

<b>Title of UNDP supported GEF financed project</b>	Strengthening the Marine Protected Area System to Conserve Marine Key Biodiversity Areas
<b>PIMS#</b>	4389
<b>GEF project ID#</b>	4810
<b>MTR time frame</b>	December-March 2018
<b>date of MTR report</b>	May 2018
<b>Region and countries included in the project</b>	Philippines, Asia and the Pacific
<b>GEF Operational Focal Area/Strategic Program</b>	Biodiversity; Strategic Objective BD-1: Improving the sustainability of protected area systems
<b>Executing Agency</b>	UNDP
<b>Implementing Partner and other project partners</b>	DENR-BMB, BFAR-NFRDI, CI-Philippines, HARIBON, RARE, UP-MSI, WWF-Philippines
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## Acronyms and Abbreviations

AWP	Annual Work Plan
BFAR	Bureau of Fisheries and Aquatic Resources
BLGU	Barangay Local Government Unit
BMB	Biodiversity Management Bureau
CI	Conservation International – Philippines
CDR	Combined Delivery Report
CDS	Capacity Development Scorecard
CLGU	City Local Government Unit
CMEMP	Coastal and Marine Ecosystems Management Program
CRM	Coastal Resource Management
DA	Department of Agriculture
DG	Davao Gulf
DOT	Department of Tourism
DENR	Department of Environment and Natural Resources
DILG	Department of Interior and Local Government
FARMC	Fisheries and Aquatic Resources Management Council
FIN	Fishbase Information and Research Group
GEF	Global Environment Facility
IEC	Information, Education and Communication
IUCN	International Union for the Conservation of Nature
KBA	Key Biodiversity Area
KKP	Kabang Kalikasan ng Pilipinas Foundation (WWF-Philippines)
LB	Lanuza Bay
LFA	Logical Framework Analysis
LGU	Local Government Unit
METT	Management Effectiveness Tracking Tool
MLGU	Municipal Local Government Unit
MPA	Marine Protected Area
MPAN	Marine Protected Area Network
NAPC	National Anti-Poverty Commission
NFRDI	National Fisheries Research and Development Institute
NGO	Non-Government Organization
NIPAS	National Integrated Protected Area System
MKBA	Marine Key Biodiversity Area
MTR	Midterm review
PA	Protected Area
PIR	Project Implementation Review
PLGU	Provincial Local Government Unit
PMU	Project Management Unit
PO	People’s Organization
ProDoc	Project Document
RP	Responsible partners
SCREMP	Sustainable Coral Reef Ecosystem Management Program
SMART	Specific, measureable, achievable, relevant and time-bound
SP	Southern Palawan
TS	Tañon Strait Protected Seascape
UNDP	United Nations Development Program
UNEG	United Nations Evaluation Group
UP-MSI	University of the Philippines Marine Science Institute
VIP	Verde Island Passage
WWF	World Wildlife Fund

## 1. Executive Summary

### Project Information Table

Project title		Strengthening the Marine Protected Area System to Conserve Marine Key Biodiversity Areas	
UNDP Project ID (PIMS #)	4389	PIF approval date	01/06/2012 19/03/2012
GEF Project ID (PMIS #):	4810	CEO endorsement date	19/02/2014
ATLAS Business Unit, Award # Proj. ID:	00076994	ProDoc signature date	06/08/2014
Country(ies):	Philippines	Date project manager hired	
		Inception workshop date	17/12/2014
Region:	Asia	MTR completion date	
Focal Area:	Biodiversity	Planned closing date	30/06/2019 31/07/2019
GEF Focal Area Strategic Objective:	Objective 1	Proposed op. closing date	31/12/2020
Trust Fund	GEF TF		
Executing Agency/ Implementing Partner:	UNDP / DENR-Biodiversity Management Bureau		
Other execution partners:	BFAR-NFRDI, CI-Philippines, Haribon, Rare, WWF-Philippines UP-MSI, FIN		
Project financing	At CEO endorsement (US\$)	At midterm review (US\$)	
[1] GEF financing	8,000,000	4,267,994	
[2] UNDP contribution	1,500,000	-	
[3] Government	16,853,171	9,417,228	
[4] Other partners	7,480,319	1,080,627	
[5] Total co-financing [2]+[3]+[4] :	25,833,490	10,497,855	
Project total costs [1+5] :	33,833,490	14,765,849	

### Project Description (brief)

The Philippines are considered the centre of global marine biodiversity. In 2009, identified marine priority areas were refined into 123 more manageable marine key biodiversity areas which represent where globally-threatened species are found.

Driven by coastal population and economic growth, coastal and marine ecosystems in the Philippines have been degraded by overfishing, pollution, and habitat destruction. To try to prevent further degradations, over 1,620 MPAs have been established, together with further 33 MPAs integrated in the National Protected Area System (NIPAS). However, by 2009, marine key biodiversity areas (MKBAs) are still underrepresented within protected areas and, more importantly, the proliferation of MPAs has not been enough to curb the rapid degradation of coastal and marine ecosystems. Key barriers to MPAs delivering effective conservation of coral reefs and their ecosystem services include their small size and limited connectivity, insufficient finances and generally weak enforcement.

The overall Project Objective is the strengthened conservation, protection and management of Marine Key Biodiversity Areas (MKBAs) in the Philippines. The Project will greatly expand the area of marine and coastal biodiversity under protection “by bringing at least 441,268.2 ha of important marine ecosystems under protection in new PAs”

### Project Progress Summary

The project is funded by a GEF grant amounting to US\$ 8,000,000 and has committed co-finance amounting to US\$ 25,833,490. Cumulative project delivery regarding the GEF grant has reached 53% by 2017, showing a steady evolution of expenditure since 2015. Despite some differences in approach between the central project management unit (PMU) and the responsible partners (RPs) who execute the project’s activities, Project implementation has been progressing adequately, if slightly delayed in terms of delivery and achievement of targets.

So far, the project has managed to obtain baseline information on biodiversity and biomass in protected areas, and strengthen protected area management councils by supporting the development and update of protected area management plans. The project has also strengthened the capacities of protected area managers to engage with other actors and to prepare business and financial plans. However, these capacities may still be insufficient to guarantee a sustainable implementation of financially sound management plans.

Particularly critical to project success are the declaration of networks of marine protected areas as IUCN category V protected areas and the inclusion of municipally managed protected areas in a reformulated national marine protected area system, i.e. without necessarily integrating the over 120 MPAs supported by the project into the DENR-administered NIPAS protected area system. Moreover, the project can and should strengthen advocacy to improve weaknesses in protected area management effectiveness, and financial sustainability, by effectively promoting increasing funding allocation by LGUs and engaging private sector actors in the management of protected areas. To this end, the project can optimize communication of results of their connectivity and other scientific studies, as well as framing the data collected on MPAs and coastal and marine habitats into a comprehensive and accessible database, housed within the national Coastal and Marine Ecosystems Management Program.

## MTR Ratings & Achievement Summary Table

Measure	MTR Rating	Achievement description
Project strategy	Satisfactory	Project strategy sound, in line with GEF-5 biodiversity strategy and conforming to UNDP quality standards. Assumptions and risks generally correct.
Objective	Moderately satisfactory	The project partnership had not yet adequately agreed upon the PA system it will add to and has not yet achieved significant progress towards including any additional MKBAs into the protected area system. The baselines for overall results have not yet been established.
Outcome 1	Moderately satisfactory	The project has taken significant steps towards the strengthening of MPANs (e.g. institutional arrangements and capacity development) and MPAs (e.g. refining management bodies, developing capacity, monitoring through METT, and management planning). However, key provisions required (i.e. well-defined geographic area and clear regulations for conservation/sustainability) for MPANs are not yet in the drafts and MPA and MPAN management plans do not have SMART targets towards the sustainable use levels estimated by the scientific team and most have not yet been finalized, adopted much less implemented.
Outcome 2	Moderately satisfactory	The project has supported the development of MPA financial plans, as well as business plans for the establishment of community-based biodiversity friendly enterprises. However, financial MPA plans are incomplete (e.g. no analysis of their past financial flows, ecosystem services benefits, and prioritization/options analysis for activities requiring financing) and do not have any budget commitments from their stated funding sources, which are almost exclusively LGUs. Almost all CB-enterprises are based on tourism and assume significant tourism arrivals in their cash flow calculations, but show no significant capacity for their management. Municipal MPAs depend almost exclusively on a very limited LGU allocation, which does not cover basic management functions.
Outcome 3	Moderately satisfactory	Site-level policy initiatives are helping improve overall harmony across various legal standards; however, the national MPAN policy initiative has not yet explicitly identified how new IUCN Category V MPANs and locally-managed MPAs covering MKBAs will be included in the “protected area system”. Therefore, this also means there has been little specific progress towards national policy and mechanisms for joint DENR and BFAR implementation being improved, implemented and institutionalized.
Project implementation and adaptive management	Satisfactory	Project implementation without any serious delays and delivery progresses adequately. However, the project needs to sharpen its focus and to speed up towards delivering its key objectives, targets and indicators and needs to strengthen the monitoring and knowledge management system: collection, organization, analysis and dissemination of data.
Sustainability	Moderately likely	While most stakeholders see it in their interest for MPAs and MPANs to consolidate, some important resource users not yet included in governance structure at local level. More importantly, MPA financing is still very weak: should there not be further commitments for budget allocation from local governments, it is unlikely that MPANs or even individual MPAs can implement the management plans developed with project support.

## Concise summary of conclusions

The project strategy is sound and conforms with the GEF-5 biodiversity strategy and UNDP quality standards. The project has a major component of capacity development activities that are reflected in increased scores of the capacity development scorecard as well as increases in MPAN and MPA METT scores. However, MPA management councils still need much more support both in terms of individual skills and organizational strengths, as well as equipment: even with external support, most councils are not yet able to design, implement, monitor and evaluate MPA management plans, and their proposed business plans have excessively optimistic expectations on, e.g., number of visitors and the transaction and management costs of running tourism operations.

While the project has effectively promoted the concept of networks of marine protected areas, the current agreements are insufficient to guarantee the level of protection committed in the project document. Additional area covered under IUCN Protected Area Category V must at minimum have legally established boundaries and legally specified regulations: the current project MPAN drafts, even if legalized, do not establish PAs and thus do not add to the area already covered under protected area.

MPA management plans examined by the MTR include insufficient financial information that would help determine the financial sustainability of the municipal marine protected areas. Among others, the MPA management plans do not account for current expenses, allocated budget and, being mere drafts, also lack financial commitment by LGUs. Management effectiveness scores for individual MPAs and MPANs have generally increased as per mid-term targets; however, these are not backed up by adequately-documented evidences. Administration of METT, and capacity development scorecard must also be improved.

The project governing structures do include all relevant stakeholders, from fishing communities involved in the management councils of their MPAs, to LGUs linked through the development partners to the PMU. However, the project board seems unbalanced since two of the project's most important stakeholders, BMB and BFAR-NFDRI have the same role as relatively less influential players, such as the Department of Tourism or the National Antipoverty Commission. While the project has increased efforts to improve coordination with provincial and regional DENR offices, these efforts have not yet given tangible results. The project has much less involvement from private sector actors operating on the coastal zone or on watersheds affecting the coastal zone.

To be able to achieve its goal, the project would need to increase annual delivery to comply with the expected closing date of mid 2019, or request a no-cost extension.

## Recommendation Summary Table

Rec #	Recommendations	Entity Responsible	Time frame
A	Increased Management Effectiveness of Marine Protected Areas and MPA Networks(Outcome 1)		
A.1.	Project manager and PMU to focus on establishment of 4,412 km <sup>2</sup> and inclusion in an expanded national PA system which includes both NIPAS and non-NIPAS protected areas	PMU, Project Manager	2018 3 Q
A.2.a	Capacity development on administration of METT and capacity development scorecard: standardization and documentation	UNDP, PMU, RPs	2018 3Q
A.2.b	Better administration and documenting of capacity development based on actual delivery of quality outputs (e.g. management plans and field enforcement) and METT	PMU, RPs	2018 4 Q
A.3.	Strongly advocate enforcement of regulations in MPAs and in MPAN areas in between MPAs, through IEC, including buoys and signs of MPAs, and advocacy work with LGUs together with appeals for financial commitment (outcome 2)	RPs, Communication s Officer	2018 3 Q- End of project
B.	Improved Financial Sustainability of MPAs and MPANs (Outcome 2)		
B.1.	Monitor LGU budget for MPAs and advocate for its increase, by pointing at distribution of ecosystem service values supported by the MPAs. RPs should select and focus on five best examples for the development of realistic business opportunities, including 1) low cost/ low risk ecotourism ventures 2) joint ventures/ cooperation with established businesses	RPs, Sustainable Financing Officer	2018 3 Q- End of project
C.	Established Enabling Policy Framework for Marine Biodiversity (Outcome 3)		
C.1.	Pilot implementation, improved DENR and BFAR mechanisms, and sharing of good practices on MPAN policy which should include identification of scientifically-based needs (e.g. to considerably increase area of no-take zones and/or decrease in fishing effort) to reach sustainability.	PMU, DENR, BFAR	2018 3 Q
C.2.	Harness the extensive complementary experience of the RP partnership to develop joint knowledge products to provide guidance (e.g. on MPA and MPAN management and financial planning, on MPAN ordinances, behaviour change communication, enforcement, bio-physical assessment and monitoring, etc.) for replication and upscaling	RPs, PMU	2019 Q 2 or preferably earlier
D.	Project implementation and adaptive management		
D.1.	PMU to improve knowledge management system, with strong support from UNDP to set-up an evidence-based and more objective M&E database system at least including the indicators of the project log-frame.	PMU, Planning, Monitoring and Evaluation Officer	Immediately
D.2.	Project could be extended till end of 2020 to consolidate policy outcome (Outcome 3) and knowledge management system and dissemination, after ending field phase as expected by mid-2019	PMU	2018 Q 4
E.	Sustainability		
E.1.	RPs to advocate with local stakeholders, specially LGUs and business operators on need to increase protected area cover (such as in Narra municipality in SP) to increase likelihood of sustainable MPA ecological and social outcomes, and press for improved financial flows for MPAs.	RPs	2018 3 Q- End of project



## 2. Introduction

### Purpose of the MTR and objectives

All full-sized GEF-funded projects must undergo a midterm review (MTR), which assesses the project's strategy, progress towards results and implementation processes, such as stakeholder engagement, monitoring and evaluation and project finances. The purpose of the MTR is to provide supportive recommendations to improve project performance and achieve planned objectives, as well as to identify early risks to sustainability<sup>1</sup>.

Thus, in November 2017, a midterm review team was commissioned to conduct an independent, systematic assessment of the project *Strengthening the Marine Protected Area System to Conserve Marine Key Biodiversity Areas*, (GEF ID #4810, PIMS #4389) three years after its launching in December 2014. The independent MTR team was composed of an international expert in coral reef conservation and UNDP-GEF project management and a leading national expert in coral reef conservation and marine protected areas. The MTR process consists in a review of project documents and a field mission during which project stakeholders are interviewed by the MTR team. The MTR mission was completed between January 7 and 23, 2018, followed by the submission of the first draft report in early March 2018. After the report was peer-reviewed by project stakeholders and UNDP technical advisors and specialist this final report was released in May 2018. The midterm review was conducted following UNDP-GEF guidelines for the conduct of midterm reviews and the UNEG ethical standards for the conduct of project evaluations<sup>2</sup>. Accordingly, the MTR report should inform project stakeholders on the project's performance and measures to facilitate achieving its development objectives. National project stakeholders include UNDP-Philippines, the Biodiversity Management Bureau of the Department of Environment and Natural Resources (implementing partner), responsible partners, GEF operational focal point and other government and non-government partners who participate in project activities or project board. International stakeholders, include UNDP and the GEF secretariat and their independent evaluation offices.

### Scope & Methodology

The evaluation team has assessed the project's strategy, implementation and performance according to a list of evaluation questions structured around the five evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability<sup>3</sup>. The evaluation criteria and questions were agreed with the UNDP country office and the project's implementing agency, the Department of Environment and Natural Resources (DENR) Protected Area and Biodiversity Management Bureau (BMB), as well as the project management unit (PMU)

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<sup>1</sup> (UNDP-GEF Directorate, 2014)

<sup>2</sup> (UNEG, 2008)

<sup>3</sup> Organization for Economic Co-operation and Development (OECD) Development and Cooperation Directorate (DAC, n.d.)

and included in the inception report submitted in December 2017 and annexed to this report as annex 2.

The MTR team employed a mix of qualitative and quantitative research methods including literature review, focus discussion groups, in-depth individual interviews, questionnaires and structured observation.

Literature was reviewed to assess the validity of the project assumptions, its relevance to the national and local context and to triangulate documentary information from project reports and data. Documents reviewed included peer-reviewed papers and government, GEF and UNDP policy documents. Project reports, especially Project Implementation Reviews (PIRs), but also annual progress reports, and the project's inception workshops reports were the basis to assess the project's effectiveness (triangulated by primary informants through interviews), while combined delivery reports (CDR), co-finance reports, audit reports, mission reports, minutes of project board meetings and annual work plans informed project finances and co-finance, adaptive management and agency performance. A list of documents reviewed and references is attached to this report as annex 7.

Qualitative individual interviews and focus discussion groups disclosed motivations and perceptions of stakeholders and served to confirm/ triangulate documentary information, as well as to suggest causal relationships between project actions and outcomes. Individual and group interviews were conducted without the presence of other stakeholders, project implementation team or representatives of implementing and executing agencies. Interviews were conducted with the following groups:

- UNDP country office Philippines and UNDP Asia and Pacific Regional Centre, UNDP-GEF Ecosystem and Biodiversity Team
- Executing entity/ implementing partner (DENR-BMB), Project management unit (PMU) and the key national agency partner DA-BFAR
- National representatives of responsible partners (RP)/ project contractors: BFAR-NFDRI, Conservation International Philippines, Haribon Foundation, Kabang Kalikasan ng Pilipinas Foundation, Inc. (KKPFI/ WWF), University of the Philippines Marine Science Institute (UP-MSI), Fishbase Information Network (FIN) and RARE Philippines, and some of their project field officers and community facilitators
- MPA management councils and management teams, including PO, BLGU, MLGU, CLGU, PLGU (including the Palawan Council for Sustainable Development Staff), FARMC, Bantay Dagat, and private sector representatives.
- Mayors, Administrators, Municipal Planning and Development Officers, Coastal Resource Management (CRM) officers, Municipal Agriculture Officers, Fisheries Technicians, or equivalent municipal/ city (LGU) officials
- Regional and provincial DENR and BFAR officials
- GEF national operational focal point

Qualitative interviews complemented the tracking tool questionnaires used: UNDP-GEF Capacity Development Scorecard (CDS) and the Management Effectiveness Tracking Tool (METT). The scores of the questionnaires were used for multivariate analysis and statistical test to establish trends and causal factors behind the scores, as well as their significance.

Finally, structured observation was applied during the MTR's field visits to each of the project's five sites. Two MPAs per site were systematically selected, based on their latest METT score trend (one increasing and one decreasing), together with logistical considerations (travel time and other costs) and type of MPA (municipal or NIPAS). This resulted in the identification of 10 individual MPAs and LGUs across the five project sites out of a total of 121 project-supported MPAs (8.3%) and 70 municipal and city LGUs (14%) visited by the evaluation team in eight days (12-19 January 2018). Site visited are listed in annex 5, mission itinerary. At each site, at least one focus group discussion was held with members of the protected area's management board/ council, including provincial, city, municipal and barangay level local government units (LGU) and people's organizations (PO) representatives. Several individual and group interviews were conducted with regional DENR and BFAR officials, as well as municipal and city mayors and other LGU officials per project site. List of persons interviewed are included in annex 6.

Each visit included personal inspection of the MPAs, interaction with resource users and snorkelling surveys at all reef sites (n=9), with two exceptions which could not be surveyed due to unfavourable weather conditions<sup>4</sup>, or a total of eight one-hour surveys. The MTR team analysed 210 METT scores, as well as all MPA and MPAN management plans provided (42 and 4 respectively), and 21 out of 33 provided business plans.

### Limitations

Despite the limited time and resources available the MTR team managed to visit a sizeable, systematically selected sample of project-supported MPAs. Time and travel costs excluded MPAs in the provinces of Occidental Mindoro, Romblon, Marinduque, Davao Oriental and Davao Occidental. The most important limitation was the quality of the documentation initially provided, including incomplete site descriptions, METT and capacity development scorecards, co-financing tables and management plans.

### Structure of the MTR report

This report is divided in three parts: a description of the project context and background (section 3), exposition of the MTR findings (section 4) and a conclusions and recommendations section (section 5).

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<sup>4</sup> Tested in situ by the researchers, who got into the water regardless of poor visibility and drift currents.

### 3. Project Description and Background Context

#### Development context

The Philippines are located in the Coral Triangle, which is considered the centre of global marine biodiversity (coral, seagrass, mangrove species, etc.). Verde Island Passage (VIP) within the Philippines is considered the global centre of marine shorefish biodiversity<sup>5</sup>. In 2009, identified marine priority areas were refined into 123 more manageable marine key biodiversity areas which represent where globally-threatened and/or restricted-range species are found<sup>6</sup>.

Driven by coastal population and economic growth, coastal and marine ecosystems in the Philippines have been degraded, and continue to be threatened by overfishing and destructive fishing, pollution, including sediments, habitat conversion and degradation. Climate change also poses an additional threat to coastal ecosystems, particularly coral reefs, seagrass meadows and mangrove forests.

The main approach being used in the Philippines to conserve these coastal and marine ecosystems has been to establish and manage marine protected areas (MPA) or fish sanctuaries. There are around 33 MPAs under the National Integrated Protected Area System (NIPAS) managed by the national government, and over 1,620 MPAs established through the Fisheries Code and Local Government Code which are managed by Local Government Units and their partners.

#### Problems that the project sought to address: threats and barriers targeted

However, by 2009, only 53 out of 123 marine key biodiversity areas (KBAs)<sup>7</sup> or sites contributing significantly to the persistence of biodiversity were within MPAs, with 70 KBAs presumed unprotected. Moreover, the proliferation of MPAs in the Philippines has not been enough to curb the rapid degradation of coastal and marine ecosystems and consequent loss of biodiversity and ecosystem services. Key barriers to MPAs delivering effective conservation of coral reefs and their ecosystem services, including fisheries, coastal protection and tourism, were identified in the project document (PRODOC) as:

- Inadequate bio-geographic representation and spatial coverage of key biodiversity areas, as well as small size and limited connectivity of municipal protected areas
- Insufficient and unpredictable funding for marine protected areas
- Weak enforcement due to disjointed or overlapping mandates of local government units and national government departments, and/ or ineffective management

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<sup>5</sup> (Carpenter & Springer, 2005)

<sup>6</sup> (CI Philippines, DENR, DA-BFAR, 2009)

<sup>7</sup> (MERF et al. 2009) but see 4.2 below

arrangements, as well as unclear tenure and use rights over the coastal zone, compounded by faulty or biased legal procedures

**Project Description and Strategy: objective, outcomes and expected results, description of field sites.**

The overall Project Objective is the strengthened conservation, protection and management of Marine Key Biodiversity Areas (MKBAs) in the Philippines. The Project will greatly expand the area of marine and coastal biodiversity under protection “by bringing at least 441,268.2 ha of important marine ecosystems under protection in new PAs” (PRODOC section 2.1.2, paragraph 97) or from approximately 21% to 37% MPA cover (Table 1) through establishing MPANs in a comprehensive, adequate, representative and resilient sample of marine biodiversity. This is expected to be achieved through:

- Outcome 1: increased management effectiveness of MPAs and MPANs,
- Outcome 2: improved financial sustainability of MPAs and MPANs, and
- Outcome 3: established enabling policy framework for marine biodiversity conservation.

**Table 1.** Estimated area<sup>7</sup> of sites and MPAs (in hectares) refined from PRODOC and UP-MSI’s Smart Seas 2016 report

Sites	Estimated area	MPAs*	% MPA
VIP	1,140,000	65,751	6%
SP	401,862	24,482	6%
TS	518,221	518,221	100%
LB	147,238	652	0.4%
DG	660,000	7,080	1%
<b>Total (estimated current)</b>	<b>2,867,321</b>	<b>616,186</b>	<b>21%</b>
<b>Total (estimated target)</b>	<b>2,867,321</b>	<b>1,057,454</b>	<b>37%</b>

\* Original figures in UP-MSI report did not seem to include the entire Tañon Strait and Mabini NIPAS protected areas so these were added in. The PRODOC estimated a baseline of 31,571 hectares of “core” or strict protection zones.

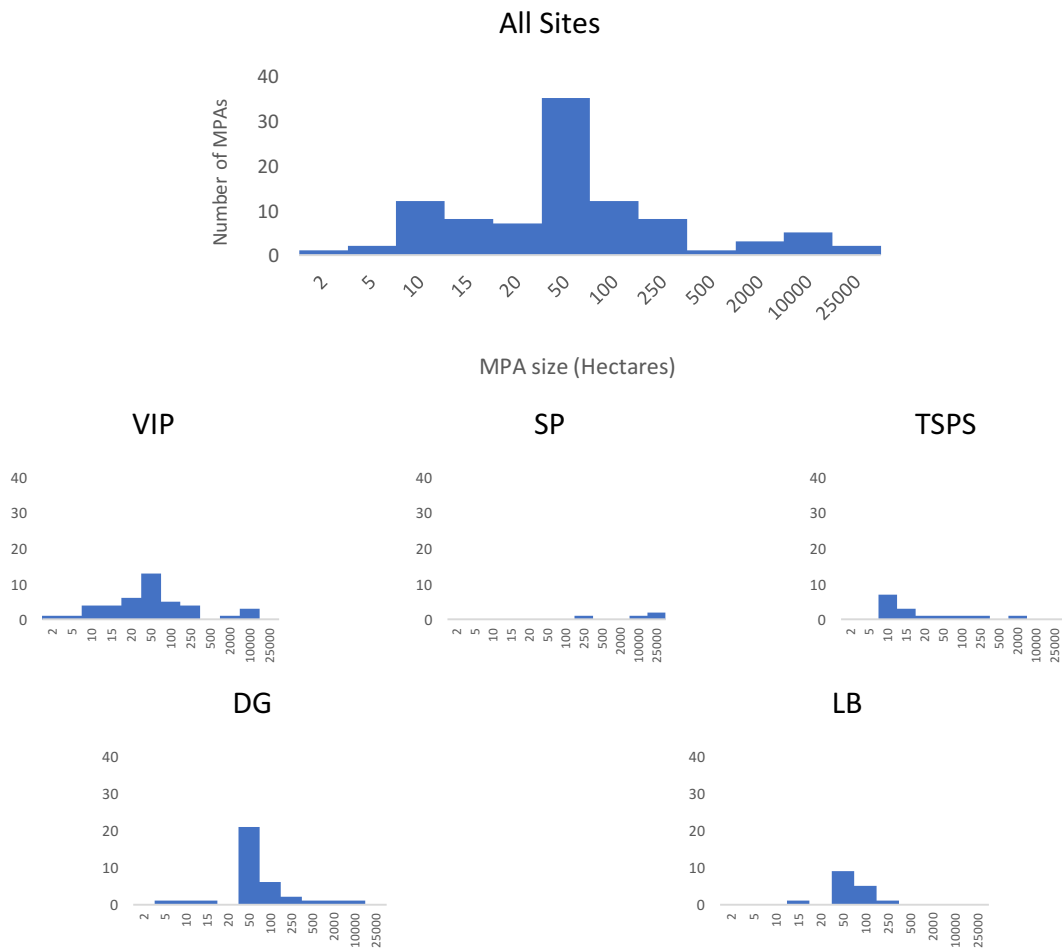
If successful, this is expected to be evidenced/indicated by:

- The inclusion of 13 additional MKBAs, up to 325,722 hectares, i.e. 358,352 hectares total MKBA area in project sites minus approximately 32,660 hectares already in the PA system (see Table 3 below), into the national protected area (PA) system
- Three (3) conservation results:
  - a. a 5% increase in fish biomass,
  - b. an unquantified reduction in water pollution levels, and

- c. no net decrease in sightings of large marine vertebrates across the 5 project sites.

The project works on the following five sites: Verde Island Passage (VIP), South(east)ern Palawan (SP), Tañon Strait (TS), Lanuza Bay (LB) and Davao Gulf (DG) and targets the inclusion of 13 MKBAs into the protected area system. 121 MPAs are included in the project. Project’s MPAs range in area from 2 to over 23,000 hectares, but are typically between 10 and 50 hectares (Figure 1)

**Figure 1.** Area distribution of project’s MPAs.



### Project Implementation Arrangements

The project is being implementing under UNDP’s national implementation modality (NIM), which means that the executing agency/ implementing partner, in this case the Biodiversity Management Bureau (BMB) of the Department of Environment and Natural Resources owns and manages the project, the role of UNDP being quality assurance, disbursement and

supervision of project funds and technical assistance<sup>8</sup>. Five project responsible partners (RP), who were also deeply involved in the project design, execute most of the project activities at the project’s five field sites. Two additional academic responsible partners, the UP-MSI and FIN are contracted for research outputs, including review of baseline based upon secondary data, connectivity studies revealing sink and sources of larval stages of reef organisms and simulations of ranges of occurrences for coral reef fish species under different climatic scenarios, as well as participate in the project’s planning and governing bodies.

### Project timing and milestones

The project concept was approved by the GEF council in 2012, releasing the project preparation grant of USD 160,600, which was used to prepare the project document. The project strategy was developed with the project’s responsible partners, external expertise and consultation workshops, held during 2013. The project document was finalized, submitted and approved by the GEF council in 2014. The project national and local inception workshops were conducted in December that year, introducing slight modifications to project targets and indicator formulations without fundamentally altering the original project structure. The project has then been implemented since 2015, and has achieved 53% of delivery of its USD 8,000,000 GEF grant at the time of the midterm review.

Table 2. Main stakeholders: summary list

Name	Description
Biodiversity Management Bureau (BMB)	The BMB is the bureau or the Department of Environment and Natural Resources in charge of managing national biodiversity and protected areas under the national government (NIPAS areas). It is not an enforcing agency and its roles include biodiversity knowledge management, policy formulation and technical assistance to other government agencies in matters of biodiversity conservation. The BMB is also the national focal point for the CBD and as such issues the national communications and national NBSAP. Its current annual budget allocation (2017) has been of USD 457 million <sup>9</sup> .
United Nations Development Programme (UNDP)	The UNDP is one of the GEF agencies accredited in the Philippines, together with the World Bank, ADB, FAO, UNEP and UNIDO. To date it has implemented projects amounting to USD 63 millions, or 26% of GEF grants approved for the Philippines and mobilized nearly USD 250 million in co-finances. Its current GEF portfolio (GEF 5 and 6 periods) includes nine projects (five for biodiversity FA), and amount to a value of USD 36 million in GEF grants <sup>10</sup> .

<sup>8</sup> (UNDP, 2011)

<sup>9</sup> (BMB, 2018)

<sup>10</sup> (GEF, 2018)

Name	Description
BFAR-National Fisheries Research and Development Institute (NFRDI)	Its mission is to generate knowledge on fishery stocks, catches and socio-economics in the Philippines with the objective of “raising the income of the fisherfolk and to elevate the Philippines among the top five in the world ranking in fish production”. Its budget allocation for 2018 amounts to USD 348,379 <sup>11</sup>
Conservation International Philippines Foundation, Inc. (CI)	Active in the Philippines since 1995 supporting the national government, LGUs and local communities in preserving biodiversity. Its focus is on conservation and social benefits of tropical forest biodiversity in Palawan and Quirino. Its coastal focus includes mangrove reforestation and rehabilitation in Mindoro Oriental and Ilo-Ilo, and support to MPAs and MPAN in the Verde Island Passage, where it has been involved since 2005 <sup>12</sup> .
RARE Inc.	Engaged in sustainable small-scale fisheries in the Philippines, working with 37 local government units to established “managed access” to municipal waters and marine protected areas. It global 2016 budget amounted to USD 24 million of which at least USD 5 million were earmarked for sustainable fisheries programs in the Philippines and Brazil <sup>13</sup> .
Kabang Kalikasan ng Pilipinas Foundation, Inc. (KKPFI)/ WWF-Philippines	Present in the Philippines since 1997, it works in four thematic areas: food, water, climate and wildlife, which includes reef protection in Tubbataha, and supporting tuna fishing fleet operators in Mindoro and Bicol to achieve a MSC certification. WWF works with LGUs to develop measures to conserve and sharing of sustainable benefits (e.g. through sustainable tourism operations) from emblematic species such as whale sharks and cetaceans <sup>14</sup> .
Haribon Foundation for the Conservation of Natural Resources, Inc. (HARIBON)	National conservation NGO established in 1972. It focuses on species and habitat conservation through engaging with communities and local governments. It coastal work includes mangrove restoration and gender mainstreaming in Quezon province, conduct of reef and catch surveys, in partnership with the University of Newcastle in five marine Key Biodiversity Areas: Lanuza Bay, Surigao del Sur; Danajon Bank, Bohol; Verde Island Passage; Polillo Islands; and Honda Bay, Palawan <sup>15</sup> .
Marine Science Institute of the University of the Philippines (UP-MSI)	The Marine Science Institute of the University of the Philippines was established in 1974 and seeks to generate basic information necessary for optimal and sustained utilization, management, and conservation of the marine environment and its resources, provide graduate-level training and extension services to develop human resource requirements in the marine sciences and develop appropriate and environmentally-sound marine-based technologies for industrial and economic development <sup>16</sup> .

<sup>11</sup> (BFAR-NFRDI, 2018)

<sup>12</sup> (CIP, 2017)

<sup>13</sup> (RARE, 2018)

<sup>14</sup> (WWF-Philippines, n.d.)

<sup>15</sup> (HARIBON, n.d.)

<sup>16</sup> (UP-MSI, n.d.)



Name	Description
Fish Base Information and Research Group, Inc. (FIN)	The Fish Base Information and Research Group, Inc. (FIN) is a NGO organization established in the Philippines in September 2003 to support comprehensive information systems with key data on all aquatic organisms of the world. FIN was created and is scientifically guided by the Fish Base Consortium, a group of 10 international research institutes and academic institutions <sup>17</sup> .
Fishing communities	Fisheries is an important component of the economies of coastal municipalities and artisanal fisheries employs a good proportion of the population. Many small-scale fisherfolk make up the poorest segment of the population, living in informal, vulnerable coastal settlements. Some marginalized fisherfolk, who use nearshore resources are not always part of the MPA or CRM management structures. Coastal populations influenced by the project outcomes amount to at least 111,720 people, based on information contained in the 43 MPA management plans to which the MTR team had access, a clear underestimation. We estimate that the coastal population influenced by the project are in the range of 1.5-2 million people <sup>18</sup> , out of the 65 million coastal population in 2008 <sup>19</sup> .
Local Government Units	70 municipal and city LGUs and 19 provinces are involved in the project as they host the project's 119 MPAs. Other than external projects like this one, LGUs are virtually the only source of revenue for MPA management.

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<sup>17</sup> (FIN, 2018)

<sup>18</sup> Average coastal municipal population out of management plans (n=8) multiplied by the total number of LGU (n=70)

<sup>19</sup> (Padilla, 2008)

## 4. Findings

### 4.1. Project Strategy

#### Project Design

The project design fits within the GEF-5 programmatic framework: in line with the GEF-5 biodiversity focal area strategy, the project assumes that coastal and marine biodiversity underlies livelihoods of coastal communities and that its degradation would result in drastic worsening of socio-economic conditions. On that assumption, the project identifies habitat change, overexploitation and pollution as the main drivers of degradation. The Project bases its strategy (Figure 2) on strengthening the national marine protected area sub-system, by (1) improving the policy framework, coverage and representativeness, and management of the national system, and (2) improving management effectiveness, local support and financial sustainability of MPAs and MPANs, overcoming the identified barriers of key biodiversity area (KBA) underrepresentation, and weaknesses in the regulatory framework and enforcement. Thus, the project directly contributes to GEF-5 biodiversity focal area's first objective of *improving the sustainability of protected area systems*, and its outcomes of *expanding ecosystems and threatened species representation within PA systems*, and *improving management effectiveness of existing protected area systems*, as well as *increasing revenue for protected area systems to meet total expenditures required for management*<sup>20</sup>.

The project grant provides the incremental funding needed to establish networks of marine protected areas and consolidate the municipal MPAs into the national protected area system. Moreover, the project strategy conforms with the UNDP's comparative advantage of provision of technical assistance for implementing programs to increase capacities for improved environmental management<sup>21</sup>.

#### Results Framework

In line with UNDP policies and guidelines<sup>22</sup>, the project strategy was developed using a logical framework analysis that links budgeted activities to impacts through the outcomes expected from the delivery of the project outputs. Outputs, outcomes and expected impacts are logically linked if the project assumptions hold true. There are no key project outcomes and outputs that explicitly refer to addressing the poor compliance with environmental regulations identified in the ProDoc threat analysis (e.g. "improved compliance"). Nonetheless, enforcement/protection systems are part of the standard METT indicators being used (i.e. "increased management effectiveness") though these METT

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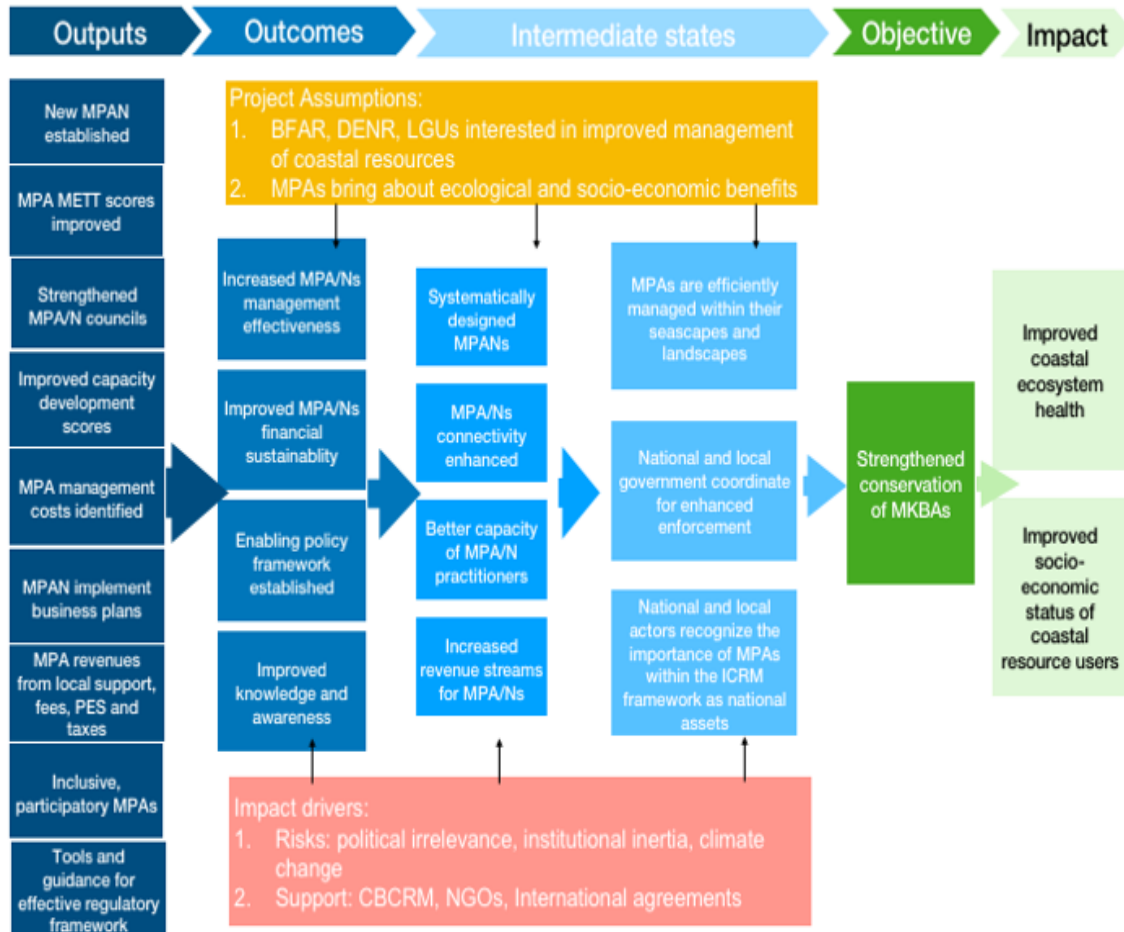
<sup>20</sup> (GEF, 2011)

<sup>21</sup> (GEF, 2016)

<sup>22</sup> (UNDP, 2009) (UNDP, 2011)

scores are already aggregates of many sub-indicators. However, in general, the project strategy as per the approved Project Document (ProDoc) is sound and based upon assumptions and risks that are still valid but qualified as per below.

**Figure 2.** Project conceptual map, from left to right, outputs, outcomes, intermediate stages, project objective and impacts. Intermediate stages are not explicit in the project document, but this report understands them as necessary steps between project outcomes and the project’s intended objective and impact. Conceptual model based on the GEF Evaluation Office (2009) RoTI Handbook.



The stated project assumptions are:

1. Budget for the national coastal management program are released annually<sup>23</sup>
2. Partner agencies and institutions cooperate and coordinate well their activities

<sup>23</sup> The name of the DENR’s coastal program was changed from Sustainable Coral Reef Ecosystem Management Program (SCREMP) to Coastal and Marine Ecosystem Management Program (CMEMP) in October 2016. This is the DENR’s flagship marine conservation program, with the objective of achieving effective management of the country’s coastal and marine ecosystems, increasing their ability to provide ecological goods and services to improve the quality of life of the coastal population. It applies to all coastal and marine areas, explicitly including NIPAs, municipal MPAs and MKBAs.

3. Sustained interest of national and local governments in MPAs and MPANs as management interventions,
4. There is enough local expertise to undergo training in sustainable financing, and
5. Presence of stakeholders that will champion policy recommendations at the national and local levels
6. Basis for marine protected area networks (MPANs) is well understood by stakeholders, especially LGUs

Assumptions (1), (3) and (6) are still valid. However, assumptions (2) coordinate well, (4) and (5) should not be assumptions but rather that it is the business of the Project to facilitate that these are conditions come about.

The Project incorporates key known good practices (i.e. multi-stakeholder participation and MPA networking) but could probably still use other good practices (see section five). Achievement of nearly all project objectives and outcomes are generally still feasible given perhaps a 12-month extension, and risks are manageable and mostly being managed.

The LFA included a list of 6 risks, rated based on their potential impact and likelihood and that are annually monitored. For each risk, the mitigation strategy were the project deliverables themselves. Of the identified risks, only two: political changes and climate impacts are real risks for the project strategy, that is events of moderate or low likelihood that could affect project outcomes that can be partially influenced by the project. The issues attached to the project’s risk management strategy are outlined in table 2.

**Table 3.** Identified and rated risks to project strategy

Risk	PRODOC Rating <sup>24</sup>	Mitigation strategy	Issues identified by the MTR
Shifting LGU priorities after elections	2.5	Engagement and environmental awareness with LGUs	No issues. Risk being monitored. Project managed May 2016 municipal election
Weak coordination with RPs	2	Centrally based PMU in the Coastal and Marine Management Division of BMB-DENR to warrant transparency, objectivity and efficiency in managing the program.	The risk would be failure to set-up a viable governance structure for the project, which is an assumption for the project implementation (see above). PMU responsible to effectively coordinate RPs
Overlaps in the mandates of BFAR, BMB and LGUs will result in conflict	1	Overlaps not source of conflict, as each organization has focused on activities within narrow interpretations of its mandate. Project to establish mechanisms to clarify mandates and jurisdictions.	Not a risk, but one of the barriers the project is set to solve

<sup>24</sup> Rating scale: Low=1; Medium=2; High=3

Risk	ProDoC Rating <sup>25</sup>	Mitigation strategy	Issues identified by the MTR
Climate change impacts	2	Project to incorporate climate change adaptation measures in MPA management planning and monitoring.	Abiotic factors, including climate change may affect abundance of marine organisms.
Policy harmonization and complementation to go beyond project period	2	Policy advocacy, IEC and social marketing	Risk would be failure to deliver project outputs. Capacity to deliver outputs is assumed at project design.
Sustainability for MPANs at local and national levels may not materialize	2	Financial and business plans and incentive mechanism/ award mechanism	Not a risk to project strategy but to sustainability of project outcomes, to be assessed by terminal evaluation. However, project support to financial sustainability is crucial for sustainability of outcomes

## 4.2. Progress Towards Results

### Progress towards outcomes analysis

#### Overall Project Results

The project’s objective is to strengthen the conservation, protection and management of marine key biodiversity areas (MKBAs) of the Philippines. The ProDoc commits to establish at least 441,268 hectares of new PAs so that 13 additional MKBAs will be included in the PA system but the project seems to understand that establishing MPANs will establish an IUCN Category V which is a term that applies to PAs not MPANs.

The ProDoc’s section 2.1.2 on Policy Conformity and 2.3 Objective, outcomes and output activities states that the project will greatly expand the area of marine and coastal biodiversity under protection “by bringing at least **441,268.2 ha** of important marine ecosystems under protection **in new PAs**”. These hectares of new PAs are complementary to but **not equivalent** to the indicator for this objective in the ProDoc’s Project Results Framework (page 59) which includes increasing the “**Number of MKBAs** in the Philippines included in the PA System (IUCN Categories I-VI)” from 53 to 66 MKBAs. Moreover, the statements in the ProDoc (page 37, paragraph 120) “**MPA networks to be established** and supported will fall mostly under **IUCN Category V**” adds confusion since IUCN Category V refer to protected areas not protected area networks. These statements need to be reconciled among the key project stakeholders.

<sup>25</sup> Rating scale: Low=1; Medium=2; High=3

These 53 and 66 MKBAs are reportedly out of a possible 123 MKBAs. However, closer review of the source reports they are based upon (MERF et al. 2009) indicate that 53 MKBAs covered was out of a total of 65 draft MKBAs at the time not the later published 123 MKBAs. A gap analysis based upon intersection of 123 MKBAs with MPAs, if it exists, has not been used or has not been prepared. Moreover, the 53 MKBAs covered by MPAs is based upon coverage by either NIPAS MPAs or locally-established MPAs.

A quick review by the MTR indicates that using the above logic of including coverage by either NIPAS or local MPAs would result in 20 out of 21 MKBAs (out of the 123 published MKBAs) in the project areas already covered by MPAs even prior to the project. Only Davao Gulf MKBA might not have had MPAs at project start. Since there is only 1 MKBA not covered by MPAs, it would not have been possible to increase the number of MKBAs covered by 13 MKBAs if we use the same logic of simply protecting the MKBAs with MPAs as in the original 53 MKBAs baseline.

Further analysis of the objective indicator indicates that the MKBAs covered are supposed to be “included in the PA System”. The only legally-recognized PA System in the Philippines is the National Integrated Protected Areas System (NIPAS) established by Republic Act 7586. Using this logic then the Project must either (1) include protected areas in MKBAs into the NIPAS system, or (2) secure a policy to expand the current PA system to recognize non-NIPAS PAs as part of the national PA System. Since the Project does not plan to establish any new sites under NIPAS (option #1), then the Project will have to secure a policy (Outcome 3) to recognize non-NIPAS PAs (i.e. MPAs established by local government based upon the Local Government Code or Republic Act 7160, e.g. in line with the Fisheries Code or Republic Act 8550 or its amendment Republic Act 10654) as part of an expanded PA System (i.e. option #2).<sup>26</sup>

The Project targeted to include 13 additional MKBAs into the PA system by project mid-term but as of the mid-term review, no additional MKBAs have been included in the PA System yet. Should the Project achieve the above policy recognition of non-NIPAS PAs as part of an expanded PA System, then it will be able to “include in the PA System” locally-established MPAs existing prior to the project that cover mostly small parts of the following 13 additional MKBAs:

1. VIP: Lubang Island (Occidental Mindoro), Western Calatagan, Tingloy, Balayan Bay, Lobo to San Juan (Batangas), and Puerto Galera (Oriental Mindoro)
2. Southern Palawan: Brooke’s Point, Ursula Island (Palawan)
3. Lanuza Bay: Carrascal Bay, Consuelo and General Islands (Surigao del Sur)
4. Davao Gulf: Malalag Bay, Malita (Davao del Sur), and Talicud Island (Davao del Norte)

The 2017 PIR identifies 13 MKBAs to be included in the PA system but includes Rasa Island, Moalboal and Bais Bay which are already part of the NIPAS prior to the start of the project.

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<sup>26</sup> It is also to be noted that the Coral Triangle MPA System (CTMPAS)—which is not a Philippine system but an international system of which the Philippines is a part—currently recognizes both national (e.g. NIPAS) MPAs and local (e.g. non-NIPAS) MPAs.

(Although through the Project, more of the area of the Rasa Island MKBA may be included in the national PA System.) It should instead be targeting 3 from among Ursula Island, Consuelo/General Island, Malalag Bay and Malita MKBAs.

The Project has also reportedly been working towards expanding existing MPAs to improve coverage of adjacent MKBAs. This was reportedly to be approached by updating their management plans. Updated management plans of adjacent MPAs include the 6 VIP MKBAs and reportedly 2 DG MKBAs but management plans provided to the MTR team indicate that these plans have not yet been completed or legalized. Meanwhile the LB Environmental Management Plan includes 1 LB MKBA. However, a legal expansion of protection status would need the modification of the municipal ordinance not simply the management plan. During the MTR mission MPA expansion was deemed very difficult by stakeholders, especially considering the financial challenges of the existing MPAs: out of the 42 MPA draft management plans updated with project support, only one had expansion of the MPA core as objective. Thus far, some MPAs in southern Palawan are being legally expanded by establishing buffer areas around previously existing no-take areas (fish sanctuaries) and consolidating several no-take areas as the core zones into new larger MPAs (i.e. Narra). However, except for Rasa Island MBKA, no project MPAs have been legally expanded to improve coverage of MKBAs yet. Instead, the project is mainly working towards formally establishing MPA networks (MPANs) in each of its sites. Should the Project facilitate the legal establishment of specific regulations within a defined area between/beyond the existing individual MPAs, i.e., establish PA IUCN category V, “by bringing at least 441,268.2 ha of important marine ecosystems under protection in new PAs” then the MPA coverage (in hectares) of the above-mentioned 13 MKBAs could considerably increase and potentially include the Davao Gulf MKBA, or 1 additional MKBA.

It is to be noted that the Project is not actually targeting the MKBAs as the management units themselves. Rather, the Project uses the ecosystem approach wherein it considers the broader interacting ecosystems such as the bay, gulf, enclosed strait, or stretch of coast, sometimes together with its adjacent watershed, as its unit of management or site. This is different from how KBAs were operationally defined in the Philippines so that they would each be of “manageable” size and hence constitute feasible management units. Instead, the Project uses the smaller MPAs within its sites as its management sub-units. Thus, (1) many of the 121 MPAs being supported by the Project are not actually protecting any MKBAs, and (2) several of the MKBAs within the project sites are not actually directly targeted for MPA protection but only as part of the whole site network of MPAs (Table 4).

**Table 4.** Project sites, MKBAs and MPAs

Site	MKBA Name	KBA Area <sup>27</sup>	# project MPAs	Area of MKBA in PA system	
				Baseline	Current
VIP	Lubang Island	55,490	1 mini-network	0	0
VIP	Western Calatagan	9,598	6	0	0
VIP	Tingloy	5,634	1	0	0
VIP	Balayan Bay	48,296	7	0	0
VIP	Puerto Galera	1,256	2	0	0
VIP	Lobo to San Juan	1,334	2	0	0
VIP	Not in MKBA		43	0	0
SP	Brooke's Point	34,458	1	0	0
SP	Rasa Island	9,374	2	1,984	1,984
SP	Ursula Island	4,086	0	0	0
SP	Not in MKBA		4	0	0
TS	Daanbantayan	9,277	0	~1,000	~1,000
TS	Bantayan	6,034	1	~800	~800
TS	Sagay PS	16,621	0	16,621	16,621
TS	Bais City	4,556	1	4,556	4,556
TS	Moalboal	1,593	2	1,593	1,593
TS	Not in MKBA		14	0	0
LB	Carrascal Bay	2,823	2	0	0
LB	Consuelo and General Islands	~2,576	3	0	0
LB	Not in MKBA		11	0	0
DG	Mabini PLS	6,093	1	6,106	6,106
DG	Talicut Island	348	3	0	0
DG	Davao Gulf	132,065	0	0	0
DG	Malalag Bay	791	0	0	0
DG	Malita	6,079	0	0	0
DG	Not in MKBA		15	0	0
	<b>TOTAL =</b>	<b>358,382</b>	<b>119</b>	<b>~32,660</b>	<b>~32,660</b>

If the MPAs are implemented and effective, the Project expects to see three conservation outcomes:

- (1) a 5% increase in fish biomass
- (2) an unquantified reduction in water pollution levels, and
- (3) no net decrease in sightings of large marine vertebrates across the 5 project sites.

As of the mid-term, the Project has only been able to establish the baseline for (1), but has not been able to re-measure (a) nor been able to establish the baselines for (2) and (3). This contrasts with the mid-term target to have measured all 3 against baselines.

At present, some site-level technical reports with inappropriate figures (e.g. total target fish counts) and a project-level raw spreadsheet with seemingly relevant figures (i.e. biomass of each of the 3 indicator fish families as amended during the inception phase) has been

<sup>27</sup> All areas in the table in Hectares



shared as the evidence for the baseline for (1). However, this is not adequately described/documentated (e.g. locations of sampling sites, dates of sampling, data collectors, etc.)<sup>28</sup> for the Mid-Term Reviewers to properly evaluate. It seems that sampling has been conducted within and directly adjacent to project MPAs (potentially together with its bias towards non-MKBAs as per Table 3 above) as opposed to being sampled to represent the entire MPA network. The MTR recommends that the Project review this experience and ensure that there will be an appropriate end-project monitoring that takes into account a comparable baseline as well as measurements prior to the project where these data exist. Given the extensive capacity development activities, it would be ideal if local managers themselves lead the end-project monitoring while the Project is still on-hand and ensures quality.

For the pollution target, the project is exploring analysis of isotopic frequencies in layers of sediment cores to measure changes in water pollution (indicator #2)—mainly sediments (e.g. from mining)—through time but has not yet begun implementation of such. The Project has also explored cooperation with the civil-society organization Large Marine Vertebrates (LaMaVe) for their previous survey data on large marine vertebrates (for indicator #3) but has also not yet been able to access such data. Also see section 4.3 for further discussion of these indicators.

The following section describes the progress towards the project's expected outcomes, preceded by table 4, which summarizes progress towards the project targets.

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<sup>28</sup> There are other project records which may need to be checked: some MPA coordinates for VIP seem to plot away from the correct locations (e.g. Mabini and Tingloy MPAs).

**Table 5.** Progress towards projects targets

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
Objective: Strengthened Conservation, Protection and Management of Marine Key Biodiversity Areas in the Philippines	Number of Marine Key Biodiversity Areas in the Philippines included in the Protected Area (PA) System (IUCN Categories I - VI).	53 <sup>29</sup> out of 123 MKBAs in the PA System	Process to include 13 additional MKBAs in the PA System initiated.	66 <sup>25</sup> out of 123 MKBAs included in PA System (VIP-6, SP-2, DG-7, LB-3)	additional 13 MKBAs to be included in the PA System identified (VIP-6, SP-2, DG-2, TS-2, LB-1)	At least 66 <sup>25</sup> out of 123 MKBAs in Philippines are included in the PA System (IUCN Categories I-VI)	3 of the 13 MKBAs identified in the PIR 2017 for inclusion were already part of the baseline (TSPS-2, SP-1). No additional MKBAs have been included to PA system	MS	Project has not yet included any additional MKBAs into the protected area system. The baselines for overall results have not yet been established.
	Mean density of large predatory fish (changed to Fish biomass of commercially important species at inception)	Siganidae, Acanthuridae and Serranidae. The fish biomass will be established in Year 2.	3 species per site have been selected as indicators	0% increase in fish biomass of at least 3 commercially important species in each project site.	Initial baseline summary data reported for 3 families per site	5% increase in fish biomass and fish abundance in MKBAs, in 5 project sites changed to 5% increase in fish biomass of at least 3 commercially important species in each project site.	Baseline data collected but report is still to be completed.		

<sup>29</sup> The baseline of 53 was misinterpreted from the technical study and needs to be re-estimated.

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
Objective: Strengthened Conservation, Protection and Management of Marine Key Biodiversity Areas in the Philippines	Level of water pollution levels in VIP, LB, DG, SP and TSPS.	Baselines to be established in Year 1	Met with DENR-EMB	Reduction in pollution level against the baseline levels. Targets to be agreed in Year 1.	Discussion with PNRI to estimate sedimentation using isotope analysis of sediment cores	Reduction in pollution level against the baseline levels. Targets to be agreed in Year 1.	No baseline		
	Dolphin sightings was changed to Presence of large marine vertebrates (e.g. Marine mammals, reptiles, sharks)	Large marine vertebrates for monitoring identified for all sites except SP.	Large marine vertebrates for monitoring identified for all sites except SP.	Large marine vertebrate species per site determined and baseline on sightings gathered.	Discussions initiated with technical groups for assistance.	No net decrease in dolphin sightings changed to sightings of large marine vertebrates.	No baseline		
Outcome 1: Increased Management Effectiveness of Marine Protected Areas (MPAs) and MPA Networks (MPANs)	Number of hectares covered under International Union for Conservation of Nature (IUCN) Category V Protected Landscape and Seascape PAs in the 5 target sites.	518,221 ha. (Tañon Strait Protected Seascape) How about Mabini, Rasa and Sagay?	No increase in coverage yet.	Verde Island Passage: 800,000 hectares Lanuza Bay: 147,238 hectares	Process for VIP MPAN progressing.	At least 959,489.2 hectares	14,167 hectares legally increased in Southern Palawan but documentation inadequate	MS	The project has taken significant steps towards the strengthening of MPANs (e.g. institutional arrangements and capacity development) and MPAs (e.g. refining management bodies, developing capacity, monitoring through METT, and management planning). However, key provisions required (i.e. well-defined geographic area and
	Percent increase in Management Effectiveness Tracking Tool (METT) Scores in each of Lanuza Bay, TSPS, Southern Palawan, VIP and Davao Gulf target sites	Lanuza Bay – 48% (44% in 2017 PIR) TSPS- 40% Southern Palawan- 40% VIP – 29% Davao Gulf – 48%	Validation of the 2013 baseline scores on-going	Lanuza Bay- 50/53% TSPS- 42/45% SP- 44/45%. VIP – 35/34%. Davao Gulf – 52/53%	Lanuza Bay-53% TSPS- 54% SP- 50%. VIP – 42%. Davao Gulf – 25%	Lanuza Bay-58% TSPS- 50% Southern Palawan- 50% VIP – 39% Davao Gulf – 58%	All mid-term target MPAN METT increases exceeded except for DG		

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
	Percent increase in Management Effectiveness Tracking Tool (METT) Scores in each of the selected 95 MPAs targeted by Management Plan development and implementation	Baselines to be established in Year 2 for newly established MPAs.	47 out of 95 MPAs with baseline METTs	10% increase	100 MPAs with baseline METTs. 31 of these with re-measurements done	At least 25% increase in management effectiveness scores using METT of 95 MPAs	Baseline METTs for 101 MPAs average = 55%. Estimated increase of 12.7% based upon 86 MPAs re-measured.		clear regulations for conservation/sustainability) for MPANs are not yet in the drafts and MPA and MPAN management plans do not have SMART targets towards the sustainable use levels estimated by the scientific team and most have not yet been finalized, adopted much less implemented.
	Number of gender, indigenous peoples (IP) and climate change risk-sensitive Marine Protected Areas Network (MPAN) management plans formulated and implemented.	0. Draft MPAN management plans for VIP, TS, LB and DG.	Revisions to MPA and MPAN management plans for gender/IP/resiliency are on-going	TSPS=1	gender/IP/resiliency in updated in TS MPAN & 66 VIP, LB, DG mgmt plans	At least 4 MPANs with gender/IP-sensitive mgmt plans developed and jointly implemented (except SP)	Generic gender/IP/resiliency provisions mentioned in updated TSPS MPAN & 66 draft mgmt plans from all 5 sites; but only 5 MPA plans are based upon a gender analysis		
	Average increase in technical and management capacity scores in the 5 target MPA networks.	Capacity Scorecard: LB – 18, TS – 18, SP – 13 (14 in PIR 2017), VIP – 19, DG – 26	capacity dev't provided based upon baseline capacity scorecard scores	20% increase by 2016: LB– 27, TS– 27, SP– 25, VIP– 28, DG– 35	23% increase on average: LB– 25, TS– 23, SP– 17, VIP– 26, DG– 21	35% increase by 2018	19% increase on average: LB– 25, TS– 23, SP– 17, VIP– 26, DG– 21.		

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
Outcome 2: Improved Financial Sustainability of MPAs and MPANs.	Number of sustainable financing plans implemented in participating MPAs.	Zero number of sustainable financing plans for individual MPA.	Project developing training modules for business & financial planning	LB - 5 plans, VIP & TS - 3 plans each, SP - 2 plans, DG - 1 plan	37 MPAs (LB-6, VIP-13, DG-13, SP-5) have done financial planning of which 9 have started implementing business plans (LB-6, VIP-3)	25 plans being implemented	9 financial plans reportedly being implemented out of mid-term target of 14 but there is no evidence for their implementation	MS	The project has supported the development of MPA financial and business plans for the establishment of biodiversity friendly enterprises. However, financial MPA plans do not have any budget commitments from their stated funding sources, which are almost exclusively LGUs. Almost all CB-enterprises show no significant capacity for their management. Municipal MPAs depend almost exclusively on a very limited LGU allocation, which does not cover basic management functions.
	Financial resources for conservation and management of MPAs in five project sites.	Funding Gap present, baseline to be established in Year 2	Preparations for business and financial planning for 5 sites	TS = 3 MPAs, DG = 1 MPA, others = 0 MPAs	37 MPAs (LB-6, VIP-13, DG-13, SP-5) have done financial planning of which 9 have started implementing business plans (LB-6, VIP-3)	At least 5 MPAs (in each of 5 sites) have income from various sources that covers the recurrent costs as defined by financing plans	Income data of 3 MPAs vis-à-vis minimum annual costs data of 3 different MPAs.		
	Percentage of MPA funding coming from sources other than government budgets.	All funding disaggregated into local government, central government, baseline to be established in Year 2	34 MPAs assessed for potential biodiversity-friendly enterprises	VIP & TS = 10%, others = 0%	9 MPA business plans being implemented (LB-6, VIP-3)	50%	No systematic data provided for % non-gov't derived financial resources.		

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
Outcome 2: Improved Financial Sustainability of MPAs and MPANs.	Number of MPAs with participatory multi-stakeholder systems in place to oversee utilization of MPA funds and revenues include women and IPs where appropriate.	Zero number of MPAs with participatory multi-stakeholder systems.	MPA management structures being reviewed	VIP - 12 MPAs, DG - 3 MPAs, TS & LB - 2 MPAs	Org assessment of 49 MPA management structures completed: VIP-25, DG-14, LB-5, SP-5, TS-0.	At least 30 MPAs (incl. disbursement/all ocaation oversight): VIP - 12 MPAs, others - 5 MPAs each	MPAs with participatory systems in place, but no evidence of organizational assessments were provided, MTR interviews show inclusiveness of MPA councils		
Outcome 3: Established Enabling Policy Framework for Marine Biodiversity	Presence of comprehensive MPA, MPAN, and MKBA policy framework that is also gender and IP-sensitive.	Policy and regulatory review to be conducted in Year 2 (2016)	Analysis of national MPA - relevant laws completed. Local policy reviews on-going	comprehensive MPA and MPAN Policy Framework in place incorporating gender equality and IP rights developed and effectively implemented addressing at least 50% of the policy recommendations identified through the policy review.	1 national and 4 local policy reviews (except DG) completed. 1 national MPA framework policy draft prepared.	comprehensive MPA and MPAN Policy Framework in place incorporating gender equality and IP rights developed and effectively implemented addressing at least 50% of the policy recommendations identified through the policy review.	comprehensive MPAN policy not yet in place and draft MPAN framework does not include MPA area targets required for sustainability	MS	

Project Strategy	Indicator	2014 Baseline Level	Level in 1 <sup>st</sup> /2016 PIR (self-reported)	2017 Midterm Target	Level in 2017 PIR (self-reported)	2019 End-of-project Target	2018 Midterm Level & Assessment	Rating	Justification for Rating
Outcome 3: Established Enabling Policy Framework for Marine Biodiversity	Number of policies for MPA and MPAN management that incorporate scientifically based ecological conservation criteria (species abundance and distribution, threats and pressure, larval transmission and dispersal, climate change stresses, etc.) changed to Number of proposed local and national policies that govern major facets of MPA, MPAN and MKBA management following scientifically grounded principles.	Policy and regulatory review to be conducted in Year 2 (2016)	Analysis of national MPA - relevant laws and regulations completed with recommendations.	1 national & 5 local policy instruments in the establishment and management of MPANs developed. Manual of Establishment, Planning and Management of MPA/MPAN finalized.	1 national and 4 local policy reviews (except DG) completed. 1 national MPA framework policy draft prepared.	Mid-term target plus All policies for MPA and MPAN management incorporate scientifically based ecological conservation criteria (species abundance and distribution, threats and pressure, larval transmission and dispersal, climate change stresses, etc.)	1 national & 5 local MPAN policies not yet in place and drafts do not yet include how national MPAN area and impact targets will be coordinated & co-financed with local DENR, DA, LGUs.		

## Outcome 1

The first expected outcome refers to increasing management effectiveness and representativeness of MPAs and MPA Networks (i.e. “Conservation effectiveness of existing and new MPAs/MPANs is enhanced through improvements in spatial coverage and representativeness (particularly coverage of under-represented KBAs), strengthening of the national system for MPA identification, designation and management under the NIPAS legislative framework, and quantifiable improvements in management of at least 10% of identified Marine KBAs *nationwide*, with concomitant increases in local stakeholder participation and support.”) measured by:

- (a) Increase in hectares under IUCN PA Category V (at least 4,412 km<sup>2</sup>)
- (b) Increase in METT scores of MPAs (25% increase in 95 MPA) and MPAN (10% increase)
- (c) Management structures, management plans, and implementation of management plans of MPAs and MPANs
- (d) Increase in capacity and local support of MPAs and MPANs (20% average increase in capacity score cards of the 5 target MPA networks by 2016 and 35% average increase by 2018) (see Outcome 2 for local support)

### *Increase hectares under IUCN PA Category V by at least 4,412 km<sup>2</sup>*

The Project is working towards formally establishing MPA networks (MPANs) in each of its sites beyond the NIPAS PA Tañon Strait Protected Seascape, where there is one already established.

With project support, formal commitments have been drafted and discussed for the establishment of MPANs in three of the project sites (DG, LB and VIP)<sup>30</sup>, but the project is still working on the formal commitment for the establishment of an MPA network to span Southeastern Palawan. The project has also facilitated the expansion and consolidation of some fish sanctuaries in Southern Palawan. Specifically, at least 2 MPAs (e.g. San Antonio MPA in Bataraza, Narra MPAs, etc.) have been legally established, consolidated (creation of an MPA encompassing several old core zones) or expanded (buffer zone established around core zone) during the lifetime of the project while others are undergoing consultations (the consolidated Brooke’s Point MPA).

However, the commitments for the creation of MPANs supported by the project do not yet clearly designate an area with regulations/restriction of use which would qualify them as an IUCN protected area Category V. Thus, the only increase of area under IUCN PA Category V seems to be the 14,167 hectares expansion of MPAs around the former fish sanctuaries in

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<sup>30</sup> The commitments take the form of a management plans for the sites with the support of the involved provincial and municipal governments.



Southeastern Palawan. Increase in MPA coverage and its documentary evidence were not being systematically monitored by the PMU.

More importantly, the scientific advice (UP-MSI report 2016) for sustainability is that the area of core/no-take zone must be considerably increased and that the number of fishers must be considerably reduced. The establishment and design phase (zoning and management planning) of MPA networks would be the best time to incorporate these considerations. These have reportedly been communicated by the scientific advisors in some fora, however, there does not seem to be any indication during the MTR interviews that RPs or partners in the field (LGUs, local MPA managers) have increase in MPA coverage in mind or are discussing ways and means to achieve this, with the notable exception of Narra which has actually acted and increased its MPA coverage to 15%.

*Management effectiveness of MPANs and MPAs: Increase in METT scores of MPAs (25% increase in 95 MPA) and MPAN (10% increase)*

The management effectiveness (METT) scores of the MPA Networks in the 5 project sites have increased from 40.2 to 44.8 or increased by 11% on average which is only slightly lower than the 13% average increase target by mid-term (even if these increases are not statistically significant).

However, despite DENR-BMB's transition to and broad application of better-defined and evidence-based METT indicators since February 2013 through the assistance of GIZ as well as adoption by USAID-B+WISER and UNDP-New CAPP, the Smart Seas Project shows some subjectivity in how METT variables are being scored and documentation to ascertain the validity of the scores have not been organized and attached/readily available. Moreover, 8 METT variables in VIP and one METT variable in DG does not seem to have been scored (i.e. Excel file has no score as opposed to a zero score).

For example, the legal status (Context) indicator of the MPANs does not seem to be consistent with other information:

- (a) Interviews indicate that in contrast to before the project, the municipalities in Southern Palawan have begun discussions on an MPAN which would indicate a score of 0 in 2013 to 1 at present. However, Southern Palawan MPAN is scored as 2 in 2013 and 0 in 2016.
- (b) Among the sites, Tañon was already established as a NIPAS and thus the MPAN was legalized by default since baseline in 2013 up to present or the equivalent of 3 in 2013 and 3 in 2016. However, it is scored as 2 (in the process of legalization) in 2013 and as 3 (legalized) in 2016.

(c) Meanwhile, Lanuza Bay whose Lanuza Bay Development Alliance has been in legal existence prior to the project is scored as 0 in 2013 and 0 in 2016; whereas, Verde Island Passage whose institutional arrangement is just about to be signed for the first time is scored as 2 in 2013 and 2 in 2016.

In summary, it does seem that the MPANs are increasing in their management effectiveness except for Davao Gulf (Table 7): progress in networking, increased inputs, improved inputs to planning, improved awareness and cooperation with communities, and no trends in output/outcomes yet. However, the actual indicator scores on which the overall METT scores are based seem to be somewhat subjective and sometimes inconsistent (especially see the row on Planning).

**Table 6.** Changes in METT scores per dimension

Dimension/ Site	SP	VIP	TSPS	LB	DG
Input	Increased capacity but decreased budget security	Increased budget & budget security	Increased staff & budget	Slight improvement in collection of fees (e.g. entrance)	Improved regulatory control but decreases in budget
Planning	Improved PA design & inputs into planning. Possible <b>inconsistency: improved mgmt. plan implementation but less of what is in the regular plan is being implemented</b>	Improved incorporation of data into planning and regulations but PA design has declined.	Improved management planning and implementation. Reportedly decreased recognition of the PA by adjacent land-water-use plans but it should probably be improving instead of decreasing.	Improved management planning (and scientific elements of planning) and implementation according to objectives.	Improved PA design and regulations but general deterioration in most other elements of planning

Dimension/ Site	SP	VIP	TS	LB	DG
Process	Improved monitoring, education/ awareness program & involvement of indigenous people	Improved cooperation of PA with adjacent government units, local communities & tourism operators. Deterioration in protection systems and education/ awareness program.	Improved community program, community support and monitoring	Improved boundary demarcation and education/ awareness program	General deterioration in many elements including protection systems and education/ awareness program
Output			Improved visitor facilities		Deterioration in visitor facilities
Outcome	Improving economic benefits from PA	Improving condition of PA's values but decreasing economic benefits from PA	Improving condition of PA's values and economic benefits from PA	No change in outcomes	Decreasing condition of PA's values and economic benefits from PA

The 2017 PIR reported that baseline METT scores of 100 MPAs have been completed with an average of 51% but recent data provided by the PMU shows an average of 55% (n=101). Re-measurement of the project MPAs is still on-going; the 2017 PIR reported that 31 out of 100 MPAs have been re-measured. Recent data provided by the PMU shows 86 have been re-measured with an average of 63%. Assuming the METT scores of the other 15 MPAs that have not been re-measured did not change, then the average would be 62% or an increase of 12.7% from baseline.

**Table 7.** Issues and changes in MPA METT scores across the five project sites

Issue/ Site	SP	VIP	TS	LB	DG	
# MPAs with METT indicator scores (PMU)	7	60 of which 43 have baselines (PMU); >100 of which 40 have baseline scores (CI)		17	16	19
Average change from baseline	7 points (19%) increase	13 points (187%) increase out of 32 MPAs with at least 2 data points (before and after)	-1 point (-1%) decrease	11 points (43%) increase from baseline based upon RP scores; 7 points (10%) increase based upon PMU scores	3 points (11%) increase from baseline	
Large (>20 points) increases	None	Calapan (Oriental Mindoro), Balayan, Lobo, Nasugbu (Batangas), Poblacion in Concepcion (Romblon), Gasan and Mogpog (Marinduque)	None	San Pedro, Ayoke, General Island, Poblacion	Punta Dumalag, Lasang Bunawan, Caganguhan, Libuganon, Mabini	
Large (>20 points) decreases	None	Buenavista (Marinduque)	Saavedra, Guiwanon	Mabahin	Camudmud, Tinaytay-Burias, Dadatan	

*Management structures, management plans, and implementation of management plans of MPAs and MPANs*

Out of the 5 MPA Networks supported by the project, 3, Tanon Strait, Lanuza Bay, and Verde Island Passage have legally established management bodies, 2, Tañon Strait and Lanuza Bay have adopted signed management plans, and is are reportedly now implementing its management plan, albeit not yet producing any annual reports of this implementation. (TS reportedly regularly submits annual implementation reports, although these were available to the PMU, not provided to the MTR team, and underscores the need to strengthen the M&E and knowledge management system.) VIP has developed a draft management plan yet to be approved and/ or implemented.

Out of the 121 MPAs supported by the project 13 have finalized and approved management plans and 29 are in the process of developing/updating management plans. Thus, assuming the existence of institutionalized management structures for the development of management plans, 42 out of 121 MPAs (35%) so far have duly constituted management bodies Based on the MTR mission, management plans generally do not have SMART objectives and indicators and are not being implemented due to insufficient budget allocation (see outcome 2 below).

**Table 8.** MPANs and project MPAs legalized/expanded, management plans adopted, and management bodies institutionalized during the project

MPANs and MPAs	#	# MPANs legalized	# MPAs expanded	# mgmt. bodies institutionalized	# of mgmt. plans adopted	METT score (baseline)	METT score (current)
VIP MPAN	1	0		0	0	29	42
VIP MPAs	60		0	10	0 (10 drafts)	54	64
SP MPAN	1	0		0	0	40	50
SP MPAs	7		~3	7	0 (7 drafts)	39	46
TS MPAN	1	Baseline:1		1	1	40	54
TS MPAs	19		0	0	0 (7 drafts)	62	61
LB MPAN	1	1 updated		1	0	48	53
LB MPAs	16		0	0	13	60	71
DG MPAN	1	0		0	0	48	25
DG MPAs	19		0	0	0 (5 drafts)	54	56
TOTAL =	5+119	1	~3	2+?	1+0 (69 drafts)		

Many of the MPAs visited lacked boundary markings of any type and/ or billboards, poachers were sometimes observed but there was no action observed to stop the poaching. The MTR recommends that the project put increased efforts to clearly marking boundaries of no-take zones and clearly displaying regulations for no-take zones. Moreover, the level of compliance to no-take regulations should be monitored through regular patrols/surveillance records.

#### *20% midterm Increase in capacity and local support of MPAs and MPANs.*

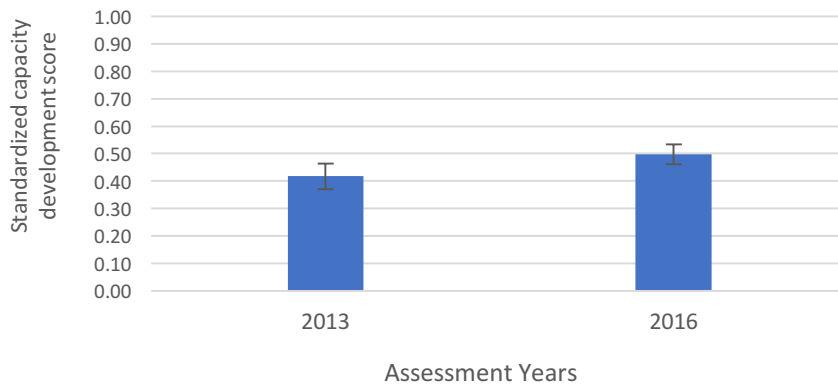
Capacity development activities included trainings on fisheries and coastal law enforcement, monitoring and evaluation, facilitation of participation in congresses and symposia and provision of guidelines and support to the formulation of management plans, as well as the facilitation of memoranda of agreement or understanding among stakeholders. Budget of capacity development activities, amounted to US\$ 648,129 or 15% of total budget, to which we may add the budget for participation on conferences and seminars by PMU or RP officials, summing US\$ 186,032 or 4% of the total budget<sup>31</sup>.

<sup>31</sup> Figures refer to budget rather than expenditure, as expenditure reports (CDR) do not allow to track down capacity development activities. However, budget and expenditure do not diverge significantly for this project (see section 4.3)

Of the criteria for successful capacity development: ownership, collaboration, continuity, information, mainstreaming, baseline and specific outcomes<sup>32</sup>, the project has brought about significant advances in terms of information, by providing training on issues relevant to the management of MPAs and MPANs, which also means that the capacity development actions were specific for MPA/ MPAN management councils, and DENR/ BFAR officials whose capacities set the baseline and with whom the assessment have been conducted in a collaborative manner. Capacity development activities are already included to some degree in at least two proposed Protected Area Network Management Plans (DG and VIP).

A capacity assessment was conducted at all sites in 2013 and 2016/2017. A modest increase of 8% total capacity score is observed across site, but this is not statistically significant ( $0.08 \pm 0.1$ ,  $CI_{95}$ ) (figure 3). All sites except Davao Gulf (11% decrease) show increases ranging from 9 to 16%.

**Figure 3.** Average (n=5) increase in capacity development score. Error bars show standard error.

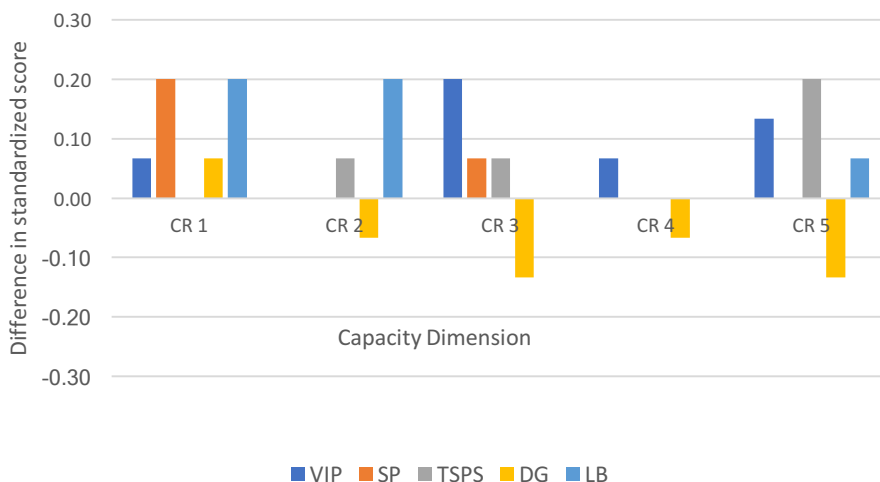


Considering dimensions, all sites except Davao show increases in scores, specially in capacity to engage (CR1), with an almost significant site average increase of  $0.20 \pm 0.08$  (12-20%,  $CI_{95}$ )<sup>33</sup>. This is consistent with the work of the project in developing capacities which have enable the establishment and strengthening of structures for the management of networks of marine protected areas.

<sup>32</sup> (Bellamy & Hill, 2010)

<sup>33</sup> Paired Student-t test,  $t=-2.66$ ,  $d.f.=8$ ,  $p=0.056$

**Figure 4.** Difference in standardized capacity development scores for the UNDP-GEF capacity dimensions: CR1, capacity to engage; CR2, capacity to generate, access and use information and knowledge; CR3, Capacities for strategy, policy and legislation development; CR 4, Capacities for management and implementation; CR5, Capacities to monitor and evaluate<sup>34</sup>. Note the vertical axis range  $\pm 0.3$



For the individual project-supported MPAs, the update or elaboration of MPA management and financial plans, and business plans have undoubtedly contributed to increase capacity of the MPA management councils for MPA management. However, these plans still present important needs for improvement (see Outcome 2). Moreover, based on the MTR interviews, MPA management councils feel the need for rather specific skills (monitoring, apprehension, surveillance) and equipment (vehicles, tools) and support (fuel, honoraria) to help them enforce MPA regulations.

It is understood that enforcement is mainly a responsibility and expense of the local governments. The MTR recommends that the project closely look into assisting its site partners in MPA network-wide systematic patrolling and reporting thereof such as through leveraging the existing technologies of both DENR’s LAWIN system and BFAR’s DALOY system.

<sup>34</sup> For further discussion of capacity development dimensions see (Bellamy & Hill, 2010)

## Outcome 2

The expected second outcome was increased financial sustainability of MPAs and MPANs through support in development and implementation of financial plans, which should define costs and potential revenues, as well as the development of alternative income sources from tourism fees and community-based enterprises, called, biodiversity-friendly enterprises. “Financial resources available for the management of MPAs and MPANs are sufficient to meet all critical management needs (estimated at US\$66/ha/yr for MPAs >150 ha), and are growing in line with the expansion of the MPA system. Sources of revenue for MPA management are being progressively diversified, with the percentage of revenue being derived from Government fiscal sources declining to less than 50% by end-project.” Achievement of the outcome is indicated by:

- (a) MPAs have income from various sources that covers the recurrent costs as defined by financing plans (5 MPAs per site, total 25 MPAs)
- (b) Annual MPA financing requirements comes from sources other than government budgets (50% by 2020)
- (c) MPAs have participatory multi stakeholder systems including women and IPs where appropriate with oversight functions on disbursement / resource allocation (30 MPAs by 2018)
- (d) MPAs have sustainable financing plans being implemented as part of their management plans (5 MPAs per site)

The last indicator is an output indicator which is implicit and a necessary condition of the first indicator. Thus, it will not be reported but included in the first indicator.

*MPAs have income from various sources that covers the recurrent costs as defined by financing plans*

The project does not seem to have systematic data indicating annual incomes vis-à-vis recurrent costs for each of 25 MPAs. From financial plans facilitated by the project, current non-zero annual budget was only available of 3 MPAs (USD 2,316 on average) while annual estimated recurrent costs were only estimated for 3 MPAs (USD 2,527 on average); and these data refer to different MPAs. None of the MPA financial plans provide an estimate of the value of ecosystem services that it helps sustain as a basis/benchmark for why and how much it should be financed.



The 2017 PIR reports that “a total of 37 MPAs have conducted financial planning (13 in DG, 6 in LB, 5 in SP, and 13 for VIP) which included determination of financial gaps”. The MTR team was provided with documentary evidence of 42 MPA management plans, representing 35% of all MPAs assisted by the project.

All the MPA plans were drafts in different stages of development, only 13 yet adopted by their LGUs. Of the 42 MPA plans, only 28 contained some financial information, mostly limited to budgeted management activities. When there was indication of budget sources, this almost always referred to LGU or congressional district funds, but without any evidence of official commitment from those bodies. Thus, such budgets will be considered here as optimal financial needs for MPA management activities. The optimal finance needs expressed in the MPA plans examined averaged US\$ 9,429 (median, range 3,367-59,263)<sup>35</sup>, or US\$ 337 per hectare<sup>36</sup>, and, since the budget allocation (based on just one value!) amounts to US\$ 1,579 (table 9) the annual average budget gap would amount to US\$ 7,850 per MPA. Implementation costs of US\$ 337/ ha are within average MPA implementation costs in the Philippines, estimated between US\$ 472 per hectare<sup>37</sup> and US\$ 66 per hectare<sup>38</sup>.

Interviews conducted during the MTR mission revealed that no budget or very limited budget and dependency on irregular external projects is the main weakness of MPA management. Most surveillance and monitoring operations are on voluntary basis, with occasional support from external projects or LGUs. LGU CRM funds serve mostly to equip and maintain *Bantay Dagat* operations that patrol municipal waters mostly seeking out commercial or semi-commercial fishing operators from other municipalities operating within the LGU waters.

Thus, in practice, many MPA plans are poorly implemented, except for the items supplied or supported by external projects, such as guard houses, buoys, billboards and similar. In the MPAs visited, lack of markings of any type and/ or billboards were notorious, as was the presence of poachers and the lack of action to prevent poaching.

#### *Annual MPA financing requirements comes from sources other than government budgets (50% by 2020)*

The project does not seem to have systematic data of annual MPA incomes categorized by various fund sources. None of the MPA financial plans provide an estimate of the value of ecosystem services that it helps provide to various stakeholder groups for use as a basis/benchmark for how much various stakeholder groups could be contributing.

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<sup>35</sup> n=29, data not normally distributed. Mean=16,390.15 USD, SE=2,450 USD

<sup>36</sup> Calculated as median optimal financial requirements (n=29)/ median MPA area (ha) (n=100)

<sup>37</sup> (Butardo-Toribio, et al., 2009)

<sup>38</sup> (UNDP, 2014)

As stated above, MPA financing is extremely weak and solely dependent on LGU allocations, or external projects, both allocations for any given MPA very low and not predictable. To bridge the gap, the project supported the development of business plans for “biodiversity friendly enterprises”. The MTR was provided with 33 business plans, of which the MTR has examined 21 (64%). Almost all plans (90%) refer to the development of eco-tourism enterprises, involving tours to the MPA and other sites within the BLGUS hosting the MPA, diving, snorkelling, boat rental and catering. The MPA councils would be owning and managing said undertakings. The actual legal form they would take it is not discussed in the business plans. Business plans examined are all drafts in different stages of development, most merely consisting in a cash flow analysis. All project important revenue based on an expected increasing number of visitors, which some of them base on a rudimentary market research analysis. However, these market research does not account for actual current visitors but rather count on the appeal of nearby attractions or province-wide tourism expectations.

The average total financial requirements for the biodiversity-friendly enterprises is US\$ 26,163, which is expected to be provided by external projects, NGOs or the LGUs. Recurrent annual expenses, which are projected to be covered by revenues in the period of three to five years, would amount to an average of US\$ 18,642. Expected average annual revenues amount to US\$ 38,535, which would yield net annual profits at an average of US\$ 19,893 (or 121% of the average MPA optimal financial needs) by the fifth year of operation (table 10). However, only one of the examined MPAs reported actual current income from fee collection (which is part of almost all revenue strategies), amounting to US\$ 6,177 annually

For all the rest of the business plans being developed, they remain without any financial commitment from the project, LGUs or any other funding source, although for some contain implicit expectation of contribution from the project’s RPs. However, the MTR mission visited a moderately successful community based tourism operation consisting on kayak rental and fees to visit a mangrove area through boardwalks. Similar examples are known for other locations in the Philippines.

*MPAs have participatory multi stakeholder systems including women and IPs where appropriate with oversight functions on disbursement / resource allocation (30 MPAs by 2018)*

The project has completed organizational assessments of the management structures of 49 MPAs but the MTR team has not yet seen this study.

All 42 MPA plans examined so far include a standard composition for the management board, who will be controlling the MPA finances, headed normally by a barangay official and composed of representatives from fisherfolk organizations, barangay officials, and National Police officials. Women are indeed present in the organizational charts of the MPAs, but only the five DG MPA management plans contain a formal gender analysis. Officially

designated indigenous groups occur in the project sites of Davao Gulf and Palawan. Indigenous groups are acknowledged in LB, and SP. While in the former site there is no special provisions in the MPA management plans, in Southern Palawan, the Project's assistance led to the current consideration of the indigenous people's cultural needs for the core zone (bathing sick babies in the core zone). The Project has certainly helped in this instance. The ordinance is awaiting clearance from IP and NCIP.

During the MTR mission, roughly an equal amount of men and women were interviewed. Women, as is the general case in the Philippines, are strong and vocal members of their organizations, many time leaders at people's organization level. Women too are often the chief executive officers at LGU level and regional and national government branches, including the Director and Assistant Director of the two-primary stakeholder bureaus: DENR-BMB and DA-BFAR. However, and based solely in the MTR mission observations, senior technical positions of these agencies in the field tend to be occupied by men, as are at MLGU and BLGU level. The MTR cannot inform if these observation responds to an actual bias towards men in technical positions or an artefact of the sample.

If there was any segment of society overrepresented in the MTR's local MPA stakeholders, there would be people in in the age range 50 to 70. Young people are almost absent from MPA management councils, thus their views and perceptions on marine conservation could not be addressed by this MTR. The interviews strongly suggest that respondents think that a) older people are more experienced and better suited for management positions b) young people are not interested in becoming primary stakeholders in the management of marine resources, except as tourism operators or employees c) young people should complete studies and not become involved in fishing

**Table 9.** MPA finances

Site	# MPA plan with financial data	# MPA plans examined	# Plans with current budget allocation	Average current budget allocation (USD)	# Plans with minimum finance needs	Average minimum finance needs	# Plans with optimal finance needs	Average (mean) optimal annual finance needs (USD)	Annual budget gap (respect budget allocation) (USD)	Annual budget gap (respect minimum financial needs) (USD)	Mean MPA area (Ha)	Average optimal finance (USD/Ha)
DG	5	5	5	0	3	2,526.85	5	28,093	28,093	35,354.14	427	66
LB	13	13	0	0	0	NA	5	10,153	10,153	NA	50	205
SP	4	7	1	6,317.12	0	NA	4	10,963	4,646	NA	9,904	1.11
TS	6	7	0	0	0	NA	4	24,675	24,675	NA	80.43	307
VIP	0	10	0	0	0	NA	0	NA	NA	NA	266	NA
		<b>Mean</b>		<b>1,579.28</b>				<b>18,471</b>	<b>16,892</b>		<b>2,615</b>	<b>145</b>

**Table 10.** Biodiversity friendly enterprises

Site	#MPAs with business plan	#Business plans examined	Average total financial requirements (USD)	Average recurrent costs (USD)	Average annual revenue (USD)	Average annual expected profit (not counting capital investment)
DG	17	10	33,457.49	14,210.44	22,682.25	8,471.81
LB	0	0	-	-	-	-
SP	4	4	80,763.32	74,247.21	141,336.97	67,089.76
TSPS	8	4	6,740.54	4,754.33	28,657.18	23,902.84
VIP	2	2	9,855.13	-	-	-
AVERAGES			26,163.30	18,642.40	38,535.28	19,892.88

### Outcome 3

The Project's Outcome 3 is enabling policy framework for marine biodiversity conservation established. "A comprehensive policy framework in place and effectively implemented for the conservation, protection and management of the country's marine ecosystems and fishery resources, that harmonizes mandates, plans and activities amongst all key MPA stakeholders including BMB, BFAR and relevant Local Government Units." Outcome 3's key outputs are:

- (a) Policy frameworks for designation and management of MPANs in place
- (b) Policy recommendations being implemented
- (c) Mechanisms and resources for DENR and BFAR implementation improved and institutionalized
- (d) Guidance and best-practice examples for the above.

Officially the policy to support MPA networks in general terms has been part of the DENR's national government program known as the Sustainable Coral Reef Ecosystem Management Program at least since 2012 even before the project began. Its successor program, the Coastal and Marine Ecosystem Management Program (CMEMP) begun in 2017 still includes the support for MPA networks as a key component. Implementation of MPA networking has been initiated in NIPAS sites by DENR. Meanwhile, BFAR has had a history of managing contiguous areas as a shared ecosystem since the Fisheries Resource Management Program in the 2000s.

The 4 outputs are to be monitored through 2 indicators. These indicators only refer to a comprehensive policy framework and policies. However, the outputs committed refer to actual implementation of these policies as well as mechanisms improved and institutionalized.

*Presence of comprehensive MPA, MPAN, and MKBA policy framework that is also gender and IP-sensitive.*

At mid-term, 1 national policy framework draft and 4 local policy reviews/studies (all sites except SP) have been prepared compared with the mid-term target of 1 national and 5 local policy drafts prepared. Policy recommendations are being piloted but no products for outputs (b), (c) and (d) have been produced yet (i.e. implementation, mechanisms, and documentation and guidance on good practices in implementation and mechanisms).

The local policy studies are useful in the local context for ensuring local implementation is in line with national policies as well as are useful for informing policy at the national level

(e.g. roles for local MPAs within a NIPAS PA, legal forms for an inter-LGU management of an MPAN). However, the project's national policy team has very specific policy targets which it must focus on delivering. Whether the national team will use local policy advances should depend upon the concerns of national policy makers and the arguments needed to deliver national policy targets.

*Number of policies for MPA and MPAN management that incorporate scientifically based ecological conservation criteria (species abundance and distribution, threats and pressure, larval transmission and dispersal, climate change stresses, etc.) was changed during inception to Number of proposed local and national policies that govern major facets of MPA, MPAN and MKBA management following scientifically grounded principles.*

The MTR commends the project's scientific connectivity studies which helps clarify the basis and interactions within the proposed MPA networks even if not all 5 project sites have these studies. The scientific team also identified the need and estimated the increase of no-take zones required for sustainability. However, in line with indicator 3.2., a key scientific element that is missing from the draft MPAN policy framework is the minimum area of the no-take/core zone and maximum fishing effort that must be observed for at least fisheries to be sustainable (although an undeveloped Annex A is supposed to provide scientific guidance in general terms). Another need is the degree to which ecosystem services value is to be considered in establishing and managing MPANs vis-à-vis biodiversity value. Also missing is clarity on whether the geographic boundaries must be identified for the legal establishment of an MPAN and what additional regulation/restriction exist or do not exist on activities or whether there are minimum standards of enforcement/compliance in between the MPAs within an MPA network. Territorial use rights for fisheries and managed access areas are good practices that were identified and being piloted in TSPS but these were also not included in the current draft national framework.

Although this may not yet be expected from the framework, but in line with outputs 3.2. and 3.3., there is also the need for guidance on how DENR, DA and LGUs will jointly plan, finance and monitor to meet MPA coverage and management effectiveness targets to meet Philippine Development Plan targets of increasing area of natural ecosystems in excellent/good health. Guidance is also needed on the degree to which ecosystem services values and their relative distribution can be used for financial planning. The project has not been adequately involved in the development of the PA System Master Plan as a possible anchor for this.

Given the protected nature of mangrove areas in the Philippines, abandoned/undeveloped/underutilized fishponds were identified in the policy review; guidance on good practices in implementation and mechanisms for managing these would be useful.

The project envisions that it will develop technical guidance on MPA networks that the DENR's CMEMP will adopt and implement. For project monitoring, it is recommended that specific elements of MPA networking be identified so that it is clear: what is the baseline practice for those elements of MPA networking vis-à-vis what is the practice for those same elements of MPA networking at the end of the project.

#### Remaining barriers to achieving the project objective

Financial and organizational capacities of MPA councils must be further developed to enable proper development, implementation and evaluation of MPA management plans which would then be translated in increased management effectiveness scores. Of course, this would entail increased LGU support, both in financial terms (budget allocation) and political (commitment for the approval and implementation of management plans for MPAs and MPANs).

To achieve the policy objectives of the project, coordination and commitment of DENR and BFAR must increase to achieve a common understanding of definition and objectives of the MPA system. This is paramount if the project wants to achieve a significant increase in the area covered by the protected area system, which implies a legal and binding acknowledgement at national level of the role and contributions of municipal MPAs.

### 4.3. Project Implementation and Adaptive Management

#### Management Arrangements and Stakeholder engagement

The project board is composed as designed by 19 members including DENR and NEDA (chair and co-chair), the five RPs (UP-MSI, RARE, HARIBON, WWF and CI) and representatives from the departments of Tourism, Interior, Social Welfare and Development, the National Anti-Poverty Commission, the leagues of Provinces, Cities and Municipalities, as well as the University of the Philippines, representing the academic sector<sup>39</sup>. Included as members are the National Project Director, representing BMB, and the assistant director of the BFAR. Three ordinary and one extraordinary meeting have taken place with attendance ranging between 95 to 47% of members. Board meeting minutes reflect keen interest and engagement by board members, as well as the use of monitoring data as evidence to sustain progress towards objectives. Two meetings were supposed to take place annually. However, the last documented meeting took place in 2016. A board meeting has reportedly held in December 2017, but the MTR team was not provided with the minutes of that meeting. Moreover, and, contrary to their critical importance for the success of the project, DENR-BMB and BFAR-NFRDI figure only as regular board members.

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<sup>39</sup> Not the UP Marine Science Institute, which works as responsible partner for the project

At community level, all responsible partners, WWF, CI, HARIBON and RARE have long established good relationship with LGUs and communities. Clearly not all communities or LGUs have the same level of engagement and commitment to MPA management or coastal resource management, as exemplified by fishing activities being conducted inside core zones witnessed by the MTR mission when accompanied by the MPA management council. While LGUs are generally willing, within their financial capabilities, to enforce the rights of their own registered municipal fishers within their municipal water, that willingness does not extend to violations of MPA ordinances, as it is assumed that violators are forced by lack of alternative resources and livelihood.

Regional and provincial offices of DENR and BFAR, which are project primary stakeholders, showed in general less engagement and knowledge of the project. The project has clearly recognized this and arranged for the placement of liaison officials, that is, junior officers to link regional DENR offices with project activities. This has resulted in an increased awareness of the project by DENR officials, who are generally inclined to support the project. However, this situation is not the same for BFAR, whose provincial officials are less aware of the project and, in fact, of DENR activities. While representatives of both agencies underline the willingness for coordination and synergies, there is little evidence of this happening on the ground. Moreover, the MTR mission also disclosed a degree of misalignment among both agencies in terms of definition and objectives of protected areas, roles and responsibilities of the agencies and CRM strategies, including habitat rehabilitation. Thus, BFAR officials see MPAs as fish sanctuaries with the objective of enhancing fishery resources that should not be open for recreational activities. Moreover, BFAR officials still tend to see the foreshore area, specially abandoned ponds as resources to be put back into production for social benefits. The DENR on the other hand, tends to have a forestry approach to habitat rehabilitation, prioritizing reforestation-like targets and given less importance to drivers of degradation and natural regeneration of degraded ecosystem. DENR officials are keener on recreation uses of coastal ecosystems.

Another sector less engaged by the project are private firms who either influence the coastal area or use coastal resources for operation, most notably mining firms and tourism operators. Mining is currently relevant for LBA, which has several firms (all local branches of international mining companies) operating in the watersheds of its northern sector (municipalities of Carrascal and Cantilan). There is general reluctance to engage mining operators in CRM discussions, as most stakeholders, specially community organizations and NGOs (including the project's RPs) see them as interested in disrupting CRM and MPA management processes, or at least as overly influential actors that would have a negative influence in the consolidation of MPA and MPANs.

Tourism operators are present to different degrees in all project sites, but are of great importance for VIP, TSPS and DG. Tourism operators are also not part of the MPAN establishment process and, in most instances, have little incentive in engaging, as they would carry costs in terms of restrictions of use, which would not be binding for other



operators. The MTR mission witnessed blatant violations of national and local legislation by tourism operators, which have reclaimed and build structures on the foreshore lease areas, affecting and partially destroying coral reef, seagrass and mangrove areas, reportedly even against explicit court orders. Complying tourist operators and LGU officials were dismayed by the failure of the authorities, particularly the environmental authorities, that is the DENR, to act against said violations. The mistrust between communities, private operators and national agencies is patent. The LGUs view vary from lamenting their impotence to mild support to either private sector or the complaints of the communities, but are, however, almost unanimous in their perceived lack of support by DENR.

### Work planning

The PMU is composed by a team handling the three thematic project areas: conservation, financing and policy, a monitoring and evaluation specialist and a communication officer, as well as a finance official, assistants and clerks, all under the direction of the project manager, who often also serves as the *de facto* Assistant Director of DENR-BMB or head of the DENR-BMB's Coastal and Marine Management Division. The field teams of the responsible partners include a site coordinator and a team of community organizers/facilitators who are responsible for different geographical areas of their sites. Additionally, the project has also recently hired four project assistants based in DENR field offices for each of the sites, except for VIP, to improve coordination with the provincial DENR offices.

Annual work plans are prepared by the PMU together with the responsible partners, based on monitoring results and bi-annual progress assessments. Annual work plans include detail information on progress towards the project targets and conform with the project's LFA.

### Reporting and communications

The project has produced three annual progress reports (2015, 2016, 2017) and 2 project implementation reviews (PIR) (2016, 2017), both conforming to SMART standards and the project logical framework analysis. PIR are duly reviewed and rated by the project manager, project implementing partner (BMB), UNDP Philippines, GEF operational focal point and UNDP regional technical advisor, with their ratings in general agreement. The MTR mission found the project reports to be in general agreement with field findings. However, there are some significant divergences in terms of reliability of the indicators reported (quality of fish biomass data, METT and capacity development scores) and on the level of consolidation of MPA and MPAN management plans, which were found to be less than argued in the PIR.

The project has also invested 1% of its current cumulative expenditure or US\$ 24,513 (excluding personnel costs) in information, education and communication activities (IEC), including promotional materials with project logo, documentation of best practices and

development of a database. However, these late two products are yet to be developed and released. Moreover, the IEC materials seem to be of a general purpose (t-shirts, mugs etc.) without a clear target, e.g. for whom and for what is the advocacy materials being produced.

## Finance and co-finance

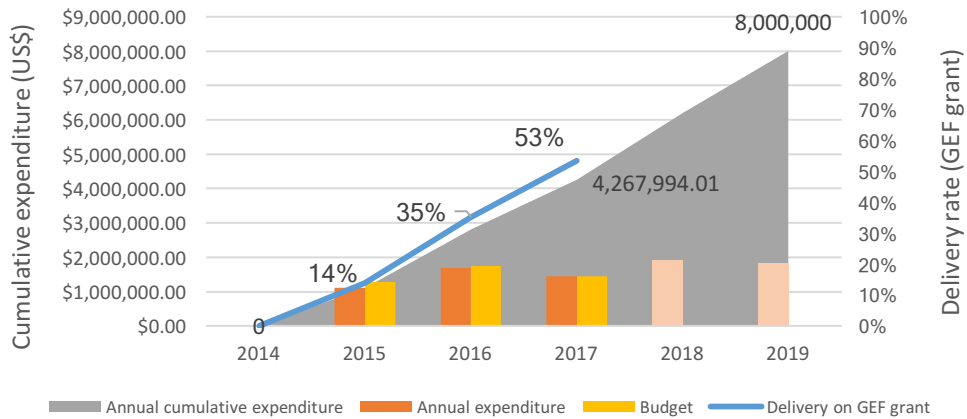
The project is funded by a GEF grant amounting to US\$ 8,000,000 and has committed co-finance amounting to US\$ 25,833,490. Cumulative project delivery regarding the GEF grant has reached 53% by 2017, showing a steady evolution of expenditure since 2015. If the project increases the annual delivery rate by 24% it should be able to exhaust the US\$ 8,000,000 GEF grant by the end of 2019 (figure 4).

Expenditure and budget have been nearly identical with yearly delivery rates, i.e. yearly expenditure respect to the annual budget being 87%, 98% and 101% in 2015, 16 and 17 respectively. Amount expended per accounting line has also have a good correspondence with the yearly budgets. Most funds have been expended as service contracts, companies, with the five responsible partners as service providers, and, hence, receptors of the expenditure. Staff costs have amounted to just 13% of total expenditure, which would make a no-cost extension of the project viable. However, these do not include the RPs staff costs, as budget and expenditure reports account only for the contracts total amount, and these are significant. Project management costs are nominally 6%: expenditure recorded under “outcome” 4, project management, 1 percentage point above the GEF threshold<sup>40</sup>. Personnel, M&E and equipment and furniture costs for the PMU are also recorded under the other outcomes. Salaries and wages (US\$ 351,912 or 8% of expenditure) should not be considered management costs, as they underlie the implementation of the activities. Altogether, management costs excluding wages, that is, just the amount dedicated to equipping the PMU and to facilitate planning and monitoring activities has reached 466,041 or 10% of total expenditure, within the expected and planned value. Also, the accounting line “sundry” accounts for merely 1% of the total expenditure.

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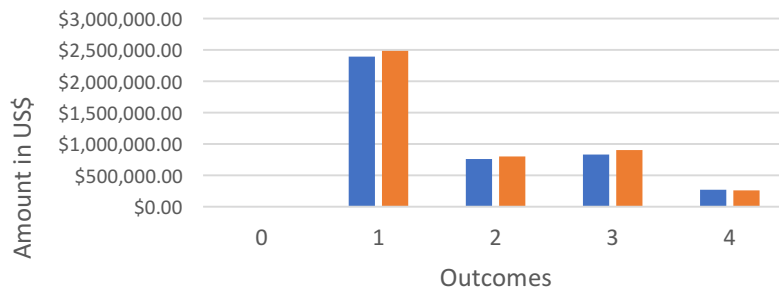
<sup>40</sup> ( GEF Council Meeting, 2011)

**Figure 5.** Expenditure and budget. Expenditure for 2018 and 2019 simulated assuming increases of 24% in the annual cumulative delivery rate (i.e. cumulative annual expenditure respect to the total GEF grant).

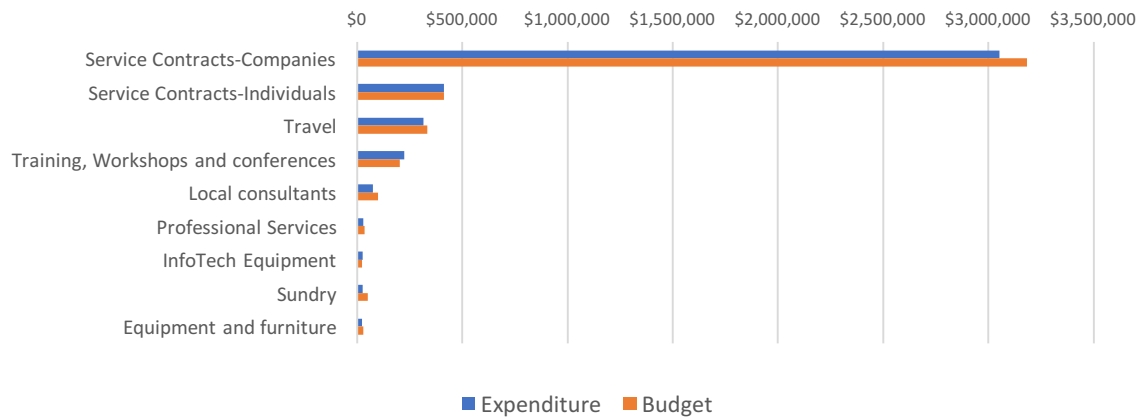


Annual budgets match expenditures both in amount (figure 6) and in accounting item (figure 7).

**Figure 6.** AWP and expenditure per outcome. “Outcome 0” is an “artificial” box to account for winning and losses due to changes in currency exchange rates. “Outcome 4” collects project management expenses.



**Figure 7.** Accounting lines in budget (AWP) and expenditure.



## Co-finance

The project was approved with a mobilized co-finance amounting to US\$ 25,833,490, which together with the GEF grant of US\$ 8,000,000 puts the total project cost at US\$ 33,994,090.

Co-finance was committed as stated in the ProDoc mostly by the national government (US\$ 16,853,171), UNDP (US\$ 1,500,000) and the RPs (US\$ 7,480,319), most of which refer to in-kind contributions towards the achievement of project objectives, without any specification of the activities or the support to be provided to the project. However, the PMU reports different committed figures, with CSOs (RPs) providing a total of US\$ 6,192,531 in-kind and government sources committing to US\$ 18,140,958 in-kind resources. The total co-financing figure would slightly more than the amount stated in the ProDoc, reaching US\$ 25,833,490 (table 11).

Co-financing letters prepared in 2013, account for additional US\$ 1,098,399.23 from local government units and US\$ 353,390 from the provincial DENR office of Batangas, for unspecified support to the project, thus adding up US\$ 1,451,789 to the committed co-financing. However, co-financing written commitments for WWF and CI amount to US\$ 946,148, which means a reduction from the amount committed in the ProDoc of US\$ 1,066,610. The total amount documented in co-finance letters amount to less than half the total committed in the ProDoc, with US\$ 10,070,006. The total delivered co-finance amounts to US\$ 10,292,289 or 40% of the amount committed in the ProDoc. RPs have reportedly actually contributed with an amount of US\$ 2,722,143 against US\$ 3,148,603 received by the RPs from project funds for the implementation of project activities.

All committed co-finance was in-kind, mostly as participation of officials and use of facilities for project activities. Actual disbursement of co-finance is estimated between US\$ 10.3 and 10.9 million, most of it (85%) as costs incurred by the executing entity, DENR-BMB. Differences between estimates drawn from co-finance reports and PMU estimates (a difference of 7%) likely due to different exchange rate used<sup>41</sup>. Figure 8 breaks down co-finance disbursement per site, type and concept. Table 12 is the standard GEF co-finance table.

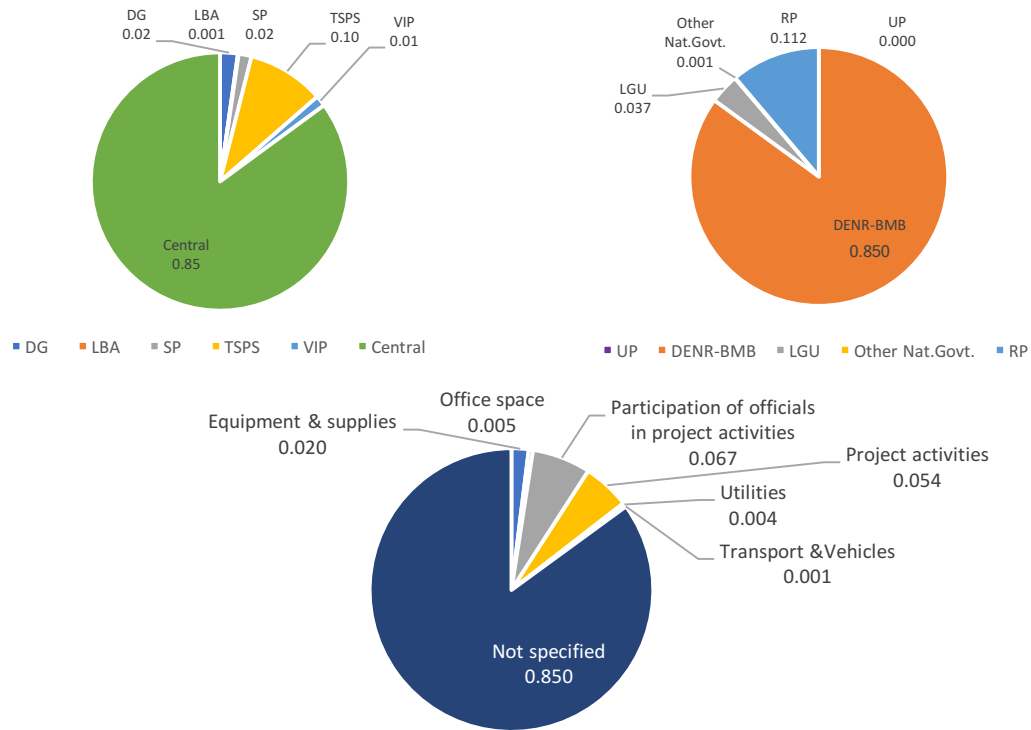
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<sup>41</sup> Exchange rate (PHP/ US\$) used by the MTR: 45.503 (2015), 47.492 (2016), 50.404 (2017) (World Bank, n.d.)

**Table 11.** Committed and actual co-financing according to sources. All amounts in US dollars

Name	Commitment				Expenditure			Project funds (AWP)
	PIF, 2012	PMU, 2017	Prodoc, 2014	Letters, 2013	PMU, 2017	Report, 2017	% disbursed	
LGU	15,723,331	-	-	1,098,399	-	401,230	2%	-
UNDP	1,000,000	1,500,000	1,500,000	1,500,000	-	-	0%	-
CI	3,291,580	1,070,463		1,070,463	130,667	-	0%	640,573
HARIBON	1,967,744	3,035,045		3,035,045	10,489	-	0%	470,963
WWF	1,895,500	950,000		438,212.84	442,445	-	0%	513,790
RARE	3,000,000	900,000		900,000.00	904,217	1,012,255	34%	597,816
FIN	1,000,000	237,024		237,024.00	2,742	2,720	0%	64,997
CSO (unspecified)			7,480,319.00					
UP-MSI	2,699,562	-		-	-	368	0%	434,005
DENR	3,300,000	16,140,958		353,390	8,998,688	8,927,297	271%	-
NFRDI-BFAR	3,750,000	2,000,000		2,000,000	381,275	149,240	4%	426,460
Other nat. gov't.					4,037			
Nat. gov't. (unspecified)			16,853,171		148,732			
<b>TOTAL</b>	<b>37,627,717</b>	<b>25,833,490</b>	<b>25,833,490</b>	<b>10,632,534</b>	<b>10,870,524</b>	<b>10,493,110</b>	<b>42%</b>	<b>3,148,603</b>

**Figure 8.** Co-finances according to project site, concept and type of co-financier. Proportion to total co-finance according to co-finance reports



**Table 12.** Project co-finance table

Co-financing (type/ source)	UNDP own financing (mill. US\$)		Government (mill. US\$)		CSO (mill. US\$)		Total (mill. US\$)	
	Planned	actual	Planned	actual	planned	actual	planned	actual
Grant	1.5	-	-	-	-	-	1.5	-
Credits	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-
In-kind	-	-	16.9	9.5	7.5	1.1	24.4	10.6
Non-grant Instruments	-	-	-	-	-	-	-	-
Other Types	-	-	-	-	-	-	-	-
Total	1.5	-	16.9	9.5	7.5	1.1	25.9	10.6

### *Project-level monitoring and evaluation systems*

The project counts with 4 indicators at objective level:

- # of MKBAs protected (IUCN categories I to VI)
- fish biomass of commercially important fish
- Pollution level
- Sighting of big marine vertebrates

And 11 indicators at outcome level:

- Area covered by MPANs
- Increase in management effectiveness scores for project MPAs
- Increase in management effectiveness scores for the five MPANs
- Establishment of MPAN management councils
- Increase of capacity development scores for MPAN stakeholders
- Reduction of financial gaps for MPAs through implementation of business plans
- Diversification of income sources for MPAs
- Establishment of inclusive management councils for MPAs
- Development and implementation of MPA business plans
- Approval of policy instruments that sustain the establishment of MPANs
- Incorporation of science based evidence in the establishment of MPAs and MPANs

These indicators are compliant with SMART criteria, that is, they are generally sensitive to the constructs they intend to measure, except see policy indicators below. However, some of them have baseline, cost-effectiveness and/ or overlapping issues, as described in table 13.

**Table 13.** Indicators, targets, changes from project design and issues. The symbol “→” denotes changes to project design effected at the inception workshop (IW).

LFA level	Indicator and target	Issues
Objective	66 out of the 123 MKBAs in Philippines are included in the PA System (IUCN Categories I – VI) [13 additional MKBAs]	No issues, clear-cut indicator of project success
	Increase in density of large predatory fish (Serranidae, Lutjanidae, Lethrinidae and Carangidae) → 5 % increase in fish biomass of at least three commercially important species in the 5 project sites	The project later changed this indicator to mean fish biomass of commercially important species: Acanthurids (reef herbivores), Serranids (reef carnivores) and Siganids (herbivores associated with reefs and seagrass beds), which does not completely represent reef and associated habitats functional groups. Fish biomass was measured as kg/500 m <sup>2</sup> . So far, only a baseline value has been established but the data is partially inconsistent or wrongly aggregated, e.g. some locations with only data for “fish” density. Moreover, all these sites have been previously monitored with the support of the RPs, yet the data from previous monitoring exercises was not used as baseline.
	Presence of large marine vertebrates (eg. Marine mammals, reptiles, sharks)	At PRODOC signing, this indicator refer only to sightings of dolphin species ( <i>Grampus griseus</i> , <i>Stenella longirostris</i> , <i>Stenella attenuate</i> , <i>Lagenodelphis hosei</i> , <i>Tursiops trunatus</i> ) but is was expanded to include other large marine vertebrates including elasmobranchs (Rhincodon typos), sea turtles ( <i>Chelonia mydas</i> and <i>Eretmochelys imbricate</i> ), other cetaceans ( <i>Globicephala macrorhynchus</i> , and <i>Kogia sima</i> ) and sirenids ( <i>Dugong dugong</i> ) according to their recorded presence in the project sites. However, there is no data yet and no system in place to record sightings.
Reduction in the level of water pollution levels in Verde Island Passage, Lanuza Bay, Davao Gulf, Southern Palawan and Tanon Strait Protected Seascape	“Pollution” is a too broad concept that was not specified during the IW. Of course, “reduction” could be anything from 0.00001 to 100% of any baseline “pollution” levels to be defined. Currently the project focusing on sedimentation study on areas (e.g. LBA) where this seems to be a main threat to coral reef ecosystems	

LFA level	Indicator and target	Issues
Outcome 1	MPANs (established as IUCN category V) cover at least 9,595 km <sup>2</sup>	No issues, good indicator of project success.
	25% increase in management effectiveness scores using METT of 95 MPAs	METT application not consistent with sites showing no answers to key METT variables and lack of justification of scores
	10% increase in the METT scores in each of Lanuza Bay, Tañon Strait Protected Seascape, Southern Palawan, VIP and Davao Gulf target sites	METT instrument applied in workshops with stakeholders of the proposed MPANs, together with the capacity development scorecard
	At least four MPA networks with gender and IP sensitive management plans developed and jointly implemented	No issues. As the establishment of the MPANs would be the direct consequence (output) of the project, it could be expected that inclusive management councils would be installed in all of them
	20% average increase in capacity score cards of the 5 target MPA networks by 2016 and 35% average increase by 2018	Lack of any justification or indication of target group and description of how it was administered makes link of score to project actions speculative.
Outcome 2	Financial resources for conservation and management of MPAs in five project sites → At least 25 MPAs (5 MPAs in each site) have income from various sources that covers the recurrent costs as defined by financing plans	No issues
	50% of income from sources other than government budgets by 2018 → In 2020, 50% of the annual financing requirements comes from sources other than government budgets	The indicator has no issues and the delay in the target year makes sense, due to delays in project implementation. However, 2020 is beyond the foreseen implementation timeframe of the project, which is bound to close by 2019, and it will thus be challenging to evaluate. Moreover, the indicator does not refer to the number of MPA required, although it follows that it must refer to the same 5 MPA per site referred to by the other outcome indicators
	30 participating MPAs have participatory multi stakeholder systems including women and IPs where appropriate with oversight functions on disbursement / resource allocation by 2018	No issues



LFA level	Indicator and target	Issues
Outcome 2	25 MPAs in five sites have sustainable financing plans being implemented as part of their management plans	This indicator refers to an output (financial plans) to be delivered by the project and is redundant with the first indicator of outcome 2
Outcome 3	A comprehensive MPA and MPAN Policy Framework in place incorporating gender equality and IP rights developed and effectively implemented addressing at least 50% of the policy recommendations identified through the policy review	No issues but this indicator does not adequately capture outputs 3.2, 3.3 and 3.4 on pilot implementation, improved DENR and BFAR mechanisms, and sharing of good practices on MPAN
	All policies for MPAs and MPANs management incorporate scientifically-based ecological conservation criteria	No issues other than that a key sustainability need (considerable increase in no-take area required) was not identified by the policy review

The PMU developed additional indicators to better capture measurement of progress towards delivery of outputs and outcomes. Indeed, these indicators were generally appropriate for helping better measure the outputs and progress towards the outputs they were trying to measure. However, given the existing difficulty of the project in adequately monitoring the key project indicators as per ProDoc, perhaps it would be best to simply focus on monitoring the required project indicators well (i.e. more objective, with adequate evidences; rather than include the additional indicators), to organize these indicators according to the log-frame results chain, to regularly review and interpret whether each of these indicators are causing/resulting in changes in the next indicator along the chain, and adjusting management accordingly.

## 4.4. Sustainability

### Financial risks to sustainability

In section three, we saw that the optimal operational financial needs of MPAs average US\$ 337 per hectare (median). Multiplied by the total of 61,690 hectares (n=100) for the project's MPAs this makes up a total of at least US\$ 20.8 million annually for all the MPAs supported by the project in all of five sites. A yet to be estimated amount would need to be added to account for the additional costs of running MPANs as category V MPAs, although there could also be reductions due to economies of scale and synergies among MPAs. Based on literature values<sup>42</sup> and MTR interviews, we assume an average municipal CRM budget of US\$ 5,000 annually<sup>43</sup>, of which maybe 25% or US\$ 1,250 would be dedicated to MPA management. Across the project-supported 70 LGUs (municipalities/ cities), this would amount to merely US\$ 87,500 annually, which means a gap of at least US\$ 20.7 million a year or nearly US\$ 0.3 million per LGU and year.

Of the GEF-6 project approved, none will support MPAs nor any of the current or pipeline projects funded by the Philippines main donors, Japan International Cooperation Agency, World Bank, Asian Development Bank, US Agency for International Development and Deutsche Gesellschaft für Internationale Zusammenarbeit.

### Socio-economic to sustainability

At local level, people's and fisherfolk organizations are committed to the management of MPAs. However, lack of funds for basic operations and sufficient support and incentives for effective enforcement of restrictions, makes it unlikely that the current low to non-existent level of enforcement will change. At community level, MPA expansion is not regarded keenly, based on the current insufficient resources to maintain the already established MPAs and the "exhaustion" of suitable places for expansion, it is generally considered that no more than one MPA per barangay is feasible. LGUs do nominally support MPAs and MPANs, even MPA expansion, but their financial commitments, reflection of their actual priorities, remains well below optimal levels. The scarce funds allocated to CRM are normally used for patrolling municipal waters and not directly into MPA management. Moreover, both at LGU and people's organization level there is a certain reluctance to enforce fishing regulation on poor, marginal fisherfolk, whom is assumed to poach inside MPAs.

DENR and BFAR at provincial and regional level remain also committed to MPAs. However, they show different approaches and understanding of the purposes of MPAs and their own and LGU's institutional responsibilities. The agencies act at request by LGUs based on their

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<sup>42</sup> (Butardo-Toribio, et al., 2009)

<sup>43</sup> A small sample (n=10) of LGU CRM budgets yields a median of US\$ 3,406 (range: US\$ 589-32,993) and a mean of US\$ 7,917 (SE=3,124)

technical strengths, DENR for reforestation of mangrove areas and BFAR for livelihood projects related to fishery and aquaculture.

For the private sector, mining operators are relevant for Lanuza Bay and tourism operators for Verde Island, Tañon Strait and Davao Gulf. Project contact with tourism operators is minimal, except for representatives in the two NIPAs areas (TSPS and Mabini MPA, in DG). The MTR mission observed that the impact of tourism operations on coastal habitat is mostly negative and that enforcement of coastal zoning is kept at minimum levels. Mining operators have reportedly signalled intentions to cooperate with CRM projects, but this is seen as mere “greenwashing” by other stakeholders.

In terms of socio-economic sustainability, special attention should be paid to the risk of not achieving biological outcomes (e.g. increase in fish biomass densities) of MPAs even by high management effectiveness, leading to disenchantment. The only mitigating strategy for this risk includes transparency with LGUs and communities about factors affecting MPA outcomes through advocacy, information and awareness towards MPA stakeholders.

#### Institutional framework and governance risks to sustainability

Municipal and locally-managed MPAs are yet to be included in the protected area system of the Philippines. Expanding the policy framework to fit them within is one of the main targets of the project, which would also help to put all concern agencies: LGUs, DENR, and BFAR on the same page when it comes to establishment and management of MPAs. Moreover, the declaration of MPAN as category V MPAs would have to consider all legal instruments applicable in a certain area, as these MPANs will encompass important ports, industrial and tourist areas.

#### Environmental risks to sustainability

Coral reef and associated coastal habitat communities have shown their resilience through the ages. While their rapid decline in the Philippines due to human action can mean their demise in the next decade, there is no indication that these systems will not recover if the level of stress is curbed, without needing any additional artificial rehabilitation.

**Unfortunately, artificial rehabilitation of coral reefs and mangrove areas is considered by local and national agencies in the project sites as a priority, which could divert scarce funds better employed in effective management of MPAs and MPANs and, moreover, prove futile if the threats damaging said coastal ecosystem persist.**

The small size and cover of the current MPAs also mean that they are not currently effective in conserving critical coastal habitats and will not have any significant conservation

outcomes, even if effectively managed, other than small local effects. Expansion of MPAs and the declaration of MPANs as protected areas, i.e. with restrictions additional to those provided by national laws, is therefore critical for the environmental sustainability of coastal and shore biological communities.

## 5. Conclusions and Recommendations

### 5.1. Conclusions

The project strategy is sound and conforms with the GEF-5 biodiversity strategy and UNDP quality standards. Outputs, outcomes and impacts are linked, supported by assumptions and risks which are generally correct.

Banking on UNDP's comparative advantage, the project has a major component of capacity development activities. This is reflected in increased scores of the capacity development scorecard as well as the increases in MPAN and MPA METT scores. However, MPA management councils interviewed during the MTR feel the need for much more support to increase their capacities, both in terms of individual skills, and organizational strengths and equipment. The problems identified by the MTR in the management and financial plans exemplify the capacity demands and gaps pointed at by the MPA management councils: even with external support, most councils are not yet able to design, implement, monitor and evaluate the plans. Moreover, and accepting that the development of community-based business plans supported by the project does contribute to the development of capacities, these plans are still at very initial stages and mostly have excessively optimistic expectations on the number of visitors and the transaction and management costs of running a collective (community-based) tourism operation.

While the project has indeed contributed to the promotion and agreement on the concept of networks of marine protected areas, the current agreements are insufficient to guarantee the level of protection committed in the project document. Additional area covered under IUCN Protected Area Category V as per Outcome 1 indicator and to be included in the PA System as per Objective indicator, must at minimum: (1) have legally established boundaries and (2) legally specified regulations within these boundaries. The current drafts for MPAN establish institutional arrangements and/or responsibilities for managers but they do not establish any legal restrictions in the MPAN in between the individual MPAs beyond what is already provided by national law or the individual MPA legislation. Thus, the current project MPAN drafts, even if legalized, do not establish PAs and thus do not add to the area already covered under IUCN PA Category V as per Outcome 1. It could still be possible to add the existing individual MPAs as a network to the PA System as per the Objective indicator depending upon the policy to be adopted but unless there

are regulations in the areas in between MPAs, then this will not “greatly expand the area of marine and coastal biodiversity under protection” as per the Objective.

Moreover, the project documentation does not yet show adequately-documented increases in management effectiveness scores for either individual MPAs nor for the MPANs. While the application of METT must be improved to permit proper correlation between scores and project actions, the MTR indicates that most of the project supported MPAs did not have a properly-adopted management plan (that is, signed and adopted by the LGU that has declared it) although this may be because many were being updated by the project, and that management actions, including enforcement, are very much limited, mostly by lack of financial means.

The project was committed to support the development or updates of MPA financial plans within management plans. However, the management plans examined by the MTR include insufficient financial information that would help determine the financial sustainability of the municipal marine protected areas. Among others, the MPA management plans do not account for current expenses, allocated budget and, being mere drafts, also lack financial commitment by LGUs. This makes it very challenging to determine the funding gap, which is crucial in the evaluation of the project success. This notwithstanding, the MTR revealed that MPA finances continue to be very weak and there is little data to show that the project has contributed to ease this situation. Financial means are scarce and unreliable, including funds to setup and maintain basic MPA infrastructure, and, as many MPA enforcers are volunteers, without honorarium or equipment, enforcement is minimal, even at NIPAS MPAs. (Notable exceptions are the highly-visited by tourists and better protected MPAs of Mabini in Batangas and Moalboal in Cebu.) The MTR considers underfunding of MPAs a lead driver in habitat degradation and the weak ecological (e.g. fish biomass) and social (e.g. increased fish catch) outcomes of MPAs, together with its scarce cover of critical coastal habitats.

The assessed MPA management plans do indicate inclusive management boards, with a pro-active representation of members of community organizations including women, although only five out of 42 plans supported by the project included a proper gender analysis. The MTR finds that underrepresentation of participation of people younger than 40 in the management of marine protected areas may be culturally determined, but can also signal a detachment by the younger generation to the objective of marine conservation. Also, cultural drivers may be behind the relative scarcity of women in technical positions at LGU and government agencies. However, women are vocal members of POs and occupy leading management positions within government agencies.

The project has produced connectivity studies and policy reviews that do tackle aspects of the current situation regarding municipal MPAs and networks. However, these reviews do not yet constitute a significant contribution to the expected outcome of formally including municipal MPAs and networks in the national protected area system, nor to spur the major increase in no-take areas for sustainability as per scientific advice, nor to unify

responsibilities on establishment, enforcement and evaluation of marine protected areas among relevant government agencies (LGUs, BFAR, DENR). (Nonetheless, the municipality of Narra in SP has shown a good example in consolidating and increasing its MPA coverage as a result of the project's technical inputs.) PMU support is critical in achieving the national policy objectives of the project. The position of the project manager and the unconditional support of the national project director are assets to influence the national directions of the DENR and BFAR to back and formally adopt the project's needed policy outputs. However, these will need to be leveraged to have needed policies implemented, DENR and BFAR mechanisms improved, and good practices documented and shared.

The project governing structures do include all relevant stakeholders, from fishing communities involved in the management councils of their MPAs, to LGUs linked through the development partners to the PMU. However, the project board seems unbalanced since two of the project's most important stakeholders, BMB and BFAR-NFDRI have the same role as relatively less influential players, such as the Department of Tourism or the National Antipoverty Commission. Moreover, there is no evidence that the presence of representatives of the league of municipalities, cities and/ or provinces is galvanizing any support for MPAs/ MPANs, which mostly depend on the mobilization capacities of the RPs at field level. More importantly the involvement of provincial and regional DENR and BFAR offices is still sub-optimal as exemplified by the uncoordinated approaches used by both organizations at field level. While the project has increased efforts to improve coordination with provincial and regional DENR offices, these efforts have not yet given tangible results. Other than DENR and BFAR, the project has less involvement from private sector actors operating on the coastal zone or on watersheds affecting the coastal zone.

Project implementation is being run satisfactorily and work plans independently implemented by RPs with minimum supervision of the central PMU. Project finances are being delivered according to plan, while slightly delayed. Differences in approach and some communication delays between PMU and RPs seem not to affect implementation in any significant way. However, the PMU team may not be empowered enough to implement standards in the development of project's outputs, such as the MPA management plans and the biodiversity friendly business plans, which are done in different manner and with different standards by the RPs. Moreover, the PMU will need additional support, in terms of capacity development and empowerment by the project manager, the BMB, the UNDP and potentially FIN to optimize data collection and preparation in publicly accessible databases, which is also one of the expected deliverables of the project.

Project reporting has been done according to plan and project reports are honest about project challenges. However, project reports sometimes simply report what has been done but do not directly address the indicators or the target outputs. Thus, it may sometimes not realize that the main targets are increasingly being missed and delayed. In this regard, the project has made important efforts to implement its monitoring plan. However, METT and capacity development scorecards (CDS) have not been consistently applied to the project main target group, the MPA/ MPAN management councils, which makes drawing

conclusions on the scores speculative: both METT and CDS are poor in comments justifying the scores (no comments for the CDS). Moreover, for some indicators, the project has struggled to collect and compile data (fish biomass, sightings, pollution), and worse, biomass data from contracted studies did not initially conform to agreed standards (i.e. many observations were reported as counts instead of biomass).

In terms of its communication strategy, the project has yet to focus IEC efforts on critical stakeholders (LGU, private sector, DENR and BFAR) with objectives aligned with the project targets.

At the time of the MTR, the project has reached a delivery level of 53% over the GEF grant of 8,000,000, that is, cumulative expenditure of US\$ 4,267,944. Annual delivery conforms with annual work plans in both amount and accounting lines, with management expenses under the agreed 10% limit, which, together with the positive findings of the external audits speaks for the sound project financial management. However, the project would need to increase annual delivery to comply with the expected closing date of mid 2019, or request a no-cost extension. Disbursement of co-finance have been monitored by the project's responsible partners with adequate level of detail. Achieving co-finance commitment by all partners is still feasible within the planned project's implementation period.

Summarizing, the project responds to actual and very relevant concerns for the Philippines and its coastal and marine biodiversity, it is based on sound assumptions and provided with a feasible strategy. However, and, despite efforts by the PMU and RPs, the project is delayed in the delivery of key project outputs, notably evidence-based increases in protected area management effectiveness scores, baselines and changes of conservation indicators (fish biomass, large marine vertebrates, pollution), as well as expansion, increased representativeness and consolidation of the marine protected area system. This notwithstanding, the project has still time and resources to consolidate its gains within its remaining implementation time especially if a no-cost extension is agreed upon.

## 5.2 Recommendations

As time presses on for the delivery of key project outputs and the realization of some of its outcomes, notably the expansion and increased representativeness of the MPA system, the project should immediately focus on securing the declaration of at least two MPANs as category V protected areas, large enough to ensure achievement of the project's target of 4,412 km<sup>2</sup>. This entails ensuring political commitment through a joint ordinance and the development of a management plan for the network which includes use restriction beyond those provided by national law (e.g. Fisheries Code). Moreover, the project must press on to include the 13 targeted MKBAs through formal national policy to accept MPANs of category V MPAs or individual municipal MPAs as part of an expanded national PA system which includes both NIPAS PAs and non-NIPAS PAs. While the ecosystem approach was

identified in the Project Document, and it is certainly sound and relevant as the main MPAN organizing principle, the project can at the same time better focus protection on the MKBAs themselves, e.g. prioritizing MKBA locations using multi-criteria PA design/ optimization software such as MARXAN, using these as rallying points or focal points for conservation of rare or unique species biodiversity, etc.

Given the very low budget allocation and financial sustainability of the current MPA system and looking forward to the additional financial resources needed for the sustenance of the expanded MPA system that the project must deliver, the BMB, through the project in the remaining implementation period should encourage LGUs in key MPAs, or, as stated in the project targets, five MPA per site to commit budget allocations specific for MPAs. This would entail increased engagement of RPs with LGUs and more IEC project efforts directed at LCE and local government legislative bodies. This should be aligned with the committed co-financing amounts by LGUs which could be accounted for as CRM budget allocation explicitly destined to MPA management. Moreover, the project should update and complete the financial information contained in the MPA management plans and set up a communication or review mechanism that makes financial information on municipal MPA available to the public, MPA researchers and practitioners.

The MTR does not consider the business models developed by the project so far to be feasible in their current form. While low-cost tourism operations (e.g. boardwalks, guided visits) may be effective and sustainable to generate at least a portion of the funds needed for municipal MPA management, ambitious undertakings, including the establishment of dive centres and touring operations could be carried on with the cooperation of private sector actors who could provide the business expertise needed in exchange to access to coastal resources and employment opportunities. This also offers the opportunity to engage more with private sector operators who may sometimes see marine conservation measures as a hindrance to business. Thus, the project could dedicate IEC efforts towards the tourism business community to facilitate bridges and understanding with MPA management councils and the people's organizations representing resource users. IEC efforts should also be intensified to increase participation of young people in the management of protected areas. More importantly, it is recommended that, in areas with high tourism income such as TSPS, VIP and DG especially, the project identifies five viable joint-ventures or, at least, facilitates communication for the development of such ventures between established tourism or agri-business operations and MPA management councils. Successful cooperation models could serve as example for the other two sites. Fee collection and minimal, easy to maintain equipment and infrastructure could be feasible alternatives to ambitious plans to set-up diving business operations, which require extensive capital investment, as well as technical and management experience.

To ensure the needed increase in project delivery rates, it is imperative that regular board meetings are resumed. Also, the project board, considering however the limited time remaining of project implementation, should contemplate elevating DENR and DA to the



rank of co-chairs. The MTR believes that this, together with the policy recommendations of the project, should help harmonize concepts, and approaches between the national directions of the DENR and DA which could be transmitted down the line to their regional and provincial offices to consolidate and unify an effective coastal program implemented by the respective agencies within their legal roles.

In line with the increased effort needed to attain the project targets in the remaining implementation time, PMU capacities could be enhanced by empowering the team to supervise the areas under their respective expertise with less involvement of the project manager, as well as relying more on the local capacities of the RPs to successfully implement the work plans. Administration of the tracking tools and database/ knowledge management should be PMU capacity development priorities. Moreover, the project national direction needs to empower and encourage the project team to become more self-reliant, and, together with the UNDP, provide the technical assistance and the capacity development that the PMU team may deem necessary to improve their performance. This will help free up the Project Manager and the RPs to focus on the critical delivery of 4,412 km<sup>2</sup> of PA coverage and inclusion into an expanded national PA system that includes MPANs and/or local MPAs. Therefore, it is strongly recommended for the UNDP and BMB to intensify efforts to develop PMU's capacity for monitoring and knowledge management through mentoring and technical assistance on indicators, monitoring and theory of change (UNDP) as well as setting up and launching publicly accessible databases to share the information generated by the project. While the project has already been working in establishing said database, this is not yet running at the BMB website at the time of the midterm evaluation.

Specific tasks for M&E are recommended for the remaining implementation period:

- Previous monitoring data<sup>44</sup> should be incorporated as baselines and a theory of change must be established for any observed variation of fish biomass density: e.g. if Serranids have been declining, a correlation should be established with fish landing data (BFAR<sup>45</sup>), observed habitat condition, illegal activities, enforcement activities, and educational activities to approximate possible causes of the decline. Moreover, instead of simply 3 families, the project may consider using aggregate biomass of 3 clusters of commercially important species: (A) carnivores (Epinephelinae, Lethrinidae, Lutjanidae), (B) herbivores (Acanthuridae, Scaridae), and (C) seagrass indicator (Siganidae).
- Observation of large marine vertebrates should be systematized by constituting a formal monitoring network, which would report to the BMB, which should maintain a publicly accessible database. For instance, WWF and BFAR conducted at least a cetacean survey in 2016. Moreover, other threatened elasmobranches should be

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<sup>44</sup> Fish biomass data exists at least for the Davao Gulf (DIDP and SMART Seas Project, 2017)

<sup>45</sup> Fish landing data exists at least for the Davao Gulf (DIDP and SMART Seas Project, 2017)

added to the list, including all IUCN Red List threatened elasmobranchs with occurrence ranges within the project sites, at least.

- Project focus on sedimentation studies is correct as siltation is a primary threat for coral reefs. The project intends to conduct a research on historical sedimentation using radioactive markers for the Lanuza Bay Area (LB). The relative importance of siltation caused by mining operations upstream in northern LB watersheds is controversial: LB municipal officials insisting on illegal and unreported fishing and communities and project angling for siltation as the main threat. In this sense, the indicator could be reformulated to read “historical changes in siltation in areas threatened by upstream effects” with the target of diminishing rate of siltation. As control of mining operations would fall under municipal and DENR jurisdiction, if the project shows that siltation is a serious threat to coral reefs, mitigation measured could and should be imposed on mining companies and thus, the research to establish a longitudinal series of siltation in LB together with a study on coral mortality (needed to establish the causal link between siltation and reef degradation) would be a very important project output. However, and even if nuclear analytical techniques may be the only choice to establish a time series record of sedimentation and origin, its costs, including the transaction costs of engaging the Philippine Nuclear Research Institute, may not allow replication to other areas. Given the fact that the project has yet to conclude an agreement to conduct this study after four years’ implementation seems to strongly indicate that in situ measurement of siltation (e.g. as mass of suspended particles per litre or visibility as measured per secchi disk) as done already in project sites<sup>46</sup>, may be the only viable option.
- The project must institutionalize monitoring, collection and analysis of data and, more importantly, publication and dissemination of monitoring results pertinent to the management of MPAs/ MPANs and the biodiversity contained therein. As project “owners”, and executing agency it is the responsibility of the DENR-BMB, in close cooperation with BFAR-NFRDI to create an accessible database that collects, centralizes and devolves monitoring (including financial) data from MPANs, municipal MPAs and NIPAS sites, as a sub-system (coastal and marine) of the national protected area system. It seems quite appropriate to involve FIN in the development of the accessible MPA database and knowledge management system.
- Application of the METT and capacity development scorecard should be improved by including evidence justifying the scores provided and notes on the participation at the assessments. This can serve to improve the reliability of the scores and sub-indicators.

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<sup>46</sup> Siltation study conducted at least for Davao Gulf by WWF in 2016 (DIDP and SMART Seas Project, 2017)

Given the challenges ahead of the project, a no-cost extension of up to one year could be possible, extending the closing date to the end of 2020. However, this must be counted against the incremental personnel costs that the RPs would be incurring in as they keep their field teams in operations without further funding. Thus, should an extension be considered by the project board, there are two possibilities suggested by the MTR: 1) RPs to prioritize termination of field activities along the lines suggested above with a central PMU to continue activities on documentation, setting up accessible databases, dissemination and political advocacy after the termination of the field phase and/ or 2) increase finance from additional sources, based on the committed yet not delivered co-finance amounts.

## 6. Annexes

2. MTR ToR (excluding ToR annexes)
3. MTR evaluative matrix
4. Example Questionnaire or Interview Guide used for data collection
5. Ratings Scales
6. MTR mission itinerary
7. List of persons interviewed
8. List of documents reviewed
9. Signed UNEG Code of Conduct form
10. Signed MTR final report clearance form
11. Audit trail from received comments on draft MTR report
12. Relevant midterm tracking tools (METT, FSC, Capacity scorecard, etc)

