to safeguarding participation and rights.

**Table 6. Applicable SES principles and standards with associated risks and their ratings**

| Principle/Standard | Applicable | Associated Risks | Risk Rating |
|---|---|---|---|
| **Principles** | | | |

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| | | | |
|---|---|---|---|
| Human Rights | ✔ | 1 | Moderate |
| Gender Equality and Women's Empowerment | ✔ | 2 | Moderate |
| Sustainability and Resilience | ✔ | 4-11 | Moderate |
| Accountability | ✔ | 3 | Moderate |
| **Project-level Standards** | | | |
| Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management | ✔ | 4, 5 | Moderate |
| Standard 2. Climate Change and Disaster Risks | ✔ | 5 | Low |
| Standard 3: Community Health, Safety and Security | ✔ | 6 | Low |
| Standard 4. Cultural Heritage | ✔ | 7 | Moderate |
| Standard 5. Displacement and Resettlement | ✔ | 8 | Moderate |
| Standard 6. Indigenous Peoples | ✔ | 9 | Moderate |
| Standard 7. Labour and Working Conditions | ✔ | 10 | Moderate |
| Standard 8. Pollution Prevention and Resource Efficiency | ✔ | 4, 11 | Low |
| **Number of Risks in each risk rating Category** | | | |
| High | 0 | | |
| Substantial | 0 | | |
| Moderate | 8 | | |
| Low | 3 | | |
| **Overall Project Risk Category** | **Moderate** | | |
| Number of safeguards principles and standards triggered | 4 principles/ 8 standards | | |

109. In accordance with UNDP Social and Environmental Standards (SES) policy, the Social and Environmental Screening Procedure (SESP) was applied during the Project Preparation Grant (PPG) phase (**Annex 5**). The analysis identified eleven risks, with eight classified as Moderate and three as Low. Projects with Moderate Risk require targeted measures throughout the project lifecycle. During the PPG phase, a comprehensive assessment focused on key issues, including the rights of IP, gender equality, sustainability, and resilience.

110. To address these risks and align with SES standards, the following management tools have been developed:

- Environmental and Social Management Framework (ESMF) (**Annex 9A**)
- Indigenous Peoples Planning Framework (IPPF) (**Annex 9B**)
- Comprehensive Stakeholder Engagement Plan (SEP) (**Annex 8**)
- Gender Analysis and Gender Action Plan (GAP) (**Annex 10**)

111. The ESMF outlines the key processes required to be undertaken during the project inception and implementation stages for the additional assessment of potential impacts and identification and development of appropriate risk management measures, consistent with UNDP's Social and Environmental Standards (SES):

- Additional screening of impacts for activities yet to be defined or locations yet to be identified.
- Assessment of impacts and risks, including their significance.
- Free, Prior and Informed Consent processes including documentation of engagement and agreements with affected indigenous peoples
- Stakeholder Engagement Plan (SEP)
- Gender Action Plan (GAP)
- Development of Environmental and Social Management Plans (ESMP)s which may include additional plans as needed:

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- Cultural heritage management plan (CHMP)
- Occupational health and safety plan (OHSP)
- Indigenous Peoples Plan (IPP)
- Livelihood Action Plan (LAP)
- Environmental Code of Practice (ECOP) is also included as reference and for use if or as needed.
- Grievance Redress Mechanism (GRM), for project affected people and stakeholders to channel any concerns or complaints about this Project's implementation.

112. The ESMP, FPIC process and SEP, along with the Gender Action plan and Stakeholder Engagement Plan (SEP), are foundational (required and to be prepared as part of the Project Inception Phase), whereas the other management plans are options and depend on the risks or impacts identified from further screening and reviews. These include: Indigenous Peoples Plan (IPP), Livelihood Action Plan (LAP), Cultural Heritage Management Plan (CHMP), Occupational Health and Safety Plan (OHSP). Guidance is provided for these management measures, so that the Project can refer to the ESMF and ensure that project partners, contractors or consultants are also informed of the requirements, and appropriate planning and consultation will be carried out.

113. For this Project, it has been identified based on the SESP, that an Indigenous Peoples Plan (IPP) is to be developed. A Stakeholder Engagement Plan (SEP) and Gender Action Plan (GAP) are also required and have been developed as part of the preparation phase activities (see Annexes 8 and 10).

114. The ESMF is considered a living document, which may be updated from time to time, in particular if there is a significant change in the project description, activities or impacts.

115. The project adopts a Monitoring, Evaluation, and Learning (MEAL) framework aligned with UNDP's Social and Environmental Standards (SES) to systematically track environmental and social impacts. Key indicators will measure the effectiveness of biodiversity investments and biodiversity-friendly enterprises (BDFEs). The monitoring process will also assess compliance with safeguards, including Indigenous Peoples' Free, Prior, and Informed Consent (FPIC), gender inclusion, and grievance redress mechanisms (GRM). Regular evaluations will provide adaptive management strategies to refine interventions and enhance sustainability. Data collection, stakeholder engagement, and transparent reporting will be prioritized to ensure accountability. These monitoring efforts will be integrated throughout the project's lifecycle, ensuring that biodiversity financing contributes to measurable conservation outcomes while upholding social and environmental safeguards.

116. The project will strengthen safeguard implementation through UNDP safeguards advisors, gender and social specialists, and technical consultants supporting key partners such as the NCIP, DENR-BMB, and local government units (LGUs). Capacity-building initiatives will include training sessions, workshops, and knowledge-sharing activities to enhance compliance with UNDP's SES. Budget allocations cover impact assessments, management plans, FPIC processes, and monitoring systems. Funding is also earmarked for the Grievance Redress Mechanism (GRM), stakeholder engagement, and gender action planning. These investments ensure that biodiversity financing solutions are socially inclusive, environmentally sustainable, and effectively managed, with a framework for continuous learning, adaptive management, and accountability throughout the project lifecycle.

117. In addition to the social and environmental safeguard risks identified through the project's **Social and Environmental Screening Procedure (See Annex 5, Part B**), the project also includes risks identified in the GEF CEO Endorsement Request and which is presented in **Table 7** below for ease of reference. In this connection, it should be noted that the risks identified for a) Climate, b) Environment and Social and c) Stakeholder are aligned with the SESP findings. The full list of project risks is included in **Annex 6: UNDP Risk Register**.

**Table 7. Project Risk table (from CEO Endorsement Document)**

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| RISK CATEGORIES | RATING | ASSESSMENT AND MITIGATION MEASURES |
|---|---|---|
| **CONTEXT** | | |
| **Climate**<br>1- The effects of climate change such as flooding and droughts could impact project areas and activities. | Low | ***Assessment:***<br>● *The risks posed to the project by climate change have been assessed during the design stage (see Social and Environmental Screening Procedure,* ***Annex 5****)*<br>*Stakeholder consultations during the PPG with potential project sites considered varied climate and disaster risks. An initial Climate and Disaster Screening Tool was developed to scope or screen appropriate areas for project implantation (****Annex 26****)*<br>***Mitigation:***<br>● *The Climate and Screening Tool will be updated during project implementation when project sites are confirmed. Appropriate climate and disaster mitigating interventions may be included in ESMP, SEP, GAP, IPP, and LAP.*<br>● *BD finance should be strategically utilized to deliver multiple benefits, including climate change adaptation (CCA) and disaster risk reduction (DRR). Strategic environmental and social assessments (SESA), or similar strategic-level assessments conducted during planning stages to integrate these co-benefits into broader project plans. Furthermore, sub-projects under Component 3 should be designed to directly incorporate activities that contribute to CCA and DRR objectives—even in cases where formal safeguards instruments like ESMPs or IPPs may not be required—ensuring that resilience-building measures are mainstreamed throughout implementation.* |
| **Environment and Social**<br>2-Environmental and social risks have been assessed during project design and are presented in the Social and Environmental Screening Procedure (**Annex 5**), which identified 11 risks, of which 8 were Moderate and 3 Low. The overall SES risk rating for the project is therefore Moderate. | Moderate | ***Assessment:***<br>● *Environmental and social risks have been assessed during project design and are presented in the Social and Environmental Screening Procedure (SESP) (****Annex 5****).*<br>● *A Gender Analysis and Action Plan (Prodoc* ***Annex 10****), Comprehensive Stakeholder Engagement Plan (Prodoc* ***Annex 8****), Environmental and Social Management Framework (Prodoc* ***Annex 9a****) including a Grievance Redress Mechanism, and Indigenous Peoples Planning Framework (Prodoc* ***Annex 9b)*** *were conducted during project development and are included in the project documentation.*<br>***Mitigation:***<br>● *Mitigation measures for each identified risk are presented in the SESP. In addition, the Environmental and Social Management Framework (ESMF) provides further detail on risk management processes, as does the Indigenous Peoples Planning Framework (IPPF) that sets out the mitigation measures required for the project's potential impacts on indigenous peoples (See* ***Annex F****). The Gender Action Plan and Stakeholder Engagement Plan include processes and activities to reduce related risks.* |
| **Political and Governance**<br>3-Political and governance changes carry risks for the support of biodiversity conservation in the government's agenda both nationally and locally, and there are also ongoing risks of conflict in parts of the Philippines that could impact field operations and lead to overall reduced investment confidence and poor | Moderate | ***Assessment:***<br>● *The project has been developed in full collaboration with the government of the Philippines and its agencies, with extensive consultations throughout project design to ensure it is well supported by the government.*<br>● *UNDP and the Project Steering Committee will monitor political and governance changes during implementation and the implications of any specific changes for implementation and achieving the project outcomes will be brought to the Project Steering Committee for action.*<br>***Mitigation:***<br>*The project will seek to secure and strengthen LGU commitment through linkages with national plans and programs, development of BD ordinances and multi-year budgets, integration in LDIP and CLUP, and facilitating partnerships and recognition with multiple local stakeholder groups*<br>● *The Project Steering Committee will consider the potential impacts of any political and governance changes during implementation with regard to achieving the project outcomes and propose changes to the project design or implementation arrangements in order to mitigate the impact of such changes.* |

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| | | |
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| private sector participation. | | |
| **INNOVATION** | | |
| **Institutional and Policy**<br>4-The project will support innovative policy, regulatory, planning and fiscal innovations to enable biodiversity financing that may carry implementation risks. | Moderate | ***Assessment:***<br>● *Policy, regulatory and fiscal analysis was conducted during the project design, including lessons learned from the ongoing BIOFIN project in the Philippines and the methodologies and experience of the global UNDP-led BIOFIN Initiative*<br>● *Extensive stakeholder consultations with the government agencies responsible for policies, regulations, plans and fiscal measures concerning biodiversity financing have been conducted during project design to ensure the project's financing solutions take full account of the extensive baseline in the Philippines and have buy-in from the key stakeholder organizations and experts.*<br>***Mitigation:***<br>● *As slow approval processes and changes in the senior leadership of agencies are the main risks to revising or establishing new institutional and policy measures, the project will seek to achieve broad consensus and stakeholder buy-in for the proposed measures to ensure their eventual realization. It will also actively advocate for proposed changes through focused communications.*<br>*The project will consolidate and analyze various applied models of finance solutions to substantiate their feasibility, effectiveness and validated impact.*<br>● *Project implementation will take an adaptive management approach that enables learning from M&E processes and stakeholder dialogues to ensure that the targeted project outcomes are achieved*<br>● *The project includes a component on knowledge management that will document, analyse and share learning from the implementation of project activities to inform project planning, replication and upscaling.* |
| **Technological**<br>5- The project aims to conduct a range of innovative financing solutions that also include technological innovations in areas such as nature-based solutions (NbS), Payment for Ecosystem Services (PES), Biodiversity Friendly Enterprises (BDFE), biodiversity-friendly agricultural practices (BDFAP), Impact investing and natural capital accounting, that involves market based instruments and macroeconomic risk | Moderate | ***Assessment:***<br>● *The project design has been developed through taking into account lessons learned from related GEF projects such as the UNDP/GEF Biodiversity Corridors project and the ongoing BIOFIN project in the Philippines, and Strengthening Marine Key Biodiversity Areas in the Philippines Project (SMARTSEAS PH Project) on implementation of Low Value Grants (LVGs)*<br>● *Extensive stakeholder consultations have been conducted during project design to ensure the project's technological innovations take full account of the extensive baseline in the Philippines and have buy-in of the key stakeholder organizations and experts.*<br>***Mitigation:***<br>● *Project implementation will take an adaptive management approach that enables learning from M&E processes and stakeholder dialogues to ensure that the targeted project outcomes are achieved*<br>● *The project includes a component on knowledge management that will document, analyse and share learning from the implementation of project activities to inform project planning, replication and upscaling.*<br>*The project can tap several government agencies which have the mandate and expertise to support and regulate these innovations, such as (i) DOST which can scientifically validate products and incubate innovations in its Technology Business Indicator (TBI) program, (ii) DTI for its green labelling and market linkages programs* |

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| which may affect implementation | | *to qualified BDFEs, and (iii) DOT for developing integrated ecotourism circuits and marketing campaigns* |
| **Financial and Business Model**<br>6- The project aims to conduct a range of innovative financing solutions to support biodiversity conservation, which may carry implementation risks | Moderate | ***Assessment:***<br>● *The project design has been developed through taking into account lessons learned from the ongoing BIOFIN project in the Philippines and the methodologies and experience of the global UNDP-led BIOFIN Initiative to ensure they are technically sound*<br>● *Extensive stakeholder consultations have been conducted during project design to ensure the project's financing solutions take full account of the extensive baseline in the Philippines and have buy-in of the key stakeholder organizations and experts.*<br>***Mitigation:***<br>*The project will apply sustainability mechanisms for national and local levels that leverage insights from piloted financial solutions, implementing appropriate management arrangements, scoping necessary enabling policies, and developing partnership models.*<br>● *Project implementation will take an adaptive management approach that enables learning from M&E processes and stakeholder dialogues to ensure that the targeted project outcomes are achieved*<br>● *The project includes a component on knowledge management that will document, analyse and share learning from the implementation of project activities to inform project planning, replication and upscaling.* |
| **EXECUTION** | | |
| **Capacity for implementation**<br>7-The lead Implementing Partner and other project partners at national and local levels may lack the capacity to effectively manage the implementation of project activities and fail to achieve the desired results. | Moderate | ***Assessment:***<br>● *The project will analyze project results and institutional capacities of key government agencies (e.g., DTI, DOST, DOT, DA) who have implemented BD projects (e.g., BIOFIN, BD Corridor, SLM in PH RB Access and Benefit Sharing) with DENR BMB Baseline institutional capacity assessments have been conducted for the lead project execution partners. The mandatory UNDP capacity assessments of the Implementing Partner (IP) (DENR/BMB) and other key project partners using the Partner Capacity Assessment Tool (PCAT) as well as the micro-capacity assessment for Harmonized Approach to Cash Transfers (HACT) has been completed in the project design phase.*<br>● *A tailored version of UNDP's Biodiversity Financing Institutionalization Scorecard will be used to assess capacity development within DENR/BMB during implementation.*<br>***Mitigation:***<br>● *The project aims to build capacity within DENR/BMB for biodiversity financing, and to build the capacity of other government, private and civil society partners to deliver specific financial solutions through the project activities.*<br>● *Relationships with the appropriate individuals in respective government bodies will be established through clear institutional mandates for roles and responsibilities in the project*<br>● *Key project partners will sit on the Project Steering Committee and participate in the planning, reporting and adaptive management of the project, through which they can surface problems, troubleshoot issues and find collective solutions.*<br>● *A knowledge management platform will be developed to facilitate the transfer of knowledge regarding project interventions.* |
| **Fiduciary**<br>8- Limited institutional capacity for financial governance and management - key entities may lack | Moderate | ***Assessment:***<br>● *The mandatory UNDP capacity assessments of the Implementing Partner (IP) (DENR/BMB) and other key project partners using the Partner Capacity Assessment Tool (PCAT) as well as the micro-capacity assessment for Harmonized Approach to Cash Transfers (HACT) has been completed during the project design phase.* |

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| systems for accountability; thus, governance of conservation trust funds, public and private sector investment plans, and adoption of BDFE and BDRAP practices, may be ineffective or compromised. | | ● *It should be mentioned, however, that with the ongoing GEF/UNDP Projects with the Implementing Partner, this has been a challenge due to the relatively slow government procurement and recruitment processes, thus, resulting in low Project deliveries.*<br>● *The project reviewed enabling and complementary policies supporting improved BD investments such as the prescribed allocation of BD funding under the annual General Appropriations Act (GAA), the inclusion of BD targets under the Seal of Good Local Governance (SGLG), voluntary sustainability reporting guidelines for IPLCs and MSMEs, and the improved inclusion of BD-related reporting of financial institutions due to Sustainable Finance Roadmap framework. The capacity of project stakeholders has also been assessed, with some having limited experience in managing NBS and therefore requiring targeted support and strong governance measures.*<br>● *An evaluation of existing and prospective livelihoods and the potential or selected BDFEs and related programs for funding and investment support are also needed to ascertain realistic income projections.*<br><br>***Mitigation:***<br>● *The project's lead Implementing Partner – DENR/BMB has successfully executed a range of biodiversity projects, supported by GEF, USAID, GIZ and other donors. Their fiduciary management capacity aligns with UN standards, particularly the Harmonized Approach to Cash Transfers (HACT). UNDP, as the lead agency, will assume responsibility for essential fiduciary and financial management oversight in accordance with its policies and regulations to mitigate any potential risks.*<br>● *UNDP CO has been implementing capacity-building sessions with the Implementing Partner on Project operations, including procurement planning, recruitment and financial management.*<br>● *Monitoring of the IP's management responses to HACT assessments, mid-term evaluation, audit and spot checks is also being done by the UNDP CO and Bangkok Regional Hub to ensure appropriate mitigation actions are carried out during Project implementation periods.*<br>● *UNDP CO also conduct regular strategic one-on-one meetings with the GEF OFP and senior management officials of the IP to ensure that they are made aware of Project implementation risks and actions are undertaken*<br>● *Project ESMF provides guidance for the rigorous screening and assessments needed to assess the site-specific models and techniques to be refined by the project for NBS, BDFE, and compatible conservation initiatives.*<br>● *Management measures for the specific interventions—including regulations, plans, and training—will be embedded in local policies and financial systems. Training is also a key project activity. to address these risks and build capacity for BD investments, and their impact management. Stakeholder Engagement Plan (SEP) is in place to ensure effective communication of risks and opportunities.* |
| **Stakeholder**<br>9-*Insufficient stakeholder awareness, engagement and support could hinder project effectiveness during implementation.* | Moderate | ***Assessment:***<br>● *Extensive stakeholder consultations at national, regional and local levels were conducted during project design, including discussion with members of the ongoing BIOFIN Project staff and Technical Working Group*<br>● *A stakeholder analysis was conducted and a Stakeholder Engagement Plan prepared during project design that sets out processes for stakeholder engagement throughout implementation.*<br>● *A gender analysis was conducted and a Gender Action Plan prepared during project design that sets out processes for gender equality and the empowerment of women during implementation.*<br>● *An Environmental and Social Management Framework (ESMF) incorporating an Indigenous Peoples Planning Framework (IPPF) was prepared during PPG that sets out the mitigation measures required for the project's potential impacts on stakeholders including indigenous peoples (See **Annex F**).* |

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| | | ***Mitigation:***<br>● *The mitigation measures prescribed in the above-mentioned plans will be implemented.*<br>● *The project also includes significant communications and advocacy activities that aim to build support and consensus among diverse stakeholders for increasing resource mobilization to benefit biodiversity conservation* |
| **Other**<br>10-Infectious disease outbreaks causing similar disruption to the COVID-19 Pandemic are a possibility (eg highly pathogenic avian influenza), with the potential for major impacts during project implementation. | Low | ***Assessment:***<br>● *Monitoring of infection disease risks in-country and globally.*<br>***Mitigation:***<br>● *The project will comply with government directives including travel restrictions to reduce health risks to project staff and stakeholders. The project will also follow UNDP policy and directives for field activities, meetings, etc.*<br>● *The Project Steering Committee will guide project responses for ongoing situations, as required.*<br>● *The project will establish protocols for transitioning to remote meetings and alternative operational modes to mitigate potential disruptions.* |
| **Overall Risk Rating** | Moderate | (as the highest individual risk rating) |

118. As the work/interventions outlined in the project's safeguard documentation are seen as critical, and with the project's duration is limited, the UNDP Country Office will work closely with PMU (IP) to fulfil the project's safeguards commitments, as appropriate.

Stakeholder engagement:

119. Project implementation will involve extensive engagement with stakeholders at all levels, and particularly in the demonstration landscape pilot sites. The Comprehensive Stakeholder Engagement Plan (**Annex 8**) describes the main stakeholders and their core roles and responsibilities, stakeholder engagement conducted during the PPG stage, and the detailed roles and responsibilities for various project stakeholders during project implementation (see also **Table 4** above). The main stakeholder groups can be summarized as follows:

- Government – DENR Central and Local Offices, Biodiversity Management Bureau, Forest Management Bureau, Department of Agriculture, Department of Interior and Local Government, Department of Finance, Department of Budget and Management, Banko Sentral ng Pilipinas, Securities and Exchange Commission, Public-Private Partnership Center, National Commission on Indigenous Peoples, National Economic and Development Authority Regional Development Council, Department of Trade and Industry, Department of Science and Technology, Department of Tourism.
- The government partners for key Outputs are as follows:

  2.2 LGUs BD Special Accounts: DILG
  2.3 Private Sector Investments: DTI, DOT
  2.4 TNFD: BSP and SEC
  2.5 MSME/BDFE Accelerator Hubs: DTI, DOST
  3.1, 3.2, 3.3: Repurposed agricultural subsidies: DA
- Academia - state colleges and universities that conduct biodiversity research and extension services to IPLCs;
- Private sector – banks, non-bank financial institutions (NBFIs), listed and non-listed PLCs, MSMEs and companies involved in TNFD and BDFEs;
- Foundations and NGOs who raise funds and implement conservation activities, BD studies and community intervention programs in KBAs;
- IPLCs – will be involved in LBSAP formulation and implementation,, implementing biodiversity-friendly agricultural practices, MSME value chain activities supported by the MSME accelerator/incubator hubs,

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and pilot-testing of finance solutions such as impact investments, blended finance, PES and LBSAP formulation; they have been consulted during project design and will be represented on the Project Governing Board;

- Non-Government Organizations will be partners with IPLCs, with LGUs for the development and implementation of LBSAPs, and participate in awareness raising and knowledge management activities.

120. The overall participation and representation of stakeholders will be conducted through the governance structures put in place by the project as shown in the organogram in the Governance and Management Arrangements section, including a Technical Working Group for engagement of related agencies and technical experts at national level. The DENR-BMB will coordinate closely with other governmental stakeholders via the existing governance structures at national and local levels, while the PA management authorities will collaborate with communities, NGOs and the private sector. Stakeholders will be consulted, engaged and informed throughout the project implementation phase to: (i) promote understanding of the project's outcomes; (ii) promote stakeholder ownership of the project through engagement in planning, implementation and monitoring of the project interventions; (iii) build public awareness; and (iv) to maximise linkage and synergy with other ongoing projects.

121. The project will continue the engagement started during the project concept and PPG stages with the biodiversity financing stakeholders in the Philippines, through formal engagement in the national Technical Working Group, as partners in the delivery of specific Outputs, and through contracting for the provision of technical assistance in implementing activities, especially in the demonstration landscapes.

122. Information dissemination on project plans and activities will be accessible to the public through project-related websites. In addition, project information will be disseminated in written documents to the relevant IPLCs in an appropriate and understandable manner. Dissemination of the project information, especially for proposed community-level activities, will be conveyed in language appropriate for the capacity of the relevant stakeholder groups.

123. A project inception workshop and regular stakeholder meetings will be convened during project implementation nationally and for each demonstration landscape to keep stakeholders informed and provide opportunity for consultation and discussion. Stakeholder engagement will be facilitated by project staff responsible for community engagement and gender and monitored by safeguards and M&E staff.

South-South and Triangular Cooperation (SSC/TrC):

124. South-South Learning Exchanges are specifically addressed in **Output 4.1**, which will take advantage of the substantial experience and learning materials such as webinars, publications and podcasts available through the Global BIOFIN Programme, related projects and programmes globally and in the Philippines, as well as through global platforms such as the UNDP Sustainable Finance Hub (see **Output 4.2**), the UN South-South Galaxy knowledge sharing platform and PANORAMA. The second phase of the BIOFIN Initiative strives to generate high levels of awareness and technical capacity about the wider range of possible finance solutions that are available to countries and locales. This is complemented by developing supporting guidance and knowledge products for those areas where limited resources are available. Secondly, it actively supports the implementation of finance plans and solutions on the ground. As such, there are excellent opportunities for South-South learning especially with other countries in Asia including Thailand, Malaysia, Indonesia, India and Sri Lanka that can be facilitated by UNDP through online webinars and meetings, as well as physical exchanges. BIOFIN functions as a platform for South-South/Triangular Cooperation, bringing together up to 45 prioritised countries but also sharing lessons learnt with additional CBD parties. Regional workshops and global conferences are the principal venues for face-to-face experience sharing, complemented by regional and global webinars, bi-lateral cooperation and utilising global knowledge management platforms. BIOFIN has demonstrated its ability to bring together multiple donors and attract contributions from the private sector. In the second phase under GEF-8, further contributions will be sought, in particular through national co-financing. Under the current project, at least five webinars will be organized to exchange experiences on different finance solutions and identify common interests between the Philippines and relevant countries, and subsequently shared globally through the BIOFIN Knowledge Base; at least two exchange visits will be arranged based on the identification of mutual benefits for the development of specific finance

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solutions, focusing on women, youth and indigenous participants; and the project will facilitate the participation of relevant stakeholders from the Philippines in BIOFIN regional workshops and global conferences (with costs borne by the related organizations rather than GBFF), prioritizing capacity development benefits to women, youth and indigenous participants.

125. In addition, to bring the voice of the Philippines to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on biodiversity financing. The project will provide regional cooperation opportunities with countries implementing initiatives on biodiversity financing in geopolitical, social and environmental contexts relevant to the proposed project in the Philippines.

Gender equality and Women's Empowerment:

- *The project will include gender-responsive measures to address gender gaps or promote gender equality and women's empowerment* ***(Yes)***
- *The project is expected to contribute to gender equality in the following results areas:*
  - *closing gender gaps in access to and control over natural resources* ***(Yes)***
  - *improving women's participation and decision making* ***(Yes)***
  - *and/or generating socio-economic benefits or services for women* ***(Yes)***
- *The project's results framework includes gender-responsive indicators* ***(Yes)***

126. The Gender Analysis and Action Plan (**Annex 10**) was based on a document review of the legal and policy framework for gender - including in the environment sector, available gender statistics and studies, interviews with institutional stakeholders, NGOs, as well as an assessment at the community level in the project landscapes. Focus group discussions were conducted during regional consultations held for each of the three project landscapes in Central Panay, Eastern Mindanao and Zamboanga Peninsula.

127. Based on the findings of the gender analysis, and considering the Project expected results, intervention strategies and outputs, gender mainstreaming strategies were defined, and a Gender Action Plan was prepared, to be implemented during the project period. It recommends readily implementable gender-sensitive interventions as well as gender specific activities to address socio-economic opportunities for both men and women at the community level.

**Summary of key issues from the Gender Analysis**

128. The Philippines has a substantial policy, legal and institutional framework that supports the equality of women and gender empowerment. In 2024, the Philippines ranked 25th out of 146 countries in the World Economic Forum's Global Gender Gap Index, which measures gender parity across four dimensions: economic participation and opportunities, educational attainment, health and survival, and political empowerment. The PPG consultations revealed that women and men in biodiversity-related work still play largely gender-stereotyped roles. In all the potential project sites, women are still in charge of household chores. However, cooking is now a task that men also do and enjoy.

129. In the *Central Panay Mountains*, women are tasked with biodiversity conservation, coastal management, and coastal cleanup. They conduct mangrove and seagrass inventory/assessment and mangrove rehabilitation. Beneficiaries of the Pantawid Pamilyang Pilipino Program, a conditional cash transfer program of the Department of Social Welfare and Development, are tapped for mangrove reforestation. Women are also engaged in solid waste management, container gardening, nursery operations, and tree-growing activities. A majority of fish technicians are women. Men are engaged as *Bantay Gubat* (forest guard) and *Bantay Suba* (river guard) because of the distance

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and rough terrain of the area; work that entails protecting the area from encroachment is perceived as the function of men. Women and men in the coastal regions typically work together on livelihood activities.

130. In the *Eastern Mindanao Biodiversity Corridor*, women's participation in biodiversity activities includes mangrove seedlings propagation, which has a livelihood component. They are also involved in backyard gardening and handicrafts. In the community-based tourism project of the *Mandaya tribe in Compostela Valley*, being a tour guide is open for both women and men. Most women work as guides. Portering, however, is only assigned to men because of the area's rough and difficult terrain. While men work in the field, cooks are mostly women who express their interest in being trained to do this job.

131. *In Zamboanga*, women manage the processing of oyster sauce. They are also organized and engaged in mangrove rehabilitation and conservation efforts. Women are also involved in the preparation phase (e.g., preparing seedlings and tying longlines) and monitoring the farming activities in *tilaka* (seaweed) production. Men are in charge of tasks that require going deeper into the waters, such as staking the posts, cultivating the seaweeds, covering the seagrass area, maintaining the farm, and harvesting the seaweeds. Men have greater **decision-making power** about farm assets, purchasing materials, and using income generated from seaweed production. However, women's decision-making domain is at the household level, such as household expenses and healthcare.

132. In the selected project sites, particularly in Indigenous communities, women are given the opportunity to join grassroots/non-government organizations but are not involved in decision-making. They can be leaders only within women's groups and not in mixed groups where both sexes are members. Women can be officers but are not elected to the topmost decision-making seat. Men still head Indigenous people structures, but women are now part of (lower level) councils as barangay level chieftains and federation presidents.

133. In 2023, 16% of female workers were employed in the **agricultural (and fisheries) sector**.[46] In 2022, 24.6% of the 7.41 million agricultural operators[47] and five percent of the 835,065 fishing operators[48] in the Philippines were female.[49] Women's role in agriculture involves seeding, weeding, pesticide application, harvesting, and marketing of crops, which are known to be less profitable than men's traditional jobs, such as plowing, planting, harvesting, operating machinery, and applying chemicals. In fishing, women are tasked with fish shrimp fry collection, fish marketing, mending fishing gears, pre-harvest and post-harvest activities, fish production (fish ponds, fish cages, fish pens, hatchery), fish processing (smoking, canning), preservation, handling packing. At the same time, men do boat or deep-sea fishing, which involves high health and safety risks. As such, agriculture and fisheries remain male-dominated; the various work done by women is considered just part of their role as wives and, therefore, not given any monetary valuation. Women in rural areas are, therefore, more likely to be unpaid family workers.

134. Therefore, most female farmers and fisherfolk remain more disadvantaged compared to men; their access to resources and participation in training or capacity building are more limited than their male counterparts. For instance, the agrarian reform program in 2019 awarded land ownership and titles mostly to men, with only 28 percent for female beneficiaries (APEC).[50] Substantial gender disparity exists among the recipients of emancipation patents and certificates of land ownership. Equal rights to land and biodiversity strengthen the resolve, especially

[46] https://www.statista.com/statistics/1321352/philippines-agriculture-industry-employee-share-by-gender/#:~:text=Share%20of%20employed%20people%20in,Philippines%202016%2D2023%2C%20by%20gender&text=Between%202016%20and%202023%2C%20there,to%20preliminary%20data%20for%202023.

[47] An agricultural operator exercises management control over the agricultural operation of a holding/farm and takes major decisions regarding resource use.

[48] An agricultural operator may be an owner of a fishing boat/gear who makes decisions and manages the day-to-day fishing operations.

[49] PSA, 2022 Census of Agriculture and Fisheries Agricultural Households and Operators. https://psa.gov.ph/content/2022-census-agriculture-and-fisheries-agricultural-households-and-operators

[50] APEC. (2024). *Resilient Future: Banking on Hope for Women in Agriculture in the Philippines*. https://www.apec.org/press/features/2024/resilient-future--banking-on-hope-for-women-in-agriculture-in-the-philippines

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among women, to commit to and carry out sustainable agricultural practices, land management, and use of biodiversity. Land titles allow women to access financial and technical services to their capacity to sustainably manage the land and contribute to biodiversity conservation.[51]

**Status of Gender Mainstreaming in Biodiversity**

135. At the National Level, the Magna Carta of Women (MCW) directs agencies to adopt gender mainstreaming as a strategy to pursue gender equality and women's empowerment. Pursuing gender mainstreaming in the GBFF project can leverage the laws passed, policies issued, plans prepared, institutional mechanisms established, and people with GAD skills. The law also mandates government agencies and local government units to develop their GAD Agenda, a six-year framework and plan to guide the pursuit of GEWE, and their annual GAD plan and budget, the one-year translation of the GAD Agenda. DENR-BMB has established its GAD Focal Point, which leads the agency's GAD efforts. It maintains a gender database that includes information on the stakeholders of its major programs. The database serves as the basis for interventions needed to plan annual programs and activities to address gender gaps and monitor progress towards the achievement of targeted outcomes of activities aimed at resolving any observed gender issue.

136. In the project landscapes, consultations revealed the efforts among various actors in addressing the biodiversity-related gender issues, with GAD Focal Points, Offices and/or budgets established at provincial and municipal levels and supporting activities such as building womens' capacities in decision-making and to integrate the gender perspective in climate resilience policies and interventions in gender equality, training sessions on women's human rights, and engagement in tree planting and tree growing activities.

**Key Elements of the Gender Action Plan**

137. The GBFF Project Gender Strategy and Action Plan seeks to achieve the following gender-responsive outcomes:

i. Increase women's and men's awareness of equal rights to development through biodiversity initiatives;
ii. Improve women's leadership skills and decision-making power through biodiversity initiatives; and
iii. Increase women's participation and economic opportunities through and in biodiversity initiatives.

138. In terms of strategy, it aims to build on the existing policies, mechanisms and actions by government and non-government actors. The GBFF project shall:

- leverage GAD policies in order to increase attention to and implementation of biodiversity-related interventions while addressing gender issues. Government agencies and local government units are required to prepare annual GAD plans and budgets. GBFF Capacity building activities will include workshops that will allow involved government agencies and local government to prepare their annual GAD plans and budgets that include biodiversity-related interventions that address gender issues;
- seek the guidance of and collaborate with Gender Focal Points of government agencies and local government units involved in GBFF, and collaborate with the Philippine Commission on Women during the drafting of guidelines, protocols and other policies in order to mainstream gender;
- integrate gender considerations in the preparation process and in the substance of the policies, manual of procedures, investment programs, proposals, etc. to operationalize the priority finance solutions, institutional frameworks and mechanisms, and capacity-building plan; use gender-fair language; and

[51] CBD. Addressing Gender Issues and Actions in Biodiversity Objectives

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- engage a gender specialist to guide and coordinate activities for GAD; review project outputs with a gender lens; ensure the use of gender-fair language and communication in project outputs and reports; ensure gender parity among participants in GBFF activities; serve as subject matter expert; and monitor the progress towards achieving gender equality and women's empowerment targets.

139. The Gender Action Plan specifies gender mainstreaming activities and GEWE results at the Project Output and Activity levels. The budget for gender mainstreaming inputs has been integrated into the overall project budget, including a Gender Specialist (60 months) to lead the work ($98,400), 15% of Output travel budgets ($82,070) and 15% of landscape subcontract budgets ($133,238).

*Knowledge:*

140. Building on the BIOFIN Project Phase II, Output 4.2 of the GBFF project will develop an advocacy and communications strategy in its first year that reflects its institutional base within DENR/BMB and biodiversity finance mainstreaming needs within other DENR units, within key NGA partners such as NEDA, DA, DILG, DSWD and DOF, and for targeted LGUs in project pilot areas. By targeting NGAs, institutional mechanisms outlined in the updated PBSAP as a finance solution will be facilitated. The project will make use of established platforms on social media, the BIOFIN Philippines webpage of the global BIOFIN website and through DENR/BMB, as well as UNDP platforms to communicate news of activities, project results and progress on finance solutions. Accordingly, these mechanisms will be used to maximise the dissemination of relevant knowledge and methods to key stakeholders, interested parties and the wider public to ensure that the project achieves its full potential for outreach, knowledge sharing and branding of the project. Advocacy and partnership efforts will also be directed towards the private sector, seeking to engage and upscale private sector engagement in demonstrating biodiversity finance solutions related to Component 3 Outputs, especially capacity development programmes rolled out through the SME accelerator / incubator hubs in each project landscape that will be linked with existing initiatives and local universities.

141. The project will build on the knowledge management infrastructure established by the BIOFIN Project Phase II to generate and share knowledge on biodiversity under which knowledge products have been shared, awareness raised through linkage to national and local celebrations, and technical briefs on studies produced. Project activities will include: elaborating social media messaging on biodiversity finance aims, strategies, activities and results; building capacity within BMB/DENR to provide and maintain biodiversity financing news and resources on the project website on an ongoing basis; enabling academic institutions in pilot areas to act as knowledge hubs for regional and local involvement, conducting studies on the application of finance solutions, promoting student involvement in project-related activities, and linking PA managers with local researchers; distilling good practices, case studies and lessons learned for capacity development, replication and upscaling linked to the current BIOFIN Workbook and Catalogue of Biodiversity Finance Solutions through inputs from National experts; and sharing knowledge gained from project activities globally through relevant UNDP platforms on biodiversity conservation, biodiversity financing and SDG financing, and the UNDP-coordinated Biodiversity Finance (BIOFIN) Initiative Phase II global project.

Innovativeness, Sustainability and Potential for Scaling Up:

**Innovation**

142. The project is innovative in that it includes piloting of cutting-edge financial solutions such as coral reef insurance, biodiversity credits, impact investment, and institutionalization of progressive financial solutions such as biodiversity-based budgeting and biodiversity expenditure tagging, impact monitoring and measurement,

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application of natural capital accounting, and nature-related financial disclosures. Other aspects that are particularly innovative include: the work in Component 3 on supporting the reduction and repurposing of agricultural subsidies with incidental environmental impacts and promotion of BD-friendly agricultural practices;; and the progression of OECM development for KBAs in the project landscapes through LBSAP frameworks in Component 2. The strong interest of DENR supported by innovative baseline work conducted by the BIOFIN II project (see **Rationale** section) and a rapidly growing economy in the Philippines provide a strong enabling environment for pushing forward such innovative approaches.

**Sustainability**

143. The leadership of the BMB and DENR have been strongly involved throughout project development and the design responds strongly to the needs that have been expressed by them and diverse other key stakeholders that were systematically consulted (see **Annex 26**), and that will continue to be involved during project implementation according to the Stakeholder Engagement Plan (**Annex 8**). The project invests in substantial capacity development for BMB and DENR on biodiversity financing, which will greatly enhance their ability to coordinate and support the implementation of the NBFP. The project also aims to build capacity for the LGUs in the three project landscapes who will lead a more decentralized approach to biodiversity governance and financing through the LBSAPs and LBFPs, supported by training and technical assistance for the delivery of financial solutions that benefit management of biodiversity, protected areas and KBAs. Partnerships with the LGUs, civil society and the private sector will be strengthened at the local level, providing greatly increased local support for biodiversity conservation enabled by the demonstrated financial solutions in the project landscapes.

144. In terms of financial sustainability, the project follows the well-established BIOFIN initiative's systematic methodology, building on the BIOFIN II project. It will take this to a new level through the institutionalization of this approach within BMB/DENR and by the development of mechanisms for BER and IMM through central institutions including the BSP and SEC. The project's strategy is embedded in the PBSAP 2024-2040 and associated NBFP and as such is guaranteed strong government support for its implementation. Piloting innovative finance solutions will draw on experience from the BIOFIN II project, the global BIOFIN initiative and other related projects such as the ADB/GEF project concerned with coral reef insurance.

145. The project will also yield direct benefits to IPLCs, NGOs/CSOs and the private sector in the targeted landscapes, by strengthening their capacity for sustainable livelihood practices such as BDFAPs and BDFEs and ability to participate in NbS-related business opportunities through a series of incubator/accelerator hubs that build on- and green - DTI and DOST's efforts in this field, and are supported by local academic institutions.

146. The project will draw on lessons learned, and tools developed in past and current projects to assist in the further strengthening of the Philippines biodiversity financing through collaborative partnerships, engagement with the Global BIOFIN Programme through webinars, exchanges and participation in events, as well as enhanced online information sharing through national and global biodiversity financing platforms. By focusing on biodiversity financing, the project will greatly enable the delivery of the PBSAP 2024-2040 as well as contributing directly to the specified GEF Core Indicator targets. This will have long-term, far-reaching implications for the conservation of the Philippines' outstanding biodiversity resources.

**Scaling Up**

147. The project aims to increase public and private sector investments for the accelerated implementation of the National Biodiversity Finance Plan (NBFP) for the updated PBSAP (2024-2040) by sustaining, expanding and replicating biodiversity finance solutions that have been introduced by BMB, with support from UNDP's Biodiversity Finance Initiative (BIOFIN). It will directly support the pre-identified strategies and financial solutions (including OECM financing and BSAPs financing) in the PBSAP 2024-2040 and NBFP. Thus the intention to scale up financing solutions is inherent in the overall project design and all of its components. As such, this project will support implementation of the NBFP with relevant policies, budget allocation, and institutionalized platforms and tools that will improve biodiversity financing, provide results, and benefit IPLCs. It is the project's vision that other NGAs, i.e.,

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other than DENR and local governments, prioritize spending on biodiversity through programmatic mainstreaming and policy coherence efforts. This project also aims to provide mechanisms that will encourage the private sector to mainstream biodiversity in their business models and increase biodiversity/nature-positive investments that will benefit IPLCs, including women, at the site level.

Digital Solutions[52]**:**

148. Digital technologies and solutions form an integral part of the overall design of this project, as its focus on enabling implementation of the National Biodiversity Finance Plan revolves around building capacity among key national and local government and private sector stakeholders for mainstreaming and tracking biodiversity expenditures in government and private sector operations. Specific digital technology interventions are as follows: **Output 1.3** aims to establish and link a Biodiversity Expenditure Reporting System (BERS) associated with the PBSAP M&E System with the DENR M&E System/ Management Information System, through the preparation of systems documentation and development of the Manual of Procedures, Instructions, and Protocols for the BERS and PBSAP M&E System; training manual for the BERS and PBSAP M&E System of the BMB; and preparation of BMB procedures for software and hardware updates/upgrades, security and accountability policies to support the operationalization and refinement/updating of the BERS and PBSAP M&E System of the BMB. **Output 1.4** will support the development and institutionalization of biodiversity Impact Monitoring and Measurement (IMM) as an integral part of the PBSAP M&E System within the BMB and later link with the DENR central-level M&E system. The goal of IMM is to "manage and control the process of creating (social) impact to maximize or optimize it (relative to costs). Managing impact occurs continuously and is facilitated by integrating impact measurement into the investment management process" Under **Output 2.2, t**he BMB-DENR will work with DILG and the Bureau of Local Government Finance of the DOF to develop and adopt biodiversity expenditure tagging and IMM for Local Government Units (LGUs). Subsequently, these will be linked with the PBSAP M&E System specified in Outputs 1.3 and 1.4. In **Output 2.1**, guidelines will be updated for preparation of the Local Biodiversity Finance Plans (LBFP) to take into consideration the 2024 Biofin Workbook and to include the process for preparing the LBFP-Investment Plan; this will be supported by training modules for the preparation of the updated LBSAP, LBFP, and Investment Plan preparation process; and subsequent technical assistance at the local level. Finally, in **Output 2.4**, the project will work with the Bank Sentral Philippines and Securities and Exchange Commission to set up a nature-related financial disclosure system to enhance the existing sustainability reporting of these two financial institutions. Part of this collaboration will be to develop a biodiversity expenditure taxonomy for adoption in both the banking system and the private business sector.

## PROJECT MANAGEMENT

***Cost Efficiency and Effectiveness***

149. This project builds on the substantial baseline provided by the BIOFIN Phase II Project, which has done much to establish an effective project coordination unit within BMB and inter-agency coordination mechanism through its Technical Working Group – both of which were closely engaged and consulted during project design, and whose learning this project has adopted and will scale up nationally and in its three demonstration landscapes through an intended seamless transition. Intensive consultation with BMB and DENR and their constituent units during the PPG has determined appropriate project management and coordination mechanisms that have their full ownership and support. BMB as well as UNDP as the proponents for the BIOFIN Phase II project have integrated this work and the current project into their national portfolios of climate and environment projects, such that the selection of demonstration landscape areas connects with the ongoing GEF Biodiversity Corridors project in Eastern Mindanao, and with areas of the Zamboanga Peninsula where previous work on developing LBSAPs has been accomplished.

[52] *Please see the Guideline "Embedding Digital in Project Design".*

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150. The Project will support DENR's agenda on implementation of the country priorities and frameworks, including the PENCAS Bill and NCA Roadmap by demonstrating how NCA data can inform local planning processes such as LBSAPs. With BMB's technical bulletin on LBSAPs and ongoing alignment of the PBSAP with KMGBF targets supported by a GEF-8 Enabling Activity, this Programme will provide additional areas where LBSAPs are implemented, increasing BD financing and partnership-building.

151. For cost-effectiveness, a portfolio approach will be carried out. This Programme coincides with UNDP CO's work under the Climate Finance Network on climate change results-based budgeting, improving the country's Climate Expenditure Tagging (CCET). Under Component 1, this Project will align and determine complementation on biodiversity results-based budgeting and expenditure reporting. This Project will also reinforce the UNDP CO's efforts on increasing private sector participation through increased financing on NbS under the Canadian government-supported Accelerating Green and Climate Finance Project (AGCF) and BIOFIN. This Programme will sustain UNDP's work with the PPPC, SEC and BSP on strengthening PPP projects, maximizing the Sustainability Reporting Guidelines to incentivize PLCs and MSMEs on introducing green and climate initiatives through impact investments, CSR, etc.

152. To ensure cost-efficiency, project complementation will be ensured. With the UNDP-GEF Biodiversity Corridor Project that is currently working on OECMs, improved PA management and mainstreaming biodiversity management in local development plans, this Project will facilitate financing for biodiversity-related interventions by influencing LGUs' AIPs to include resources for LCA management, identifying biodiversity-friendly investments such as ecotourism activities, securing financial support for ICCAs and providing assistance to LGUs on meeting requirements for BD-related indicators under the Seal of Good Local Governance (SGLG).

153. With the UNDP-GEF Securing Long-Term Sustainability of Multi-functional Landscapes in Critical River Basins of the Philippines Project, the project can pilot innovative finance solutions in SLM demonstration areas such as valuation models and private sector investment matching for PES schemes, implement action plans with market incentives and safeguards for mainstreaming BDFAPs.

154. With the BD Corridor Project, this Programme will complement the Seventh and Eighth Cycles of the GEF Small Grants Programme and the Securing Long-Term Sustainability of Multi-Functional Landscapes in the Philippines Project through the establishment of MSME Accelerator/Innovation Hubs where green investments can be promoted.

The GBFF project through the BMB-BRMDUs will provide technical assistance for the creation and capacity-building of the DENR Biodiversity Finance Unit. The recently enacted Republic Act No. 11995 known as the PENCAS law, provides for the creation of new plantilla positions for the DENR to carry out the functions under the said law that can provide the anchor to facilitate the formation of this DENR Biodiversity Finance Unit. This will be coordinated with related projects including the ADB-supported rapid natural capital assessment approaches in the Philippines, which is part of the ADB-co financing support to countries from the GEF-7 project ID 11041 Transforming policy and investment through mainstreaming rapid approaches for natural capital assessment and accounting (IADB, global); and . UNEP/GEF-7 project GEF ID 10386 Natural Capital Accounting and Assessment: Informing development planning, sustainable tourism development and other incentives for improved conservation and sustainable landscape.

155. In summary, the GBFF project is strongly anchored in delivery of the PBSAP 2024-2040 under BMB's leadership through mobilizing public and private sector financing that contributes to the NBFP. It builds on strong existing relationships established during the BIOFIN II Project and will upscale financing solutions through work at the local level under the framework of LBSAP development and implementation, complementing existing project portfolio work in the project landscapes.

***Project Management***

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156. The Project will be under the direct management of the Project Director who is the Director of the Biodiversity Management Bureau. Specifically, the Project Management Unit (PMU) will be lodged within the Bureau of Planning and Knowledge Management Division (BPKMD) of the Bureau. The PMU, with support from BPKMD, will coordinate with the other Divisions of BMB on undertaking BD financing roles as set out under Component 1.

157. From the government side, the DENR-Foreign-Assisted and Special Projects Services (FASPS) of DENR will monitor the performance of this Project, with all other Projects funded by development partners. At the site/landscape level, DENR Regional Offices, led by Regional Directors, will be accountable in ensuring delivery of Project outputs. The workstreams at the site level will be under the Conservation and Development Technical and implementation support will be provided by the PMU, National Consultants and sub-contractors.

158. The Project will be implemented under full National Implementation Modality (NIM). UNDP CO quality assurance activities will be undertaken for the Project, including spot checks, financial audit and program visits. Project oversight from the UNDP Country Office will be provided by the Climate Action Programme and Results and Quality Team. Project oversight by the Country Office will be undertaken through a portfolio approach, i.e., the Climate Action Programme Team ensuring complementation among relevant nature-based solutions, environment, natural resource and biodiversity management projects. The Country Office will also ensure that Projects related with adaptation financing complement this Project. The UNDP CO will also engage its Sustainable Finance Hub and Regional Bureau for Asia and the Pacific in developing innovative finance solutions and undertaking South-South exchanges.

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# Project Results Framework

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| **Contribution to the Sustainable Development Goal (s):** 14 and 15; with contributions also to 1, 5, 8, 11 and 13 | | | | | | |
| **Contribution to GBFF Targets**: 1, 2, 3,18, 19, 21, 22, 23**; GBFF Action Areas:** 3, 4 | | | | | | |
| **Intended Outcome as stated in the UNSDCF/Country [or Regional] Programme Results and Resource Framework:**<br>*COOPERATION FRAMEWORK OUTCOME 3: By 2028, all people benefit from just transition to low-carbon, climate-resilient development, sustainable management of environment, natural resources and biodiversity and strengthened resilience to disasters and natural hazards.*<br>*RELATED STRATEGIC PLAN OUTCOME: Outcome 3: Resilience built to respond to systemic uncertainty and risk.* | | | | | | |
| **Applicable Output(s) from the UNDP Strategic Plan:** *3.1, 4.1, 4.2* | | | | | | |
| **Project title and Quantum Project Number: Philippines Biodiversity Financing Programme (PIMS 9980)** | | | | | | |
| **Objective and Outcome Indicators** | | **Data Source** | **Baseline** | **Mid-term Target** | **End of Project Target** | **Data Collection Methods** | **Risks/Assumptions** |
| **Project Objective:** | *To increase public and private sector biodiversity/nature-positive investments and reduce financial flows with incidental environmental impacts to support the accelerated achievement of the KM-GBF aligned Philippine Biodiversity Strategy and Action Plan (PBSAP) targets* | | | | | | |
| | **Mandatory Indicator 1:** # direct project beneficiaries disaggregated by gender (individual people) (GEF CI#11) | *Project reports* | *0* | *3,500 (50% women)* | *7,000 (50% women)* | *Transferring records from field activity reports to database on beneficiaries.* | *Assumptions: Biodiversity continues to be a national priority for the government*<br>*High uptake by local governments and private sector on increasing BD positive investments*<br>*IPLCs willing to work with local governments and private sector (and vice-versa) on BD positive investments*<br>*Risks:*<br>*Changes in key government agency leadership staffing result in reduced support for project implementation* |
| | **Mandatory** GEF Core Indicators:<br>***Indicator 2:*** *Terrestrial protected areas under improved management effectiveness (GEF CI#1.2)* | *BD Tracking Tool assessments /BMB* | *0*<br>*Sibalom Natural Park: 73*<br>*Mt. Hamiguitan Range Wildlife Sanctuary: 74*<br>*Cabadbaran River Watershed Forest Reserve: 60*<br>*Pasonanca Natural Park: 35*<br>*Aklan River Watershed Forest Reserve: 66*<br>*Naga-Kabasalan Protected Landscape: 67* | *70,833 ha*<br>*METT scores of at least Baseline plus 5 points* | *70,833 ha*<br>*METT scores of at least Baseline plus 10 points* | *GEF-7 BD Tracking Tool* | |
| | ***Indicator 3:*** *Marine protected areas under improved management effectiveness (GEF CI#2.2)* | *BD Tracking Tool assessments /BMB* | *0*<br>*Pujada Bay Protected Landscape and Seascape: 74*<br>*Dumanquillas Bay Protected Landscape and Seascape: 69* | *46,985 ha*<br>*METT scores of at least Baseline plus 5 points* | *46,985 ha*<br>*METT scores of at least Baseline plus 10 points* | *GEF-7 BD Tracking Tool* | |
| | ***Indicator 4:*** *Area of land and ecosystems under restoration (GEF CI#3)* | *Project reports; GIS maps of* | *0*<br>*a) 0* | *7,100 ha*<br>*a) 1,000 ha* | *19,900 ha*<br>*a) 2,500 ha* | *Monitoring of progress against site restoration/* | |

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| | *Sub-indicators:*<br>*a)degraded agricultural lands (3.1)*<br>*b)forest (3.2),*<br>*c)grasslands/woodlands (3.3), and*<br>*d)wetland/mangrove (3.4)* | *project sites/BMB* | *b) 0*<br>*c) 0*<br>*d) 0* | *b) 3,000 ha*<br>*c) 3,000 ha*<br>*d) 100 ha* | *b) 7,000 ha*<br>*c) 10,000 ha*<br>*d) 400 ha* | *planting plans; fixed point photography & remote sensing supported by GIS analysis* | |
| | ***Indicator 5:*** *Area of landscapes under improved practices (GEF CI#4)*<br>*Sub-indicators:*<br>*a) Improved management of terrestrial landscapes for BD (GEF CI#4.1)*<br>*b) Landscapes under SLM in production systems (GEF CI#4.3)* | *Project reports; GIS maps of project sites/BMB* | *0*<br>*a) 0*<br>*b) 0* | *10,000 ha*<br>*a) 7,000 ha*<br>*b) 3,000 ha* | *29,000 ha*<br>*a) 19,500 ha*<br>*b) 9,500 ha* | *GIS mapping of terrestrial KBAs & management status documentation for each sub-area; LBSAP implementation status; GIS maps of areas under SLM and details of SLM practices applied by area.* | |
| | ***Indicator 6:*** *Area of marine habitat under improved practices to benefit biodiversity (GEF CI#5)*<br>*Sub-indicator: Marine OECMs supported (GEF CI#5.4)* | *Project reports; GIS maps of project sites/BMB* | *0* | *32,000 ha* | *32,000 ha* | *GIS mapping of marine OECMs, registration & management documentation* | |
| | ***Indicator 7: Greenhouse Gas Emissions Mitigated (metric ton of CO2e) (GEF CI#6).***<br>*Sub-indicator:*<br>*Carbon sequestered or emissions avoided in the AFOLU Sector (Direct) (6.5)* | *Project reports; GIS maps of project sites/BMB* | *0* | *N/A* | *After 20 years (6 years project implementation and 14 years capitalization):*<br>*4,381,712 tCO2-e* | *Updating of FAO EXACT tool according to GIS mapping analysis of habitat restoration, SLM practices and other land management practices* | |
| | ***Indicator 8: Percentage decrease in annual financing gap for*** | *BMB/PMU database on BD* | *Estimated annual financing gap for PBSAP 2024-2040 at PPG stage is projected at Php 72* | *20% decrease in annual financing* | *30% decrease in annual financing gap* | *Extraction of data from BMB/PMU database on BD* | |

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|---|---|---|---|---|---|---|---|
| | ***PBSAP 2024-2040 against PPG baseline*** | *expenditure vs NBFP* | *billion (USD 1,241,379,310)* | *gap against PPG baseline* | *against PPG baseline* | *expenditure vs NBFP* | |
| **Project Component 1** | ***Improving institutional capacities, financing and monitoring for effective and gender responsive implementation of the National Biodiversity Finance Plan*** | | | | | | |
| **Project Outcome[53] 1**<br>**Improved management effectiveness and gender responsiveness of implementation of the National Biodiversity Finance Plan** | ***Indicator 9:*** *Increased capacity for resource mobilization as shown by Capacity Development Scorecard scores for the Biodiversity Management Bureau of DENR (BMB) - See Annex 25* | *Capacity Development Scorecard assessments/PMU* | *Baseline scores from Capacity Development Scorecard for BMB:*<br>*Total Score of 28* | *Midterm target for Capacity Development Scorecard for BMB:*<br>*50% increment in scores over baseline*<br>*=Total Score of 42* | *EoP target for Capacity Development Scorecard for BMB:*<br>*100% increment in scores over baseline*<br>*= Total Score of 56* | *Project Capacity Development Scorecard assessment interviews with agency staff* | *Assumptions: Biodiversity continues to be a national priority for the government*<br>*High uptake by local governments and private sector on increasing BD positive investments*<br>*New institutional mechanisms such as IMM are fully supported by the related agencies*<br>*Improvements in capacity are attributable to project interventions*<br>*Risks:*<br>*Changes in BMB/DENR leadership staffing result in reduced support for NBFP implementation*<br>*External financial risks impact government policy on financing of protected areas* |
| | ***Indicator 10:*** *Gender - responsive Policy and mechanisms on BD expenditure reporting and IMM adopted by DENR and DILG* | *DENR and DILG official reports* | *BIOFIN project has supported initial work on BER and IMM but policy and mechanisms yet to be completed or adopted* | *Policy and mechanisms on BD expenditure reporting and IMM drafted and submitted for review by DENR and DILG* | *Policy and mechanisms on BD expenditure reporting and IMM adopted by DENR and DILG* | *Review of official documents of DENR and DILG on the status of BER and IMM mechanisms* | |
| **Outputs to achieve Outcome 1** | *Output 1.1 Institutional financial resource mobilization and development structure within DENR-Biodiversity Management Bureau established and strengthened*<br>*Output 1.2 Operational framework and capacity established for gender-responsive implementation of the National Biodiversity Finance Plan*<br>*Output 1.3. Biodiversity expenditure reporting institutionalized*<br>*Output 1.4. Gender-responsive Biodiversity Impact Monitoring and Management (IMM) institutionalized* | | | | | | |
| **Project Component 2** | ***Financing Investment-Ready Local Biodiversity Strategy and Actions Plans (LBSAPs)*** | | | | | | |
| **Outcome 2** | ***Indicator 11:*** *No. of new KMGBF aligned investment-ready local BSAPs developed and* | *RDC official reports* | *0* | *3* | *6* | *Review of RDC official reports; interviews with RDC* | *Assumption:*<br>*High uptake by local governments and private* |

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| **Increased financing for local BSAPs** | *adopted by Regional Development Councils and under implementation* | | | | | *staff on status of LBSAPs* | *sector on increasing BD positive investments*<br>*Risks:*<br>*External financial risks impact government policy on financing of LBSAPs* |
| | ***Indicator 12**: Amount of financing leveraged from public and private institutions for LBSAP implementation through the demonstration of finance solutions (USD):*<br>*a) From increased innovative public sector BD/nature positive investments in selected regions*<br>*b) From increased private sector BD/nature positive investments* | *LBFP reports /BMB* | *0 (baselines to be established in Year 1)* | *A) USD 4 million*<br>*B) USD 200,000* | *A) USD 10 million*<br>*B) USD 500,000* | *Review of LBFP reports and financial data* | |
| | ***Indicator 13**: Number of Accelerator/Incubator Hubs established and SMEs supported to provide BD/nature positive investments in project landscapes and that each benefit at least one IPLC community* | *Project reports; DTI reports; DILG reports* | *0* | *3 hubs established supporting at least 10 SMEs with BD/nature positive investments and that each benefit at least one IPLC community* | *3 hubs established supporting at least 20 SMEs with BD/nature positive investments and that each benefit at least one IPLC community* | *Review of Project reports; DTI reports; DOST reports; DILG reports; interviews with Agency/Hub staff* | |
| | ***Indicator 14:** Amount allocated for BD-related activities in the Gender and Development (GAD) plans and budgets* | *GAD Plans and Budgets* | *To be determined in Year 1* | *USD 50,000K* | *USD 100,000K* | *Review of LGUs' and agencies' annual GAD Plans and Budgets* | *Risk: BD is not a priority of the GAD Focal Point or BD-related stakeholders people are not involved in GAD planning and budgeting* |
| **Outputs to achieve Outcome 2** | *Output 2.1. Gender-responsive investment-ready local BSAPs developed, adopted and supported by appropriate Natural Capital Accounting (NCA) and/or biodiversity values data*<br>*Output 2.2 Public biodiversity investments increased, included in Local Government Units' (LGUs) Annual Investment Plans (AIPs), Local Disaster Reduction and Risk Management (LDDRM) Fund, Annual Gender and Development (GAD) Plans and with Biodiversity Special Accounts created, and allocation of financial resources from the Integrated Protected Areas Fund for conservation areas of IPLCs within protected areas*<br>*Output 2.3. Innovative priority biodiversity finance solutions of coral reef insurance, biodiversity credits, PPP, PES and blended finance demonstrated in selected regions*<br>*Output 2.4. TNFD system introduced with BSP and SEC to enhance sustainability reporting* | | | | | | |

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| | *Output 2.5. Micro, Small and Medium Enterprises (MSMEs) Accelerator/Incubator Hubs for Biodiversity Investments established* | | | | | | |
| **Project Component 3** | ***Promoting Sustainable Land Management and Good Agricultural Practices to Support Biodiversity Conservation*** | | | | | | |
| **Outcome 3**<br>**Agriculture-related subsidies with incidental environmental impacts reduced** | ***Indicator 15****: Re-Design Action Plan developed and implemented with budget support over targeted area of degraded agricultural land (ha)* | *DA NAFMIP progress reports; GIS mapping data for targeted sites* | *0* | *Re-Design Action Plan developed and approved* | *Re-Design Action Plan implemented with budget support over at least 2,500 ha of degraded agricultural land* | *Review of DA NAFMIP progress reports; GIS mapping data for targeted sites* | *Assumption: Key stakeholders support the shift towards BDFAPs and removal of agricultural subsidies with incidental environmental impacts*<br>*Risks:*<br>*The BDFAPs generate less profit than subsidized practices and lack local uptake* |
| | ***Indicator 16:*** *Percentage reduction in annual budget for agricultural subsidies within the project landscapes with negative environmental impacts that is repurposed to support safeguard-oriented programs that prevent or mitigate environmental impacts* | *DA Annual Financial Reports; NAFMIP progress reports* | *0%* | *10%* | *25%* | *Review of DA Annual Financial Reports; NAFMIP progress reports; interviews with DA staff responsible.* | |
| **Outputs to achieve Outcome 3** | *Output 3.1. Action Plan to Mainstream Biodiversity through Sustainable Land Management, Agro-biodiversity, and Good Agricultural Practices in the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP) developed and implemented*<br>*Output 3.2. Incentive systems, market and safeguard systems and transition mechanisms for the implementation of the Re-Design Action Plan put in place*<br>*Output 3.3 Stakeholder Engagement, including IPLCs, and Communications Plans developed on Subsidies with incidental environmental impacts* | | | | | | |
| **Project Component 4** | ***Partnerships and Knowledge Management*** | | | | | | |
| **Outcome 4**<br>**Effective Advocacy and Partnerships** | ***Indicator 17:*** *Number of stakeholders at the national and local levels, with increased knowledge on BD financing and specific finance solutions* | *Project reports* | *TBD in Year 1* | *1,500 (50% women)* | *3,000 (50% women)* | *Review of training and awareness raising reports; post-training assessments of participants* | *Assumptions:*<br>*Lessons learned and best practices are relevant and contribute towards more effective achievement of project outcomes.*<br>*Risks:*<br>*Partners may not be willing to cooperate in* |
| | ***Indicator 18:*** *No. of good practices, case studies and lessons learned on biodiversity financing shared through national* | *Project reports; PMU database on good* | *0*<br>*a) 0*<br>*0* | *20*<br>*a) 5*<br>*5* | *40*<br>*a) 10*<br>*10* | *Review of Project reports; PMU database on good practices, case* | |

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| | *and UNDP global platforms, of which:*<br>*a) case studies on women's roles in BD conservation and how BD initiatives contribute to advancing GEWE.* | *practices, case studies and lessons learned* | | | | *studies and lessons learned* | *the sharing of monitoring data*<br><br>*Assumption: Good practices, case studies, and lessons learned about women's roles in BD and how BD initiatives contribute to advancing GEWE will be deliberately sought* |
| **Outputs to achieve Outcome 4** | *Output 4.1. South-South Learning Exchanges conducted*<br>*Output 4.2. Biodiversity financing advocacy strategy and knowledge management system on biodiversity-positive investments* | | | | | | |
| **Project Component** | **Monitoring & Evaluation** | | | | | | |
| **Outcome 5**<br>**Adaptive management approach consistent with UNDP and GBFF policy standards** | ***Indicator 19:*** *M&E Plan successfully implemented, indicated by:*<br>*a) Annual project monitoring reports and PIRs all successfully delivered - with a minimum rating of Moderately Satisfactory*<br>*b) MTR and TE facilitated and delivered - with a minimum rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project sustainability plan and any future project development and dissemination of best practices.* | *Project reports, PIRs, MTE and TE reports* | *0* | *a) All PIRs achieve minimum rating of Moderately Satisfactory*<br>*b) MTR facilitated and delivered with a minimum rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project sustainability plan and any future project development and dissemination* | *a) All PIRs achieve minimum rating of Moderately Satisfactory*<br>*b) TE facilitated and delivered with a minimum rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project sustainability plan and any future project development* | *See M&E Plan* | *Assumptions:*<br>*BMB / PMU has adequate capacity to fully implement the M&E Plan*<br><br>*Risks:*<br>*Partners may not be willing to cooperate in the sharing of monitoring data* |

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| | | | | *of best practices.* | *and dissemination of best practices.* | | |
| **Outputs to achieve Outcome 5** | *5.1. Monitoring, Evaluation and Learning (MEAL) Plan developed and implemented* | | | | | | |

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# Monitoring and Evaluation (M&E) Plan

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP (including guidance on GEF project revisions) and UNDP Evaluation Policy **The UNDP Country Office is responsible for ensuring full compliance with all UNDP project M&E requirements including project monitoring, UNDP quality assurance requirements, quarterly risk management, and evaluation requirements.**

Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[54]. The M&E plan and budget included below will guide the GEF-specific M&E activities to be undertaken by this project.

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed – including during the Project Inception Workshop - and will be detailed in the Inception Report.

**Minimum project monitoring and reporting requirements as required by the GEF:**
Inception Workshop and Report: A project inception workshop will be held within 2 months from the First disbursement date, with the aim to:

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.
d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework (where relevant) and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule Project Board meetings and finalize the first-year annual work plan. Finalize the TOR of the Project Board.
h. Formally launch the Project.

GEF Project Implementation Report (PIR):
The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. UNDP will undertake quality assurance of the PIR before submission to the GEF. The PIR submitted to the GEF will be shared with the Project Board. UNDP will conduct a quality review of the PIR, and this quality review and feedback will be used to inform the preparation of the subsequent annual PIR.

GEF Core Indicators:
The GEF Core indicators included as **Annex 17** will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the core indicators status. The updated monitoring data must be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data

[54] See https://www.thegef.org/projects-operations/policies-guidelines

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collection have been defined by the GEF and are available on the GEF. The required Protected Area Management Effectiveness Tracking Tool (METTs) (see **Annex 23**) must be prepared and the scores included in the GEF Core Indicators.

Independent Mid-term Review (MTR):
An independent mid-term review (MTR) will be completed by the mid-point of the project . The terms of reference, the MTR process and the final MTR report will follow the standard templates and MTR guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. The MTR must be submitted to the GEF by the mid-point of the project but no later than 48 months after CEO Endorsement. To meet the submission deadline, final MTR reports must be completed and submitted to BPPS NCE team no later than 2 months in advance of the submission deadline to allow sufficient time for internal review/clearance that is required prior to submission.

Provisions must be taken to complete and submit the MTR within the submission deadline. Therefore, the MTR process must start no later than 8 months before the expected date of submission of the MTR.

The MTR will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be reviewed. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the MTR process. Additional quality assurance support is available from BPPS/NCE.

The final MTR report will be publicly available in English and will be posted on the UNDP ERC by the MTR submission date included on the cover page of this project document. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's submission to the GEF.

Terminal Evaluation (TE):
An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and TE guidance for UNDP-supported GEF-financed projects available on the UNDP Evaluation Resource Center. TE must be submitted to the GEF no later than 6 months after the Completion Date . This is a hard deadline that, if not met, can only be extended through a formal extension request. To meet the submission deadline, final TE reports must be completed and submitted to the BPPS NCE team no later than 2 months in advance of the deadline to allow sufficient time for internal review/clearance that is required prior to submission.

Provisions must be taken to complete and submit the TE within the submission deadline. Therefore, TE must start no later than 8 months before the expected date of submission of the TE (or 11 months prior to the estimated operational closure date).

The evaluation will be 'independent, impartial and rigorous'. The evaluator(s) that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from BPPS NCE.

The final TE report will be publicly available in English and posted on the UNDPHY ERC by the TE submission date included on the cover page of this project document. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report submission to the GEF.

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Per the GEF Terminal Evaluation requirements, for cancelled full-sized projects, Terminal Evaluations are required if the GEF grant expenditure exceeds more than US$ 2 million.

Final Report:
The project's final GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.

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In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans.

**Monitoring Plan:** The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored by the Project Management Unit annually, and will be reported in the GEF PIR every year, and will be evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. Project risks, as outlined in the risk register, will be monitored quarterly.

**Table 8. Monitoring Plan**

| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| **Project objective:** ***To increase public and private sector biodiversity/nature-positive investments and reduce financial flows with incidental environmental impacts to support the accelerated achievement of the KM-GBF aligned Philippine Biodiversity Strategy and Action Plan (PBSAP) targets*** | ***Indicator 1: # direct project beneficiaries disaggregated by gender (individual people) (GEF CI#11)*** | *Mid-term: 3,500 (50% women)*<br>*EoP: 7,000 (50% women)* | *GEF: This indicator captures the total no. direct beneficiaries incl. % women. Direct beneficiaries are people receiving targeted support from the project.*<br>*Target includes government staff, MSMEs, IPLCs, constituents through LBSAP implementation, finance solutions, MSME capacity-building.* | *Annually* | *Project M&E Officer* | *Project reports* |
| | ***Indicator 2: Terrestrial protected areas under improved management effectiveness (GEF CI#1.2)*** | *Mid-term: 70,833 ha*<br>*EoP: 70,833 ha*<br>*METT Scores:*<br>*Mid-term: Baseline +5*<br>*EoP: Baseline +10* | *Extent of PAs being targeted for project-support.*<br>*Baseline METT scores for each targeted PA (please refer to* ***Annex 23*** *for METTs)* | Mid-term and End of project | *Project M&E Officer* | *BD Tracking Tool assessments /BMB* |
| | ***Indicator 3: Marine protected areas under improved management effectiveness (GEF CI#2.2)*** | *Mid-term: 46,985 ha*<br>*EoP: 46,985 ha*<br>*METT Scores:*<br>*Mid-term: Baseline +5*<br>*EoP: Baseline +10* | *Extent of Marine PAs targeted for project support.*<br>*Baseline METT scores for each targeted PA (please refer to* ***Annex 23*** *for METTs)* | Mid-term and End of project | *Project M&E Officer* | *BD Tracking Tool assessments /BMB* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | ***Indicator 4: Area of land and ecosystems under restoration (GEF CI#3)***<br>***Sub-indicators:***<br>***a) degraded agricultural lands (3.1)***<br>***b) forest (3.2),***<br>***c) grasslands/ woodlands (3.3), and***<br>***d) wetland/ mangrove (3.4)*** | *Mid-term: 7,100 ha*<br>*. 1,000 ha*<br>*. 3,000 ha*<br>*. 3,000 ha*<br>*. 100 ha*<br>*EoP: 19,900 ha*<br>*. 2,500 ha*<br>*. 7,000 ha*<br>*. 10,000 ha*<br>*. 400 ha* | *Extent of PAs being targeted for project-support.*<br><br>*Baseline METT scores for each targeted PA (please refer to **Annex XX** for METTs)* | *Mid-term and End of project* | *Project M&E Officer* | *Project reports; GIS maps of project sites/BMB* |
| | ***Indicator 5: Area of landscapes under improved practices (GEF CI#4)***<br>***Sub-indicators:***<br>***. Improved management of terrestrial landscapes for BD (GEF CI#4.1)***<br>***. Landscapes under SLM in production systems (GEF CI#4.3)*** | *Mid-term: 10,000 ha*<br>*. 7,000 ha*<br>*a. 3,000 ha*<br>*EoP: 29,000 ha*<br>*. 19,500 ha*<br>*a. 9,500 ha* | *Landscapes improved practices (29,000 ha), within KBAs of Central Panay Mountains, Mt. Hilong-hilong, Mt. Kampalili-Puting Bato-Mayo Complex, Sibuco-Siraway, and Lituban-Quipit Watershed through LBSAPs, finance solutions (19,500 ha. Production landscapes under SLM (9,500 ha) through BDFAPs, subsidy removal.* | *Mid-term and End of project* | *Project M&E Officer* | *Project reports; GIS maps of project sites/BMB* |
| | ***Indicator 6: Area of marine habitat under*** | *Mid-term: 32,000 ha*<br>*EoP: 32,000 ha* | *Marine habitat improved practices for coastal and marine* | *Mid-term and End of project* | *Project M&E Officer* | *Project reports; GIS maps of* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | ***improved practices to benefit biodiversity (GEF CI#5)***<br><br>***Sub-indicator: Marine OECMs supported (GEF CI#5.4)*** | | *KBAs (32,000 ha) as local marine conservation areas, critical habitats, coastal greenbelts, fishery reserves and other OECMs in W. Panay KBA, Sindangan and Mulubug Bays and Sibugay Ramsar Site.* | | | *project sites/BMB* |
| | ***Indicator 7: Greenhouse Gas Emissions Mitigated (metric ton of CO2e) (GEF CI#6).***<br><br>***Sub-indicator:***<br>***a) Carbon sequestered or emissions avoided in the AFOLU Sector (Direct) (6.5)*** | *After 20 years (6 years project implementation and 14 years capitalization): 4,381,712 tCO2-e* | *GHG emissions mitigated as a result of (i) 70,833 ha of terrestrial protected areas under improved management effectiveness; (ii)2,500 ha of cropland (iii) 7,000 ha of brushland; 10,000 ha of grasslands; and 400 ha of wetlands (assumed negligible contribution).* | *End of project* | *Project M&E Officer* | *Project reports; GIS maps of project sites/BMB* |
| | ***Indicator 8: Percentage decrease in annual financing gap for PBSAP 2024-2040 against PPG baseline*** | *Mid-term: 20% decrease in annual financing gap against PPG baseline*<br>*EoP: 30% decrease in annual financing gap against PPG baseline* | *Extraction of data from BMB/PMU database on BD expenditure vs NBFP.*<br>*The financing gap is the difference between the PBSAP 2024-2040's estimated financing target, and the resources mobilized from all sources (public and private sectors)* | *Mid-term and End of project* | *Project M&E Officer with assistance from BMB* | *BMB/PMU database on BD expenditure vs NBFP* |
| **Project Outcome 1: Improved management effectiveness and gender responsiveness of implementation of** | ***Indicator 9: Increased capacity for resource mobilization as shown by Capacity Development Scorecard scores for the Biodiversity*** | *Midterm target for Capacity Development scorecard for DENR-BMB: 50% increase over baseline score of 28 = 42* | *Project Capacity Development Scorecard assessment interviews with agency staff. See* ***Annex 25*** *for the Scorecard.* | *Mid-term and End of project* | *Project M&E Officer* | *Project Capacity Development Scorecard assessments* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| **the National Biodiversity Finance Plan** | ***Management Bureau of DENR (BMB)*** | *EoP Score for DENR-BMB: 100% increase over baseline score of 28 = 56* | | | | |
| | | | | | | |
| | ***Indicator 10: Gender - responsive Policy and mechanisms on BD expenditure reporting and IMM adopted by DENR and DILG*** | *Mid-term: Policy and mechanisms on BD expenditure reporting and IMM drafted and submitted for review by DENR and DILG*<br>*EoP: Policy and mechanisms on BD expenditure reporting and IMM adopted by DENR and DILG* | *Review of official documents of DENR and DILG on the status of BER and IMM mechanisms.* | *Mid-term and End of project* | *Project M&E Officer with support from DENR and DILG* | *DENR and DILG official reports* |
| **Project Outcome 2: Increased financing for local BSAPs** | ***Indicator 11: No. of new KMGBF aligned investment-ready local BSAPs developed and adopted by Regional Development Councils and under implementation*** | *Mid-term: 3*<br>*EoP: 6* | *Review of RDC official reports; interviews with RDC staff on status of LBSAPs* | *Annually* | *Project M&E Officer* | *RDC official reports* |
| | ***Indicator 12: Amount of financing leveraged from public and private institutions for LBSAP implementation through the demonstration of*** | *Mid-term:*<br>*a.USD 4 million*<br>*b.USD 200,000*<br>*EoP:*<br>*a.USD 10 million*<br>*b.USD 500,000* | *Review of LBFP reports and financial data* | *Mid-term and End of project* | *Project M&E Officer with assistance from BMB* | *LBFP reports /BMB* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | ***finance solutions (USD):***<br>. ***From increased innovative public sector BD/nature positive investments in selected regions***<br>. ***From increased private sector BD/nature positive investments*** | | | | | |
| | ***Indicator 13: Number of Accelerator/ Incubator Hubs established and SMEs supported to provide BD/ nature positive investments in project landscapes and that each benefit at least one IPLC community*** | *Mid-term: 3 hubs established supporting at least 10 SMEs with BD/nature positive investments and that each benefit at least one IPLC community*<br>*EoP: 3 hubs established supporting at least 20 SMEs with BD/nature positive investments and that each benefit at least one IPLC community* | *Review of Project reports; DTI reports; DOST reports; DILG reports; interviews with Agency/Hub staff* | *Annually* | *Project M&E Officer* | *Project reports; DTI reports; DILG reports* |
| | ***Indicator 14:*** *Amount allocated for BD-related* | *GAD Plans and Budgets* | *To be determined in Year 1* | *USD 50,000K* | *USD 100,000K* | *Review of LGUs' and agencies'* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | *activities in the Gender and Development (GAD) plans and budgets* | | | | | *annual GAD Plans and Budgets* |
| **Project Outcome 3: Agriculture-related subsidies with incidentalenvironmental impacts reduced** | ***Indicator 15: Re-Design Action Plan developed and implemented with budget support over targeted area of degraded agricultural land (ha)*** | *Mid-term: Re-Design Action Plan developed and approved*<br>*EoP: Re-Design Action Plan implemented with budget support over at least 2,500 ha of degraded agricultural land* | *Review of DA NAFMIP progress reports; GIS mapping data for targeted sites* | *Mid-term and End of project* | *Project M&E Officer with assistance from DA* | |
| | ***Indicator 16: Percentage reduction in annual budget for agricultural subsidies within the project landscapes with negative environmental impacts that is repurposed to support safeguard-oriented programs that prevent or mitigate environmental impacts*** | *Mid-term: 10%*<br>*EoP: 25%* | *Review of DA Annual Financial Reports; NAFMIP progress reports; interviews with DA staff responsible* | *Mid-term and End of project* | *Project M&E Officer with assistance from DA* | *DA Annual Financial Reports; NAFMIP progress reports* |
| **Project Outcome 4: Effective Advocacy and Partnerships** | ***Indicator 17: Number of stakeholders at the national and local levels, with increased knowledge on BD financing and specific finance solutions*** | *Mid-term: 1,500 (50% women)*<br>*EoP: 3,000 (50% women)* | *Review of training and awareness raising reports; post-training assessments of participants* | *Annually* | *Project M&E Officer* | *Project reports* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | ***Indicator 18: No. of good practices, case studies and lessons learned on biodiversity financing shared through national and UNDP global platforms, of which:***<br>***a) case studies on women's roles in BD conservation and how BD initiatives contribute to advancing GEWE.*** | *Mid-term: 20*<br>*a)5*<br>*EoP: 40*<br>*a)10* | *Review of Project reports; PMU database on good practices, case studies and lessons learned* | *Annually* | *Project M&E Officer* | *Project reports; PMU database on good practices, case studies and lessons learned* |
| **Project Outcome 5: Monitoring and Evaluation** | ***Indicator 19: M&E Plan successfully implemented, indicated by:***<br>***a. Annual project monitoring reports and PIRs all successfully delivered - with a minimum rating of Moderately Satisfactory***<br>***b. MTR and TE facilitated and delivered - with a minimum rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project*** | *Mid-term:*<br>*a.All PIRs achieve minimum rating of Moderately Satisfactory*<br>*b.MTR facilitated and delivered with a minimum rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project sustainability plan and any future project development and dissemination of best practices.*<br>*EoP:*<br>*a.All PIRs achieve minimum rating of Moderately Satisfactory*<br>*b.TE facilitated and delivered with a minimum* | *See M&E Plan* | *A. Annually*<br>*B. Mid-term and End of project* | *Project M&E Officer* | *Project reports, PIRs, MTE and TE reports* |

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| Results Monitoring | Indicators | Targets | Description of indicators & targets | Frequency | Responsible for data collection | Means of verification |
|---|---|---|---|---|---|---|
| | ***sustainability plan and any future project development and dissemination of best practices.*** | *rating of Moderately Satisfactory; any recommendations addressed with diligence, and lessons learnt taken on board for project sustainability plan and any future project development and dissemination of best practices.* | | | | |

| **Monitoring Activity** | | | |
|---|---|---|---|
| | **Frequency/Timeframe** | **Expected Action** | **Partners (if joint)** |
| **Inception Workshop and Report** | Inception Workshop within 2 months of the First Disbursement | As per above description | |
| **Track results progress (see above table for details)** | Annually and at mid-point and closure | Slower than expected progress will be addressed by project management. | |
| **Monitor and Manage Risk** | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | |
| **Monitor *ESMF, SEP and GAP*** | Ongoing | Review planned activities, track progress against indicators, identify lessons, identify issues requiring attention | |
| **Supervision Missions** | Annually | Review planned activities, track progress against indicators, identify lessons, identify issues requiring attention | |
| **Learning Missions** | As needed | Relevant lessons are captured by the project team and used to inform management decisions. | |
| **Annual Project Quality Assurance** | Annually | Areas of strength and weakness will be reviewed by project management and | |

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| Monitoring Activity | | | |
|---|---|---|---|
| | **Frequency/Timeframe** | **Expected Action** | **Partners (if joint)** |
| | | used to inform decisions to improve project performance. | |
| **Review and Make Course Corrections** | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | |
| **Annual GEF Project Implementation Report (PIR)** | Annually typically between June-September | Mandatory contribution by Project Team, CO and RTA. Strengths and weaknesses will be reviewed by project management and used to inform decisions to improve project performance | |
| **Project Review (Project Board)** | Twice annually | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | |

**Evaluation Plan**

| Evaluation Title | Partners (if joint) | Related Strategic Plan Output | UNSDCF/CPD Outcome | Planned Completion Date | Key Evaluation Stakeholders |
|---|---|---|---|---|---|
| Independent Mid-Term Review (MTR) | *N/A* | *3.1, 4.1, 4.2* | 3 | By the MTR submission date included on cover page of Project Document | BMB, DENR, DOF, DILG, DA, DTI, DOST, DOT, NCIP, BSP, SEC, private sector, Academic institutions, Foundations, NGOs, IPLCs, MSMEs |
| Independent Terminal Evaluation (TE) | *N/A* | *3.1, 4.1, 4.2* | 3 | By the TE submission date included on cover page of Project Document | BMB, DENR, DOF, DILG, DA, DTI, DOST, DOT, NCIP, BSP, SEC, private sector, Academic institutions, Foundations, NGOs, IPLCs, MSMEs |

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| **Monitoring and Evaluation Budget for project execution:** | |
|---|---|
| **GEF M&E requirements to be undertaken by Project Management Unit (PMU)** | **Indicative costs (US$)** |
| **Inception Workshop and Report** | $9,988 |
| **M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework (M&E Officer and Technical Assistant inputs)** | *$48,690* |
| **Preparation of the annual GEF Project Implementation Report (PIR)** | *0 (Absorbed costs)* |
| **Monitoring of ESMF implementation / Safeguard Risks (15% of travel)** | *$6,319* |
| **Supervision and learning missions[55] (85% of travel)** | *$25,811* |
| **Independent Mid-term Review (MTR):** | *$38,000* |
| **Independent Terminal Evaluation (TE):** | *$38,000* |
| **TOTAL indicative COST** | ***$166,808***<br>***($166,808 =5%)*** |

[55] Project's technical staff's annual monitoring of project indicators and safeguards (ESMF) implementation, with annual visits to demonstration sites (Output 6.1)

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# Governance and Management Arrangements

**Section 1: General roles and responsibilities in the projects' governance mechanism**

Implementing Partner: The Implementing Partner for this project is the Biodiversity Management Bureau of the Department of Environment and Natural Resources (DENR-BMB).

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.
- Procurement of goods and services, including human resources.
- Financial management, including overseeing financial expenditures against project budgets.
- Approving and signing the multiyear workplan.
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

The Implementing Partner, i.e., BMB, will collaboratively work with two key National Government Agencies (NGAs) specific Project components, i.e., with the Bureau of Soils and Water Management of the Department of Agriculture (DA-BSWM) and Department of Trade and Industry (DTI), specifically on the interventions on Sustainable Land Management (SLM) and MSME Accelerator Hubs, respectively. DA-BSWM will work towards a stronger policy that involves areas and stakeholders outside legislated protected areas, specifically targeting those OECMs, and providing demonstration models where behavior change among farmer cooperators on good agricultural practices is evident. DTI, on the other hand, will co-lead the development of MSME Accelerator Hubs and manage the implementation of Low Value Grants (LVGs) to be provided to selected MSMEs.

UNDP will process direct payments as per the requests from the Implementing Partner. For direct payments, the government assumes responsibility for the contracting process, performs recruitment and procurement, and signs the contracts according to its own rules and regulations (whose principles should conform to those of UNDP). To note, UNDP provides banking services only. To ensure no conflict of interest, there will be clear roles and responsibilities between the Implementing Partner and UNDP with two key principles:

- None of UNDP contract holders can be involved in the approval or selection process to whom the direct payment is going to be made;

- None of UNDP contract holders will sign-off on any business processes or transactions that are under the IP's accountability that UNDP is subsequently asked to pay for through direct payment.

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To ensure the strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from GEF-specific oversight and quality assurance services.

Responsible parties: At the project design stage, it was decided that Responsible Parties would not be necessary. However, this will be re-evaluated during project implementation, as well as at the time of project inception. If necessitated, any Responsible Party(ies) would prior to selection be reviewed following UNDP rules and procedures, the preparation of HACT micro-assessments to establish relevant capacities, risk levels and cash-transfer modalities will be undertaken as needed. RTA will be consulted before engaging the responsible party (ies) during the implementation stage.

Project stakeholders and target groups: Stakeholders were identified and consulted during the project preparation in order to assess their needs, expectations, and to ensure their consent. For the list of stakeholders consulted please see **Annex 27**. Stakeholders will continue to be involved throughout project implementation as set out in **Annex 8** Comprehensive Stakeholder Engagement Plan, as well as per the partnerships described in Section IV – Results and Partnerships.

Below are major stakeholders that will be engaged in Project Governance:

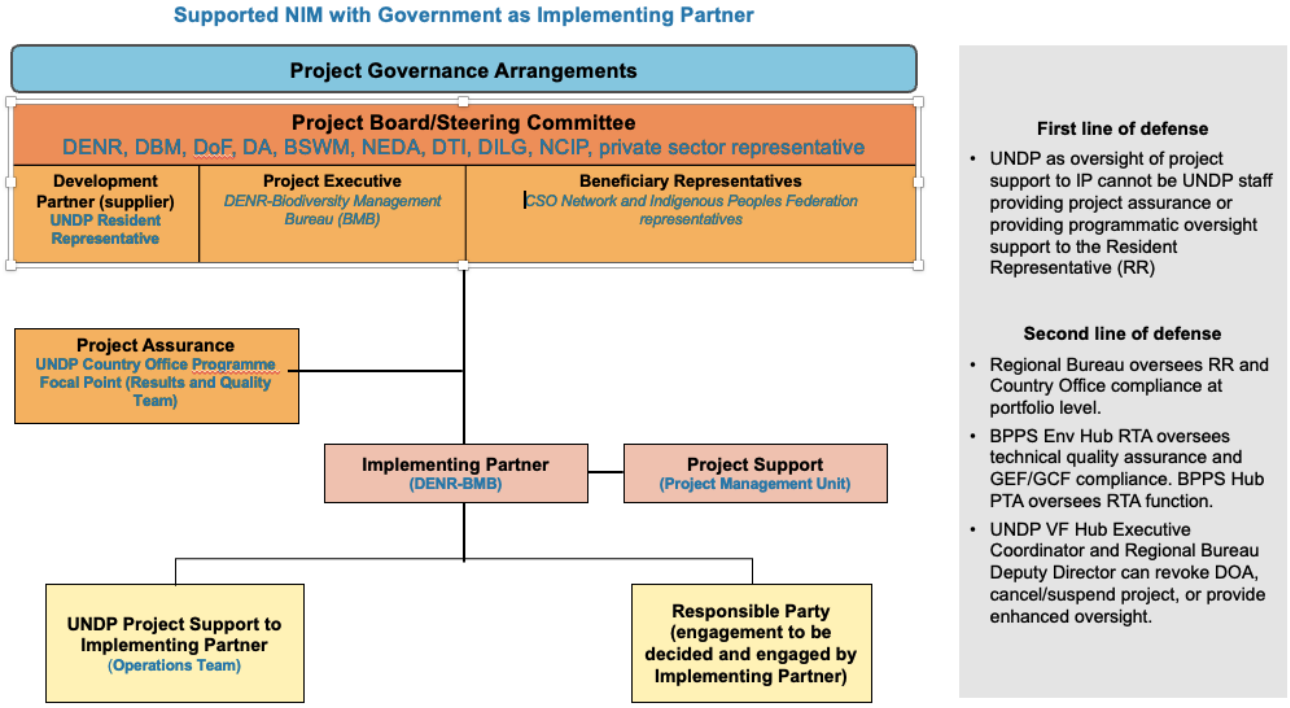
- DENR-BMB as the project Implementing Partner
- Key National Government Agencies, including the DOF, DBM, DILG, DA-BSWM, DTI and NCIP will be engaged in the Project Board (see below for membership and roles)
- Technical Working Group (TWG). An inter-agency TWG will be created to ensure that concerned agencies are able to provide technical guidance in achieving the desired results of the Project. Following the participation of key agencies and partners in the implementation of BIOFIN, the TWG will involve concerned technical teams/divisions of the following agencies: DENR- Policy and Planning Services, BMB, DOF- International Finance Group, DBM, DA- BSWM, NEDA-Agriculture and Natural Resources Services, DTI, DILG, private sector and IPLC representatives. This TWG will provide a platform for:
  - Review and agreements on Project's strategic directions, partnership-building and key milestones;
  - Identification of concrete entry points and intervention areas for mainstreaming policies, good practices and demonstration models for innovative finance solutions;
  - Ideation of increasing management effectiveness of finance solutions to be introduced;
  - Development of key finance solutions, financing tools and procedures for pilot-testing;
  - Processing of lessons learned, success stories and intermediate Project results; and
  - Approval of implementation strategies to be recommended to the Project Board.
- Certain NGAs will play leading roles in providing technical guidance for the implementation of project components and Outputs: (See Partnerships section for details)
- Provincial and Municipal Local Government Units (LGUs). The Regional DENR Offices together with Provincial and municipal LGUs will have the main responsibilities for landscape and site level project implementation, with technical assistance from subcontracted organizations.
- Private Sector – will be key partners to work at both national and landscape level on finance solutions
- Indigenous Peoples and Local Communities – will be represented through IPLC Federations on the Project Board and engaged under the oversight of NCIP.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority

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(DOA) letter for this project. **The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project.** UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

**Section 2: Project governance structure**




The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP's Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. The Climate Action Programme Team of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board and therefore attends Project Board meetings as a non-voting member.

**Section 3: Segregation of duties and firewalls vis-à-vis UNDP representation on the project board:**

As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions.

In this case, UNDP is only performing an implementation oversight role in the project vis-a-vis our role in the project board and in the project assurance function and therefore a full separation of project implementation oversight and execution duties has been assured.

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**Section 4: Roles and Responsibilities of the Project Organization Structure:**

**a) Project Board:** All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

For this Project, members of the Project Board will include the DENR (Office of the Undersecretary of Policy, Planning and International Affairs, Office of the Undersecretary for Finance, Climate Change and Information Systems), BMB, DOF- International Finance Group, DBM, DA-Policy and Planning, BSWM, NEDA-Agriculture and Natural Resources Services, DTI, DILG, National Commission on Indigenous Peoples (NCIP), UNDP, stakeholders from the private sector, CSOs and Indigenous Peoples (IP) federations.

The two main (mandatory) roles of the project board are as follows:

1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the "Provide Oversight" section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the "Manage Change" section of the POPP).

**Requirements to serve on the Project Board**:

- Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
- Meet annually; at least once.
- Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
- Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
- Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

**Responsibilities of the Project Board**:

- Consensus decision making:
  - The project board provides overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
  - Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;
  - The project board is responsible for making management decisions by consensus.

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- In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
- In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

- Oversee project execution:
  - Agree on project manager's tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded.
  - Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
  - Address any high-level project issues as raised by the project manager and project assurance;
  - Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
  - Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
  - Track and monitor co-financed activities and realisation of co-financing amounts of this project.
  - Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
  - Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.
- Risk Management:
  - Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
  - Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project's area of influence that have implications for the project.
  - The Board will oversee the implementation of the Environmental and Social Management Framework (ESMF) (Annex 9), ensuring compliance with national and international regulations, as well as UNDP's social and environmental standards, including:
    - Make informed decisions on necessary actions, including the full integration of management measures into project outputs and annual work plans.
    - Establish and maintain an effective Grievance Redress Mechanism (GRM) to address concerns and resolve grievances.
    - Provide strategic direction for project implementation, including oversight of safeguard measures and adherence to the ESMF.
- Coordination:
  - Ensure coordination between various donor and government-funded projects and programmes.
  - Ensure coordination with various government agencies and their participation in project activities.

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**Composition of the Project Board**: The composition of the Project Board must include individuals assigned to the following three roles:

1. **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner), and it must be UNDP for projects that are direct implementation (DIM). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is the Biodiversity Management Bureau of the Department of Environment and Natural Resources.
2. **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representatives are the Department of the Interior and Local Government, a national Civil Society Organization (CSO) representative, and a representative of Indigenous Peoples' (IP) communities.
3. **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner is the UNDP Resident Representative *who will ensure the policies of UNDP and the GEF are complied with.*

4. **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution.

   The UNDP Country Office's Results and Quality Team, the designated representative of UNDP playing the project assurance role, is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP's project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is the UNDP Country Office's Results and Quality Team.

5. **Project Management – Execution of the Project:** The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers.

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Roles and responsibilities of the PMU members, to be lodged within BMB-Planning and Knowledge Management Division are detailed in **Annex 7**. A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

The primary PMU representative attending board meetings is the Project Manager.

In terms of its social and environmental safeguards role, the PMU should:

- Oversee and manage the implementation of the measures outlined in the Environmental and Social Management Framework (ESMF) (**Annex 9**);
- Designate specific responsibilities for ESMF implementation, including monitoring and conducting community consultations related to the Free, Prior, and Informed Consent (FPIC) process for draft management plans, to the Project Social and Environment Safeguards Officer within the PMU;
- Maintain relevant records on environmental and social risk management, including updated Social and Environmental Screening Procedures (SESPs), impact assessments, documentation of consultations and FPIC, a grievance log, and records of implemented management measures;
- Provide regular reports to the Implementing Partner and the Project Board on the status and progress of ESMF implementation; and
- Ensure that all service providers are fully aware of and adhere to their responsibilities for day-to-day compliance with the ESMF.

## Financial Planning and Management

The total cost of the project is USD 34,734,795. This is financed through a GBFF grant of USD 3,502,968 administered by UNDP, and additional support of USD 31,231,827. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

**Co-financing**: The actual realization of project co-financing amounts will be monitored by the UNDP Country Office and the PMU on an annual basis in the GEF PIF and will be reported to the GEF during the mid-term review and terminal evaluation process as follows:

**Table 9. Co-financing inputs**

| Co-financing source | Co-financing type (in kind or Grant) | Name of Co-financier | Investment mobilized | Co-financing amount (USD) |
|---|---|---|---|---|
| GEF Agency | In-Kind | UNDP | Recurrent expenditures | 150,000 |
| Recipient Country Government | In-Kind | DENR-BMB | Recurrent Expenditure | 202,326 |
| Recipient Country Government | Public Investment | DENR-BMB | Investment Mobilized | 4,657,058 |
| Recipient Country Government | In-Kind | DENR Region 9 | Recurrent Expenditure | 433,781 |

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| | | | | |
|---|---|---|---|---|
| Recipient Country Government | Public Investment | DENR Region 9 | Investment Mobilized | 265,772 |
| Recipient Country Government | Public Investment | DENR Region 11 | Investment Mobilized | 141,269 |
| Recipient Country Government | Public Investment | DENR Region 13 | Investment Mobilized | 23,603,904 |
| Recipient Country Government | In-Kind | DENR Region 13 | Recurrent Expenditure | 1,562,781 |
| Recipient Country Government | In-Kind | DENR FASPS | Recurrent Expenditure | 214,936 |
| **TOTAL** | | | | **31,231,827** |

**Budget Revision and Tolerance**: As per UNDP POPP, the project board may agree with the project manager on a tolerance level for each detailed plan under the overall multi-year workplan. The agreed tolerance should be written in the project document or approved project board meeting minutes. It should normally not exceed 10 percent of the agreed annual budget at the activity level, but within the overall approved multi-year workplan at the activity level. Within the agreed tolerances, the project manager can operate without intervention from the project board. Restrictions apply as follows:

Should the following deviations occur, the Project Manager/IP through UNDP Country Office will seek the approval of the BPPS/NCE-VF team to ensure accurate reporting to the GEF. It is **strongly encouraged** to maintain the expenditures within the approved budget at the budgetary account and at the component level:

a) Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis. Budget re-allocations among the components (including PMC) of the approved Total Budget and Work Plans (TBWP) that represent a value greater than 10% of the total GEF grant.
b) Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant. The new budget items must be eligible as per the GEF and UNDP policies.
c) Project management cost (PMC): budget under PMC component is capped and cannot be increased.

UNDP is not in a position to increase the total budget above the amount approved by the donor, therefore any over-expenditure would have to be absorbed from non-GEF resources by the Implementing Partner (GEF Executing Entity)

**Project extensions:** The UNDP-BPPS-NCE team Executive Coordinator must approve all requests for extension of the Project Completion Date and for other milestone extensions with hard deadlines. All extensions impose additional time and cost burdens at all levels and the GEF project budget cannot be increased beyond its originally approved amount. A single extension may be granted on an exceptional basis and subject to the conditions and maximum durations set out in the UNDP POPP. The project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs shall be covered by non-GEF resources; the additional UNDP oversight costs during the extension period must be covered by non-GEF resources, in accordance with UNDP's policy as set out in UNDP POPP.

For any extension request, UNDP CO and IP will consult and jointly present a clear plan indicating how and from which specific sources the additional oversight costs that will be incurred by UNDP will be covered during the

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extended period. The BPPS-NCE Executive Coordinator will consult the Regional Bureaux (RBX) and may reject the extension request if no (external co-financing by the IP or internal UNDP CO resources) can be identified.

All extension requests, along with all supporting documentation, shall be submitted by the IP to the UNDP CO in line with the requirements and within the deadlines set out in the UNDP SOPs and policies in UNDP POPP.

**Audit:** The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies.
**Transfer or disposal of assets**: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project, however **must be done before the operational closure date**. In all cases of transfer, a transfer document must be prepared and kept on file[56]. The transfer should be done before Project Management Unit complete their assignments.

**Completion Date:** The project completion date is the date of Project Document Signature plus project duration. This date can only be extended through a formal extension request. Prior to completion date, all UNDP-financed inputs must be provided and related activities for the Project completed. No activities, except for the final clearance of the Terminal Evaluation Report and the corresponding management response and the end-of-project review Project Board Meeting should take place after the Completion Date.

**Project Closure**: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

- **Operational Closure**: **Operational closure must happen within 9 months from project completion date.** Prior to operational closure, the Terminal Evaluation must have been submitted and the corresponding TE management response and the end-of-project review Project Board meeting must have been completed. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. Before Operational Closure, the project must have completed the transfer or disposal of any equipment that is still the property of UNDP.
- **Financial Closure: Financial closure must happen within 6 months of operational closure or after the date of cancellation.** The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).
  Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to BPPS/NCE for confirmation before the project will be financially closed in Quantum by the UNDP Country Office.

**Cancellation and Suspension:** All projects considering going through cancellation or suspension must follow UNDP and GEF requirements. Guidance can be found in the UNDP POPP (SOPs for management actions of Vertical Fund projects escalated to the Executive Coordinator and Guidance for GEF project revisions).

[56] See https://popp.undp.org/ https://popp-prod.acquia.undp.org/policy-page/close-and-transition.

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**Refund to GEF:** Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/NCE team Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF. Unspent project balance is not permitted to be transferred to any other projects.

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# Total Budget and Work Plan

| **Total Budget and Work Plan** | | | |
|---|---|---|---|
| Quantum Business Unit | UNDP-PHL | | |
| Quantum Project ID: | 01005501 | Quantum Project Title: | Philippines Biodiversity Financing Program |
| Quantum Award ID: | 1544492 | Quantum Award Title: | Philippines Biodiversity Financing Program |
| UNDP-GEF PIMS No. | 9980 | | |
| Implementing Partner | *Department of Environment and Natural Resources - Biodiversity Management Bureau* | | |

| Quantum Outcome (GEF Component) | Quantum Output and Activity (GEF Outcome) | Quantum Responsible Party (UNDP, IP, or Responsible Party) | Quantum Fund ID | Quantum Donor ID | Quantum Budgetary Account Code | Quantum Budget Account Description | Amount Year *2026* (USD) | Amount Year 2027 (USD) | Amount Year *2028* (USD) | Amount Year 2029 (USD) | Amount Year 2030 (USD) | Amount Year 2031 (USD) | Total (USD) | See Budget Note |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Component 1: Improving institutional capacities, financing and monitoring for effective and gender-responsive implementation of the NBFP* | *Outcome 1: Improved management effectiveness and gender-responsiveness of implementation of the NBFP* | *BMB* | *62182* | *010003* | *71200* | *International Consultants* | 2,500 | 5,000 | 5,000 | 2,500 | - | - | **$15,000.00** | 1 |
| | | | *62182* | | *71300* | *Local Consultants* | 60,280 | 60,280 | 60,280 | 24,280 | 3,280 | 3,280 | **$211,680.00** | 2 |
| | | | *62182* | | *71600* | *Travel* | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 5,000 | **$50,000.00** | 3 |
| | | | *62182* | | *71800* | *Contractual Services - Implementing Partner* | 18,050 | 18,050 | 18,050 | 18,050 | 18,050 | 18,050 | **$108,300.00** | 4 |
| | | | *62182* | | *72100* | *Contractual Services - Companies* | 5,000 | 5,000 | 5,000 | 1,000 | - | - | **$16,000.00** | 5 |
| | | | *62182* | | *72800* | *Information Technology Equipment* | 8,000 | - | - | - | - | - | **$8,000.00** | 6 |
| | | | *62182* | | *74200* | *Audio Visual & Print Prod Costs* | 2,000 | 4,000 | 8,000 | 2,000 | 406 | - | **$16,406.00** | 7 |
| | | | *62182* | | *75700* | *Training, Workshops and Conferences* | 7,500 | 30,000 | 15,000 | - | - | - | **$52,500.00** | 8 |
| | | ***Total BMB*** | | | | | 108,330 | 132,330 | 121,330 | 57,830 | 31,736 | 26,330 | $477,886.00 | |
| ***Total Component 1*** | | | | | | | 108,330 | 132,330 | 121,330 | 57,830 | 31,736 | 26,330 | **$477,886.00** | |
| *Component 2: Financing Investment-Ready Local Biodiversity Strategy and Actions Plans (LBSAPs)* | *Outcome 2. Increased financing for local BSAPs* | *BMB* | *62182* | *010003* | *71200* | *International Consultants* | 7,500 | 7,500 | 7,500 | 7,500 | - | - | **$30,000.00** | 9 |
| | | | *62182* | | *71300* | *Local Consultants* | 56,200 | 56,200 | 56,200 | 56,200 | 42,040 | 32,200 | **$299,040.00** | 10 |
| | | | *62182* | | *71600* | *Travel* | 23,500 | 52,000 | 53,000 | 53,000 | 53,000 | 19,000 | **$253,500.00** | 11 |
| | | | *62182* | | *71800* | *Contractual Services - Implementing Partner* | 45,510 | 45,510 | 45,510 | 44,780 | 44,780 | 44,780 | **$270,870.00** | 12 |
| | | | *62182* | | *72100* | *Contractual Services - Companies* | 85,000 | 85,000 | 85,000 | 85,000 | 85,000 | 75,000 | **$500,000.00** | 13 |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 62182 | | 72800 | *Information Technology Equipment* | 12,000 | - | - | - | - | - | **$12,000.00** | 14 |
| | | | 62182 | | 74200 | *Audio Visual & Print Prod Costs* | - | 21,000 | 14,843 | 8,500 | 8,500 | 5,000 | **$57,343.00** | 15 |
| | | | 62182 | | 75700 | *Training, Workshops and Conferences* | 35,000 | 50,000 | 35,000 | - | - | - | **$120,000.00** | 16 |
| | | ***Total BMB*** | | | | | 264,710 | 317,210 | 296,553 | 254,980 | 233,320 | 175,980 | $1,542,753.00 | |
| ***Total Component 2*** | | | | | | | 264,710 | 317,210 | 296,553 | 254,980 | 233,320 | 175,980 | **$1,542,753.00** | |
| | | | 62000 | | 71200 | *International Consultants* | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | **$15,000.00** | 17 |
| | | | 62000 | | 71300 | *Local Consultants* | 19,640 | 19,640 | 19,640 | 19,640 | 10,640 | 10,640 | **$99,840.00** | 18 |
| | | | 62000 | | 71600 | *Travel* | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 10,000 | **$85,000.00** | 19 |
| *Component 3: Promoting SLM and Good Agricultural Practices to Support BD Conservation* | *Outcome 3. Agriculture-related subsidies with incidental environmental impacts reduced* | *BMB* | 62000 | *010003* | 71800 | *Contractual Services - Implementing Partner* | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | **$144,000.00** | 20 |
| | | | 62000 | | 72100 | *Contractual Services - Companies* | 35,000 | 72,000 | 72,000 | 66,000 | 94,254 | 35,000 | **$374,254.00** | 21 |
| | | | 62000 | | 72800 | *Information Technology Equipment* | 4,000 | - | - | - | - | - | **$4,000.00** | 22 |
| | | | 62000 | | 74200 | *Audio Visual & Print Prod Costs* | 500 | 500 | 500 | 500 | 842 | - | **$2,842.00** | 23 |
| | | | 62000 | | 75700 | *Training, Workshops and Conferences* | 4,000 | 8,000 | 8,000 | 8,000 | 4,000 | - | **$32,000.00** | 24 |
| | | ***Total BMB*** | | | | | 104,640 | 141,640 | 141,640 | 135,640 | 151,236 | 82,140 | $756,936.00 | |
| ***Total Component 3*** | | | | | | | 104,640 | 141,640 | 141,640 | 135,640 | 151,236 | 82,140 | **$756,936.00** | |
| | | | 62182 | | 71300 | *Local Consultants* | 1,640 | 1,640 | 1,640 | 1,640 | 1,640 | 1,640 | **$9,840.00** | 25 |
| | | | 62182 | | 71600 | *Travel* | 5,000 | 45,000 | 45,000 | 5,000 | 5,000 | 5,000 | **$110,000.00** | 26 |
| *Component 4: Partnerships and Knowledge Management* | *Outcome 4. Effective Advocacy and Partnerships* | *BMB* | 62182 | *010003* | 71800 | *Contractual Services - Implementing Partner* | 20,500 | 20,500 | 20,500 | 20,500 | 20,500 | 20,500 | **$123,000.00** | 27 |
| | | | 62182 | | 72100 | *Contractual Services - Companies* | 7,000 | 27,000 | 27,000 | 17,000 | 17,000 | 9,000 | **$104,000.00** | 28 |
| | | | 62182 | | 72800 | *Information Technology Equipment* | 3,000 | - | - | - | - | - | **$3,000.00** | 29 |
| | | | 62182 | | 74200 | *Audio Visual & Print Prod Costs* | 3,000 | 3,000 | 3,500 | 3,500 | 3,500 | 3,837 | **$20,337.00** | 30 |
| | | | 62182 | | 75700 | *Training, Workshops and Conferences* | - | 10,800 | 10,800 | - | - | - | **$21,600.00** | 31 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ***Total BMB*** | | | | | 40,140 | 107,940 | 108,440 | 47,640 | 47,640 | 39,977 | $391,777.00 | |
| ***Total Component 4*** | | | | | | | 40,140 | 107,940 | 108,440 | 47,640 | 47,640 | 39,977 | **$391,777.00** | |
| | | *UNDP* | *62182* | *010003* | *71200* | *International Consultants* | - | - | 21,000 | - | - | 21,000 | **$42,000.00** | 32 |
| | | | *62182* | | *71300* | *Local Consultants* | - | - | 12,000 | - | - | 12,000 | **$24,000.00** | 33 |
| | | ***Total UNDP*** | | | | | - | - | 33,000 | - | - | 33,000 | **$66,000.00** | |
| *Component 5: Monitoring and Evaluation (M&E)* | *Outcome 5. Adaptive management approach consistent with UNDP and GBFF policy standards* | *BMB* | *62182* | *010003* | *71600* | *Travel* | 5,355 | 5,355 | 10,355 | 5,355 | 5,355 | 10,355 | **$42,130.00** | 34 |
| | | | *62182* | | *71800* | *Contractual Services - Implementing Partner* | 7,750 | 7,750 | 7,750 | 8,480 | 8,480 | 8,480 | **$48,690.00** | 35 |
| | | | *62182* | | *75700* | *Training, Workshops and Conferences* | 9,988 | - | - | - | - | - | **$9,988.00** | 36 |
| | | ***Total BMB*** | | | | | 23,093 | 13,105 | 18,105 | 13,835 | 13,835 | 18,835 | **$100,808.00** | |
| ***Total Component 5 - M&E*** | | | | | | | **23,093** | **13,105** | **51,105** | **13,835** | **13,835** | **51,835** | **$166,808.00** | |
| | | *BMB* | *62182* | *010003* | *71800* | *Contractual Services - Implementing Partner* | 22,200 | 22,200 | 22,200 | 22,200 | 22,200 | 22,200 | **$133,200.00** | 37 |
| | | | *62182* | | *72400* | *Communic & Audio Visual Equip* | 300 | 300 | 300 | 300 | 300 | 300 | **$1,800.00** | 38 |
| | | | *62182* | | *72500* | *Supplies* | 300 | 300 | 300 | 300 | 300 | 308 | **$1,808.00** | 39 |
| *Project Management Cost (PMC)* | *PMC* | | *62182* | | *72800* | *Information Technology Equipment* | 6,000 | - | - | - | - | - | **$6,000.00** | 40 |
| | | ***Total BMB*** | | | | | 28,800 | 22,800 | 22,800 | 22,800 | 22,800 | 22,808 | **$142,808.00** | |
| | | *UNDP* | *62182* | *010003* | *74100* | *Professional Services* | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | **$24,000.00** | 41 |
| | | ***Total UNDP*** | | | | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | **$24,000.00** | |
| ***Total Project Management Cost*** | | | | | | | **32,800** | **26,800** | **26,800** | **26,800** | **26,800** | **26,808** | **$166,808.00** | |
| ***Total Project Grant*** | | | | | | | **573,713** | **739,025** | **745,868** | **536,725** | **504,567** | **403,070** | **$3,502,968.00** | |

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***Budget Notes***

| No. | Budget Note Description |
|---|---|
| | **COMPONENT 1** |
| **1** | **International Consultants**:<br>Chief Technical Advisor on Biodiversity Financing 1m @ $15,000 Y1-4 = $15,000 (All Outputs)<br>**Total: $15,000** |
| **2** | **Local Consultants**:<br>Institutional Development Specialist 180 days / over 3 years @ $300 = $54,000 (All Outputs)<br>Capacity Development Specialist 180 days / over 3 years @ $300 = $54,000 (All Outputs)<br>Public Finance Specialist 160 days / over 4 years @$300 = $48,000 (All Outputs)<br>Finance Policy Specialist 120 days / over 4 years @$300 = $36,000 (All Outputs)<br>Gender Specialist (12m x $1640) = $19,680 (All Outputs)<br>**Total: $211,680** |
| **3** | **Travel:**<br>Output 1.1: $2500 / year (years 1-6) ($15,000); Output 1.2: $2,500 / year (years 1-6) ($15,000); Output 1.3: $2500/year (years 2-5) ($10,000); Output 1.4 $2500/year (Years 2-5) ($10,000) – travel costs and DSAs for national project staff, government representatives and consultant inputs, consultation meetings, capacity development, gender mainstreaming (15%) and social and environmental risk management (15%) activities.<br><br>All Outputs costed at USD 2,500 per year. These are estimated to include at least 5 working meetings each year involving up to 20 project staff and stakeholders (5*USD500) to include venue costs and local travel costs for participants.<br>**Total: $50,000** |
| **4** | **Contractual Services – Implementing Partner:**<br>Senior Advisor on Biodiversity Financing (12m x $4500/m) = $54,000 (All Outputs)<br>Project Communications Officer (12m x $1550/m) = $18,600 (All Outputs)<br>Project SES Officer (12m x $2200/m) = $26,400 (All Outputs)<br>Project M&E Officer (6m x $1550/m) = $9,300 (All Outputs)<br>**Total: $108,300** |
| **5** | **Contractual Services – Companies/Institutions**:<br>Subcontract(s) for SES Planning Support Y1-4 (All Outputs)<br>**Total $16,000** |
| **6** | **IT Equipment**:<br>Laptop computer, printer & accessories - 4 sets @ $2000 (1.1) for BRMDUs (Y1) |

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|---|---|
| | **Total: $8,000**<br>**Note – PC includes desktop, notebook and tablet computers; some flexibility is required in relation to variable local situations* |
| **7** | **AV & print production costs**:<br>Training materials for 1.1 ($2,000 Y3), 1.2 ($2000 Y2), 1.3 ($2000 Y3) & 1.4 ($2,406 Y4-Y5) = $8,406<br>Manuals of procedures for 1.1 ($2,000 Y2), 1.2 ($2000 Y1), 1.3 ($2000 Y3) & 1.4 ($2000 Y3) = $8,000<br>**Total: $16,406** |
| **8** | **Training, Workshops and Conferences:**<br>The cost of a series of training workshops for BRMDU staff in 1.1 ($15,000 Y2), TA and capacity building activities for DENR and other stakeholders for NBFP implementation (resource mobilization) 1.2 ($7,500 Y1, 15,000 Y2), capacity development activities for BERS deployment in 1.3 ($7,500 Y3) & training of BMB staff for IMM deployment 1.4 ($7,500 Y3) = $52,500<br><br>1.1 - 6 workshops; 1.2 - 9 workshops; 1.3 - 3 workshops; 1.4 - 3 workshops; all workshops costed at $2500 each for 25 participants. This covers venue, meals/refreshments, and local travel costs (estimated unit cost per participant @ $100)<br>**Total: $52,500** |
| | **GRAND TOTAL FOR COMPONENT 1 = US$477,886** |
| | **COMPONENT 2** |
| **9** | **International Consultants**:<br>Chief Technical Advisor on Biodiversity Financing 2m @ $15,000 Y1-4 = $30,000 (All Outputs)<br>**Total: $30,000** |
| **10** | **Local Consultants**:<br>BD Planning Specialist 240 days over 6 years @ $300 = $72,000 (All Outputs)<br>Sustainable Financing Specialist 240 days / over 6 years @$300 = $72,000 (All Outputs)<br>Public Finance Specialist 160 days / over 4 years @$300 = $48,000 (All Outputs)<br>Finance Policy Specialist 160 days / over 4 years @$300 = $48,000 (All Outputs)<br>Gender Specialist (36m x $1640) = $59,040 (All Outputs)<br>**Total: $299,040** |
| **11** | **Travel:** |

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|---|---|
| | Output 2.1 $6,000 in Year 1, $12,000 / year in Years 2-5, and $5,500 in Year 6 = $59,500 – for development of LBSAPs, capacity development for LGUs and implementation of LBSAPs and related social and environmental risk management activities (including IPLC travel $10,000);<br><br>Output 2.2 $5,000 in Year 1, $8,000 in Year 2, $12,000 / year in Years 3-5, and $3,000 in Year 6 = $52,000 – for consultant inputs for BER, IMM and Biodiversity Special Account development in LGUs, related social and environmental risk management activities; and travel for IPLCs to meet LGUs on use of IPAF resources for conservation areas ($24,000 of the total allocation - $4000/year);<br><br>Output 2.3 $1,000 in Year 1, $15,000/year in Years 2-5, and $13,000 in Year 6 = $83,000 – for piloting coral reef insurance in Pujada Bay and N Antique, training and capacity development in innovative finance solutions and related social and environmental risk management activities, including engagement of IPLCs for finance solutions in ancestral lands ($5,000) and NGO and IPLC engagement (including IPLC travel - $12,000);<br><br>Output 2.4 $2,000 /year in Years 1-6 = $12,000 for local travel and subsistence related to TNFD development;<br><br>Output 2.5 $4,000 in Year 1, $10,000 / year in Years 2-5, and $3,000 in Year 6 = $47,000 – for development of IAGSMEC (MSME) hubs, capacity development for IAGSMEC hubs and operational support, and related social and environmental risk management activities (including $10,000 for IPLC members)<br><br>Travel costs include: inter-island travel for project staff and consultants, local travel within project landscapes for project staff and stakeholders including IPLC members to attend meetings; DSAs for project staff and consultants. Note that travel frequency and cost varies per location/landscape.<br><br>**Total: $253,500** |
| **12** | **Contractual Services – Implementing Partner**:<br>Senior Advisor on Biodiversity Financing (24m x $4500/m) 4m/ year over Years 1-6 = $108,000 (All Outputs)<br>Project Communications Officer (12m x $1550/m) 2m/ year over Years 1-6 = $18,600 (All Outputs)<br>Project SES Officer (30m x $2200/m) 5m/Year over Years 1-6 = $66,000 (All Outputs)<br>Project M&E Officer (18m x $1550/m) 3m/year over Years 1-6 = $27,900 (All Outputs)<br>Technical Assistant (36m x $730/m in Y1-Y3, 33m x $730/m in Y4-6) = $50,370<br>**Total: $270,870** |
| **13** | **Contractual Services – Companies/Institutions:**<br>3 Subcontracts for LBSAP development and implementation and piloting of financing solutions, including incorporation of social and environmental risk management activities:<br>A. Central Panay Mountains & Negros Island $150,000 over 6 Years (All Outputs)<br>B. East Mindanao BD Corridor $150,000 over 6 Years (All Outputs)<br>C. Zamboanga Peninsula $150,000 over 6 Years (All Outputs)<br>D. FPIC support for activities involving ancestral lands $50,000 (Y1-5)<br>**Total: $500,000** |
| **14** | **IT Equipment:** |

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|---|---|
| | Laptop computer, printer & accessories - 3 sets @ $2000 (2.1) for LGU/LBSAP development; 3 sets (2.5) for MSME hubs<br>**Total = $12,000**<br>**Note – includes desktop, notebook and tablet computers; some flexibility is required in relation to variable local situations* |
| **15** | **AV & print production costs**:<br>Training materials for 2.1 ($2,000 Y2), 2.2 ($2000 Y2), 2.3 ($5,843 Y3) = $9,843<br>Manual of operations for 2.5 ($2,500 Y2) = $2,500<br>Technical reports and publicity materials for all Outputs ($5000 each x 5) = $25,000<br>Updating and development of RBSAPs and LBSAPs for 2.1 - 14 @ $1,000 ($3,500/year for Years 2-5) = $14,000<br>Informative materials, guidelines and templates on use of IPAF in 2.2 ($5,000 Y2) = $5,000<br>Guidelines on biodiversity credits in 2.3 ($1,000 Y2)<br>**Total: $57,343** |
| **16** | **Training, Workshops and Conferences:**<br>Training workshops for LBSAP development process in 2.1 (5 workshops @ $2,000 each in different landscape areas = $10,000 Y2); BER, IMM and BD Special Accounts for LGUs in 2.2 (5 workshops @ $2,000 each in different landscape areas = $10,000 Y1), capacity development for coral reef insurance in 2.3 (series of 5 training events @ 2,000 each = $10,000 Y3); Total = $30,000<br>Consultation meetings for LBSAP development process (10 meetings x $2000 = $20,000) in Output 2.1; for development of BER, IMM and BD Special Accounts in LGUs (5 meetings x $2000 = $10,000) - and IPLC consultation meetings on IPAF - 10 meetings x $2,000 = $20,000) in Output 2.2; for development of coral reef insurance and BD credits pilots (5 meetings x $2000 = $10,000) and for development of PPP pilots and NGO and IPLC engagement (5 meetings x $2000 = $10,000) in Output 2.3; for TNFD system development (5 meetings x $2000 = $10,000) in Output 2.4; and for development and operation of IAGSMEC (MSME) hubs in Output 2.5 ($10,000); Total = $90,000<br>**Total: $120,000** |
| | **GRAND TOTAL FOR COMPONENT 2 = US$1,542,753** |
| | **COMPONENT 3** |
| **17** | **International Consultants**:<br>Chief Technical Advisor on Biodiversity Financing 1m @ $15,000 (Year 1-6); Total = $15,000 (All Outputs)<br>**Total: $15,000** |
| **18** | **Local Consultants**:<br>BDFAP/SLM Specialist 180 days over 6 years @ $300 = $54,000 (All Outputs)<br>Finance Policy Specialist 120 days / over 4 years @$300 = $36,000 (All Outputs)<br>Gender Specialist (6m x $1640) = $9,840 (All Outputs)<br>**Total: $99,840** |
| **19** | **Travel:** |

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|---|---|
| | Output 4.1: $5,000/year (Years 1-5) = $25,000 for national and regional dialogues, regional TWG and consultant inputs on BDFAP uptake, and related social and environmental risk management activities;<br>Output 4.2: $5,000/year (Years 1-6) = $30,000 for national and local consultations and consultant inputs on BDFAP uptake, repurposing of subsidies, formulation of agricultural land use plans and farm plans and pilot activities, and related social and environmental risk management activities.<br>Output 4.3: $5,000/year (Years 1-6) = $30,000 for development and implementation of stakeholder engagement and communications plans at national and local levels for Outcome 4;<br><br>Travel costs include: inter-island travel for project staff and consultants, local travel within project landscapes for project staff and stakeholders to attend meetings; DSAs for project staff and consultants. Note that travel frequency and cost varies per location/landscape.<br>**Total: $85,000** |
| **20** | **Contractual Services – Implementing Partner**:<br>Senior Advisor on Biodiversity Financing (12m x $4500/m) 2m/ year over Years 1-6 = $54,000 (All Outputs)<br>Project Communications Officer (12m x $1550/m) 2m/ year over Years 1-6 = $18,600 (Output 3.3)<br>Project SES Officer (24m x $2200/m) 4m/Year over Years 1-6 = $52,800<br>Project M&E Officer (12m x $1550/m) 2m/year over Years 1-6 = $18,600 (All Outputs)<br>**Total: $144,000** |
| **21** | **Contractual Services – Companies/Institutions:**<br>3 Subcontracts for Sustainable Land Management and BDFAP development, including incorporation of social and environmental risk management activities:<br>A. Central Panay Mountains & Negros Island $100,000 over 6 Years (All Outputs)<br>B. East Mindanao BD Corridor $100,000 over 6 Years (All Outputs)<br>C. Zamboanga Peninsula $100,000 over 6 Years (All Outputs)<br>D. Subcontract for implementation of Redesign Action Plan $34,254 (Output 3.2); design and implementation of M&E for pilot field activities, including a Randomized Controlled Trial approach ($30,000, Output 3.2); analysis of winners and losers among stakeholders for subsidy repurposing transition ($10,000, Output 3.3) Total: $74,254<br>**Total: $374,254** |
| **22** | **IT Equipment:**<br>For Redesign Action Plan development (Output 4.1) Laptop computer, printer & accessories - 2 sets* @$2000<br>**Total $4,000**<br>**Note – includes desktop, notebook and tablet computers; some flexibility is required in relation to variable local situations* |
| **23** | **AV & print production costs**:<br>Updated Area Action Plans & Work and Financial Plans $1000 (3.1), Subsidies assessment study $500 (3.2), LGU Agricultural Land Use PLans $500(3.2), BDFAP regulations, cost benefit analysis $500 (3.2); stakeholder analysis of winners and losers $342 (3.3)<br>**Total: $2,842** |
| **24** | **Training, Workshops and Conferences:** |

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| | Consultation meetings and field level dialogues in support of BDFAP uptake by IPLCs and other stakeholders (3.1) 16 x $2,000 years 1-5<br><br>Note: Bilateral meetings or FGDs with partners including IPLC representatives @ $2,000 x 2 meetings in Y1; @2,000 x 4 meetings/year in Y2, Y3, and Y4; @2,000 x 2 meetings in Y5. This includes cost of venue, refreshments, and local travel<br><br>**Total: $32,000** |
| | **GRAND TOTAL FOR COMPONENT 3 = US$ 756,936** |
| | **COMPONENT 4 – Knowledge Management** |
| **25** | **Local Consultants**:<br>Gender Specialist (6m x $1640) = $9,840 (Outputs 5.1, 5.2)<br>**Total: $9,840** |
| **26** | **Travel:**<br>For Communications Officer 2500/year x 6 years = $15,000 (Output 5.1) for support of south-south learning exchanges and training for women and youth; $2500/year x 6 years (Output 5.2) for awareness campaigns and communications and related social and environmental risk management activities. Total = $30,000<br><br>Note: Budget estimate include roundtrip inter-island flights and DSA estimated at $500/landscape x 5 landscapes spread over 6 years (5.1 = $500 x 5 landscapes x 6 years; 5.2 = $500 x 5 landscapes x 6 years)<br>Costs of local and international flights, DSAs, ground travel, visas, insurance for exchange learning visits to global BIOFIN or other BD financing project sites prioritising women and IPLC representatives - 2 visits x 8 pax x $5000 (Y2, Y3); Total = $80,000 (5.1)<br>**Total: $110,000** |
| **27** | **Contractual Services – Implementing Partner:**<br>Senior Advisor on Biodiversity Financing (12m x $4500/m) 2m/year over 6 years = $54,000 (5.1, 5.2)<br>Project Communications Officer (30m x $1550/m) 5m/year over 6 years = $46,500 (5.1, 5.2)<br>Project SES Officer (6m x $2200) 1m/year over 6 years = $13,200 (5.1, 5.2)<br>Project M&E Officer (6m x $1550/m) 1m/year over 6 years = $9,300 (5.1, 5.2)<br>**Total: $123,000** |
| **28** | **Contractual Services – Companies/Institutions:**<br>CS - To conduct Webinar series and two group learning Exchange Visits to other BD financing project sites Y2-6 (5.1) $30,000<br>CS - Awareness campaigns & social media Y1-6 (5.2) $74,000<br>**Total: $104,000** |
| **29** | **IT Equipment:**<br>For Communications Officer: PC* 1, printer 1, software and IT accessories: $2,000 (Output 5.1)<br>For communications purposes: 1 digital camera and accessories $1,000 |

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| | **Note – includes desktop, notebook and tablet computers; some flexibility is required in relation to variable local situations*<br>**Total: $3,000** |
| **30** | **AV & print production costs**:<br>Awareness materials for PBSAP / BD financing campaigns, $16,337 (Output 4.2)<br>Case studies and best practices including gender issues - $4,000 (Output 4.2)<br>**Total: $20,337** |
| **31** | **Training, Workshops and Conferences:**<br>Training for women and IPs (5.1) 2 x $5,400 years 2-3<br><br>2 training events/year in Y2 & Y3 @ $5,400/event; This includes venue, accommodation, meals/refreshments, and local travel of 20 project staff and participants<br>**Total: $21,600** |
| | **GRAND TOTAL FOR COMPONENT 4 = US$391,777** |
| | **COMPONENT 5 – Monitoring and Evaluation** |
| **32** | **International Consultants**:<br>International Consultant for MTR/TE - 30 days at $700/day for both MTR and TE (Y6) = $42,000 (Output 6.1)<br>**Total: $42,000** |
| **33** | **Local Consultants**:<br>National Consultant for MTR / TE - 30 days at $400 for MTR (Y3) and 30 days at $400 for TE (Y6) = $24,000 (Output 6.1);<br>**Total: $24,000** |
| **34** | **Travel**:<br>Travel associated with MTR ($5,000) Y3 and TE ($5,000) Y6 (Output 6.1); subtotal $10,000<br>For annual monitoring of project indicators and safeguards (ESMF) implementation, with annual visits to pilot landscapes: 20 days DSA @ $150/day = $3000 x 6 years = $18,000; plus domestic air and ground travel at $2355 per year x 6 years = $14,130; subtotal $32,130 (Output 6.1)<br>**Total: $42,130** |
| **35** | **Contractual Services – Implementing Partner**:<br>Project M&E Officer and Technical Assistant for monitoring RF indicators, ESMF/safeguards monitoring:<br>Project M&E Officer (30 months x $1550/month over 6 years) = $46,500<br>Technical Assistant (3 months x $730/month over 3 years - Y4-6) = $2,190<br>**Total: $48,690** |
| **36** | **Training, Workshops and Conferences:**<br>Workshop venue, accommodation, and meal costs for Inception Workshop $9,988 Y1; (Output 6.1)<br>**Total: $9,988** |

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| | **GRAND TOTAL FOR COMPONENT 5 (M&E) = US$ 166,808 (5%)** |
| | **PROJECT MANAGEMENT COSTS** |
| **37** | **Contractual Services – Implementing Partner**:<br>Project Manager (12m x $4500/m) = $54,000<br>Finance Officer: 72 months @ $1100 = total $79,200<br>**Total : $ 133,200** |
| **38** | **Communications and AV equipment** costs for Project Management Office at $300/year<br>**Total: $1,800** |
| **39** | **Supplies**: paper, stationery, printer cartridges, etc.<br>**Total: $1,808** |
| **40** | **IT Equipment**: Computers* 2 @ $1,500 = $3,000, printer/scanner/fax multifunction 1 @ $500; digital camera 1@$800, IT accessories & repairs $500, software $1,200.<br>**Total: $6,000** |
| **41** | **Professional services**: Annual audit ($4,000/ year x 6 years).<br>**Total: $24,000** |
| | **GRAND TOTAL FOR PMC = US$166,808** |

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## Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of the Philippines and UNDP, signed on 21 July 1977. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Biodiversity Management Bureau of the Department of Environment and Natural Resources "Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

## Risk Management

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via https://www.un.org/securitycouncil/content/un-sc-consolidated-list.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived

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to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

    i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

    ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

    iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

    iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

    v. Promptly and confidentially, record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

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9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds.

10. In the implementation of the activities under this Project Document, UNDP places reasonable reliance upon the Implementing Partner for it to apply its laws, regulations and processes, and applicable international laws regarding anti money laundering and countering the financing of terrorism, to ensure consistency with the principles of then in force the UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy.

11. The Implementing Partner will ensure that its financial management, anti-corruption, anti-fraud and anti-money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.

12. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

13. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

14. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

15. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

16. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

17. Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularity, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

18. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in

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contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

19. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

20. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, mutatis mutandis, in all sub-contracts or sub-agreements entered into further to this Project Document.

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Annex 1: GEF Budget Template

Annex 2: GEF execution support letter

Annex 3: Project map and Geospatial Coordinates of project sites

Annex 4: Multi Year Work Plan

Annex 5: UNDP Social and Environmental Screening Procedure (SESP)

Annex 6: UNDP Risk Register

Annex 7: Overview of Technical Consultancies/Subcontracts

Annex 8: Stakeholder Engagement Plan

Annex 9: A. Environmental Social Management Framework (ESMF) and B. Indigenous Peoples Planning Framework (IPPF)

Annex 10: Gender Analysis and Gender Action Plan

Annex 11: Procurement Plan

Annex 12: Co-financing Letters

Annex 13: Signed LOA between UNDP and IP requesting UNDP Support Services: (N/A)

Annex 14: GEF CEO Endorsement/Approval *CEO Endorsement letter*

Annex 15: On-Granting Provisions Applicable to the Implementing Partner (N/A)

Annex 16: Terms of Reference for Project Board and Project Team

Annex 17: GEF Core Indicators Worksheet

Annex 18: GEF Taxonomy

Annex 19 a and b: Results of the Partners Capacity Assessment Tool (PACT) and HACT Micro Assessment (available upon request)

Annex 20. UNDP Project Quality Assurance Report

Annex 21. Rationale for Selection of Demonstration Sites

Annex 22. Demonstration Landscape/PA Profile

Annex 23Ai. EX-ACT Workbook

Annex 23Aii. EX-ACT Calculations and Assumptions

Annex 23B. GEF-7 Biodiversity Tracking Tool workbook

Annex 24. Additional Baseline Information and Detailed Project Strategy

Annex 25. UNDP Capacity Development Scorecard for DENR-BMB

Annex 26. Project Climate and Disaster Risk Screening Report

Annex 27A. Stakeholder Consultation Report

Annex 27B. GBFF Validation workshop