



# **MID-TERM EVALUATION**

## **NEW CONSERVATION AREAS IN THE PHILIPPINES PROJECT (formerly EXPANDING AND DIVERSIFYING THE NATIONAL SYSTEM OF TERRESTRIAL PROTECTED AREAS IN THE PHILIPPINES PROJECT)**

Evaluation Period: **September 2010 – June 2013**

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# EXECUTIVE SUMMARY

**Introduction: NewCAPP and the MTE.** Expanding and Diversifying the National System of Terrestrial Protected Areas in the Philippines Project (now known as New Conservation Areas in the Philippines Project or NewCAPP) is a five-year project intended to establish new management regimes for the conservation of terrestrial areas in Key Biodiversity Areas (KBAs) in the Philippines. This proceeds from the recognition that despite its critical importance to global environmental sustainability, the Philippine floral and faunal diversity is faced with several threats. The primary government response is the establishment of the National Integrated Protected Areas System (NIPAS) encompassing more than 200 PAs covering more than 5.4M has of land and water bodies. The NIPAS, however, is faced with three main barriers: (1) small coverage of PAs and underrepresentation of Mindoro, Greater Luzon, Greater Mindanao, Greater Negros Panay and Greater Sulu in the PA system; (2) limited capacities of DENR-PAWB and PAMBs for PA management; and, (3) limited financial sustainability owing to inadequate financial planning, budgetary management and revenue generation.

NewCAPP was thus designed to pilot new conservation areas that shall be outside the NIPAS but still part of the national protected area (PA) system. It has a three-pronged approach (outcomes): (1) establishing and/or enhancing alternatives/models on the ground; (2) capacitating key actors to enhance the management of these alternatives/models, and thereby also benefiting the managers of NIPAS sites in various parts of the country; and, (3) providing a policy basis for the existence, recognition and sustained support for – thus, mainstreaming - these models and the existing NIPAS sites.

The Project is being implemented in the following pilot sites: (1) Balbalan-Balbalasang National Park (ICCA); (2) Zambales Mountains (ICCA, and LGU-LCA in Mangatarem and Mt. Tapulao); (3) Mts. Irid Angelo and Binuang (ICCA); (4) Mts. Iglit Baco National Park (ICCA); (5) Polilio group of Islands (LGU-LCA); (6) Nug as Lantoy (LGU-LCA); (7) Mt. Nacolod (LGU-LCA); (8) Mt. Hilong-hilong (ICCA); (9) Mt. Kalatungan (ICCA); and, (10) Tawi-tawi Island (LGU-LCA).

Funded by the Global Environment Facility (GEF) and supported by the United Nations Development Programme (UNDP) with the Department of Environment and Natural Resources – Protected Areas and Wildlife Bureau (DENR-PAWB) as Executing Partner, the project commenced in September 2010 and will end in September 2014.

This is the Mid-term Evaluation (MTE) report of NewCAPP, to determine the project's progress towards achieving its target outcomes. It also aims to highlight issues requiring decisions and actions, and present initial lessons learned about project design, implementation and management. It covers the first two-and-a-half years of project implementation, specifically from September 2010 until June 2013.

The following methodologies were used: (1) Document Review; (2) Key Informant Interviews; and, (3) Stakeholder consultations. To a very limited extent, the evaluators also did site visits and observation of the conduct of project activities. Based on the criteria of bioregional representation, management

regime representation, representation as to progress in implementation, and accessibility, the following were chosen as sample sites for this study: (1) Kalinga Watershed; (2) Mts. Iglit Baco National Park; (3) Nug as Lantoy; (4) Mt. Kalatungan; (5) Mt. Hilong-hilong; and, (6) Mt. Nacolod.

The exercise determined the extent of the achievement of the Project; the need to refocus its activities and investments, if any; the efficiency of resource use; the direction for future investment of UNDP-GEF; the adequacy of the management and administrative arrangements to deliver the project; the degree of mainstreaming of the project in the implementing partner; the necessary focus of the project for its remaining implementation period; lessons from the project design and implementation and how they can be used in similar efforts; and the prospects of sustainability of initiatives and gains.

The MTE makes use of the rating system prescribed by the “Guidelines for GEF Agencies in Conducting Terminal Evaluations” (2008) and the “Project-Level Evaluation Guidance for Conducting Terminal Evaluations of UNDP-Supported, GEF-Financed Projects” (2012). Five criteria are used in assessing the level of achievement of project outcomes and objectives, monitoring and evaluation (M&E), Implementing Agency and Executing Agency execution: Relevance, Effectiveness, Efficiency, (likelihood of) Sustainability, and (likely) Impact.

Outcomes are rated using a six-point scale for relevance, effectiveness, and efficiency, as follows: Highly Satisfactory (HS), Satisfactory (S), Moderately satisfactory (MS), Moderately unsatisfactory (MU), Unsatisfactory (U), and Highly unsatisfactory (HU). Relevance, which refers to (1) the extent the project/activity is suited to local and national development priorities and organizational policies and (2) the extent to which the project is in line with the GEF Operational Programs or strategic priorities under which the project is funded, is rated as either Relevant (R) or Not Relevant (NR). Sustainability is rated using a four-point scale: Likely (L), Moderately Likely (ML), Moderately Unlikely (MU), and Unlikely (U). Impact, which refers to actual or anticipated positive or negative changes in global benefit as verified by environmental stress and/or status change as well as sustainable development impacts, is rated using a three-point scale: Significant (S), Minimal (M), and Negligible (N). The key financial aspects of the project, including the extent of co-financing planned and realized, are also part of the evaluation.

**Findings and Ratings.** Overall, NewCAPP has made significant headways in the successful establishment of ICCAs and LGU-LCAs, two new modalities in natural resource management and conservation. It has produced key instruments in strengthening the capability of managers of protected area in NIPAS sites as well as those outside thereof. It has also made significant progress in setting up the necessities for ensuring sustainable financing of protected areas.

**Project Design.** The project is logically designed based on expert diagnosis of the gaps in biodiversity conservation in the Philippines. Its logic is simple but comprehensive: There is need to establish new modalities for biodiversity conservation recognizing the inapplicability of NIPAS. The effectiveness of these new modalities is hinged on two crucial factors: (1) the capacity of the managers to perform their functions; and, (2) the availability of funds to support sustained management, conservation and protection work.

NewCAPP was designed to stand on the gains of relevant initiatives in the past, is implemented in several bioregions in the country to see how the concepts work in different cultural and socio-economic conditions, and is intended to establish links and build partnerships with other biodiversity and ecosystem management initiatives. Its targets are measurable through an installed M&E system.

Rating: Satisfactory

**Project Implementation.** The Project continues to follow a systematic reporting and monitoring system as contained in the Project Document. What is lacking, however, are the Local Steering Committees (LSCs), which should be responsible for site level coordination and integration of the works of the project with local plans and activities. Instead, the Project worked with existing organizations and offices (local DENR offices, NCIP, Local Responsible Parties, etc.) that allowed the Project to move faster. The highlight of project implementation is the adaptive management exhibited by the Project. This is best depicted in the way the Project internalized the concept of ICCA.

Rating: Highly Satisfactory

**Outcome 1.** This is highlighted by the establishment or strengthening of ICCAs and LCAs, and the significant policy inputs turned in by the Project particularly on the adoption and protection of KBAs, the establishment of the National ICCA Consortium, and the continuing documentation of ICCAs. However, it is found that despite the impressive quality of the work in putting in place new management modalities, the Project has not met the required quantitative coverage of 400,000 has of land under new management modalities, the work on LCA is not moving as fast as the work on ICCAs owing mostly to the readiness and ability of the LGUs to adopt the concept, and that the policy direction remains unclear.

Rating: Satisfactory

**Outcome 2.** Under this Outcome area, the Project did a capacity assessment of the PAWB and the PAW Sector of the DENR, produced several knowledge products directed to local PA managers, conducted a study on Knowledge, Attitude and Practice (KAP), among others. Implementation of priority capacity development activities which resulted in the enhancement of capacities of selected DENR, LGUs, local communities, and indigenous peoples in environment protection, biodiversity assessment, and management planning; and increased appreciation by IPs and other national and local stakeholders of ICCA. METT Scorecards between March to April 2013 showed an average increase in METT ratings placed at 20%. Generally, there was an improvement in all aspects. Notable also is the integration of biodiversity concerns in LGU plans and adoption of conservation plans by relevant stakeholders. It is noted, however, that some quarters within the DENR, particularly the FMB and PAWCZMS at the regional and the field offices, feel that they were left out in capability-building. The PMU sees this as a result of weak coordination within the DENR system and the dynamics between DENR personnel. There is also need for a more decisive Communication Plan so that all the target audiences of the Project are reached. Lastly, NCIP needs to be more mainstreamed in the Project.

Rating: Satisfactory

**Outcome 3.** The Project is able to put on the table policy recommendations (SAPA, Sustainable PA Financing, IPAF guidelines) for sustainable PA financing. It is currently working on the business planning process for 18 PAs. The crown of the work here, however, is its support to the ongoing negotiations for a PES arrangement between an ICC in Mt. Kalatungan, represented by the local IP organization MILALITTRA, and the local waters users in Cagayan de Oro City. This anticipated PES agreement is important not only to ICCA managers but also to other PA managers as it shall be instructive in pursuing PES as a significant source of PA financing. Additionally, work in this outcome area should be viewed considering that the Project lost some PHP29M due to foreign exchange losses. Thus, the Project had to focus on helping source funding support for its sites to ensure continuity of efforts. Despite this funding debacle, which is not the fault of the Project, it is able to produce significant results.

Rating: Highly Satisfactory

**Overall Rating.** Given the impressive performance of the Project both in terms of delivering its outputs and outcomes as well as its capacity for adaptive management that allows it to take advantage of opportunities and surmount its financial challenges, the Project merits a Satisfactory rating.

**Conclusions.** The foundational work of the Project has been completed, such that the next half of Project implementation can already focus on strengthening and furthering its gains, tying loose ends, effecting sustainability mechanisms, and extracting and crystallizing the lessons from the experience into best practices and, hopefully, towards the development of policy, governance and practice.

Particularly, the following specific conclusions are worthwhile:

1. Overall, it can be said that the Project is gaining key successes in establishing a strong foundation for a more effective system in establishing and managing the remaining key biodiversity areas in the country. A case for ICCAs and LGU-LCAs is already being built by the Project despite the shortfall in its quantitative output (133,241 has). Already, the Project has established various typologies of ICCAs: ICCA within a PA, ICCA with overlaps with PA, ICCA without a CADT, ICCA outside of a PA but within a KBA, and ICCA within a KBA and within a portion of an existing PA. Similarly, target LGUs are buying the idea of LCAs, slowly incorporating it in their planning and governance processes.
2. The Project is already showing some potential impacts of its work, especially on ICCAs. Among these impacts are the peacebuilding potential of ICCAs among conflicting IP communities, the reawakening of the pride of IPs in their culture and indigenous knowledge system, and its potential for providing a platform for building productive inter-community relationships among ICCs. The ICCA is also a good starting point for a more informed AD planning process.
3. The key steps initiated by the Project are standardizing the operational system of PAMBs. Notably, the last METT of the PAs shows marked improvement in the management capacity for these areas, with an average increase ratings placed at 20%.

4. While the new management modalities introduced by the Project are good ideas on their own, the modalities remain unclear as to how and where they stand alongside other modes of NR conservation. There is yet no clarity on the role of the NCIP in ICCAs. Policy is especially crucial in the case of LGU-LCAs where constant changing of guards in LGUs poses risks to sustainability of LGU-sponsored natural resource conservation actions.
5. The Project is on its way to establishing the stage for financial sustainability of the sites, particularly with the PES negotiation of MILALITTRA with potential buyers (water users) in Cagayan de Oro creating a lot of energy in neighboring ICCs. The Project is also ensuring continuity of funding support to sites through like-minded projects.

### **Lessons.**

1. Many of the challenges that face the Project are actually bigger than the Project itself. While the Project is achieving much in its implementation, there are internal issues within DENR that must first be addressed. Also, mainstreaming the idea of ICCAs has to be approached by the DENR leadership working together with the NCIP. This matter also extends to the interpersonal dynamics among DENR staff, which is most apparent at the regional down to the community level.
2. This Project proves a good vehicle to exhibit government's openness to using new and appropriate NRM modalities, and DENR's sincerity to recognize the right and power of local communities and LGUs to take charge of their natural resources. It accommodates both the IPs/ICCs' desire to have their ADs recognized as well as government's need for a policy framework that will mainstream various management modalities into government work.
3. Project function of integrating the LCA/ICCAs into the FLUP is still an operational concern. Mainstreaming biodiversity concerns in the FLUP process remains a challenge due to the need of FMB personnel to veer away from business-as-usual by learning and factoring in biodiversity concerns in their processes.
4. The implementation of this Project is a good model for adaptive management. It allowed the Project to take advantage of opportunities that abound in this area of work. The adoption of ICCA as an approach to realizing the establishment and strengthening of IP/ICC managed areas is enlightening. Similarly, having realized that foreign exchange losses would prevent the Project to pursue its sustainable financing plans (Outcome 3), the Project decided to focus on partnering with other initiatives to ensure that these outputs can still be delivered.
5. The Php29M foreign exchange loss was beyond the control of the Project. This is a possibility to other projects especially considering the volatile Philippine economy and market.

## **Recommendations.**

1. As a model-building initiative, the Project has delivered and can further this work in the remaining period of its operations. It is recommended that the UNDP and the GEF as well as the Project redefine the target of 400,000 ha under Output 1.2 as either the maximum area to be covered, or adopt the submission of the PMU to treat the 400,000 ha as merely the total landscape within which the Project shall pilot the modalities. The DENR, the DILG and the NCIP are invited to cooperatively replicate and expand the coverage of the models.
2. It is necessary that the project focus on closing work in the areas. As can be understood from the results of on-site data gathering, the local stakeholders are uncertain as to how the project will end in their respective areas. Nevertheless, it appears that for many, the completion of the local plans is sufficient as this would leave or provide a platform for future actions and interventions. It is best for the project to chart with stakeholders the end term of the interventions in each area, and plan out how support can be continuously streamed down to them beyond the project. A sustainability plan should be incorporated in the process.
3. Local communities involved in ICCA also expect to obtain benefits from the initiative. It is recommended that this be intentionally included in the Project's disengagement plans with communities. The PAWB/BMB and UNDP are also urged to include this aspect in successor biodiversity conservation initiatives.
4. Although a lot has been done with its policy work, the Project still needs to do policy articulation of its initiatives so as to identify their place in the whole natural resource management schema of the DENR. This might also entail working with other NGAs to effectively place these modalities in their (other agencies') policy frameworks. The vehicle/s for such policy mainstreaming should also be defined, taking heed of the need to ensure national support to ICCAs and LCAs, exploring possibilities within and outside the administrative structure. The Project can also help LGUs in developing their local ordinances and plans that include LCAs. In this regard the DILG should be a lot of help. Also, the Project might as well design a policy on PES.
5. The NCIP is undeniably an important player particularly in ICCAs. Engaging the NCIP into the ballgame thus remains a challenge, but a must, for the Project. A substantive deliberation with the NCIP is the synergy between the Project's ICCA approach and the AD management approach of the NCIP. Consistent with the earlier statement that this is a systemic challenge, the DENR has to build its institutional relationship with NCIP that can benefit all other DENR initiatives with NCIP concerns. Meanwhile, NCIP is urged to engage the Project on ICCA discussions, viewing ICCA as a component that can strengthen AD management, and the ICCA process as enriching ADSDPPs.
6. With the KAP done, the Project can now get down to preparing a detailed communication plan. Among the critical target audiences should be policymakers, services within the DENR structure, the DENR leadership, NCIP, DILG, and LGU leagues.

7. The Project should ensure that there are local co-management bodies to oversee and build on its gains. A practical and effective choice would be local bodies that are already institutionalized, such as the Local Development Board. This might even cause the local DENR offices to be mainstreamed into the local development bodies, allowing the DENR to have more impact on local environment and natural resources policies, programs and plans.
8. Considering the volatility of the PHP in the money market, future projects should better identify foreign exchange loss as a risk that they may be addressed at as early as the proposal stage, by doing any of the following: (1) use a more conservative conversion rate; (2) Government guarantee against foreign exchange losses; (3) treating foreign exchange gains as buffer funds; or (4) providing a conditional buffer amount for project funds quoted in foreign currency.
9. Since the Project is already showing considerable level of success in making a case for LGU-LCAs and ICCAs, it is ripe to start thinking about other modalities that can further the menu of options for local stakeholders beyond these two modalities. One modality that deserves attention should be Community Based-LCAs.