

**PARTNERSHIPS FOR BIODIVERSITY CONSERVATION:
MAINSTREAMING IN LOCAL AGRICULTURAL LANDSCAPES
(BIODIVERSITY PARTNERSHIPS PROJECT)**

MID TERM REVIEW AUGUST TO DECEMBER 2014

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List of Acronyms and Abbreviations

ACB	ASEAN Centre for Biodiversity
ADB	Asian Development Bank
AFMA	Agriculture and Fisheries Modernization Plan
APR	Annual Project Report
AWP	Annual Work Plan
AZE	Alliance for Zero Extinction
BAFPS	Bureau of Agriculture and Fisheries Products Standards
BAR	Bureau of Agricultural Research
BD	Biodiversity
BD friendly	Biodiversity friendly
BD SEA	Biodiversity focused Strategic Environmental Assessment
BINU	Biodiversity Indicators for National Use
BLGS	Bureau of Local Government Supervision
BLDP	Bureau of Local Development & Planning
BMP	Best Management Practices
BMS	Biodiversity Monitoring System
BMU	German Ministry of Environment
BPI	Bureau of Plant Industry
BPP	Biodiversity Partnership Program
BSWM	Bureau of Soils & Water Management
CAO	City Agriculture Office
CBD	Convention on Biological Diversity
CBRM	Community-Based Resource Management
CCBS	Climate, Community and Biodiversity Standards
CDP	Comprehensive Development Plan
CDR	Combined Delivery Report
CENRO	Community Environment & Natural Resources Office/r
CEPF	Critical Ecosystem Partnership Fund
CI	Conservation International
CITEM	Center for International Trade Expositions & Mission
CITES	Convention on International Trade on Endangered Species of Wild Flora & Fauna
CLUP	Comprehensive Land Use Plan
CPM	Central Panay Mountains
CPPAP	Conservation of Priority Protected Areas in the Philippines
CTI	Coral Triangle Initiative
DA	Department of Agriculture
DA RFU	DA Regional Field Unit
DAO	Department Administrative Order
DENR	Department of Environment and Natural Resources

DILG	Department of Interior & Local Government
DTI	Department of Trade & Industry
ENRMP	Environment and Natural Resources Management Program
EO	Executive Order
FFI	Fauna & Flora International
FLUP	Forest Land Use Plan
FPE	Foundation for the Philippine Environment
ICMP	Integrated Coastal Management Program
IEC	Information Education & Communication
INREM	Integrated Natural Resources and Environmental Management
IA	Implementing Agency
IP	Implementing Partner
IPAF	Integrated Protected Area Funds
IPM	Integrated Pest Management
IW	Inception Workshop
JAO	Joint Administrative Order
KBA	Key Biodiversity Area
KMS	Knowledge Management System
LGPMs	Local Governance Performance Management System
LGU	Local Government Unit
LMDA	Lake Mainit Development Alliance
LPSC	Local Project Site Committee
MAO	Municipal Agricultural Officer
MBRLC	Mindanao Baptist Rural Life Center
MDG	Millennium Development Goals
MEA	Multilateral Environmental Agreement
MENRO	Municipal Environment & Natural Resources Officer
MOA	Memorandum of Agreement
MPDO	Municipal Planning & Development Officer
MRDP	Mindanao Rural Development Program
M & E	Monitoring and Evaluation
MSLPS	Malampaya Sound Protected Landscape and Seascape
NAP SLM	National Action Plan for Sustainable Land Management
NBSAP	National Biodiversity Strategy and Action Plan
NCIP	National Commission on Indigenous Peoples
NCRFW	National Commission on the Role of Filipino Women
NCW	National Commission on Women
NEDA	National Economic Development Authority
NGO	Non-Government Organization
NIPAP	National Integrated Protected Areas Project
NIPAS	National Integrated Protected Areas System
NNNP	Northern Negros Natural Park

NPAAD	National Plan for Agriculture & Agro-Industrial Development
NRM	Natural Resource Management
OA	Organic Agriculture
OBIS	Ocean Biogeographic Information System
OCCP	Organic Certification Center of the Philippines
PA	Protected Area
PAMB	Protected Area Management Board
PAO	Provincial Agricultural Officer
PAWB	Protected Areas and Wildlife Bureau
PAWCZMS	Protected Areas Wildlife and Coastal Zone Management Services
PASu	Protected Area Superintendent
PB	Project Board
PBCFI	Philippine Biodiversity Conservation Foundation, Inc.
PCAMRD	Philippine Council for Aquatic & Marine Research & Development
PCHM	Philippine Clearing House Mechanism
PCSD	Palawan Council for Sustainable Development
PEF	Philippine Eagle Foundation
PENRO	Provincial Environment and Natural Resources Officer
PES	Payment for Environmental Services
PGS	Participatory Guarantee System
PGR	Plant Genetic Resources
PHILCCAP	Philippine Climate Change Adaptation Project
PIR	Project Implementation Review
PMU	Project Management Unit
PNPGR	Philippine Network of Plant Genetic Resources
PPLS	Penablanca Protected Landscape & Seascape
QCS	Quality Control System
QPL	Quirino Protected Landscape
RCU	Regional Coordinating Unit
RP	Responsible Partner
SAFDZ	Sustainable Agriculture and Fisheries Development Zone
SALT	Sloping Agricultural Land Technology
SLM	Sustainable Land Management
SEA	Strategic Environmental Assessment
STREEM	Strengthening Coordination for Effective Environmental Management
SUC	State University and College
SWAT	Soil & Water Access Teams
USAID	United States Agency for International Development
WB	World Bank
WEO	Wildlife Enforcement Officers

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MID TERM REVIEW REPORT
AUGUST TO DECEMBER 2014

I. EXECUTIVE SUMMARY

1.1. Project Information Table

Project Title			
UNDP Project ID (PIMS #):	00074945	PIF Approval Date:	26 June 2009
GEF Project ID (PMIS #):	2904	CEO Endorsement Date:	25 June 2010
ATLAS Business Unit, Award # Proj. ID:	PHL10, 00059793, 00074945	Project Document (ProDoc) Signature Date (date project began):	20 September 2010
Country(ies):	Philippines	Date project manager hired:	01 September 2011
Region:	Asia Pacific	Inception Workshop date:	14-16 December 2011
Focal Area:	Biodiversity	Midterm Review completion date:	7 July 2014
GEF Focal Area Strategic Objective:	To mainstream biodiversity conservation in production landscapes/seascapes and sectors Strategic Program under Strategic Objective Two: Strengthening the policy and regulatory framework for mainstreaming biodiversity	Planned closing date:	31 May 2016
Trust Fund [indicate GEF TF, LDCF, SCCF, NPIF]:		If revised, proposed op. closing date:	31 December 2016
Executing Agency/ Implementing Partner:	DENR-BMB (formerly Protected Areas and Wildlife Bureau-PAWB)		

Other execution partners:	NEDA, DA, DILG, DTI, NCIP, DOT, PCW, HLURB, League of Provinces, Cities, and Municipalities, CI-Philippines, Haribon Foundation, FFI, PEF, LMDA, PBCFI, UP ISSI, Province of Quirino Local Government Unit	
Project Financing	<i>at CEO endorsement (US\$)</i>	<i>at Midterm Review (US\$)*</i>
[1] GEF financing:	4,500,000	4,500,000
[2] UNDP contribution:	301,404	200,589
[3] Government: DENR	2,121,778	386,418.95
Other NGAs	--	439,964.79
LGUs	8,142,820	131,176.33
Academe	---	4,555.81
[4] Other partners:	1,956,059	204,956.93
[5] Total co-financing [2 + 3+ 4]:	12,522,061	1,367,661
PROJECT TOTAL COSTS [1 + 5]	17,022,061	5,867,661

1.2. Brief Project Description

The objective of this Biodiversity Partnerships Project (BPP) is to demonstrate how local government units (LGUs) with enhanced capacities, and working together with local and national partners, can plan and manage economic activities and growth in ways that meet landscape-level biodiversity conservation and sustainable use objectives in critical eco-regions. In order to achieve this objective, the project proposes to accomplish three key outcomes:

- **Outcome 1:** National-level systems, policies, tools and capacities are in place to support LGU level biodiversity conservation efforts.
- **Outcome 2:** LGUs encompassing 1.6 Million hectares in five key bio-geographic regions have the tools and capacities to integrate sustainable management into decentralized government structures.
- **Outcome 3:** Systems, policies, tools and capacities for landscape level biodiversity conservation and sustainable development are applied at eight pilot sites covering 700,000 hectares across five critical bio-geographic regions (Luzon, Palawan, Negros-Panay, Mindoro and Mindanao).

1.3. Project Progress Summary

The project definitely addresses specific priorities set by the newly updated Philippine Biodiversity Action Plan (PBSAP). It also supports in very specific ways the strategic efforts to strengthen devolution of natural resources management to LGUs. Among the key gaps in project design is the assumption that policies would be formed in the very early part of the project. In actuality, policy development is taking a longer time and affecting some implementation aspects. There are several targets that are deemed very ambitious, e.g., routine application of Strategic Environmental Assessment (SEA) by DA and DENR; and a high number of targeted farmers/producers with BD agriculture certification. Only 2 of 4 objective level indicators may be realistically doable for a six-year project that also started two years later.

Policy instruments promoting BD friendly agriculture, business and enhancing wildlife trade are in their final stages, representing consensus among different stakeholders and within the national agencies (i.e. inter bureau) that are preparing them. The draft policies are relatively strong in articulating the rationale principles of mainstreaming BD in other sectoral programs. They are also identifying criteria and local examples of good practices. However incentive systems have not been adequately articulated yet. The instruments for BD focused Strategic Environmental Assessment (SEA) and the certification of BD-friendly agriculture need additional attention.

LGUs have generally responded positively to the signals provided by agencies through the policy discourse. Fifty percent instead of the targeted 20 percent of participating LGUs are making major BD-friendly land use decisions that can directly enhance habitats and promote sustainable production systems. Promising community based and LGU-supported BD-friendly enterprises are in the final preparatory stage for actual investments. Investors are proactively being identified. Active extension work for BD-friendly agriculture is cautiously starting but has the potential to be accelerated quickly if local technical networks can be optimally tapped.

The project is actively developing an information system that LGUs can use. Promotional campaign programs have been successfully launched and good practices arising from interventions are discernable. However, plans for effectively managing the documentation, analysis and sharing process are still in the incipient stage. This also deserves early attention in order to effectively support upcoming as well formulation of new policy proposals as targeted.

The Project Steering Committee and various implementing units have generally demonstrated proactive capacity for project implementation and adaptive management. Basic expectations under 8 evaluation sub categories (management arrangements, work planning, financing, project level M&E, stakeholder arrangements, reporting and communication) have generally been met. The implementation of the catch up plan enabled the project to partly mitigate the effects of a delayed start. In fact more LGUs (beyond targets) participated. There are moderate risks to sustainability, in spite of the positive progress made so far. Among these risks is the uncertainty of the producers' ability to meet the potentially high short-term costs for transitioning to BD friendly agriculture and transactions costs for certification. If clear incentives (monetary or non-monetary) are not indicated in the forthcoming national policies, the impact of those policies on LGU behavior may likely be minimal.

1.4. MTR Rating and Achievement Summary Table

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	
Progress Towards Results	Outcome 1 Moderately satisfactory	<ul style="list-style-type: none"> • Technical consensus within the DENR to support BD focused SEA • Partial Draft of DA - DENR Joint Memo Circular to guide BD-friendly agriculture; groundwork (e.g. identification of good practices etc) started for certification system. • National Action Plan for Sustainable Land

Measure	MTR Rating	Achievement Description
		<p>Management (SLM) in midstream and includes agrobiodiversity.</p> <ul style="list-style-type: none"> • Important policy instruments to strengthen wildlife trade regulations already in the final stages of review and are being finalized for adoption and approval. • BD-friendly business cited in Project Investments Prioritization Plan for 2014. • Partners' Knowledge Management System is set up and partially operational.
	Outcome 2 Satisfactory	<ul style="list-style-type: none"> • 22 LGUS are trained on BD-friendly CLUP; 11 on CDP and 3 LGU clusters on Trans-boundary planning. • Protocols for BD friendly CLP adopted in substance by HLURB • No training yet on SEA for LGUs. • Local training for BD-friendly agriculture not yet started. • Multi- year development planning through the CDP by 11 LGUs includes BD-friendly agriculture. • One LGU with draft Local Environment Code and 4 LGUs are in the process of adopting the Unified Fishery Ordinance. • 4 LGUs with LIIC adopted; 5 more LGUs with LIIC in the pipeline. • 44 LGUs have been assisted to formulate Local Investment Incentives Code and monitoring tools on investment promotion. • Structure for inter-LGU sharing mechanism partially set up but knowledge sharing plan is not yet firmed up.
	Outcome 3 Moderately satisfactory	<ul style="list-style-type: none"> • 22 LGUs in varying stages of BD-friendly CLUP completion • No LGU has adopted SEA yet. • Trans-boundary planning initiated in 3 KBAs. • BD-friendly agriculture demo farm started in at least 3 sites. • No groundwork done yet on actual certification of BD-friendly agriculture. • Rapid assessment on potential BD-friendly

Measure	MTR Rating	Achievement Description
		<p>businesses/ enterprises/livelihoods in 8 sites; 2nd phase of assessment on investment potentials and business planning in progress; links to investors are being made.</p> <ul style="list-style-type: none"> • PES piloting under negotiation in one site. • Resource assessments initiated in 7 sites. • LGU monitoring system undergoing initial study
Project Implementation and Adaptive Management	Satisfactory	<ul style="list-style-type: none"> • Management arrangements are clear-cut and in place. • PMU has been proactive and adaptive to the challenges of implementing and coordinating BPP partners and activities. • Work planning has been adjusted to address delays in the release and downloading of funds. • Co-financing being provided by implementing partners, project site partners, and LGUs. • An M&E system has been adopted funded and is operational. • Principle of partnership adopted and implemented as evidenced by active stakeholder engagement particularly among government agencies. • Processes and procedures in implementation activities are generally participatory. • Regular reporting mechanisms (monthly, quarterly, annually) have been instituted to ensure monitoring of activities and accomplishments. • Upward movement of communication basically established and implemented; feedback mechanisms and downward movement of communication need attention.
Sustainability	Moderately likely	<ul style="list-style-type: none"> • Proactive participation in policy formulation by senior technical officers of national government agencies. • Different sectors within LGUs are involved and are providing recommended innovations in land use plans, programs and budgets. • LGUs are keenly interested in local conservation areas and some are gearing up local public investments in these areas for ecotourism.

Measure	MTR Rating	Achievement Description
		<ul style="list-style-type: none"> Adoption of BD-agriculture practices on the ground may encounter significant challenges within the remaining 2 year timeframe.

Uncertainties in some of project outcome indicators and a late start prevented the project to achieve satisfactory status in some outcomes at this time. The MTR team saw the various ways how the project team adapted to the situation and minimize the losses due to the late start. In some aspects, the project even gained additional LGU participants as in the case of preparing the BD-friendly CLUP and CDP. Given the above ratings under Outcome Analysis, Project Implementation and Adaptive Management, and Sustainability, and the mitigating circumstances surrounding the progress, the Mid-Term Review would like to provide an overall score of Satisfactory.

1.5. Concise Summary of Conclusions

In the context of the project objectives, and given the progress made so far, to what extent would the project be able to demonstrate that *“LGUs with enhanced capacities can plan and implement economic activities that meet BD conservation and sustainable use objectives in critical bio geographic regions”*?

The recently promulgated or ongoing national policies signify to the regional offices of technical agencies and their partner LGUs that it is now time to address BD concerns where there was little to no attention before. The direction of LGU policies and programs for BD-friendly agriculture and business (“wealth creation” engines of the project) are being primarily addressed through the CLUP and CDP process and accentuated by pilot activities in BD friendly business and wildlife protection.

For milestones to be translated into full outcomes, the current progress indicates the need to accelerate the pace of policy formulation as well as to intensify parallel actions on the ground even while policies are still in the final stages of development. The project is helping generate information and knowledge about the state of biodiversity management and non-traditional management options at the local level, causing either worry or excitement. Such information is driving local stakeholders to decisive action, by LGU based professionals using decision support tools as offered by the project. There are many emerging good practices especially in local planning and business promotion aspects that can be used to convey the message that BD is an important criterion in economic decision making as it can be a base for enabling wealth creation.

The project’s ability to communicate and share the results of the project is relatively strong when it comes to information, education and communication (IEC) campaign

products. However, the planned sharing process between LGUs is not yet ready for full implementation as the strategy for knowledge management is still being firmed up. This needs more attention so that the Project would be able to adequately perform its “demonstration” mandate.

Full blown project operations started quite late. If positive progress continues to improve, the project will likely see at least 2 of the 4 objective level indicators somehow achieved at project end. These are about “enhanced natural habitats and sustainable production”. The likelihood of sustainability will also be enhanced by sustaining the interagency coordinating structures as well as the DENR’s role as proactive facilitator in the mainstreaming process.

1.6. Summary of Recommendations

Item	Summary of Recommendations	Entities Responsible
<i>Cross Cutting</i>		
1	Provide major focus on BD-friendly agriculture and BD-friendly business for the remaining project period.	Project Board and PMU, DA and DTI
2	Prepare DENR to sustain the facilitation process for mainstreaming BD in other sectors. Embed in BMB structure and strengthen involvement of key DENR Bureaus.	PMU, BMB and other Units of DENR
3	Strengthen the verification process for Objective level indicators.	PMU, NGO partners involved in the studies; M&E consultant
4	Subject to the approval of GEF, consider adjusting selected physical targets associated with some indicator outcomes. Given the challenges identified in the design and late project start, this will allow the project team and partners to focus more on developing processes, distill, document and reflect on lessons, and use the same to guide the fine-tuning of policies and “how to guides” for LGU action.	BMB PMU & Project Board
<i>Outcome 1</i>		
1	Strategic Environmental Assessment - Accelerate the promulgation of the BD-focused SEA policy as legal basis so other actions can immediately follow.	BMB, DENR Policy Office, PMU

Item	Summary of Recommendations	Entities Responsible
2.1	Agriculture: AFMA and relevant policies – Adopt the DA proposal to develop a JMC instead of amending the AFMA. Enhance the impact of the current JMC draft by elaborating discussion of available incentives and suggest clearer institutional roles. Articulate also available incentives from the DENR.	DA TWG, BMB, PMU and invited resource persons from SUCs
2.2	Agriculture: Certification system- Given the need to attract early practitioners of BD friendly agriculture ,consider a more inclusive approach to include recognition of best practices among others, in addition to certification.	BMB, DA, TWG for BPP, BMB, PMU
3	Wildlife Trade - Proceed with the issuance of memorandum circular that will guide LGUs in the preparation of local wildlife ordinance and codification of environment ordinances integrating the concept of BD.	PMU, BMB, and DILG
4	Business - Enhance the impact of the draft JAO to elaborate provisions for incentives, and clearer guidance for local action. Strengthen support to LGU conserved areas as business opportunity with legal support, including the use of Critical Habitat as modality.	PMU and DTI/BOI with core group on BD-friendly business thematic area
5	Knowledge management information systems - Clarify and firm up strategic objectives and where needed, amend LGU-related operational targets under the planned Knowledge Management System.	BMB, PMU
Outcome 2 and Outcome 3		
1.1.	Strategic Environmental Assessment: Tooling LGUs. In collaboration with the NEDA, DA, DENR, DILG and selected LGUs, pilot the SEA framework in 1 to 3 programs in 2015, based on the JAO that will be promulgated.	BMB, PMU, DILG
1.2.	Strategic Environmental Assessment: LGU implementation. Embed implementation in the current CLUP and	BMB, PMU, DILG

Item	Summary of Recommendations	Entities Responsible
	CDP finalization process and demonstrate the process in at least two LGUs.	
2.1	<p>Agriculture: Local Program.</p> <p>Pending promulgation of the Joint Administrative Order, DENR and DA in collaboration with local SUC-based R&D networks provide immediate planning and technical support to at least one pioneering LGU per site.</p>	DA TWG, DA- RFO, LPSC and PMU
2.2	<p>Agriculture: Target Adopters.</p> <p>Assist LGU and partner stakeholders establish baselines of adopters; review lessons learned in extension work and set rationalized and collaborative physical targets.</p>	DA TWG, DA- RFO, LPSC and PMU
2.3	<p>Agriculture: Certification of BD- friendly practitioners.</p> <p>Focus more on piloting the system to demonstrate the process. Start early in three sites.</p>	DA, BMB PMU , DA RFO
2.4.	<p>Agriculture: Plant Genetic Resources (PGR).</p> <p>Provide special attention to the protection of agrobiodiversity in KBAs and LGUs assessed to have high agrobiodiversity.</p>	PMU, BAR, BPI and PAMB
3	<p>Wildlife trade</p> <p>Fortify the process for capacity building for wildlife trade monitoring and management.</p>	PMU, BMB (with WRD), local government units in the project sites
4	<p>Business.</p> <p>Explore the possibility of including a specific category of BD-friendly business in the listing of specific activities in the LGU Local Investment Incentives Code. Fortify the piloting process for supporting the promotion of BD-friendly business.</p>	PMU with the core group on BD-friendly business thematic area

Item	Summary of Recommendations	Entities Responsible
5	<p>Local Area Planning.</p> <p>Consolidate interventions on local planning processes especially the Comprehensive Land Use Planning or CLUP and help at least 3 PLGUs prepare for follow- on support.</p>	<p>PLGU NEDA - RLGUC HLURB regional office PMU, HLURB local staff</p>
6	<p>LGU Knowledge Management.</p> <p>With technical assistance support, develop and adopt appropriate system for documentation and analysis of experience to ensure they are useful for inter LGU sharing and support policy dialogue.</p> <p>Diversify platforms for inter-LGU sharing. In identifying new policy proposals through the inter LGU interaction. Start with attention to fine tuning newly promulgated policies and include local policies as well.</p>	<p>BMB, PMU, DILG – LGA , LPSC</p>

II. INTRODUCTION

2.1. Purpose of the Mid-Term Review (MTR) and Objectives

The purpose of the MTR is to assess progress towards the achievement of project objectives and outcomes as specified in the project document, as well as to assess early signs of project success or failure and identify the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project's strategy, and the risks to sustainability.

There are four key objectives of the Mid Term Review (MTR). These are:

- a. To assess implementation progress and evaluate results and any early indication of impact;
- b. To strengthen the adaptive management and monitoring functions of the project, to provide a basis for decision making on necessary amendments and improvements;
- c. To ensure accountability of resource use; and
- d. To document, provide feedback on, and disseminate lessons learned, so as to enhance organizational and development learning around the project.

The MTR covered the following four aspects: a) project strategy; b) progress towards results; c) project implementation and adaptive management; and d) sustainability.

2.2. Scope and Methodology

The MTR Team is composed of two members: a Lead Consultant/Biodiversity Mainstreaming Evaluation Expert, and a Policy and Institutional Evaluation Expert.

Review Questions. The Evaluation Team was guided by the detailed topical areas prescribed by GEF UNDP Document entitled "GUIDANCE FOR CONDUCTING MID TERM REVIEWS OF UNDP SUPPORTED GEF FINANCED PROJECTS". In addition to the standard GEF questions, the team fielded two additional sets of questions:

- **Supplemental analysis of progress towards results.** These are the substantive questions that assessed the nature of actual progress under each component.
- **Supplemental framework for policy and institutions.** This further analyzed policy and institutional concerns to further support the standard GEF questions.

Instruments. Guided by the GEF UNDP MTR guide questions as well as the questions it has proposed, the Team employed the following research instruments:

- Literature review of project related documents;
- Conduct of focus group discussions and key informant interviews;
- Observation of, and participation in, selected project sponsored progress meetings.

Respondents. The following types of stakeholders were interviewed (please refer to Attachment 6).

- Project Management Team
- DENR (central, regional and sub-regional offices)
- Participating National Government Agencies (NGAs)
- Participating Local Government Units (LGUs)
- Stakeholders at the local level, e.g. leaders of farmers, women, IP groups and business
- UNDP (Philippines and Regional Offices)

Sites Selection. The Team agreed with the BPP Project Team on the following criteria for the selection of sites to visit:

- Cover at least one bio-geographic region in Luzon, Visayas and Mindanao;
- Study sites with early outcomes (and “low hanging fruits”);
- Study the demonstration of different themes and groundbreaking innovations;
- Cover sites at different stages of development for lessons learned.

Based on the analysis made, the following sites were visited:

- Quirino Protected Landscape (QPL) in Luzon (comparatively well advanced)
- Northern Negros Natural Park (NNNP) in the Visayas (comparatively well advanced)
- Central Panay Mountains (CPM), a key biodiversity area in the Visayas (suffered setbacks)
- Lake Mainit, a key biodiversity area in Mindanao (moderately advanced)

Limitations. The MTR team were able to visit only four of the eight sites. The visit arrangements involved the team members covering the two sites together (NNNP and Lake Mainit), and individual team members covering an additional one site each (QPL and CPM). The visits were further supplemented by attending the BPP annual review and planning workshop in September 2014 where MTR members had the chance to interact with the project teams of some of the sites that were not visited. There was also insufficient time to interview third-party observers that were not

directly involved in the project such as those involved other projects that are pursuing the same objectives as BPP.

2.3. Structure of the Report

The substantive aspects of the report follows the prescribed format of GEF. The following aspects of the project were analyzed:

- a) **Project Strategy.** This involves a review of overall project strategies as well as commentary on the project results framework.
- b) **Progress Towards Results.** This section consists of the following: i) critical analysis of the log frame; ii) assessment of contributions of the project to the Global portfolio of GEF under Biodiversity Focal Area 2 using the GEF tracking tool (TT); and iii) progress towards outcome.
 - Progress towards outcome analysis. This involves the provision of ratings on the project's progress towards its objective and each outcome;
 - Remaining barriers to achieving objectives. The key outstanding barriers in implementation are identified;
 - GEF Tracking Tool. This captures information on global contributions made from the start of the project to mid-term period.
- c) **Project Implementation and Adaptive Management.** This analysis reviewed the project implementation and adaptive management of the project, covering the following aspects: Management arrangements
 - Quality of UNDP's support to the project;
 - Quality of IP's execution of the project;
 - Comparison of management arrangements described in the ProDoc and the current arrangements.
 - i. Work planning
 - Delays in project start-up and implementation;
 - Causes and examine if they have been solved;
 - The degree to which work planning processes are results-based;
 - Suggestions on ways to reorient project strategy as needed;
 - The use of the project's results framework/log frame as management tool.
 - ii. Finance and co-finance
 - Assess whether strong financial controls are established;
 - Determine variances between planned and actual expenditures;
 - Determine level of due diligence in the management of funds, including annual audits;
 - Identify changes made to fund allocation as a result of budget revision, and the appropriateness and relevance of such revisions.

- iii. Project-level monitoring and evaluation systems
 - Quality of M&E plan's implementation;
 - Appropriateness of the M&E systems;
 - Use of inclusive, innovative, and participatory monitoring systems;
 - The extent to which follow-up and/or adaptive management, were taken in response to the PIRs;
 - The extent to which the development objectives are integrated into the monitoring systems.
- iv. Stakeholder engagement
 - Partnership with direct and indirect stakeholders;
 - Support of the local and national governments to the objectives of the project;
 - Quality of stakeholders' involvement to the project.
- v. Reporting
 - Quality of project reporting.
- vi. Communications
 - Quality of internal and external communication.

d) Sustainability. This section reviews the sustainability of the project in order to set the stage for the Terminal Evaluation during which sustainability will be rated. It also considers the risks that are likely to affect the continuation of project outcomes. The four aspects of sustainability that were reviewed are: i) financial risks to sustainability, ii) socio economic risks, iii) institutional framework and governance, and iv) environmental risks.

A conclusion and recommendation section is also provided.

III. PROJECT DESCRIPTION AND BACKGROUND CONTEXT

The project document cites that primary government policy and intervention to protect the country's biodiversity resources has been the establishment of a system of protected areas (PAs) through the National Integrated Protected Areas System (NIPAS). However, the system currently excludes other areas of critical connective habitat and other sites which are globally significant for biodiversity conservation. These are the Key Biodiversity Areas (KBAs) and the surrounding production landscapes of PAs and KBAs which are important for connectivity of key biodiversity corridors. The result is a highly fragmented landscape, consisting of unsustainable agricultural and natural resources production systems, and incompatible land uses which further expose the remaining natural habitats to threats.

These are more evident at the level of local government units who are responsible for integrated management of lands under their jurisdiction, including PA/KBA territories, and the production landscape. To arrest fragmentation and ensure that activities in the surrounding landscape conserve species assemblages and maintain ecosystem functions, three major capacity constraints have been identified in the project design. These are i) inadequate policies, systems, tools and capacities by government agencies at the national level to encourage local government units (LGU) implement landscape level biodiversity conservation efforts; ii) weak capacities and lack of tools by LGUs for mainstreaming biodiversity in landscape level and local development planning; and iii) failure to integrate biodiversity concerns into local development planning, leading to unsustainable management of the surrounding landscape.

The Biodiversity Partnerships Project (BPP) directly addresses these barriers through an integrated approach aimed at strengthening the enabling policies at the national level, enhancing the capacities of LGUs, and demonstration in selected pilot sites. These will be achieved through partnerships with key national government agencies, LGUs and national and local conservation non-government organizations (NGOs) to muster their resources and expertise.

The specific objective of BPP project is to demonstrate how LGUs with enhanced capacities, and working together with local and national partners, can plan and manage economic activities and growth in ways that meet landscape-level biodiversity conservation and sustainable use in critical eco-regions. In order to achieve this objective, the project hopes to accomplish three key outcomes:

- **Outcome 1:** National-level systems, policies, tools and capacities are in place to support LGU-level biodiversity conservation efforts;
- **Outcome 2:** LGUs encompassing 1.6 Million hectares in five key bio-geographic regions have the tools and capacities to integrate sustainable management into decentralized government structures;
- **Outcome 3:** Systems, policies, tools and capacities for landscape level biodiversity conservation and sustainable development are applied at eight pilot sites covering 700,000 hectares across five critical bio-geographic regions (Luzon, Palawan, Negros-Panay, Mindoro and Mindanao).

Outcome 1 sets the enabling national policy and programmatic environment, and provides national-level technical support. **Outcome 2** translates this into systems and tools to create capacities at the LGU-level, and **Outcome 3** makes use of these policies, systems and capacities to demonstrate impacts on the ground.

Cutting across the three outcomes, BPP has also approached implementation from the angle of six thematic areas. Project stakeholders especially the national

government agencies and NGOs are most familiar with this way of understanding the project components.

- Thematic Area 1: Mainstreaming biodiversity impact assessment at the national and local levels
- Thematic Area 2: National policy and program for biodiversity-friendly agricultural practices
- Thematic Area 3: Strengthening the enforcement of wildlife trade regulations
- Thematic Area 4: Encouraging biodiversity-friendly business
- Thematic Area 5: Integrating biodiversity conservation in the local land use and development planning
- Thematic Area 6: Development of a biodiversity knowledge management system

The project period is from July 2010 to December 2016. Actual project start was on July 2012. The UNDP serves as the Implementing Agency while the DENR is the Executing Agency.

A Board chaired by DENR and consisting of senior representatives of key participating national agencies and UNDP provides overall direction and coordination. The Biodiversity Management Bureau represents the DENR for the day to day operations. BMB is assisted by a Project Management Unit (PMU) composed of full time contractual personnel. At the site level, Local Project Steering Committees provide coordination and monitoring, and are expected to help facilitate knowledge sharing. In some of the sites, NGO partners have been engaged to provide technical and facilitation support, and contribute important inputs in establishing baseline biophysical information. Operations at the local level are also coordinated and monitored by the biodiversity coordinating office of the respective DENR regional office.

Since the start of the project, several external changes beyond the control of the project have occurred. One of the more prominent of these is the implementation of the Rationalization Plan for government offices. This has affected the volume of work of many national government staff and the amount of time they could consistently provide to the project.

The implementing guidelines for Organic Agriculture (2011) also shortened the implementation of the Participatory Guarantee System (PGS) until 2016. These are affecting one of the assumptions of the project design.

IV. FINDINGS

4.1. Project Strategy

4.1.1. Project Design

The project addresses country priorities under the Medium Term Philippine Development Plan (MTPDP), and more recently under the recently updated Philippine Biodiversity Strategy and Action Plan (PBSAP). The updated PBSAP of 2015 which is the country's commitment to the Aichi Targets of the UN Convention for the Conservation of Biodiversity (CBD) carries a major theme on mainstreaming biodiversity beyond the Protected Area (PAS) into the mainstream production landscapes.

The project's expected outcome (Outcomes 1, 2 and 3) when achieved together, have the real potential to address to reduce the intensity of barriers that prevent the resolution of identified threats and root causes of biodiversity decline in the Philippines. They deal with the provision of enabling policies and systems at the national (Outcome 1) and local (Outcome 2) levels which need to be provided by national government and local governments (LGUs) respectively. The effect of these policies will then be demonstrated on the ground (Outcome 3). The six thematic areas of the project developed at the start of implementation are appropriate points of engagement between national government agencies, LGUs and civil society¹. They make the project interventions more understandable especially for line agencies that are currently sectoral in their approach.

Local governance perspective. Obviously, the way the problems and solutions have been defined and characterized drew from the rich experience of agencies and projects that worked on natural resource management (NRM) issues at the local levels. This would include the range of experience in community based NRM (e.g. NRMP, CBFMP, IEMP, etc.) as well as the experience in LGU-oriented NRM programs such as the USAID/EGOCOV and World Bank/CBRM projects. The range of experience demonstrate that LGUs can potentially have the "staying power" to work on local biodiversity issues. Their budgetary resources are small but these resources are long term in nature. Their planning horizons are generally short (3 to 6 years) thus, long gestating investments such as biodiversity conservation must be marketed with the end in view of providing both short term and long-term economic gains by tapping the business potential of biodiversity.

Agency Partnerships vis-a-vis Citizen Participation. The project is strongly oriented towards building policy-based partnerships among government sectors. For instance, the establishment of a biodiversity-friendly (BD) system in agriculture in

¹ Strategic Environmental Assessment , Agriculture, Wildlife Trade, Business, Local Development Planning and Knowledge Management

and around Protected Areas initially requires a joint administrative order between DA (that has the mandate for agricultural development) and DENR (for Protected Area management). However, the project design tends to be silent on how to optimally build on provisions under the Local Government Code or even under sectoral laws that encourage citizen participation in governance processes to enhance relevance and sustainability. Because of its limited capacity, LGUs will usually benefit from optimum citizen participation including women participation. Notwithstanding this limitation, the Project did try to ensure optimum citizen participation in the various activities through event-based consultative processes.

Adequacy of Policy Analysis. Under Outcome 1, policies that enable BD-friendly agriculture and BD-friendly business among others are identified, and these are helpful. The proposed incorporation of agro-biodiversity in the Agriculture and Fisheries Modernization Act (AFMA) as well as in the National Action Plan for Sustainable Land Management (NAP-SLM) and Action Plans for Climate Change Adaptation are important steps to establish the legal basis for Department of Agriculture's (DA) attention to biodiversity conservation. The design however is curiously silent on some policy constraints that have long been known to dampen responsible investments in forest resources management including production forest landscapes, among others. Production forests are important land uses that have a bearing on the stability of PA zones.

DENR personnel especially at the local levels know these problems very well. These policies deal with overall forest habitat issues and the incentives or disincentives available to forest occupants. Examples of such policies are: a) frequent and unpredictable changes in sectoral policies on community forest use rights under CBFM; b) lingering confusion on a nationwide utilization ban on mangrove forests, including those planted by villagers, as set earlier by law (RA 7161); and c) complex rules on utilization of planted forest trees that are in both forest and private lands have discouraged investments not just by LGUs, but also by responsible upland communities themselves. As an illustration, the provincial government of Negros Occidental cites anecdotes about the difficulty of upland tree farmers (holders of forest land stewardship contracts) to obtain tree cutting permits even on planted trees. In one case it took a year to obtain a permit. The proceedings of the inception report seem silent on this. It is possible that these are not immediate concerns of PAs, or of a project working with LGUs. Nonetheless, these could be real concerns in key biodiversity areas (KBAs) that are not yet proclaimed as PAs.

Phasing of Policy Development. The project's approach to policy development varies across themes. For the local area planning theme, it starts with an agreement on "Framework and Methods" (F&M), and then proceeds with piloting work. The results of the pilot would then trigger the development of manuals.

In the case of BD-friendly agriculture, it may have assumed during project design that the policy issues have been sufficiently crystallized so that policies could be developed and promulgated more speedily in the early phase of the project. In actuality, the policy promulgation for BD-friendly agricultural policy is taking its normal course, and is taking time to be promulgated. This has in turn contributed to the delay in the implementation of targets under Outcomes 2 and 3 when the Project decided to rely solely on this pre condition.

An alternative policy development approach would have been to propose that DENR and DA work together with the LGU to pilot the BD-friendly agriculture concept based on an interim set of agreed protocols, and on the basis of joint learning from the field, develop the policy simultaneously. Research and Development institutions that have been working on upland agriculture concerns could have been tapped to contribute to the discourse and help develop the interim protocols based on available (and often obvious) knowledge on BD-friendly agriculture. In this way, physical targets can be planned and implemented without being “hostage” to the formal policy development process.

4.1.2. Project Results Framework

The project design is appropriate to the needs of environmental local governance because it fully taps the role of LGUs not just as participant in governance (as many projects tend to do) but as the principal local leader using its own powers for planning, coordinating, police powers and financial resource mobilization. The project also enables LGUs to look at biodiversity conservation not solely as a cost center, but as investment with reasonable returns. There are however certain gaps that may constrain the full attainment of the project objective during the designated time frame. These gaps primarily deal with scope and scale of targets and the sheer number of expected impact level indicators.

Scope and Scale of Target Indicators. There are some targets that are desirable but may be too ambitious at this time, given that paradigm shift takes time before physical changes can happen on the ground. This has been complicated also by the fact that the project started more than 15 months late. Examples of these seemingly ambitious targets under the project design include:

- *DENR and DA are routinely conducting BD impact assessment of sectoral policies and plans by year 4 (Outcome 1), and 20% of LGUs apply Strategic Environmental Assessment (SEA) in their development planning (Outcome 3).* It seems too much to aim for these targets given that the concept has limited precedent at baseline. The current environmental impact assessment system that considers biodiversity deals with projects, and not with policies. The benefits of a new concept such as SEA also need to be proven yet on a pilot scale before it can be adopted and routinely conducted. The project period is sufficient for

piloting and dissemination in two agencies but probably not sufficient for it to be routinely conducted by two agencies at the end of the project.

- *New national policy proposals formulated based on lessons (Outcome 2)*. This assumes that sufficient time can be devoted to the project by the staff given its multifarious tasks. These tasks deal with the formulation of a second round of policy proposals before the project ends. The project period is barely sufficient to prepare and enforce the first cycle of policy formulation processes, and for national agencies and local governments to observe and reflect on the effects of the first round of policies. There will be very limited time left for formulating a second round of policy proposals within the short project period. What may be realistic is for the identification (rather than formulation) of a second round of policy proposals and their potential scope.
- *2000 farmers and producers meeting certification standards (Outcome 3)*. This is too high a target given the huge organizational requirements needed per experience under national system for organic agriculture certification. The current rules and regulations took years to be agreed upon by stakeholders. When the system was promulgated, it also took some time for producers to establish their own internal control systems. Most of those who have received certification are lowland based and with sufficient capital to address certification requirements. The support services being provided by the government is still on its formative stage, while attempts to provide subsidies for poor but deserving farmers (like most of those in project sites) is currently stalled due to administrative bottlenecks. Currently, the number of officially certified farmers and entities is less than a thousand. Additionally, the Philippine Organic Agriculture Policy of 2010 (after the BPP project proposal was prepared) has set 2016 as the deadline for the implementation of the Participatory Guarantee System (PGS) which means that only third-party system would be recognized by then. All of these mean that it will take time to develop the appropriate system and thus, to pilot with a much fewer number of farmers maybe more realistic.

Number of Impact Level Indicators. There are four sets of indicators for the attainment of objectives to wit:

- Population of at least three critically endangered species in three demonstration sites;
- Extent of habitat fragmentation (HF) in unprotected PAs/KBAS (8 sites);
- Extent of remaining natural habitat within PAs in five biogeographic region;
- Number of hectares in production landscapes under sustainable management.

The sheer number of indicators to ask given that “mainstreaming BD in agricultural landscapes” (per project title) is a new frontier of work involving trial and error, and

that actual activities on the ground are not expected to happen until the project midpoint (assuming it started on time) since these in turn depend on policy promulgation stage.

Realistically, only one or two sets of success indicators may be evident at the end of the short project life (i.e. “number of hectares in production landscape under sustainable management,” and “extent of remaining habitat within PAs”). These are also seemingly sufficient indicators for a project that is really concerned more with improving local governance to support biodiversity rather than being a conventional, technically oriented project run by a technical line agency.

The other two indicators can be likely seen if there is sustained work (say, for 5 more years) after the end of the project. These are the indicators on population estimates, and extent of habitat fragmentation.

Outcomes 2 and 3 are dependent on actions of LGUs. With many of them coming from traditional political backgrounds, LGU leaders are expected to undergo paradigm shift, improve human resources capacity, and subsequently administer multiple changes in policies and programs over a short period of time. Also, DENR does not have control over LGUs nor do line agencies know much about the dynamics of LGU operations. This makes the process prone to delays, and other substantive “imperfections,” thus limiting the level and depth of outcomes achievable by end of the project.

Appropriateness of Outcome 3 Indicator. Under Outcome 3, an indicator for achievement of reforms in wildlife trade regulation calls for “no net reduction in population of key species in selected sites (hornbill, Philippine eagle, etc.)” This is an indicator of achievement of objectives, rather than outcome. It is also redundant to the earlier target indicators of objective level achievement (i.e. no decline in populations).

Objective Level Risks and Assumptions. DENR policies not within the realm of protected areas (e.g. concerned with the working sector on production forests) may also affect the attitudes of stakeholders on the ground. Such policies are described in the earlier section (e.g. restrictions on utilization of planted trees). Ideally the column on assumption for achievements of objective level indicators should cite that the degree of response of stakeholders to policy changes envisioned in the project may also be conditioned by the degree of resolution of other policy based disincentives not within the concerns of the Protected Area sector.

4.2. Progress Towards Results

The following is a discussion of progress towards results starting with an Outcome Analysis (item 4.2.1.). The remaining barriers to achieving the project objectives are discussed as part of the outcome analysis but are summarized in item 4.2.2

4.2.1 Outcome Analysis (Including a Discussion of Remaining Barriers)

Outcome 1: National-level systems, policies, tools and capacities are in place to support LGU-level biodiversity conservation efforts.

Outcome 1 deals with mainstreaming biodiversity in national policies particularly in the arenas of Strategic Environmental Assessment (SEA) of agriculture, wildlife trade and business. It also establishes an information system that would allow the optimal management of information for policy and program formulation.

The project followed a step wise process in policy development. The first step is to forge a multi sectoral and science-based framework that established the ideological and scientific basis for desired policies. An example is the document forged by DENR, DTI and other agencies that established the vision, criteria and examples of BD-friendly business. The second is to develop the national policy instrument. Subsequently, a manual of procedures (MOP) was prepared to guide both national and local agencies. The following is a discussion of the various policy initiatives presented.

a) Agencies with policies and associated capacity to conduct BD impact assessment of sectoral policies and plans.

The mainstreaming of biodiversity impact assessment at the level of policies and plans is rather innovative in the Philippine policy-making process if policies are effectively put in place and implemented. It is expected that the policy actions of government agencies both at the national (DA and DENR) and local (LGUs) levels can be screened properly in terms of its impacts on biodiversity.

- **Department Administrative Order (DAO) Prescribing Biodiversity-Inclusive Strategic Environmental Assessment for Assessing the Impacts of Policies, Plans, and Programs.** Except in so far as the application of the programmatic Environmental Impact Assessment, the concept of BD-focused Strategic Environmental Assessment (SEA) is relatively new to the Philippines especially as it applies to the formulation of policies, plans, and programs. The existing Environmental Impact Assessment (EIA) system only covers the assessment of projects or specific units of investments. The drafting of the DAO, the substance of which has been accepted in principle by the various stakeholders, is a milestone in itself considering the novelty of the concept in Philippine policy-

making process. There is a lingering challenge however as to the formal adoption of the DAO, as the document is still pending for approval. As a target for year 4 of BPP implementation, the two national government agencies (DA and DENR) should have already been routinely conducting biodiversity impact assessments of sectoral policies and plans. This appears to be unrealistic given that the legal mandate for doing so has yet to be put in place.

The concept of SEA itself (i.e. not necessarily with a biodiversity orientation) was pilot tested using the National Tourism Development Plan as a case study under DAO 1997-16. While the SEA for Tourism is not meant for biodiversity, it nonetheless provides the initial insights for the possible applicability of SEA in the context of Philippine public policy processes. The BD-inclusive SEA on the other hand, which covers a more limited scope than the “generic” SEA has yet to be pilot-tested. This poses another challenge in terms of the target to have both DENR and DA routinely applying the BD-SEA in their respective plans and policies.

- **Simplified Manual of Procedures on Biodiversity-Inclusive Strategic Environmental Assessment for Philippines’ National Government Agencies.** Consistent with the proposed DAO, this manual has already been prepared. The manual emphasizes the procedural principles instead of a structured step-by-step process in the conduct of the BD-SEA. The mainstreaming of BD-SEA should have identified at which stage of the public policy process this should be integrated. The typical public policy process starts with problem identification followed by policy formulation and adoption before it is implemented, monitored and evaluated. It is crucial too that as early as in setting of agenda for the policy, there are already tools and methods by which the SEA framework is integrated in the process. This will prevent waste of effort in the preparation of a policy that would later on be rejected because of its adverse impacts on biodiversity. Thus, the need to have methods and tools integrated even at the early stages of policy process.

b) Programs and Policies to support BD-friendly agricultural production in critical landscapes.

The widespread conversion of portions of protected areas and key biodiversity areas into agriculture is a major challenge in the sustainability of biodiversity. Current agricultural policies and programs are oriented to lowland conditions. Upland agricultural programs are generally of low priority both by national and local governments. The project is assisting both DA and DENR develop the framework and initial policy instruments to address this.

- **Updated Plan for the Agriculture Fisheries and Modernization Act to include biodiversity.**

DA – DENR Joint Administrative Order (JAO). DA has proposed that instead of updating the AFMA plan, a Joint Administrative Order be promulgated instead. The request was reflected in a DA letter to the DENR in 2014. The Project has agreed to this during the Inter Agency Technical Working Group meeting of April 2014. The Evaluation Team agrees to the decision, and there will be no formal updating of AFMA until 2017 as validated by the DA Planning Office. If the project will push for the AFMA amendments before 2017, major resources will be needed. More importantly, the JAO, once promulgated will be a more focused and immediately doable legal instrument. The draft JAO is the product of DA-led multi-stakeholder consultations which identified trends and good practices in BPP sites. It is also an achievement of several bureaus thinking together and consulting with DENR-BMB. It articulates the key foundation and principles for BD-friendly agriculture, and cites notable examples of good practices found in the sites that can translate those principles into practice. Such good practices as well as advocacies articulated in the draft JAO include the evolving work on both above ground and below ground biodiversity. A good number of practices espoused by the draft JAO are not dramatically new. Many have been espoused in the past by DA itself through its various commodity programs. Nonetheless, they represent the “best as of the moment” recommendations the agency can commit to support.

This instrument when finally completed will be a significant milestone in the parallel histories of agricultural programs and programs for Protected Areas. Until the advent of BPP, the needs of upland agriculture that affect biodiversity has been practically left entirely to the DENR Social Forestry and Community Based Forest Management (CBFM) Programs since these were located in public lands. At the same time, environmental advocates working in the uplands also had earlier mixed feelings about bringing DA’s standard programs to the uplands because of the perceived inappropriateness of technologies being promoted to fragile upland ecosystems.

Viewed from the practical perspective of the project time frame, the draft JAO is somehow delayed. But viewed from a bigger perspective beyond the project time frame, it is happening at a perfect time. At this juncture, the mainstream agricultural programs are rapidly evolving to incorporate concepts and practices that support the principles of sustainable agriculture.

There are formative programs within DA that now incorporate such concepts. Examples are the programs for organic agriculture, upland and heirloom rice, and R&D programs for indigenous crops enterprises. The major program for climate change in agriculture supports practices on watershed/micro watershed

planning and soil and water conservation, and values agro-biodiversity as one of the first line of defense against climate change. The DA is also recently embarking on an Indigenous Peoples (IP) agenda to support food systems. These innovations when adapted to the uplands will be helpful and they are being reflected in the draft JAO.

With further fine-tuning, the JAO can potentially leverage abundant DA resources (more abundant than the DENR) to support the needs of BD-friendly agriculture in project sites as well as in other sites which represent KBAs and PAs. The technical and financial resources of DA regional offices, as well as the associated regional research networks can be mobilized. It also provides the signal to LGUs as well as to Municipal Agricultural Offices (MAOs) to provide support to upland agriculture needs- a task that they normally took for granted as solely DENR responsibility in the past.

In order to enhance the benefits that can be derived from the JAO, additional inputs may be considered to address some concerns. The most important is the incorporation of incentive systems (it is noted that there is a section on this that has been planned in the draft JAO). One immediately doable input would be to assemble existing incentives systems for small scale rainfed agriculture, and reiterate them as part of the policy instrument. Examples include crop insurance for growing traditional varieties, subsidies for availing organic agriculture certification; customized categories for “*gawad saka*” (outstanding farmer awards) and support for micro projects of young farmers (4 H Clubs) among others.

Another key addition to the draft would be to further articulate the delineation of institutional responsibilities for local agricultural planning, implementation and monitoring. An important aspect is to mandate DA Regional Field Units, as well as Provincial and Municipal Agriculture and Fishery Councils (PAFCs and MAFCs) to adapt existing DA programs to the extent possible, to local upland agriculture situations. An example of a very important service is agribusiness marketing support for small farmers. The JAO may also wish to enjoin the local network of agriculture research and education institutions that receive support from DA to provide the much needed on site research, extension and monitoring assistance.

The current draft appears silent on good practices that can match large agribusiness proposals. This may be crucial because in some sites there are in fact several agribusiness proposals (an example is the list of agribusiness applications in NEKBA cited by the DTI – BOI as part of their contributions under the project). These ventures promise employment and productivity, but may also mean increased use of agricultural chemicals that can affect the ecosystems

services of PAs. Perhaps, the draft may make reference to existing standards set under existing laws for Water, Air, Agriculture and EIA systems.

The draft also appears silent on the widespread use of Genetically Modified Organisms (GMO) and accompanying herbicides in plants, which some concerned LGU planners associate with high soil erosion and replacement of indigenous crop species. The national government currently prefers to have an inclusive policy on varieties to promote while at the same time, it wishes to promote organic agriculture which among others, discourage the use of GMOs. The draft policy may thus wish to reconcile both policies, at least for those located in PAs and KBAs, by helping LGUs widen their options on potential alternatives for farmers that may be equally labor saving but more suitable to the fragile uplands conditions in and around protected areas.

- **National Action Plan for Sustainable Land Management (NAP-SLM).** The DA Bureau of Soil and Water Management (BSWM) is currently incorporating agro-biodiversity concerns in NAP-SLM which is part of the Philippine's commitment to the UN Convention to Combat Desertification (UNCCD). The NAP-SLM provides guidance to plans and investments in arresting soil erosion and agricultural degradation which is happening in many PAs and KBAs. With project support the NAP-SLM process has incorporated agro-biodiversity in key strategies to address land degradation and vulnerability to climate change.
- **Certification process.** The Bureau of Agriculture and Fisheries Standards (BAFS) is leading DA's efforts to study the options for certification for BD-friendly agriculture. The basic principles and evolving good practices at the site level have been identified as part of the ongoing multi sectoral consultation processes conducted by the DA. These observations serve as foundation in an ongoing study for developing the standards and criteria. It acknowledges the reality that organizing farm communities to avail of existing Organic Agriculture certification system may be a challenge in most upland areas where farmers have lesser access to financial and technical resources than their counterparts in the lowlands. BAFS is currently developing a potentially more doable system and is studying how the principles espoused by alternative systems like the GAP (Good Agricultural Practices) system being promoted by FAO and ASEAN or the Participatory Guarantee Systems (PGS) can be built upon in developing the system. This is a step in the right direction.

It may be possible to expand the study to also include options that sets some minimum standards, and at the same time provides measures to encourage and recognize a range of improved good practices that incrementally meet these standards. This is because the concept of BD-friendly agriculture is still new in the context of remote upland areas within and around PAS (with the possible exception among IPs who have retained their old practices). For small farmers, it

normally requires high labor, and in many areas will have to contend with competing market driven opportunities such as the planting of cash crops like GMO corn in steep slopes using labor saving herbicides.

- **Policy and program to promote indigenous crops.** The BPP has agreed to collaborate with another UNDP special project on plant genetic resources for food and agriculture (PGRFA). Under this set up, the latter provides financial and TA resources to help achieve the relevant targets. After a years' delay, the basic inventories in four sites have been conducted, and at least 50 and 30 traditional/heirloom varieties of rice and root crops have been identified respectively based on farmer level consultations conducted by an NGO partner, the UPLB Foundation, (based at the University of the Philippines at Los Baños) together with the BAR, and local DA and DENR partners. The studies also took note of farmer practices embedded in cultural heritage as well as constraints and opportunities that exist in the agro-ecosystems that support these varieties. Identified varieties are being cross referenced with existing ex situ collections.

Piloting of in-situ conservation practices has been started in collaboration with pilot communities and LGUs. The initial analysis indicates the potentially helpful role of these traditional varieties in BD-friendly agriculture framework. It not only serves as genetic pool for breeding more climate resilient crop varieties but it also represents an agricultural niche that has a market (e.g. heirloom rice) that can benefit remote upland farmers especially IPs. It would be useful to highlight this potential value in the draft JAO. Land use guidelines on Protected Areas may also consider the presence of landscapes within PAs that harbor agro-biodiversity resources that also need protection and thus need to be included in planning protocols.

- c) **Systems and procedures for implementation of new regulations of trade in wild plant and animal resources.** Wildlife trade regulations are implemented mainly by national government agencies in collaboration with local government units. LGUs, pursuant to the principle of autonomy enunciated under the Local Government Code of 1991 can enact local ordinances on wildlife trade that are enforceable within its territorial jurisdiction. The Wildlife Act does not vest on LGUs specific law enforcement/domestic wildlife trade regulations, but it mandates LGUs to coordinate the designation of critical habitats and initiate conservation measures for endemic species in their areas.² It's Implementing Rules and Regulations (IRR) requires among others securing prior clearance from LGUs for collection of, and scientific researches on wildlife. The thematic area on wildlife aims to address both policy and capacity gaps in wildlife trade regulations and policy enforcements.

² Atty. Durban, n.d. Role of Local Government Units in the Implementation of Wildlife Act (PowerPoint presentation)

- **DA-DENR-DILG Joint Administrative Order (JAO) on the “Guidelines for the Harmonized Implementation of the Regulations on Domestic Trade of Wildlife under the Jurisdiction of the DENR.”** The draft JAO has been reviewed by DENR-BMB’s Technical Review Committee and endorsed to the DENR’s Policy Review Committee. As it aims to harmonize agency procedures, the draft JAO sets out the specific roles and responsibilities of the three national government agencies on the regulation of domestic wildlife trade. By clarifying the roles that each of these agencies has to play in the enforcement of wildlife trade regulations, the draft JAO has made the initial crucial step in harmonizing the procedures of these agencies towards a more coordinated effort in regulating domestic wildlife trade.

The draft JAO however needs to clarify the specific roles of local governments. Notwithstanding the provision on the roles of DILG, DA and DENR on providing assistance to LGUs, the JAO would be more supportive of the LGUs if their roles have been set out clearly in the draft. Likewise, the draft JAO aims to provide guidelines for enhanced inter-agency coordination and monitoring. However, specific provisions to give details as to the mechanisms for inter-agency coordination and monitoring are lacking. Although specific roles have been defined for the three agencies, the areas for common responsibilities, as well as the areas for coordination must also be clearly delineated in the draft JAO.

- **Memorandum of Agreement (MOA) Between and Among Relevant National Government Agencies.** To strengthen inter-agency information and education support systems particularly on information sharing, monitoring and promoting the use of the Environmental Law Enforcement Systems (ELE) Database System, the draft MOA was prepared and is now under consideration/review by concerned agencies³. The ELE system is patterned after the US Fish and Wildlife Service system which provides for a common data collection and reporting system at the national levels. The approval and eventual signing of the MOA would be a critical step in the harmonization of the systems and procedures for implementation of wildlife trade regulations in the country. At the time the midterm evaluation report was being prepared, the draft MOA is still under review by the parties and is undergoing finalization pursuant the comments and inputs of these agencies. The sheer number of the agencies that are parties to the MOA poses a challenge on the fast approval and signing of the instrument. Less than half of the number of the agencies that are parties to the instrument have already provided feedback and comments, while the rest of the agencies have yet to send their feedback/comment.
- **DILG Memorandum Circular (MC).** To revive wildlife law enforcement collaboration at the local level, it is recommended that LGUs be reminded of the

³ DENR, DILG, DA-BAI, DTI-Bureau of Domestic Trade, LTFRB, LTO, MARINA, CAAP, CAB, PCG, Philippine Shippers’ Bureau, Philippine Ports Authority, PNR.

previous issuances of the Department of Interior and Local Government (DILG) on illegal wildlife trade. A draft MC has been prepared to reiterate the existing DILG Memorandum Circular No. 2004-44 on prohibited acts relative to the conservation and protection of plant and animal species and their habitats. This has been discussed with DILG, with the latter finalizing and preparing the final issuance for the said MC.

- Other milestones for the establishment of a system for surveillance, monitoring, and mapping include the preparation of a proposal to establish a Wildlife Information, Education, Monitoring, and Reporting System which provides support to partner agencies involved in wildlife law enforcement in the areas of information, education, monitoring, and reporting including mapping of sources of illegally harvested, transported and traded wild plants and animals. The data include pending wildlife cases before the courts in National Capital Region, Region VI, and Region XI. Information are also being collected and gathered in the regions that are considered to be hotspots in illegal wildlife trade. In addition, the species distribution of birds, reptiles, mammals, amphibians, newly discovered species, and illegally trade species is now in the finalization stage. Likewise, through BPP, pending wildlife cases were reviewed with corresponding legal advice and assistance extended to facilitate the resolution of these cases.

d) Policies to encourage investments in Biodiversity- friendly business. Wealth creation activities are an important component of conservation activities that more often than not, affect the livelihood of the communities that are located in, or around the conservation areas. The thematic area on BD-friendly business aims to establish both at the national and local levels policies that encourage local government units to have regulatory structures and incentive systems that provide a conducive environment for businesses that are BD-friendly.

- **Framework for Biodiversity-Friendly Business/Enterprise.** The framework integrates a business perspective into the conservation of biodiversity within the protected areas and key biodiversity areas. This framework incorporates the definition and criteria for BD-friendly businesses/enterprises that provide guidance in the identification, planning, and implementation of these businesses at the site level. The criteria for identifying and/or evaluating BD-friendly businesses/enterprises include the ecological, economic, and equity criteria with legal and institutional criteria cross-cutting the first three criteria. The Framework also provides for approaches to implement a market-driven strategy for BD-friendly businesses/enterprises.
- **Joint Administrative Order (JAO) of DENR, DOT, and DTI Adopting the Framework for Biodiversity-friendly Business/Enterprises.** The draft JAO has already been reviewed by DENR-BMB Technical Review Committee and is now with the DTI and DOT for a parallel review. The draft JAO however needs

deeper review in terms of the provisions that relate to the implementation of a market-driven strategy for BD-friendly businesses/enterprises. The provisions are lifted from the Framework report in verbatim. Although there is no problem from copying in verbatim what was written in the Framework report, there is a need to mention those market-driven strategies to be more adapted to Philippine context. To further improve the draft DAO, it will be of value if experiences on the ground, in this case the experiences in project sites, are cited in the promotion of BD-friendly businesses/enterprises.

Likewise, both the Framework and the DAO appear to be lacking in terms of guidance on planning and implementation of BD-friendly businesses at the site level or even at the local government level. This would be of value when BPP replication by other LGUs would start. The linkage between and among the identification of BD-friendly businesses/enterprises, its evaluation, promotion, and actual establishment must be delineated in the guidance that will be downloaded to the project sites.

The overall end-of project target under the thematic area of BD-friendly businesses/enterprises is that policies to encourage investments in these activities must be in place. Aside however from the draft DAO and other accomplishments which are discussed in the succeeding paragraphs of this section, there is a seeming want of attention given to incentives as a strategy to encourage investments in BD-friendly businesses/enterprises. The draft DAO for instance, and even the framework, is relatively silent on specific (including existing) incentive structures and mechanisms that would encourage investments in BD-friendly businesses/enterprises. Both the documents appear to stop in the identification and evaluation of which businesses and enterprises are BD-friendly and are worthy of promotion and incentives. After the identification of the BD-friendly activities, the draft DAO and the Framework must be able to provide mechanisms to jumpstart the investment in those areas identified as BD-friendly and, in the long run, sustain the same. The promotion of investments in BD-friendly activities requires not just the proper identification of which activities are worthy of promotion but more importantly, incentives and financing mechanisms that would actually attract and sustain investments in those activities.

- **DTI-DILG Joint Memorandum Circular (JMC) 2011-01 on the Formulation of the Local Investments and Incentives Code (LIIC).** In order to translate the framework into a more useful input to the formulation of policies and incentives at the local government level, JMC 2011-01 was issued. This JMC incorporates the concept of BD-friendly businesses /enterprises that guides LGUs in the formulation of their respective LIICs. In particular, LGUs are guided through the criteria of the three E's of sustainable development (*Ecology, Economy, and Equity*) in the identification and specification of BD-friendly businesses /enterprises as one of the investment priority areas of the LGUs.

d) National biodiversity information system. The Partners Knowledge Management Information System (PKMIS) is basically in place and DENR-BMB regional project staff, and area based NGO partners have started using it. The architecture was designed based on a review of existing information systems within DENR, including the existing Clearing House Mechanisms (CHM). The BMB views it an important investment to enhance the information base for national level strategic and operational planning. The planned LGUs participation in the system has not been mobilized yet as the project thought it wise to first concentrate on building the ownership by, and confidence of, the immediate NGO technical partners. The latter would in turn help LGUs understand and use the system.

The project is also in the process of working out a DILG and LGU based system to monitor information on biodiversity changes and be able to use them for planning purposes on a sustained basis. Current LGUs systems are being reviewed and potential entry points are identified.

A key concern here would be the capacity of LGUs to fully participate in the process (i.e. intensive data sharing and information flow) given the limited manpower and given the experience of CHM whereby even NGOS have a hard time maintaining their participation. There may be a need to revisit original plans to establish and determine what can realistically be expected, and on this basis, determine where resources should focus.

Cross Cutting Findings under Outcome 1

Drivers of policy innovations. The project provided the opportunity for partner national agencies to have a “close encounter” with the concept of biodiversity and be able to relate an otherwise marginal topic (in their respective spheres of interest) into their core mandates and programs. In the case of agriculture, BPP came in the midst of a recently launched aggressive organic agriculture program personally led by the DA Secretary.

Processes and instruments of policy innovations. The project encouraged national stakeholders to start with an understanding of the ground situation as well as emerging good practices. On this basis, stakeholders would then agree on a philosophical framework to guide the policy agenda that would be pursued. Inter-agency and interdisciplinary working groups were formed, and regional consultations and field visits held. The working groups were useful not only as inter-agency mechanisms but also as intra-agency mechanisms. It brought together bureaus in one agency to discuss a common topic. Specific policies were then identified and worked on. The policy instruments that have been prepared or under preparation include the Joint Statements of Strategic Frameworks (usually emanating from

workshops and representing technical consensus), and Joint Administrative Orders between DENR and a partner agency, and agency- specific circulars.

Project work plans tended to anticipate that the policy promulgations would be completed in the first year or first two years of actual project operations. The policy dialogue has in fact extended to this date which in reality is just following the natural pace of policy formulation.

Content of policy innovations. The discussion on biodiversity was initially perceived to challenge long held program priorities already set by agencies. In the case of agriculture, the concept of BD-friendly agriculture was initially perceived to run counter to mainstream food production programs which relied on features generally perceived to be a challenge to biodiversity conservation such as agricultural area expansion, the use of GMOs, and the use of agricultural chemicals. Covering the de facto agricultural needs in protected areas was also not initially perceived to be within DA's technical jurisdiction and mandates. This policy dialogue was a learning experience for both DA and DENR, to understand each agency's perspective, and find a common ground.

The analysis of the pre final drafts of policy measures indicated that most policy instruments were fairly strong in laying out the underlying principles of the policy innovations, and were backed by a reasonable amount of understanding of the community level situation as well as knowledge of emerging good practices in the sector concerned.

In the case of agriculture and business however, the draft instruments are not yet very clear about the framework for incentives for stakeholders and financing as well as guidance on step wise processes for LGUS to translate the policy innovations into enabling mechanisms on the ground.

Also, in the three areas of agriculture, wildlife trade and business, the emerging draft guidelines were not very clear about the exact steps that LGUs would do to implement the policy. . Representatives of agencies who were interviewed are conscious of these and have indicated openness to continue the dialogue to address these. The policies that are being catalyzed under the BPP can be viewed as significant introductory policies that can begin to systematically mainstream BD in other sectors where BD is not yet an important priority. Once in place, they can provide strong signals to the respective staff bureaus and regional offices of line agencies to begin to adapt agency programs to the unique needs of BD conservation. This also makes available agency resources at the local levels.

Outcome 2: LGUs Encompassing at Least 1.6 Million Hectares in Five Biogeographic Regions have the Tools and Capacities to Integrate Sustainable Management into Decentralized Government Structures.

Outcome 2 involves assistance to LGUs to translate national policies into local policies and programs. The enabling measures are procedural guidelines, training interventions and inter- LGU sharing. The specific local level outputs are generally aligned with, and presented in conjunction with the national policy themes covered by Outcome 1. The following discussion follows the presentation of objectively verifiable indicators under the log frame.

a) LGUs with tools and capacities for mainstreaming BD in local development policy making, planning and budgeting and M&E systems

Decision support tools that have been made available for LGUs in target regions include the i) analytical framework for determining the BD-friendliness of land use options, ii) analyzing agricultural land use options, and c) characterizing BD-friendly business. These tools were delivered through a range of structured and semi structured learning modalities for field staff of technical agencies and LGUs.⁴

The project assisted LGUs mainstream BD in updating of local development plans as follows:

- **Comprehensive Land Use Plans (CLUP).** The Housing Land Use and Regulatory Board (HLURB) adopted the overall framework for embedding Biodiversity in land use planning in July 2013 which was based on a consultative process with stakeholders. Based on this, a detailed methodology was prepared and actually directly tested in at least 20 LGUs, Based on this experience a manual of procedures is being prepared.
- **Comprehensive Development Plans (CDP).** At least 11 LGUs are being assisted to prepare their CDPs which is a programming instruments covering a 5-year period. Interim planning guides were developed for DILG. This will be translated into Manual of Operations based on results of the pilots. This process demonstrates how an LGU can begin to translate progressive land use decisions under the CLUP process into equally progressive LGU programs of work. In Quirino, BPP also demonstrated the process of further translating the CLUP and CDP into barangay development plans (BDP). The provincial government added resources so that 6 more municipalities could be covered.

HLURB planning specialists were trained, and subsequent training sessions were conducted for clusters of LGUs under each project site. The training process involves between 6 to 7 sessions per LGU, conducted by the BPP team in

⁴ The discussion on delivery methods are discussed under the respective sectors.

collaboration with HLURB regional planning staff of HLURB. More individualized assistance were provided for LGUs who further submitted Letters of Intent (LOIs) for customized support. As of June 2014, at least 22 LGUs are in varying stages of preparing their land use plans. The original plan was to cover only 8 LGUs. In each site, there are 1 to 2 LGUs who stand out as good performers and are potential sharers to other LGUs.

Local officials and technical staff interviewed were highly appreciative of what they learned and gained from the process. They noted that the topics were clearly articulated by BPP resources persons. The process also enabled them to bring in all key sectors from the LGU including the Sanggunian Bayan (local legislature) in contrast to previous planning exercises which was usually left to the Municipal Planning and Development Office (MPDO).

- **BD-Friendly Ancestral Domain Support Services Plan (ADSSP).** The BPP also assisted the National Commission on Indigenous Peoples (NCIP) prepare recommendations to systematically incorporate BD concerns in ADSSP planning processes. NCIP has informally adopted the proposed process and looks forward to its formalization and full implementation. It also recommends that BPP pilot the process of integrating the BD-friendly ADSSP into BD- friendly CLUP.

NCIP however requests that it be involved in developing the programs for BD-friendly agriculture and BD-friendly business. Models may need to be customized for IPs in the sites. At the same time, the issue of swidden agriculture which happens in most upland areas, need to be more deeply understood by stakeholders, so that more appropriate responses instead of “shot gun bans” (which affect food systems of IPs), can be proposed.

b) LGUS with toolkits and implementation capacity for SEA application as well as landscape level natural resources management, across multiple and individual LGUs

Considering that the BD-inclusive SEA will also apply to local government level policies, plans, and programs, a simplified manual of procedures (MOP) for LGUs must also be in place. At present, this is still being prepared and finalized. Consequently, the targeted DILG Order has yet to be prepared. The MOP must be as simple as the layman could understand even if the actual review or assessment will be done by SEA technical experts. This would provide a semblance of accountability and transparency in the process considering that the LGUs are accorded with autonomy. Once the MOP is prepared, the DILG Memorandum Circular on the matter must immediately follow.

The challenge lies in imposing the use of BD-inclusive SEA on local policies and plans while ensuring the autonomy of local government units. National government's

authority over LGU decisions is limited to mere general supervision. The BD-inclusive SEA for LGUs must be able to ensure that even in the absence of control power over local government units, the national government is able to ensure compliance. Instead of providing penalties for non-compliance, it is better that incentives be extended to LGUs to encourage them to implement the BD-inclusive SEA. These incentives could be embedded the recent programs of DILG such as the recognition of good practices and the awarding of Seals of Good Local Governance.

- **Trans-boundary planning and manual preparation**

A trans-boundary planning manual has been developed and is being applied in three sites. These include NECKBA (Cagayan, 6 LGUs), Lake Mainit (Agusan and Surigao del Norte, 8 LGUs) and Central Panay Mountains (Iloilo, 2 LGUs), LGUs. Overall 16 LGUs trained constitute at least 30 percent of targeted LGUs under the BPP. The manual describes a step wise process to assess common resources, and analyze common issues and opportunities using ecosystems analysis tools. The range of spatial analysis tools are analogous to LGU level land use planning. Provincial governments help DENR regional office provide active leadership in the discussions because several municipalities are involved. Obviously, the process is only the start of a long term process and LGU interest needs to be sustained.

c) Local government development expenditures for identifiably BD-friendly programs and investments

At least 11 LGUs have begun to prepare their CDPs which translated the spatial decisions under the CLUP process into thematic workplans and budgets. An analysis was done on the 3 to 6 year environmental budgets prepared by 3 LGUs from 3 different regions (Tubod, Surigao del Norte (LMPA), Taytay in Palawan (MSPLS) and Bugey in Cagay (NECKBA). These budgets included planned investments in terrestrial (watersheds and forests), aquatic (lake conservation) and urban ecosystems (solid waste).

The budgetary projection ranged from Php0.350million, Php1million, and Php5million respectively. The budgetary items include investments in biodiversity assessments of specific zones viewed as potential ecotourism sites, hiring of local park rangers, and support to reforestation in community watersheds. In Tubod which is adjacent to Lake Mainit, investment in solid waste management was important but it also wanted to invest in helping the tenure security of its upland farmers. What is probably important in this rapid analysis is not on the amounts allocated but the new budgetary items incorporated which somehow reflects the learnings that may have been made possible by the project.

A fourth LGU, Aglipay in Quirino (QPL) planned major investments in upland agriculture including an organic fertilizer facility, and a community upland rice seed production center (to include heirloom rice). Recently, farmers in Quirino have been attracted to GMO corn production using herbicides that would make land preparation for corn production in steep slopes convenient. The planned investments is somewhat a statement of a local intentions to make its upland agriculture become more sustainable.

The project is still obtaining data on baseline budgets (pre-BPP) in order to make a determination on the extent to which the end of project targets has been achieved. The project has tracked the initial LGU investments in the preparation of programs and staff training for the various thematic innovations recommended by the project. This is also discussed in Attachment on co-financing.

d) LGUs in critical biogeographic regions with policy framework to support BD friendly agricultural practices

The project is currently helping 11 LGUs prepare their Comprehensive Development Plans or CDPs to help guide the development of BD-friendly agriculture program and annual investments. CDPs, together with the CLUPs represent the LGU's principal multiyear policy framework for key economic sectors. Pending the availability of the DA policy guidance (see discussion on draft JAO), LGU staff who have been exposed to earlier discussions on biodiversity as well as previous upland programs of other projects, are helping shape the agriculture components of these multi-sectoral strategic plans to become BD-friendly.

Together with DA partners, BPP encouraged LGU partners to begin demonstrating the practices recommended in the draft JMC. Thus, key farmer demonstrations are currently being set up in the sites. This is a good interim move that however needs to be reinforced by the full implementation of the CDP as soon as possible.

There is a need to assist vital actors such as DA regional field units and network of research and educational institutions to help LGUs further implement the priorities they have laid out in their CDPs. It would be helpful to accelerate interim arrangements to immediately demonstrate as many recommended BD-friendly practices on the ground, while waiting for DA policy promulgation. There is also a need to expand involvement of State Universities and Colleges (SUCs) and Municipal Agriculture and Fishery Councils in local agricultural planning.

e) LGUS in critical biogeographic regions with local regulations and capacity to implement policies on wildlife trade

- **Local environment code and model wildlife ordinance.** The project developed a template for the formulation of an ordinance for the protection of wildlife which

harmonizes and strengthens the regulation of wildlife trade. The local ordinance on wildlife trade could be incorporated in the existing Local Environment Code of LGUs if they have any, or could be enacted separately if LGUs are not yet ready to come up with a local environment code. As recommended, the ordinance on wildlife trade must already be incorporated in the local environment code so as not to defeat the purpose of codifying all the ordinances on environment and natural resources management. Likewise, local environment code is more holistic and comprehensive and already incorporates strong elements of biodiversity conservation.

In terms of providing assistance to LGUs in the crafting of local ordinances, BPP assisted the LGU of Calatrava, Negros Occidental in the preparation of its BD-enhanced Local Environment Code. A creditable effort that is also ongoing is the adoption of the Unified Fishery Ordinance that involves the 4 LGUs located along Lake Mainit namely: Kitcharao (Agusan del Norte), Jabonga (Agusan del Norte), Alegria (Surigao del Norte), and Mainit (Surigao del Norte). Once approved, this unified ordinance has the potential of becoming a model in inter-LGU alliances for biodiversity conservation. At present, there appears to be very limited experience in crafting ordinances that transcend political boundaries of LGUs. Even if there already exist inter-LGU ordinances. The challenge lies in the implementation of the same.

The number of LGUs having been assisted needs to be further increased if the end-of-project target of 10 LGUs is to be achieved. This is attainable within the next two years if what is to be assumed in the target is the mere presence of a draft ordinance and not one that is already adopted and approved. The forthcoming Environment Code of the LGU of Calatrava and the Unified Fishery Ordinance in Lake Mainit if successfully adopted within the project period, could serve as valuable models for other LGUs in terms of formulating local policies on biodiversity conservation and wildlife trade.

- **Trainings on policies and procedures governing wildlife trade and creation of coordinating mechanisms.** The project aims to establish or harmonize policies and at the same time, capacitate implementers in the regulation of domestic wildlife trade. With regards to capacity building, BPP focused on particularly training the LGU wildlife enforcement officers (WEOs). This training, which aims to strengthen their capabilities for wildlife identification techniques and law enforcement, including surveillance and monitoring, has covered 17 LGUs (1 in Palawan, 2 in Aklan, 6 in Antique, 2 in Capiz, 3 in Iloilo, and 3 in Davao Oriental). This accomplishment is more than the targeted number of LGUs trained at the end of the project. Activities to address the target on establishing coordinating mechanisms in 10 LGUS have not been started yet.

- f) **LGUs with regulatory structures and incentive systems to encourage the development of BD-friendly businesses including investor codes of conduct.**

DTI-DILG Joint Memorandum Circular (JMC) 2011-01 on the Formulation of the Local Investments and Incentives Code (LIIC). Forty-four (44) LGUs have been assisted by BPP through the conduct of consultation workshop cum capacity building training on LIIC and monitoring of tools on investment promotion. There are 4 LGUs (i.e., Sablayan, Lal-lo, Sta. Teresita, Buguey) out of 6 pilot LGUs with approved LIICs where concept of biodiversity has been incorporated. In the pipeline are the LIICs of Calatrava, Taytay, San Vicente, Gonzaga, and Sebaste. Given the accomplishment on the number of LGUs with regulatory structures under the thematic area of BD-friendly business, BPP is set to achieve its end-of-project target.

A review of the several versions of LIICs of LGUs in the project sites that have integrated the concept of biodiversity shows that there are varying approaches in integrating the concept of BD-friendly investment areas. For instance, the LIICs of Sablayan and Calatrava provide as criteria for the identification of investment priority areas the concept of biodiversity-friendly. The difference however lies on the words used such that in the LIIC of Sablayan, it appears to be optional that an investment priority area is biodiversity friendly because of the use of the word “may” while the LIIC of Calatrava uses the word “must”. The criteria of biodiversity-friendly appears to be mandatory before an area of investment is included in the list of investment priority areas.

It will also be worthwhile to explore if specific BD-friendly business with a listing of the activities within the LGU that could be categorized as BD-friendly business/enterprise should be already included in the initial listing of preferred areas for investments. This is possible especially when a rapid assessment of BD-friendly business in BPP sites has been conducted, and potential activities have been identified as BD-friendly. The existing and potential BD-friendly businesses/enterprises within and around the PAs and KBAs of the projects sites have already been identified and characterized. Likewise, livelihood assessments within the project sites as well as site investment potential validation have already been conducted.

For instance, the potential BD-friendly enterprises in the demonstration sites, which have been identified using the BD-friendly business/enterprise framework include the following: i) Bakong plant in Sta. Teresita, Cagayan, ii) commodities such as bamboo, ginger tea, and coffee and ecotourism in Quirino Protected Landscape, iii) weaving in Taytay and San Vicente in Palawan, and iv) almaciga resin in Mt. Hamiguitan, among others. These will prove to be invaluable in deciding which specific activities will be considered as BD-friendly investment priority area that will be included in the proposed LIICs of LGUs.

It is understandable that no specific BD-friendly activities are currently enumerated in the guidelines for the preparation of the LIICs issued by the DTI and the DILG since specific activities would depend on the characteristics of local governments. However, LGUs may be encouraged to include specific BD-friendly investment priority areas if prior to the formulation of the BD-enhanced LIIC, livelihood assessments using the BD-friendly business/enterprise framework have already been conducted.

g) Mechanisms for intra-LGU knowledge sharing

The project plans to build on the Local Project Steering Committees (LPSCs) which steers on-site strategies and actions as the concurrent venue for inter-LGU sharing. This would be a practical move during the project period, at least among the BPP assisted LGUs who are adjacent to each other and share common resources. Several of the LPSCs are just recently formed and they are currently concerned with organizational tasks and addressing practical implementation concerns. The current sharing focuses on the coordination of plans and activities among the participating LGUs, and sharing of resources. It is expected that as “on the ground activities” mature (e.g. actual extension and adoption by farmers and implementation of business enterprises), there will be wide range of notable activities, results and good practices to monitor and reflect. Based on this, lessons may be distilled for sharing among the LGUs.

The key challenge is how to catalyze an intra-LGU sharing so that they can help sustain the implementation of good practices in the sites. Another challenge is how to share the learnings to LGUs not covered by the project. The project has started dialogue with selected SUCs towards the development of a Biodiversity Network (BD Network) that can also provide knowledge support for the sharing process. It has also initiated discussions with the leagues of local governments although this has not moved very fast. Timing may have also been a factor in the pace of interaction with the leagues (i.e. the project started late and thus good practices are still very much a work in progress). Once the project would have the range of good practices to share, it may be in a better position to resume the interaction. Furthermore, the opportunity exists for the project to tap regional research and development networks based at the SUCs that might be able to give more attention than nationally based networks. The BMB website represents a low cost tool that can be used for inter-LGU sharing long after the project ended. The website is currently undergoing improvements to reflect also the ongoing recruitment of regular staff that can manage BMBs online presence as part of its commitment to the CBD. Suggestions are made in the recommendation section on how to tap this.

At this juncture, there are no clear plans yet on how the inter-LGU sharing process would be conducted, and how LGUs would be capacitated for policy advocacy as

envisioned by the project design. Given the level of skills and wide networks of the project management, it should not be difficult for the project to address this concern on the penultimate year of implementation (2015).

Cross Cutting Findings under Outcome 2

Drivers of local policy innovations. LGUs were most interested in the CLUP partly because of the mandatory deadlines set by the national government, and because CLUP is a platform from which other local plans can take off. The interest was also heightened by the belief that BD if managed well, have strong potential to contribute to local livelihoods.

The CLUP process enabled LGUs to sift through the many beneficial possibilities from the land and pinpoint areas in the LGU territory that are technically suitable and legally possible to develop for local economic development like local ecotourism. The possibility of declaring areas as local conservation areas (LCAs) provide real opportunities for LGUs to sustainably protect local wildlife that is traditionally a source of local pride, as well as directly derive income from its ecologically linked business value.

From the point of project intervention, this also served as an example of the interaction between two streams of innovations being introduced by the Project: the BD-friendly land use planning and BD-friendly business promotion.

Many LGUs were not dramatically excited about agriculture compared to ecotourism or modern non-timber forest products (NTFP) crafts presented, partly because most agriculture activities occurring in most PAs are not optimally productive, and in many cases at subsistence level. However, a Boar of Investments (BOI) report indicated several agribusiness proposals in some sites. They offer potential gains in terms of productivity, employment and revenues from business related taxes but they need ecological screening.

Process of local policy innovations. The project addressed LGU capacity building needs through various structured and unstructured training and learning events (e.g. workshops, trainings for cluster of LGUs, face to face and online technical assistance). The trainings were delivered by institutional partners (such as the UP-ISSI and DCP), and individual consultants.

Technical resource persons from mainstream agencies were tapped as resource persons.

Trainings and technical assistance were conducted to appropriate LGU personnel in the following arenas:

- Situation analysis of land use patterns;

- Review of good practices and options in overall land use and other organic tools under land use planning;
- Assessing the BD-friendliness of agricultural practices;
- Wildlife trade monitoring tools;
- Assessing the potential as BD-friendly business;
- Preparing BD-friendly Comprehensive Development Plans;
- Trans-boundary planning.

At the onset, a Capacity Development (CAPDEV) program was prepared to guide the direction of capacity building activities. The project did not have the opportunity to conduct a formal capacity needs assessment of LGUs, although it studied existing initiatives. Training needs assessment focused more on NGO partners that were formally engaged and received financial resources from the project. Because provision of technical support was demand driven, the interventions were applied in various forms and at varying timeframes making it a challenge to synchronize levels of technical support provided to project partners.

LGU technical staff were the key targets of the training. These included the Municipal Planning and Development Coordinator (MPDC), the Municipal Environment Officer (MEnRO, if there is), and the Municipal Agricultural Officer (MAO). In many instances the Chair of the Environment Committee of the local legislative council participated in the learning events. Local staff also participated in the local consultation and site assessments to identify locally based good practices related to BD-friendly agriculture and BD friendly business. The nature and scope of the draft policy instrument currently being prepared were also communicated to them so that they would have advance knowledge of the proposed directions for mainstreaming BD in both national and local development plans.

Content of Local Policy Innovations. The BD-enhanced CDP (by 11 LGUs) was the major planning instrument that laid out the strategic multi-year plan for each sector (economic, social, public administration, etc.), which would then be translated into annual work plans. The CDP is directly based on the decisions made under the CLUP process. While the CLUP contain spatially oriented decisions (what land use actions are encouraged or prohibited in what zones), the CDP on the other hand contains thematic programs that guide how those land use decisions will be enforced through support interventions from the local government.

Local governments actually have the option to translate the CDP further into a more detailed sectoral programs which would specify incentive schemes, delivery mechanisms, and project organizations that will involve not only the LGU but also the non-government sectors. The CDP process benefited from the initial exposure to the in-depth discourse on BD principles and relevant land use issues during the CLUP preparation process.

In addition to forthcoming local ordinances that will be formulated to formally adopt the CLUP and CDP, partner LGUs are also gearing up to pass ordinances and programs related to the following:

- Local Investment and Incentive Code (LIIC). In fact a few have already been done.
- Local Environment Code. One LGU is preparing an Environment Code while a few others are expected to follow. The local environment code is expected to establish local conservation areas (LCAs).
- Programs that specify LGU specific incentives and delivery mechanisms and support for upland agriculture.
- Programs that support flagship commodities identified for commercialization under BPP.

Inter-LGU sharing of issues, concerns and resources happened during the LGU cluster-based events (e.g. CLUP training). However, plans are not yet firm about how exactly to share the results of interventions on the ground based on what was learned.

Outcome 3: Systems, Policies, Tools and Capacities for Landscape-Level Biodiversity Conservation and Sustainable Development are Applied at Eight Pilot Sites Covering at Least 700,000 Hectares across Five Critical Biogeographic Regions (Luzon, Palawan, Negros-Panay, Mindoro, Mindanao).⁵

Outcome 3 is concerned with ensuring that policy innovations both at the national and local levels are applied by the LGU in its decisions making processes and by the stakeholders on the ground. These include farm households (big and small), community enterprises, business firms and households whose aggregate day to day decisions would have critical effect on the state of biodiversity resources. The following are the key progress towards results.

a) LGU development plans and project sites complying with SEA approach

- **Application of BD enhanced Strategic Environmental Assessment (SEA).** BD-enhanced SEA has yet to be applied any LGUs, as both the policy and tools are still being prepared. In the meantime, the BD-friendly CLUP and CDP processes provided participating LGUs an opportunity to begin to strategically assess their proposed development strategies from the BD lens. The processes for preparing the CLUP and CDP include various analytical exercises to assess activities on the ground, against the vision that the LGU have set and compare alternative land use strategies against agreed upon criteria. The BD lens of the

⁵Partners: FFI, Haribon Foundation, CI Philippines, Philippine Eagle Foundation, Philippine Biodiversity Conservation Foundation, and Lake Mainit Development Alliance.

CLUP planning tool allows LGUs to have an initial taste of what it would be like to subject proposed programs into a BD focused SEA.

- **Application of BD-enhanced CLUP by 20 percent of LGUs.** Twenty two LGUs or 50 percent (instead of 20%) of the total LGUs covered by BPP are in various stages of preparing their CLUPs, applying the knowledge gained from the hands on training (Outcome 2). Of the 22, sixteen are already in the final stages of the preparation. The increase in number of LGU participants over original targets is partly a result of advocacy by LGUS where transboundary planning is being conducted. The original LGUs in the transboundary planning exercise have espoused that other LGUs belonging to the shared ecosystems and landscapes are included in the targets of BPP.

Participating LGUs indicated the benefits that are being derived from the process. An important input from BPP was the initial information about the biodiversity status of the LGUs which stimulated a lot of discourse on appropriate biodiversity conservation measures in the CLUP. For instance the LGU of Calatrava in NNNP was very much encouraged when it realized that a certain bird species thought to be extinct were in fact still thriving. The staff of the provincial government of Negros Occidental stated that before BPP, LGUs generally equated environment with reforestation, but now they know there is much more to forests - biodiversity being one of the most critical elements. Other LGUs like Madela, Quirino appreciated that the concept of biodiversity was being promoted instead of just “wildlife protection” as they understood before.

The planning process allowed the LGUs to know the actual legal situation of their land. In one case (Tubod, Surigao Del Norte); the LGU realized that practically 50 percent of its land was under an approved mining claim (MPSA). It also enabled them to understand the extent of threats to their forest and biodiversity resources. LGUs are using the planning information to expand the scope of economic interest of the LGU. Calatrava used to focus only on coastal based economic development because of the uncertainties brought by climate change. Now the LGU feel that it is time to look at the uplands for sustainable growth through “green economy” thinking.

Before, upland areas were only considered as one land use zone designated by a monolithic green color on the map. Through BD-friendly CLUP, planning the true potentials of the same zone was now differentiated into different sub zones with different land use potentials. The discourse on the importance of BD planning enabled LGUs to make strategically prudent land use decisions. In Kicharo, Agusan del Norte, the suitability analysis allowed them to decide to allocate certain land class to ecotourism instead of marble quarrying, which promised immediate cash gains. Another LGU official also shared that the CLUP process allowed them to pre-empt applications for mining operations in their areas.

HLURB planning officers who directly assisted the LGUs in Northern Luzon and Mindanao expressed appreciation of the thorough, data – supported process introduced by BPP. They confirmed LGUs’ high interest in the process. Notwithstanding these gains, HLURB shared some concerns. The HLURB office in Manila was concerned with the delay in submission of the final guidelines/protocols by BPP as a follow up to the general framework approved earlier. There seemed to have been a communication gap. Based on the approved framework by HLURB, some of the analytical methods were being tested on the ground. Based on the ground tests, the manual is being firmed up.

HLURB field staff also suggested that while BPP succeeded in bringing different sectors within the LGU into the process (where used to be only the Planning Officer is involved), there is equal need for LGUs to create more opportunities to stimulate more active citizen participation in the processes, which actually, is part of the mandate of current approved framework.

A third concern expressed by HLURB officers relates to question of replication. There is cost involve in generating important biodiversity information- an important input in BD-friendly planning. Ideally, they suggested, such information should be made available before the CLUP planning process starts. The BPP is planning to address this by helping facilitate support from a network of biodiversity oriented local state universities and colleges (SUCs).

b) Inter LGU cooperation in planning and regulation of natural resource use

- **Inter LGU process.** This process is now ongoing in three sites (Lake Mainit, NEKBA and Mt Hamiguitan) while the Protected Area Management Plan for the South Western Negros KBA is being enhanced as additional conservation area. The work in Lake Mainit and NEKBA sites are moving steadily. Their formal establishment has primarily been a function of local consensus (supported by inter-LGU Memoranda of Agreement) among participating LGUs (Provincial and Municipal levels), together with the regional offices of the DENR. The NEKBA site is further supported by a Provincial Executive Order for its establishment. This is a good foundational move coming from the ground and not entirely dependent on an order from Manila before anything is started.

Inter-LGU technical working groups, with BPP support are preparing the eco-profile and plans based on planning guides developed for the purpose. This level of planning is enabling LGUs to revisit their CLUPs and find inconsistencies between the CLUP and the trans-boundary plan, and opportunities for synergy. A concern expressed here is who will carry the facilitation work after the project. Discussions are underway to ensure that DENR regional offices will continue the “follow on” support. This support will need to be maintained in collaboration with

other agencies and inter-LGU alliances such as the Lake Mainit Development Alliance, NEDA regional office, or (preferably) the provincial government.

- **Three provincial governments.** At least 3 provincial governments interviewed expressed interest to replicate the process to other municipalities not covered by BPP. The provincial government of Surigao Del Norte, has mandated its provincial planning team to plan for the replication process in areas not covered by the project. The two other LGUs are Cagayan and Negros Occidental. Some municipalities desire to proceed with Forest Land Use Planning (FLUP) because this allows actual allocation of land resources to right stakeholders. One interest is the declaration of certain areas within the PA as local conservation areas or as co-management areas which allow LGU to have increased level of authority and land use rights.
- **Payment for Environmental Services (PES) instrument developed and pre-tested.** A project partner—the Conservation International (CI) is currently facilitating a PES piloting scheme in Barangay Santo Nino in Madela, Quirino. The BPP provided guidance in setting the framework and in facilitating the leadership role of local governments in the formulation and piloting process. The scheme involves the barangay facilitating an agreement between upland farmers association and lowland domestic water supply users. The agreement calls for a water user fee of P1 per day per household to be paid for the maintenance of 125 hectares of watershed by the upland farmers association. Calibration of services and payment is not yet used. The barangay council oversees the implementation of the agreement. The agreement has been actively witnessed and supported by the municipal and provincial government that are contemplating of replicating the said initiative to other municipalities in the province.

c) New conservation area established covering 15 LGUs

The concept here is to put more areas beyond the conventional Protected Area under locally installed and locally driven conservation. New conservation areas can be declared largely through local action and do not have to go through the same very long process as conventional protected areas go through. The local action can also incorporate certain protection measures that are location specific, versus “generic” rules characteristic of national guidelines for Pas. As of MTR time, there are four new conservation areas being established involving at least 7 LGUs. These are the following:

- Proposed Local Conservation Area (LCA) of Tubod, Surigao del Norte assessed and mapped.

- The pilot-testing of a Conservation Agreement (CA) in Mt. Hamiguitan which aims to provide conservation benefits among locals to manage and benefit from their natural resources as part of an LGU-declared Philippine Eagle sanctuary.
- The proposed LCA of San Isidro and Governor Generoso as part of the core and buffer zones of Mt. Hamiguitan Range Wildlife Sanctuary (MHRWS, RA 9303). These efforts (led by the local DENR team with BPP assistance) accelerated the declaration of Mt. Hamiguitan as UNESCO World Heritage Site.
- The Southwestern Negros KBA has been identified also as a new conservation area with preliminary activities for the preparation of biodiversity-focused trans-boundary plan undertaken.

d) Farmers adopting BD-friendly practices

There has been no proactive agricultural extension yet for BD-friendly agriculture as the local policies and budgets are only recently established in 2014 (CLUP and CDPs), while national policies from DA is still in the pipeline. In the 11 LGUs that are finalizing their CDP, incremental agricultural extension work that is BD-friendly and guided by the CDP is only about to start in 2015.

Demonstration farms were established in at least 2 LGUs (Tubod, Surigao del Norte and Silay in NNNP). There is no available data yet on the number of farmers adopting BD-friendly practices pre- BPP, and possible incremental adoption that happened under BPP period.

In the case of targets towards certification, the standards and certification systems are still works in progress (Outcome 1). The evolving on-site good practices as well as alternative certification modalities identified in 2014 form part of basis for standard setting but the actual preparation of standards has not yet started. Thus, no LGU-level program of work yet has been prepared for targeting 2,000 farmers and producers meeting certification standards. It is not clear yet how both the establishment of the certification system as well as its actual use by producers and farmers (i.e. 2000) can be all done during the short remaining period of the project.

e) Pressure from overharvesting of wild resources are addressed

There is no available empirical information yet that provides indication of reduced pressure on wildlife resulting from direct interventions on management of wildlife trade (as well as other contributory interventions) under Outcomes 1 and 2. However, several baseline studies are being done to eventually measure the effect of LGU and stakeholder decisions. These include baseline data on production land placed under sustainable use system, habitat maintenance, degree of fragmentation,

and population estimates. A large portion of the baseline data will be available on the 1st half of March 2015.

f) Private investments in BD-friendly business in selected project sites

The project facilitated various site validation and project identification and prioritization activities under Outcome 2, and initiated orientation on value chain analysis. There are at least 9 community-based enterprise groups that are benefiting from these interventions with support of their respective LGUs. Many are in the early to midstream stages of assessment and plan preparation and organization. They were identified using the agreed upon 3 sets of criteria, with the end in view that they will be engaged in BD-friendly enterprises by Year 5. These include the following enterprises and LGUs:

- Lubeg wine and handicraft from bakong leaves in three sites in NECKBA (Lalo, Buguey and Sta. Teresita).
- Ecotourism and food products in Quirino province in QPL.
- Ecotourism in 2 LGUs in Taytay and San Vicente, Palawan in MSLPS.
- Almaciga resin products from Governor Generoso in Mt. Hamiguitan.
- Engineered bamboo and other crafts in Tubod, Tubay and Kicharo in Lake Mainit area.

The project facilitated the participation of some of these emerging enterprises and products in a national trade fair where the candidate businesses were exposed to potential investors.

g) Communities receiving incentives for shifting to sustainable practices

- **Conservation agreements in the two planned sites (CPM and NNNP)** are not yet in place. The PMU reports that community based Conservation Agreement in NECKBA, Lake Mainit, CPM, and SWN will be finalized after the completion of the trans-boundary plan in 2015.
- **Additional PES in PPLS and NNNP.** There are no strong prospects for PES being contemplated at the moment. (Please refer to the separate discussion on PES in the section on inter-LGU arrangements following the flow of the log frame).
- Of the 9 community based groups planned to be engaged in livelihood, the project has taken this to refer to the same community enterprise groups being assisted for BD-friendly business. These initiatives are mostly led and propelled by women.

The above minimal progress reflect that plans for these targets are not yet fully firm up as many of them are expected to accelerate only after major land use planning decisions are finalized and translated into formal planning documents (CLUP and CDP). The PMU plans to provide more attention to these in 2015, concurrent with the mobilization of newly promulgated CLUPs and CDPs.

h) Data and knowledge management system to support local initiatives

Rapid resource assessments are in varying stages of completion and use in at least 3 sites (CPM and NNP, NECKBA and Mt. Hamiguitan). Preliminary baseline data are available on two of the 4 objective level indicators (i.e. sustainable production land use and natural habitat). The DENR regional biodiversity teams are proactively contributing to the rapid biodiversity assessments being done in the sites with the help of NGO partners. The presence of NGO - facilitated study in at least 5 sites, are also providing opportunities for hands-on training /refresher course to local DENR teams as well as selected LGU personnel involved in CLUP.

Initial population estimates of 1 of 3 targeted species already available (Hornbill in NNNP) in 1 site, and being subjected to further validation and for finalization by mid-2015. Various anecdotal information on overall state of local natural resources and wildlife are also available from rapid forest and/or biodiversity assessments being done by local DENR teams and local academic institutions prior to or during BPP.

The Local Project Steering Committee oversee the monitoring of project-assisted activities at the LGUs level. The feasibility of LGU based monitoring systems for conservation initiatives is in the initial stage-beginning on a review of the existing LGU based systems. The national monitoring system for LGU-based governance (coordinated by DILG) has a section on environmental management but it is initially slanted towards urban environmental management (solid waste management). DILG partners indicated that they had to focus on this due to the deadlines imposed by the law on solid waste management. They are looking forward to also develop in due time, the monitoring systems for LGU action on natural resources concerns (i.e. watersheds, coastal resources, biodiversity).

Information education and communication (IEC) campaigns have been conducted with limited primary research on current knowledge, attitudes, and practices (KAP) and thus, messages are not yet adequately differentiated. The project has enabled local NGO partners as well as DENR regional offices and information officers to undertake information campaigns timed with important national and local events (a good example is in the Negros site), as well as produce localized campaign materials (a good example is from Lake Mainit).

Several good quality introductory materials about the project sites and its potential BD based business products have been prepared as well. Unfortunately, there has

been limited opportunity to determine the impact of these materials on their intended targets. A BMB based BPP website has been established and is updated regularly. It also currently houses the PKMIS. A webinar on Biodiversity for newly elected local chief executives has also been launched but there is lack of information available about the results of this initiative. NGO partners of LGUs have been targeted for immediate training on national biodiversity knowledge management system while the recently established system is still undergoing fine tuning.

LGUs are initially able to share biodiversity data and information on a national scale to BPP website, through their partner NGOs.

Cross Cutting Findings under Outcome 3

There are three major streams of progress under Outcome 3. They reflect what is new in the LGU so far after several years of BPP intervention. First, several LGUs actually applied what they learned about BD-friendly land use planning, and made major decisions on land use. Second, LGUs with BPP assistance implemented the foundational steps towards wealth creation from biodiversity by preparing for community based BD-friendly business enterprises. Third, as a contribution to knowledge generation and exchange on biodiversity, the project helped local stakeholders gather information about local biodiversity resources and developed several information, education and communication programs.

Major land use decisions. Applying what they learned from the hands-on training and coaching on BD-friendly CLUP preparation under Outcome 2, 22 LGUs proactively prepared their respective CLUPs that for the first time took biodiversity into serious account. These decisions were partly based on information gathered from local biodiversity assessments. Of the 22 LGUs, 11 began preparation of their CDPs which further translated spatial decisions under the CLUP into investment programs that will translate those decisions into actual local government services, especially in the arena of BD-friendly agriculture (e.g. extension and marketing) and biodiversity based and BD-friendly small business (e.g. product design, marketing etc.).

Taken together, the work on CLUP and CDP provides a powerful platform at the local level for long term, step wise change in attitudes and behavior towards biodiversity. Equally noteworthy is that the actual number of LGUS working on their CLUPs and CDPs exceeded the original targets by over 100 percent (i.e. from an original 20% to the actual 50% of LGUs).

Wealth creation. Taking the cues from the orientations and trainings under Outcome 2, at least 9 LGUs begun the stepwise preparation for the launching of BD-friendly and profitable business among community groups. LGUs actively contributed to the determination of feasibility, product design and development, and

business planning. The agriculture component did not receive as much attention as BD-friendly business opportunities.

Knowledge contributions. The project started collecting and assembling information that will help establish the contributions of biodiversity to the local economy. A study was initiated to check into the feasibility of incorporating biodiversity concerns in LGUs based monitoring systems. At the same time, the first round of communication materials were produced for diverse audience to highlight the unique value of agrobiodiversity in the local and national economy. LGU representatives who were interviewed were generally appreciative of the knowledge products generated. However, there has been no systematic assessment of the effectiveness of these knowledge products.

4.2.2. Summary of Remaining Barriers to Achieving Project Objectives

The barriers for achieving objectives through each of the 3 outcomes are initially discussed in detail in the section of outcome analysis (4.2.1). Overall, there is currently inadequate discussion of incentives for transforming to BD-friendliness particularly in the evolving policies for BD-friendly agriculture and business. There is also a need to more adequately describe actual steps that LGUs can undertake to translate national policies to local policies and programs. These are now being addressed by the project.

Given the ambitious targets in project design and the current pace of progress in policy development, implementation of pilots for BD-focused SEA and certification standards for BD-friendly agriculture will be a challenge.

Financing for the promising BD-friendly business enterprises is not guaranteed under the project (not included in the project design) so theoretically it could be a barrier. However, the project is implementing various actions to ensure that financing is available within the project time frame. Actions include strengthening business plans, product design, as well as providing opportunities for maximum exposure to and linkage with potential co-investors.

The project is doing well in terms of directly launching information education and communication campaigns including good quality IEC products. However, the systematic process for documenting analyzing and sharing of good practices between LGUs is still very much a work in progress. Peer to peer learning, supported by policy has been proven to be the best way for LGUs to learn and introduce change in their governance systems. If not accelerated, the current pace for establishing this knowledge sharing system, may lessen the ability of the project to fully “demonstrate” and communicate the value of BD mainstreaming process.

RATINGS: Outcome 1: Moderately Satisfactory. Outcome 2: Satisfactory. Outcome 3: Moderately Satisfactory. The definitions of ratings are discussed in Attachment 2. The justification for the above three ratings for outcomes are discussed in detail in Attachment 4.

4.2.3. Trends Under GEF Tracking Tool (GTT)

The Government established baseline information at the start of the project on 2010 covering the following GTT categories: a) project landscape /seascape coverage, b) management practices applied, and c) market transformation. The same documentation provided information on foreseen changes at midterm review.

The Philippine Government through the BPP Project Management Unit (PMU) again entered midterm data in April 2012. The data has been reviewed by the GEF and UNDP officers and the project is currently addressing the points raised by the review.

The difference between figures entered in 2010 and those of 2012 are indicated. The key trends to note include the following:

- a) In terms of **Landscape Actually and Directly Covered** by midterm, the project reported 835,123 hectares, or an increase of 585,123 hectares (foreseen at midterm: 250,000 has. and actual: 835,000). The increase is brought about by an increase in number (seven) of participating LGUs.
- b) In terms of **Indirect Coverage**, the actual figure reported is 2,400 has. at midterm. There is also a corresponding increase of 1,900,000 over the foreseen coverage at midterm (500,000 has.)
- c) In terms of **Protected Areas within the Landscape Covered by the Project**, there is an increase of approximately 130,000 has represented by changes in two PAs over the coverage in 2010.
- d) In terms of implementation of **Payment for Environmental Services**, the project reports an actual midterm figure of 2,396 has representing the initial coverage of one pilot site in Quirino province. This figure is very low compared to the target at the start of the project which is 73,820 has.
- e) In terms of **Management Practices Applied**, midterm data is reported in one of five parameters. Certified sustainable forest production in 56,000 has. is reported (89,000 has. was foreseen in midterm).
- f) In terms of **Market Information**, no information has been provided at this time.

The various information provided above indicate that overall area coverage of planned project interventions has increased (areas directly and indirectly covered by the project) but the limited data on actual coverage of specific interventions (PES, certified sustainable production and market transformation) indicate that targets may have been unrealistic to begin with, and that the increase in coverage may not have been matched with increased interventions for implementation capacity to meet

the increased physical targets. Also, the relatively limited progress in actual implementation reflects the delays encountered in some components of the project (e.g. promoting BD-friendly agriculture).

It is still possible for the project to substantially improve its numbers in the next two years to cover at least a portion of the targets. However certain changes and actions may be needed.

- a) There is a need to review and clarify the assumptions made (not available during MTR) in some of the targets and adjust as needed, if the assumptions is inappropriate. For instance, it is difficult to understand why a target of 76,000 was planned for PES coverage back in 2010 when the concept is still very much in a pilot stage in the country. The project may need to study the actual trends and progress of piloting the PES in the country. In other case the nature of forest certification need to be clarified.
- b) This information on PES and certifications may be obtained from the following:
 - PES trends. PES projects lodged at DENR-BMB, as well as those by NGO and consulting community may possess various anecdotal information that can be assembled for populating the tracking tool table.
 - Management Practices. Information on trends in agricultural certification may be obtained from the National Organic Agriculture Board and the DA Bureau of Agriculture and Fishery Standards (BAFS). NGO networks advocating for organic agriculture may also be consulted. The Forest Management Bureau also need to be consulted for actual information on forest certification.
- c) Targets particularly for PES, Management Practices and Market Transformation may need to be adjusted. The MTR team has proposed changes in targets particularly for BD-friendly agriculture (please refer to section 5: Conclusion and Recommendations). The project may wish to consider adopting these recommended changes into the GTT targets.
- d) The project may wish to beef up its capacity to land use changes that may be happening within the project sites but occurring in the outer edges of the areas where interventions are focused at this time.
- e) The project may also wish to establish a special component of the M& E system that can track the information for the GTT. This may include developing a simple guide that communicates to project personnel about the rationale of the GTT, the assumptions made in the targets and the steps to be followed to capture appropriate information that would truly reflect the realities on the ground.

4.3. Project Implementation and Adaptive Management

4.3.1. Management Arrangements

Partnerships management. The institutional arrangement for the management of the project is clear. The DENR-BMB serves as the main implementing partner, with other national government agencies and lead non-state actors as partners in the implementation of selected outputs and site-based activities. A usual challenge in the implementation of projects is its complexity in terms of multiplicity of actors in project implementation. This is observed in the implementation of BPP. The actors include state actors (ranging from national government agencies (central and regional offices), coordinating bodies, local government units, and non-state actors (e.g. non-government organizations) as implementing partners at the site-level.

There were instances that the timing of the activities have been pushed to a later time because partners have been delayed in the performance of their respective responsibilities. For instance, the policy instrument that is being prepared mainly by DA in relation to BD-friendly agriculture has taken time more than what was expected, pushing back the other activities under the thematic area of BD agriculture. Similarly, personnel turn-over also adversely affected the continuity of activities of some implementing partners. DILG for instance underwent changes in the persons directly involved in the project because of the retirement of the original focal person.

Organizational and personnel changes like this lead to another challenge of dealing with the learning curve of the replacement. On a positive note, there are partners that made efforts to mainstream biodiversity within their respective agencies such that it did not consider BPP as a project that is time-bound. The Department of Tourism (DOT) for example, has efforts to integrate BPP in the regular activities of the agency. As such, all the units within the DOT that are relevant to biodiversity conservation have been actively engaged in the interventions being implemented. This addresses the usual problem of gap in institutional memory when there are changes in the organization or persons involved.

The multiplicity of actors and the need to seek for the approval of each of these actors in the implementation process could potentially derail the project if not effectively addressed. In the design of BPP, this is addressed through the creation of coordinating and policy-making bodies such as the Project Board at the central level. At the site level, coordination is done through local project site committees (LPSCs) comprised of representatives from both government and other key stakeholders.

Local Project Steering Committees (LPSCs). LPSCs have the potential of being a platform for sharing experiences in mainstreaming biodiversity in project sites. However, midway through the implementation of the project, some project sites are

still in the process of establishing their respective LPSCs. For instance, the LPSC of Central Panay Mountains (CPM) is different from the LPSC of the other project sites because each of the provinces in the CPM covered by the project has its own LPSC. The CPM as a project site covers four provinces namely: Iloilo, Capiz, Aklan, and Antique, and sixteen municipalities. As such, it was agreed upon that each province will have an LPSC chaired by their respective provincial governors. However, the only reported province with established LPSC is the province of Iloilo. The other three provinces: Capiz, Aklan, and Antique have yet to establish their respective LPSCs. At the regional level, coordination of the project is achieved through the regional office of DENR, assisted by the Regional Inter-Agency Technical Working Group. The delay in the establishment of the coordinating mechanisms could prove to be a hindrance in ensuring the efficient implementation of the project.

The design of the LPSC could serve as a model to institutionalize the implementation of biodiversity mainstreaming beyond the BPP project. Considering that biodiversity transcends political and territorial boundaries of LGUs, it is but appropriate to establish an institutional mechanism that would help realize inter-LGU alliances. Inter-LGU alliances are not a problem in declared protected areas because the institutional mechanism in this case would be the Protected Area Management Board- an entity whose creation is provided for by a clear legal mandate.

In the absence of legal instruments for the KBAs, the alternatives for the coordination of biodiversity conservation efforts could take many forms. An option is the model of the Lake Mainit Development Alliance (LMDA) - an alliance created for the conservation of Lake Mainit. The LMDA was created by mere agreement among the LGUs as evidenced by a memorandum of agreement. Each LGU comprising the LMDA has agreed to collaborate with other LGUs and to contribute financial resources to LMDA. A challenge however, is that in cases where an LGU reneges on its obligation in the agreement, the LMDA could not impose sanction on the reneging LGU. In fact, it was observed that some LGUs in the alliance do not religiously provide for the annual financial contribution as agreed upon by all parties in the MOA creating the LMDA. Likewise, a question as to the juridical personality of LMDA lingers which prevents it to enter into agreements with other juridical entities. There are however efforts towards addressing this question which include the move to transform it into an authority to be created by law, similar to the Laguna Lake Development Authority (LLDA) which was created by a legislative enactment. But this will take time to be realized especially now that the Philippines is approaching another national elections in 2016.

Meanwhile, as the efforts towards the creation of institutional mechanisms through a legislative enactment is ongoing, an alternative is to integrate the LPSC as a sub-sectoral committee within the Regional Development Councils (RDCs). As RDCs are created with clear mandate, the actions of the sub-committee could provide stronger

sanction and basis in law. This could be a more viable alternative in the short-term while the legislative enactments are being pushed for the creation of independent authorities or entities that would govern the KBAs.

Project Management Unit (PMU). In terms of project administration and coordination with project sites and implementing partners, the PMU under the overall guidance of the Project Board was created and headed by the DENR-BMB Director as National Project Director for BPP. The project document provides that “[T]he PMU shall be staffed by regular personnel of the PAWB, to be complemented by staff to be contracted under the project”. The PMU has become the primary “workhorse” of the BPP. Unfortunately, DENR is currently implementing its Rationalization Plan which to a certain extent, has limited the *plantilla* personnel of the agency. As such, performance of the work lodge in the PMU is mostly left to contractual staff of the project. This might pose a challenge in terms of transfer of knowledge and technology after the project ends.

UNDP and GEF. The UNDP Philippines has provided strategic directions to the project through its participation in board meetings and special technical meetings. UNDP has consistently provided advice and encouragement for the project to actively demonstrate the wealth creation functions of biodiversity as lasting stimuli for local government investments in this sector. UNDP visits project sites up to three times a year since project start.

The GEF Focal Point has provided guidance in ensuring focus on outcomes, and has reminded project staff to ensure that it should be able to focus on the essential bottom lines that must be met, including if needed, the revision of project targets to ensure continuing relevance. The GEF Focal Point is also providing continuing guidance on capturing information for the GEF Tracking Tool (GTT).

Particular guidance has been provided by both UNDP and GEF in recognizing three streams of outputs: a) policies and tools; b) BD data and information; and c) models. Thus, it is essential for the project to have a systematic knowledge management process. The UNDP has also made available to the project several training opportunities for results-based project management tools, among others.

One of the key outcome indicators of the project is for LGUs to be able to recognize and use a suite of tools for their BD-friendly local planning processes. Given the fact that there are often multiple projects working on the same subject matter, it is recommended that UNDP assist the project synergize with other projects. The UNDP together with BMB can leverage its role in the donor community to help BMB convene project managers and consultants, and collaboratively develop a “road map” on the tools that LGUs can use in their governance processes. Realistically it is not easy to persuade individual projects to adjust the design of their individual tools to be “synergistic” with tools developed by other projects. As an alternative, it

would be good for projects to develop the road map to inform LGUs on how the tools relate to each other (albeit imperfectly), and what tool can be used for what situation.

4.3.2. Work-Planning

Due to the almost two-year delay, the project prepared a catch up plan to alleviate the adverse effects. Without this plan, the project would have accomplished less. The catch up plan enabled the project to bring key stakeholders to the table with relative dispatch, and agree on the basic values and framework and directions that they share that would allow them to accelerate preparatory work in the respective themes. Existing informal networks between the technical personnel of the different agencies facilitated the task further. This was particularly demonstrated in the case of the work of DTI support BD friendly business as well as the work of the HLURB in support of CLUP preparation.

In the early implementation of the BPP, it was reported that delays have been observed in the release and/or downloading of funds from the central level to the project site. There were two major reasons forwarded for these delays. The first one is the failure of some partners to submit the necessary documents prerequisite to the downloading of funds. As a requirement, the partners have to fully comply with the submission of necessary documents and reports before funds are downloaded. The PMU has already instituted mechanisms to facilitate submission of reports vis-à-vis the release of funds. The other reason cited was the timing of the work planning activities of the project which affects the finalization and implementation of financial plans. In previous years, the work and financial plans were approved only at the start of the year when the supposed work and financial plan was to be implemented. This has already been remedied by moving the activities pertinent to work plan and financial planning earlier.

4.3.3. Finance and Co-Finance

Financial management.

The total grant is USD4,500,000.00, A subsequent agreement with FAO in 2014 expanded the budget by USD270,000.00. As of June 2014 a cumulative total of USD2,431,863.56 was disbursed by the PIR.

During the annual technical conference among partners in August 2014, it was reported that a total of USD3,365,977.00 was cumulatively budgeted for project operations from Sept 2011 to Aug 2014. As of August 2014, a cumulative disbursement of USD2,581,629.00 was made. This would represent 77 percent of cumulative disbursement rate (using the USD3.3M as base) over the equivalent of three-year period (Sept 2011 to Aug 2014). The same disbursement would however, represent only 57 percent of the original budget of USD4,500,000.00.

Budgetary alignments were authorized during annual workplanning and budgeting to reflect actual conditions and opportunities that will enhance attainment of objectives. The realignments generally favored more funding for fast moving activities related to local level land use planning and biodiversity assessment and biodiversity friendly business.

The project has established financial management systems that addressed both GEF and government requirements. Based on GOP – DENR guidelines, financial inputs to partners who perform specific deliverables are accounted not only in terms of agreed upon outputs but of actual reporting of line expenses as well annual independent spot check audits are conducted by independent auditors. Quarterly physical and financial reports are obtained from partners and reviewed by both the DENR (through the BMB and the PMU) and UNDP.

A concern regarding financing BPP activities relates to the internal financial management of implementing partners and site partners. For government entities, they have to strictly comply with the government procurement law (Republic Act No 9184). The delay in the release of funds, if any, would cause the delay in the implementation of the activities programmed for the year. For partners that are not government agencies, such as the PBCFI, they were able to remedy the delay in the release of funds by using their other fund source to ensure that projects are implemented according to schedule.

In some LGUs, the challenge is to obtain their commitment in the implementation of the BPP activities especially when there are other projects that directly download funds to them. Some LGUs are torn between a project that directly download funds and the BPP that does not.

Co-financing. The DENR, partner national agencies, NGOS and participating LGU are expected to provide co-financing for the project, based on commitments confirmed at CEO endorsement. LGUs committed the biggest co-financing at USD6.7M followed by the DENR at USD2.1M. The wide diversity of contributors reflects the broad range of stakeholder agencies. Based on the co-financing targets committed during CEO endorsement, annual planning processes with partners provided the opportunity to reaffirm the co-financing and also fine-tune actual amounts.

Attachment 8 summarizes the targeted and actual co-financing made. In 2014, the PMU requested partner agencies to self-inventory their co-financing contributions using a common set of detailed questions framed by the PMU. The questionnaire requested respondent agencies to provide a breakdown of their contributions into grant and in kind, and to further reflect the latter into specific cost centers (e.g. personnel, workshop costs, etc.). In Attachment 8, the figures under the “actual”

column reflect partly the results of an inventory done in 2014 by the PMU that utilized a template that guided the self-inventory done by partners.

At midterm review, DENR provided the largest absolute amount, followed by national technical agencies, then NGOs, UNDP, LGUs agencies and Academe in that order. In terms of proportion of contributions to commitments at CEO endorsement, the UNDP provided the highest actual contribution at 68 percent.

It may be noted that the contributions of six agencies (related to agriculture, trade, tourism) other than DENR were not part of original commitments during CEO endorsement. The amount contributed involved almost half million dollars (USD444,516.60). The BPP PMU still reflected this in the matrix presented in Attachment 8 (but without corresponding baseline figure).

The DENR provided 18 percent of its commitment representing the contributions of five regional offices, the BMB and the DENR itself. NGO partners on the aggregate contributed 15 percent of their commitments while LGUs on the aggregate contributed at least 9 percent of its commitments. Overall only 11 percent of the commitment co financing has been expended so far. This level of commitment may reflect the fact the project interventions started late.

LGU contributions cited in the above table represented their financial contributions to technical assistance and training efforts by the project to the LGUs during the preparation of land use and development plans. The figure does not yet reflect the multiyear budgetary allocations stipulated that are being worked out under the LGU based biodiversity friendly development planning processes that benefited from BPP interventions.

For instance, there 11 LGUs in the process of preparing and completing their multi-year Comprehensive Development Programs. In addition, the discussion under Outcome 2 (4.2. Progress towards Results) indicates the level of financing that several LGUs have committed to support BD-friendly programs. When these budgetary plans are finally committed by local ordinance they are expected to increase the LGU figures in the table.

The generally low level of actual expenses by line agencies may indicate that most activities have heretofore revolved around the development of policies and plans that doesn't generally require capital investments and equipment support. As LGUs gear up for implementation of national and local policies at this time, there will be a higher level of demand for technical assistance services from line agencies, thereby potentially increasing the actual contributions of line agencies.

4.3.4. Project-Level Monitoring and Evaluation (M&E)

A monitoring and evaluation system has been adopted, funded and is operational. It recapitulates and amplifies the log frame--detailing the indicators for outputs and outcomes, and the systems and procedures for capturing information. The information generated by the system is generally being used by the project management at the LPSC and Project Board meetings. An inter-agency working group and internal multidisciplinary working group within DENR-BMB also use the information for decision making and operational planning. The system also provides the information flow to the Project Data base which in turn is being linked to the Project Knowledge Management System for use by project personnel and decision makers.

The PMU though the M&E consultant is presently developing an LGU-based BD monitoring system that will be embedded on existing DILG mandated monitoring system. The system will enable LGUs to assemble and tap information useful for its planning. A quick review is being conducted to determine the windows of opportunity at the LGU level.

The M&E system is able to capture key information on progress towards outputs. This is being practiced by the various implementing units of the project (NGAs, site-level partners, etc.). There is however an ongoing concern that personnel assigned to collect the information also perform many other tasks that occasionally manifests in terms of delays of reporting from implementing units.

The system for capturing information on processes which is an important input for the inter-LGU sharing system has yet to be developed- barely two years before the project ends. It would have been ideal to develop this system earlier while LGUs are in the peak of the various governance processes. It will be difficult to recall processes later if the system and methods are adopted only towards the later part of the project. There is a desire to pay more attention to outcome level indicators. Particular attention is needed for close coordination among NGO technical partners and DENR technical units involved in collecting sustainable production systems, habitats and population estimates. This also includes information needed to address the requirements of the GEF Tracking Tool.

4.3.5. Stakeholder Engagements

The principle of partnership is the main driving concept in the implementation of BPP. This is very evident in the institutional arrangements and processes that have been adopted by the project. Relevant government institutions have actively participated in the implementation of the project. The processes adopted by BPP are

highly participatory specifically in activities like enhancing the Comprehensive Land Use Plan (CLUP) and in BD-friendly businesses/enterprises.

However in agencies with mandates that are not traditionally considered as biodiversity agencies, the rate at which the agency learns or institutionalizes biodiversity in their respective functions and mandates is much longer than the agencies that are usually considered as biodiversity agency. This is especially true in cases where the agencies perceive that there are seeming inconsistencies between their production-oriented functions, and the promotion of biodiversity conservation. The BPP as a project has planted the seeds to show with evidence that the two functions- biodiversity conservation and production could be harmonized and conflicts are resolved. Within DENR, the need to mainstream biodiversity and provide convergence among its bureaus particularly BMB, MGB, and FMB in biodiversity mainstreaming is worth looking into.

At this stage of project implementation, it is crucial that convergence among various national government agencies and local government units is strengthened by optimizing various coordinating and inter-agency mechanisms. Harmonizing the actions of various government agencies is crucial in ensuring that the successes of BPP are continued even beyond the project life. In this regard, government agencies that are originally involved as partners but are relatively slow in performing their responsibilities as implementing partners must be pushed forward. Likewise, other agencies that are not originally part of the project such as the Department of Science and Technology (DOST), should be encouraged to become actively involved in the process. In addition, State Universities and Colleges (SUCs) are potent partners in ensuring sustainability of efforts. SUCs are sources of expertise and institutional memories.

4.3.6. Reporting

Regular reporting mechanisms (monthly, quarterly, annually) have been instituted to ensure the monitoring of activities and accomplishments in all the project sites. These written reports are submitted to the LPSC and the Project Board. Likewise, during regular meetings of the LPSCs and the Project Board, responsible implementing partners present their respective accomplishment reports. There are also regular meetings called upon by the BPP PMU.

However, there are observations regarding attendance of agencies involved. There were instances that some agencies do not send representatives, while in other instances representatives sent to the meetings are different persons, hence the issue on continuity of discussions and agreements. Likewise, recommendations have been raised that prior to the actual meeting, written reports and information have to be disseminated for the participants to be able to prepare and effectively participate in the discussions.

The feedback mechanism employed by BPP must be strengthened. There were partners who observed that although they regularly submit reports to higher level management, there is a very weak feedback mechanism in place. Partners are asking for immediate feedback on the reports that they regularly submit.

4.3.7. Communications

The institutional mechanisms for coordination and implementation are basically in place. However, the specific activities being conducted by various national government implementing partners are not yet adequately coordinated in the project sites. Some implementing partners reported that there were activities conducted in the past that did not go through them even for the sake of informing them. Likewise, the large number of government agencies as well as non-state actors involved in the project that conduct activities on the site poses a challenge in the coordination of the various activities implemented on the site. There were instances that site partners' activities have been mainly focused on coordinating and facilitating the activities of national government agencies, thereby sacrificing the other responsibilities that they have to perform on the ground.

The more vital aspect of communication that needs to be given emphasis is the understanding of the totality of BPP as a project. Considering that the activities on the project sites are intended to serve as demonstration sites, stakeholders on the sites do not have the holistic understanding of the totality of the project, such that each activity conducted on the site contribute to a bigger picture of biodiversity conservation. For instance, LGUs where BPP activities is focused on BD-enhanced CLUP have less appreciation of the other thematic areas of the project. It has to be made clear that BD-enhanced CLUP, BD-agriculture, and BD-friendly businesses, among others are inextricably linked such that activities implemented under a particular thematic area ultimately affects the other thematic areas of BPP. Since the project is establishing demonstration sites, the element of reliability of these demonstration sites must be taken into consideration. In cases where stakeholders lacks a holistic understanding of the project, replication could be a challenge. . There have been suggestions that cross-visits be included in the upcoming activities for the sites to learn and share their respective experiences to the other demonstration sites.

For the remaining years of BPP, the ultimate beneficiaries of biodiversity conservation (e.g. local constituents not directly involved in BPP activities but are ultimately affected) must be well-informed about the project. This strengthens the institutionalization and sustainability

With respect to internal communication within the DENR and the project team, technical working groups within the DENR provide the venue for internal analysis and reflection particularly of key project plans and reports. This is also

complemented by interaction with other foreign assisted projects of the DENR facilitated by the Foreign Assisted Projects Office (FASPO). The BMB has been quite proactive on this. These plus the informal interaction among professional have proved to be helpful to facilitate decision making.

Rating: *The rating for Project Implementation and Adaptive Management is satisfactory. The definition for ratings is described in Attachment 2.*

4.4. Sustainability

4.4.1. Financial Risks to Sustainability

LGUs invested both time and counterpart budget resources in the preparation of their CLUPs as well as in skills training for BD-friendly business. The CLUPs reflect land use decisions that require specific program interventions such as BD-friendly agriculture, wildlife protection, and BD-friendly business. These start-up investments provide an initial indicator of sustainability.

Having a Comprehensive Development Plans (CDPs) also increases the likelihood that interventions contemplated and started by LGUs would be funded. CDPs provide the basis for annual planning and budgeting by LGUs. However, the CDP process is only being piloted in less than five LGUs. LGUs who were not assisted in preparing their CDPs will still prepare their CDPS but there is no assurance that they will automatically fully reflect the interventions they have prioritized under the project.

Among the technical themes promoted by the project, LGUs exposure to the opportunities provided by BD-friendly business have stimulated their interest in laying the groundwork for investments. BD-friendly business have been included in the local investment codes of at least four of the six pilot LGUS, although their effectiveness have yet to be tested. Some LGUs tend to be excited with the prospects of ecotourism in areas that can be “designated” to them through some legal instrument from the PAMB or the DENR (e.g. co-management). Examples are Tubod in Surigao Del Norte and Victorias in Negros Occidental.

The project was not able to directly support implementation of business plans developed by communities that received trainings in value chain analysis and product design. Exposure to potential investors has been made possible by facilitating LGU participation in trade fairs, and these are increasing the chances of support from local investors. LGUs have designated personnel to follow this up.

The prospects for support to BD-friendly agriculture will be likely in places where LGUs have had a good exposure on earlier programs for community based forest management (CBFM) as well as on current organic agriculture thrusts, and proximity to markets. Involvement in CBFM in earlier days exposed LGUs to the benefits of

integrating perennial tree crops in the farming systems (referred by some as agroforestry). In Quirino, the provincial government is actively promoting coffee production, and has linked to NESTLE. In Negros Occidental, several towns are taking advantage of the organic agriculture movement that the province has started as a pioneer in the Philippines.

In other LGUs, the prospects for financing BD-friendly agriculture is not yet certain, given the fact that technical assistance interventions (i.e. establishment of demonstration farms) started only recently. Some LGUs have started establishing demonstration farms with technical support from the project. However, these demonstration activities are not yet driven by local policy. One pilot work related to Payment for Environmental Services (PES) was also recently started. Key stakeholders have reached an agreement on the payment scheme which is relatively simple. It is partly in the form of incremental support services from the government.

4.4.2. Socio Economic Risks to Sustainability

The prospect of change in leadership in 2016 would normally cause some concerns. Some temporary setbacks are expected in some LGUs whose leaders may be more traditional in their approach to program development. To help mitigate this, interventions are embedded in local policy such as the CLUP, CDP and LIIC. LGU personnel have also received sectoral trainings and are expected to champion these innovations.

Land use prescriptions that protect biodiversity could mean temporary loses in short term income. A possible example is a decision of one LGU to declare an area as good for ecotourism thereby, removing the possibility of earning immediate revenues and generating employment from the marble quarry that have been proposed earlier in the same area.

At the grassroots level, BD-friendly agriculture is usually perceived to be labor intensive, an attribute shunned by most upland farming communities. In some areas, farmers have widely adopted the technology that combines herbicide and GMO corn because of its impact on lowering labor requirements. BD-friendly agriculture is expected to have a hard time competing with this labor reducing technology.

The prospects of organic certification are viewed with mixed feelings. Farmers are concerned with the organizational requirements and the high transactions costs in obtaining organic certification. On the other hand, certification increases value addition. If LGUs with assistance from the project can actively involve the regional field office (RFOs) of the Department of Agriculture, the latter may be able to help immensely in providing agricultural support services especially agricultural marketing and certification.

Project sites with communities that produce heirloom rice as identified by the PCR component of the project will have the opportunity to gain more from upland farming in the immediate term, provided that appropriate linkages are made with niche markets in nearby urban areas, again with the assistance of the local RFOs as well as interested local academic institutions.

The experience of DTI and other livelihood oriented projects in the past point to the need for long term “hand holding” and technical assistance with some start-up funding. They are usually unable to cope effectively with disturbances “shocks” if left alone early (examples of shocks are disasters, drastic fall in market prices, sickness, etc.). The project has started to engage local DTI offices. This should be continued resolutely because this is the agency that can help provide continuing post project technical assistance to community based enterprises.

4.4.3. Institutional Framework and Governance Risks to Sustainability

The project has facilitated the Memorandum of Agreements (MOAs) between DENR and line agencies for the generation and fine-tuning of policy reforms and capacitating LGUs to generate investment programs that implement these reforms at the principles that it represent. In the case of agricultural support, the current draft of DA-DENR Joint Memorandum Circular does not yet clearly delineate the crucial technical role of local DA offices in providing support to LGUs implementing the recommended BD-friendly practices. Without these specifications, LGUs would have a hard time in implementation, unless it is led by an exceptional chief executive who would find ways to draw in technical expertise not just from local DA office, but other sources as well.

A good number of LGUs do not normally give high priority to agriculture, a complaint by many DA officers in the regions. Devolved extension personnel are sometimes asked to do other tasks. In areas where agriculture is given priority, they tend to focus on lowland agriculture and does not normally implement upland agricultural extension programs. This task has traditionally been done by DENR social forestry and CBFM programs and in some cases by the Municipal Environment and Natural Resource Office (MENRO).

One of the key post project challenges therefore would not only be sustaining the initial interest generated in BD-friendly agriculture especially during the CLUP process, but of upland agriculture itself. This may be done by helping LGUs realize the potential income from renewed thrusts in agriculture especially if: a) less labor intensive production technologies are applied, b) local capacities are improved for resilience to climate change, c) new ways of value addition in agricultural products are pinpointed (e.g. heirloom rice), and d) improvements in accessing markets are made. The project must not only engage the mainstream agricultural offices but also non-government networks and academe that generate technical innovations.

In the case of support for BD-friendly business, the current engagement of local DTI offices varies from region to region and may be dependent on how active is the local DTI office e.g. NEKBA. Continued search for funding for community enterprises and post project support would be needed to ensure sustainability. The support from the local DTI offices would be essential in this regard and needs to be fully institutionalized before end of the project.

The Project has set up national interagency technical working groups for each sector consisting of the DENR and Sectoral Agency. There is high quality dialogue going on and they are valuable to help address residual actions needed in the formulation and enforcement of policies targeted by the project. It would be ideal if this discourse is proactively continued by the DENR after the project.

Within the DENR, an inter-Bureau internal working group exists to review key project decisions and documents. The FMB and EMB are involved together with the BMB. However another Bureau which is the Ecosystems Development Bureau (ERDB) is not. ERDB has research and development programs that can contribute to upland agricultural productivity as well as resource management for Non timber forest products which are important raw material base for BD-friendly business. The Regional Offices where the project sites are located are demonstrating active support to project operations. This is the observation in the four sites visited. Middle level DENR regular professionals have been designated as regional coordinators reporting to a Regional Technical Director. BPP principles and practices such as support to participatory biodiversity assessments, communication of ENR policy, communication campaigns for BD friendly business and facilitative work to bring different sectors together are considered part of DENR local operations.

Environmental Risks to Sustainability

There are no expected environmental risks associated with BD-friendly land use activities. The evolving protocols for BD-friendly business have been careful about enterprises involving chemical ingredients that may enter the water stream and these are reflected in the priority list of enterprise being assisted. The earthworks contemplated under the project such as soil and water conservation are largely at the farm level and do not involve landscape level construction of drainage works. The project would in fact promote alternatives such as agroforestry as potential alternative to the current practice of herbicide application and corn planting in steep slopes.

Climate change is already affecting upland agriculture in many parts of the country. Erratic weather, more intense rainfalls or dry months depending on location are affecting productivity and incomes. The transition to more biodiversity friend agriculture is not expected to make the current agricultural systems become more

resilient overnight. Rather resiliency will be gained in the long term if practices are maintained with LGU support.

Validation of Risks identified in the PRODOC.

Three types of risks were cited. These were not raised again in the 2013 and 2014 PIRs. With respect to the first risk i.e. not being able to overcome pressure for natural resource extraction and land conversion, there have been no major incidents reported in the LGUs covered that were insurmountable to the LGUs concerned. With respect to the 2nd risk, i.e. sectoral agencies would not be able to adequately integrate incentives, current trends indicate difficulties in this regard., The MTR team positively notes however that there actually existing incentives that can already be invoked upon (see in particular the discussion under agriculture). The third risk cited is the long term changes brought about by climate change would reduce the value of conservation efforts. Baseline data gathering does not directly include information about the effects of climate change. So far there has been no confirmation of this risk in the PIRs,

Rating: *Given the four dimensions described above, the overall rating for Sustainability is “Moderately likely”. There are moderate risks involved as cited but nonetheless some outcomes will be sustained due to progress towards results.*

V. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

In the context of the project objectives, and given the progress made so far, to what extent would the project be able to demonstrate that *“LGUs with enhanced capacities can plan and implement economic activities that meet BD conservation and sustainable use objectives in critical biogeographic regions?”*

In the context of the project title, to what extent is the project able to “demonstrate” the viability of sustainable *“Partnerships for Biodiversity Conservation (and its): Mainstreaming in Local Agricultural Landscapes”?*

If reckoned from actual starting date, the project is in midstream and able to generate certain results in the arena of national policy (Outcome 1), local policies and programs and capacities (Outcome 2), and actual applications on the ground (Outcome 3).

The recently promulgated or ongoing national policies (targeted under Outcome 1) tend to be relatively strong in establishing the rationale for attention to BD, as well as scope of application in the respective sectoral mandates of agencies. There is also

relatively good citation of good practices in the respective sectors. These constitute important signals to the regional offices of technical agencies and their client LGUs (who normally wait for these signals) that it is now time to address BD concerns where there was little to no attention before.

The emerging policies however are not yet able to clearly articulate incentives (which may include existing incentives) for stakeholders for practicing BD-friendly production systems. This will require more attention in the remaining years. Specific steps on how LGUs will actually translate national policies to local programmatic actions can also benefit from further elaboration of draft policies or through subsequent policy instruments

It can be said that BD friendly agriculture and BD friendly business are the wealth creation “engines” of the Project. The work done so far represent valuable building blocks to make this happen, but for milestones to be translated into full outcomes, there is need to accelerate the pace of policy formulation as well as to intensify parallel actions on the ground while policies are still in the final stages of development. Given the limited manpower of the Project, a focus on these two themes is warranted.

Substantive consensus to establish the policy for BD-friendly Strategic Environmental Assessment has only been recently achieved within DENR. This will require major catch up work. Work on certification systems for BD-friendly agriculture is still in the early stage, it is doubtful if the ultimate targets are achievable. At this stage, the windows for recognition in addition to certification need to be actively studied.

Training interventions are equipping LGUs with a range of analytical and planning tools that can eventually lead to creating wealth from biodiversity. Regular LGU personnel are targets of these interventions. The local discourse on biodiversity has attracted all sectors in the LGU, and it no longer just the concern of the local planning officer. The actual use of tools for land use planning for instance (Outcome 2) enable LGUs to make information based local decisions and policies that can favor biodiversity conservation (Outcome 3).

Local land use decisions are also opening up new windows for wealth creation through the identification of potential areas for Local Conservation Area (LCA) which LGUs are interested to self-manage to generate both environmental services and revenues for the LGU and partner communities. Various business oriented tools are also helping communities especially women groups transform biodiversity resources in sustainable community business. They are understanding the value chain situation and gearing up to become competitive.

The direction of LGU policies and programs for BD-friendly agriculture and business are being addressed in the CDP process which in turn, are based on the updated or soon to be updated CLUP (Outcome 2). The CDP is also enabling the LGUs to earmark budgets for BD-friendly public investments. The CDP process is a powerful starting point. To further its impact, there is a need to further elaborate sectoral frameworks within the CDPs if it is to effectively drive implementation activities and effectively mobilize local resources. As such, LGUs can specify more clearly, the doable, local incentives for stakeholders, as well as the delivery systems and local organization and management that brings in the contributions from all sectors.

Full blown project operations started quite late. Hence, it is doubtful if its effects would be able to positively influence 2 of the 4 objective level indicators i.e. population counts, and forest fragmentation. This is further complicated by the fact that baseline information for the above 2 indicators will only be established in the first half of 2015. Achievement of two other indicators (improved habitats and sustainable production systems) will be comparatively more feasible.

The projects ability to communicate and share the eventual results of the project is relatively strong when it comes to Information, education and communication (IEC) campaign products that are directly produced by the project. However, the planned sharing process between LGUs is not yet ready for full implementation at project mid-term as the strategy for knowledge management is still being firmed up. This needs to be systematically addressed in the remaining time of the project building on the initial steps made (i.e. creation of LPSCs).

At this point of time, it can be said that the value of biodiversity as a key factor in LGU economic decision making is moderately likely. Some of the outcome indicators will likely happen and will likely be sustained because of the progress made at MTR (especially on BD friendly land use plans, BD friendly business and improvements in wildlife monitoring). Given the remaining timeframe, attainment of outcome indicators relative to BD friendly agriculture may be expected to accelerate only by the time the project is about to end.

However the effects of decisions made during the preparation of CLUPs in 22 LGUs (double the target) and subsequent multiyear Comprehensive Development Plans in 11 LGUs are expected to serve as foundation for long term consideration of agrobiodiversity. Also, the support of the regional DA offices can be tapped to support this on the long term, based on the promulgation and implementation of the Joint DA – DENR Administrative Order. There is no clear certainty yet on the fate of the BD focused strategic Environmental Assessment (SEA) and certified BD friendly practices.

The likelihood of sustainability will also be enhanced by the continuing role of DENR as a proactive facilitator in the mainstreaming process

5.2. Recommendations

Given the major milestones, emerging outcomes as well as significant issues, the following recommendations are made:

5.2.1. Cross Cutting Recommendations:

- **Provide a major focus on BD-friendly agriculture and BD-friendly business for the remaining project period** (Actor: Project Board and PMU, DA and DTI).

It is recommended that the project focus its resources and attention now to two sets of policy and implementation innovations (referred to as themes by the project stakeholders) under the project. These are the policies that enable LGUs and communities to directly derive concrete material benefits from biodiversity during the project period. This is now made possible because of the milestones and gains made in other themes (e.g. CLUP) where project resources can be safely realigned in favor of these two sets of policy and implementation innovations:

- **BD-friendly agriculture.** This is because agricultural land use is pervasive to be one of the highest threats to ecosystems services including biodiversity. There is also already a wide range of technologies available to make this happen and a wide network of potential service providers.
- **Relevant BD-friendly business.** This enables LGUs to fully tap both forest and agricultural biodiversity resources, and maximize income and local employment through value addition. LGUs are also most excited about BD-friendly business, and are generally inclined to invest in them using their own resources especial if their access to land and resources is assured. Specific suggestions for each theme are discussed in the next section.

The project needs to realign staff and/or recruit new staff to be able to deploy a full time senior professional in each of the two themes to facilitate increased support to partner agencies and catalyze productive communication between partner agency and DENR-BMB, and between national agencies and local stakeholders.

- **Further prepare DENR to sustain the facilitation process for mainstreaming BD in other sectors** (Actors: PMU, BMB and other concerned Units of DENR).

The phase out strategy needs to be prepared immediately in 2015. DENR needs to anticipate the continuing need to facilitate BD mainstreaming in other sectors such as agriculture, trade and local area planning, beyond the project life. In the

absence of a Project Management Unit after the project, there is no other entity that can do this except the regular units and plantilla personnel within DENR. The DENR may also tap the opportunity provided by existing venues for dialogue. One such body is the inter-agency technical subcommittee for biodiversity of the Philippine Council for Sustainable Development (PCSD) of which the BMB Director is a senior member. This is the same body that will be performing a major role in overseeing the updated Philippine Biodiversity Strategy and Action Plan (PBSAP) which now includes a major theme on agrobiodiversity conservation and sustainable use. The interagency committees created during the Project may also be supplemental ad hoc venues

Within the DENR, an inter-Bureau committee may be established to monitor and prepare proposals for the inter-agency committee cited above. A specific division within DENR-BMB may act as secretariat. As main catalyst within the DENR, the MTR team also endorses the suggestions of BMB senior staff to help in mainstreaming as follows:

- Establish focal divisions within the BMB to deal with matching themes for mainstreaming which was initiated the BPP i.e. agriculture, business and local level development planning.
- support the development of a BMB unit dedicated to the further development of standards for biodiversity mainstreaming
- Establish (best of the moment) indicators for effective mainstreaming of biodiversity in sectoral programs. This may serve as input to the further development of standards

Three other bureaus need to be involved in addition to the BMB. These are Forest Management Bureau (FMB) which has a rich experience on community based forest management (CBFM), the Ecosystems Development Bureau (ERDB) which has an R&D program on agroforestry, and the Environmental Management Bureau (EMB) which has responsibility for environmental screening of business ventures that may be proposed within or adjacent to PAs and KBAs. FMB and EMB are already involved but ERDB is not yet involved.

- **Strengthen the verification process for Objective level indicators** (Actor: PMU, NGO partners involved in the studies; M&E consultant)

Realistically, only one or two sets of indicators of success may be evident at the end of the project life i.e. “number of hectares in production landscape under sustainable management,” and “extent of remaining habitat within PAs”. The other two indicators (population count and extent of fragmentation) can be likely seen if there is sustained work, (say for five more years) after the end of the project.

- The MTR team recommends the adoption of the PMU and partners' proposal to use population estimates instead of population counts.
- The study area for the above indicators must be clearly demarcated to take into account the actual area that will be covered by LGU interventions (it is costly to study large swaths of areas when LGUs will only cover a small portion for its interventions).
- Identify opportunities for (non-project financed) survey to be repeated years after the mandatory end of project survey. This will ensure that those realistic correlations can be established between at least five years of LGU intervention (starting in 2015) and its effects on population estimates and forest fragmentation rates five years after.
- In planning for the conduct of the end of project survey, consider the possibility of using the process to attract the interest in the survey process and train selected locally based SUCs on the tools to do it. If the opportunity arises in the future, they can also repeat the process using local resources later. There is no guarantee that this can be done but it is worth trying because there are existing regional and local SUCs with relevant academic and research programs who might be interested to pursue the study for their scientific value. The Commission on Higher Education (CHED) in fact, has a research budget to support biodiversity which SUCs can tap.
- The M&E system must also help fine-tune indicators dealing with habitats and production landscapes under the objective level indicator on sustainable production systems. These are where impacts may more likely be seen towards the end or a few years after the project.
- Subject to the approval of GEF, consider adjusting selected physical targets associated with some indicator outcomes. Given the late project start, this will allow the project team and partners to focus more on developing processes, distill, document, and reflect on lessons and use the same to guide the fine-tuning of policies and "how to guides" for LGU action. The proposed specific adjustments are cited below in conjunction with proposals to improve implementation processes.

The following recommendations focus on selected target indicators of planned outcomes. The recommendations are based on the identified strengths and weaknesses of current progress as identified under the section on Outcome Analysis as well as in Attachment 4.

The target end of project outcome indicators is cited in the first column to help in understanding the context of the recommendation. The proposed actions do not represent the totality of actions to help achieve the end of project target. Rather these are incremental actions on top of, or putting emphasis on what is already or will be incorporated in the work plans.

5.2.2. For Outcome 1

End of Project Target Indicator	Action (based on Outcome Analysis)	Actor
DA and DENR are routinely conducting biodiversity impact assessments of sectoral policies and plans by year 4.	<p>1. Strategic Environmental Assessment - Accelerate the promulgation of the National SEA policy so other actions can immediately follow.</p> <p>a. Due to the almost total absence of existing relevant policies, there is a need to accelerate the promulgation of the Draft National JAO and the BD-focused SEA framework in 2015 so that piloting actions can be justified and be immediately implemented within the project period especially by the DENR and DA and initially in areas covered by the BPP.</p>	BMB, DENR Policy Office, PMU
Updated AFMA Plan incorporates agrobiodiversity programs.	<p>2. 1 Agriculture AFMA and relevant policies Enhance the impact of the current draft JMC by elaborating discussion of available incentives and institutional roles</p> <p>a) Clarifying Institutional roles:</p> <ul style="list-style-type: none"> • Elaborate the role of DA Regional Field Units to provide appropriate agricultural support services to LGUs in project sites in accordance to local constraints and opportunities. • Enjoin LGUs to launch their upland programs and capacitate their agriculture staff and MAFCs for this purpose. Enjoin regional research consortia to provide support to DA-RFU and pilot LGUs in local level planning and implementation. <p>b) Embed the relevant incentive systems currently being provided by the DA that are applicable to agriculture conditions prevailing in PA areas. Examples are:</p> <ul style="list-style-type: none"> • Special assistance and subsidy to qualified farmer organizations qualified for organic certification under the Organic Agriculture guidelines; • Crop insurance to farmers planting indigenous crops and heirloom varieties belonging to the registry of poor stakeholders; 	DA TWG, BMB, PMU and invited resource persons from SUCs

End of Project Target Indicator	Action (based on Outcome Analysis)	Actor
	<ul style="list-style-type: none"> • Small grants for harvesting and marketing facilities and market linkage to poor but deserving producer groups; • Small grants for relevant projects by women’s groups and out of school farm youth who pilot innovations in and value-adding micro business from sustainable agriculture; • Provide for local recognition of good practices (e.g. Gawad Saka). • As co Author of the JAO, the DENR may also articulate available incentives that can be provided to upland farmers in forest lands. <p>c) For agribusiness applications, provide overall policy statement that reiterates relevant existing regulations governing compliance of agriculture projects to environmental laws and rules on bio safety, among others.</p>	
Standards and certification system for biodiversity friendly production systems in place	<p>2.2. Agriculture: Certification of BD-friendly agriculture. Consider a more inclusive approach to include recognition of BD best practices in addition to certification</p> <p>a. As the concept of BD-friendly agriculture is still relatively new and need to be “marketed” to more stakeholders, the project may wish to consider the promotion of a more inclusive approach to BD certification that provides a range of modalities that match the varying capacities of different stakeholders at this time (e.g. subsistence IP farmers that want to enter the market; more established farmer cooperatives, private plantations etc.).</p> <p>b. Modalities may include recognition for “best as of the moment” good practices, as well as recently adopted certification systems such as the DA Good Agricultural Practices (GAP), 3rd party certifications and 2nd party certifications. For this purpose, engage technical assistance to assist DA, DENR and LGUs concerned to identify and adopt various forms of recognition and certification and formulate/ implement collaborative work programs for</p>	BMB, DA, TWG for BPP, BMB, PMU

End of Project Target Indicator	Action (based on Outcome Analysis)	Actor
	<p>promoting this. The modalities will of course have to correspond to the minimum set of guidelines set by the proposed JAO or to previously set national standards such as those set by the Organic Agriculture Policy.</p>	
<p>System established for surveillance, monitoring, and mapping the sources of illegally traded wild plants and animals</p>	<p>3. Wildlife Trade. Proceed with the issuance of memorandum circular that will guide LGUs in the preparation of local wildlife ordinance and codification of environment ordinances integrating the concept of BD.</p>	<p>PMU, BMB, and DILG</p>
<p>Policy in place at DTI</p> <p>Priority biodiversity business identified in DTI policy documents.</p>	<p>4. Business. Enhance the impact of the draft JAO to elaborate provisions for incentives, and clearer guidance for local action.</p> <p>a. Consider attention to:</p> <ul style="list-style-type: none"> • Clearer guidance on planning and implementation of BD-friendly businesses at the site level or even at the local government level; and specifying more clearly the roles of local DTI offices • Incentive structures and financing mechanisms (including existing ones) to encourage BD-friendly businesses/enterprises including BD-friendly business label; <p>b. These improvements may be incorporated in the final version of the JAO or as suggested by the PMU, be included in subsequent, policy instruments and technical bulletins to be made during the project period.</p>	<p>PMU and DTI/BOI with core group on BD-friendly business thematic area</p>
<p>A Knowledge Management System established at PAWB with computerized data storage and retrieval system that can be</p>	<p>5. Knowledge management information systems. Clarify and firm up strategic objectives and where necessary, amend LGU-related operational targets under the planned Knowledge Management System.</p> <p>a. Engage the assistance of a KM oriented office or program/project within the DENR, or engage a short term KM/learning consultant to facilitate a round table</p>	<p>BMB, PMU</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actor
<p>accessed on-line by LGUs, conservation NGOs and other development agencies.</p>	<p>multi stakeholder to assess and fine tune operational plans for the PKMIS (Partners Knowledge Management Information System). The process needs to build on the observed actual capacities of partner LGUS and experience and lessons learned so far from somewhat similar recent initiatives such as the Clearing House Mechanisms (CHM).</p> <p>b. The discussion may include the following:</p> <ul style="list-style-type: none"> • The actual scope of participation of LGUS in the National Information System based on better understanding of what can be realistically expected from partner LGUs and what the BMB can actually maintain especially after the project; • The scope and processes and structure of inter – LGU knowledge sharing (including after the project) (see also discussion in Outcome 2 and 3). 	

5.2.3. For Outcomes 2 and 3

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
<p><u>Outcome 2:</u></p> <p>Tools developed and 20 percent of LGUs in project sites trained in SEAs and landscape level natural resources management. DILG Memorandum</p>	<p>1. Strategic Environmental Assessment- Tooling and training of LGUs.</p> <p>a) Accelerate the development of DILG memorandum circular and manual of procedures for LGUs for immediate orientation and pilot testing initially in BPP areas The guidance to LGUs may build on the initial spatial analytical work done during the CLUP and CDP preparation process and be embedded in the LGU processes for assessing progress of development plans being developed of in preparing implementation plans. This would be ideally supported by DA, DENR, and NEDA.</p>	<p>BMB, PMU, DILG</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
Order prescribing planning guidelines and SEA approaches	<p>b) As suggested by the Project Document, DENR and DA may wish to pilot-test the SEA in such policies that are currently affecting partner LGUs such as the High Value Crops Development Act of 1995, and pertinent policies that allow genetically modified organisms (GMOs). Pilot-test the BD-focused SEA Framework in the most suitable LGU following a set of selection criteria. These selection criteria could include the presence of BD-enhanced CLUP and presence of MENRO or other relevant local office/unit.</p> <p>c) Provide the appropriate orientation and training support to key agencies that will be involved in the piloting i.e. DENR, DA DILG and LGU based offices.</p>	
<p><u>Outcome 3:</u></p> <p>At least 20 percent of LGUs in the project sites apply SEA in their development planning</p>	<p>1.2. Strategic Environmental Assessment – LGU implementation</p> <p>Work with LGUs that have finalized or are finalizing their CLUPs and CDPs and to the extent possible, embed the substantive SEA processes in the CLUP and CDP processes because these are the processes that LGUs can more easily relate with (see also discussion below under local area planning). In assisting the 20 percent of LGUs to be trained on SEA (Outcome 2) provide focal attention to at least 2 LGUs This proposal will allow the project team to provide more quality time for fine-tuning delivery systems; documenting lessons learned; and facilitating sharing and reflection among early practitioners of SEA.</p>	BMB PMU DILG and HLURB
<p><u>Outcome 2:</u></p> <p>20 percent of LGUs with local ordinances and programs adopting</p>	<p>2.1. Agriculture- local program development.</p> <p>Pending promulgation of the JAO, the DENR and DA in collaboration with local SUC based R&D networks, provide immediate planning and technical support to at least one pioneering LGU per site (8) (or 20% of LGUs) to fully</p>	DA TWG, DA-RFO, LPSC and PMU

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
<p>biodiversity friendly agricultural practices</p> <p>20 percent of LGUs with staff trained in promoting BD friendly agricultural practices</p> <p>20 percent increase in LGU budgets for biodiversity friendly agricultural programs</p>	<p>launch their local BD-friendly agriculture program by mid-2015, based on directions set by their CLUP/CDP as well as the technical recommendations of the draft JMC already agreed upon.</p> <p>a. As needed, tap regional research networks and local SUCs to assist DA regional offices identify immediately doable BD-agricultural practices that can be prioritized by the LGUs above. Initially, focus support to 1-2 critical farming systems in the area (e.g. IP food systems, upland migrant farming systems, small scale agribusiness etc.). Formulate locally relevant extension programs and incentives;</p> <p>b. Accelerate the preparation of training modules programmed under DA to support the pioneering work of the LGUs. This may be done even before the formal promulgation of DA policy as a good number of the BD friendly technologies cited by the draft policy are not expected to be debatable.</p> <p>c. Consider the feasibility of decentralizing the detailed preparation and execution of training modules to regional level, to the extent possible, with guidance from the Agricultural Training Institute HQ. Where appropriate, utilize existing modules available (either within DA or within the R&D network).</p> <p>d. Complete the training of pioneering LGUs as well as pilot farmer groups prior to the planting season of 2015;</p> <p>e. To support the planned training program for LGUs, develop LGU user-friendly orientation guides on various key technological options, good practices and potential costs and benefits of key BD friendly practices that are most feasible in their areas.</p>	
<p><u>Outcome 3:</u></p> <p>At least 5,000 farmers</p>	<p>2.2. Agriculture – adoption of BD friendly practices</p> <p>a. Towards achieving the BPP target, and as part of the LGU agricultural</p>	<p>BMB, PMU DA</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
adopting biodiversity friendly agricultural practices	<p>programs to be developed, help partner LGUs, assist establish target adopters based on a combination of the following :</p> <ul style="list-style-type: none"> • Benchmark information of farmers and agribusiness firms with existing good practices. • Lessons learned on agricultural extension practices that work locally • Assumptions used in the BPP target of 5,000 farmer adopters. <p>b. Consider assistance to LGUs that provide focal attention to at least one demonstration village per bio geographic region (say, in LGUs that have developed their CLUPs and CDPs). Such selected villages should ideally have the potential to demonstrate substantive levels of adoption of recommended practices (usually between 20 -30% of the total number of farmers in an area after 2 to 3 years). This may represent, the numbers needed to promote natural diffusion and help overcome possible backsliding among adopters. Document and communicate the processes involved in the adoption process in these pilot villages as part of the learnings in promoting BD-friendly agriculture.</p> <p>Assist LGUs collaborate with other locally based stakeholder organizations to embed BD friendly agriculture in their agenda and where appropriate, help set physical adoption targets. Examples of such priority stakeholder organizations to work with are: local NGOs working on sustainable agriculture, regional agricultural science and technology (S&T) networks of agricultural colleges.</p>	
<p><u>Outcome 3</u></p> <p>Additional 2,000 farmers and producers</p>	<p>2.3. Agriculture – Certification</p> <p>a. Given the relatively high physical targets for certification under Outcome 3 and the limited time left, the project may also immediately begin the</p>	

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
meeting certification standards	<p>certification process described for recommendations under Outcome 1, pending final promulgation of the Certification Standards, by providing interim recognition of good practices that eventually lead to BD friendly agriculture.</p> <p>b. Collaborate with other stakeholder organizations in identifying good practices in both agriculture and associated business not necessarily supported by BPP that can receive recognition and certification and further support.</p> <p>c. Given the time left, ensure establishment and documentation of pilot cases of enforcement of the certification system developed under BPP in at least three sites. To provide more quality attention to the participatory process development, consider reducing the targeted number of farmers and producers to be certified. This can take into account the actual experience of certification processes under the National Organic Agriculture Program.</p>	
No specified target under Outcome 2 and 3	<p>2.4. Agriculture- Plant Genetic Resources (PGR)</p> <p>Provide special attention to the protection of agrobiodiversity in KBAs and LGUs assessed to have high agrobiodiversity.</p> <p>a. Where possible assist at least one PAMB covered by the project to include agro-biodiversity information in their plans so that resources can be provided for their protection and sustainable use can be provided.</p> <p>b. Assist at least three LGUs in different bio-geographic regions set up pilot programs for in situ agrobiodiversity conservation as an organic part of the biodiversity friendly agriculture.</p>	PMU, BAR, BPI and PAMB

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
<p>10 LGUs with local Ordinances to support regulation of local endemics</p> <p>Local coordinating bodies established with DENR, wildlife enforcement agents and volunteers to strengthen regulation of wildlife trade</p>	<p>3. Wildlife trade.</p> <p>Fortify the process for capacity building measures for wildlife trade monitoring and management.</p> <ul style="list-style-type: none"> a. Focus capacity-building of personnel in LGUs who have been extended assistance in the preparation of the local environment code and wildlife ordinance. b. Institute feedback mechanisms in the implementation of the training modules prepared for necessary improvements. c. Enhance communication and coordination mechanisms not just among national government agencies but also between national government agencies and local government units in terms of implementing and monitoring the implementation of the harmonized wildlife trade regulations. 	<p>PMU, BMB (with WRD), local government units in the project sites</p>
<p><u>Outcome 2:</u></p> <p>10 LGUs in project sites with regulatory structures, incentive systems, investor codes of conduct and programs and budgets promoting BD-friendly business</p>	<p>4. Business.</p> <p>Explore the possibility of including a specific category of BD-friendly business with a listing of the activities within the LGU that could be categorized as BD-friendly business/enterprise in the initial listing of the LGU preferred areas for investments. Fortify the piloting process for supporting the promotion of BD-friendly business.</p> <ul style="list-style-type: none"> a. Continue to actively involve other relevant units of DTI (e.g. BMSMED and local offices) and other government agencies such as the Agribusiness Unit of DA, the DOST, and financing entities (e.g. DOF) to translate the already set-up policies into actual investments by the private sector. 	<p>PMU with the core group on BD-friendly business thematic area</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
<p><u>Outcome 3:</u></p> <p>At least four businesses engaged in biodiversity-friendly enterprises in project sites by year 5.</p> <p><u>Outcome 3:</u></p> <p>At least four producer groups in PAs/KBAs adhere to LGU investor codes of conduct</p>	<p>b. Identify a demonstration site that could serve as model in the convergence of the various thematic areas of the BPP (i.e. BD-friendly agriculture, BD-friendly businesses/enterprises, and BD-enhanced CLUP).</p> <p>c. Accelerate efforts to link up with other government institutions on financing mechanisms that could be made available to LGUs and private entities interested and committed in investing on BD-friendly businesses/enterprises.</p> <p>d. Proactively assist LGUs that are preparing their local conservation plans for important landscapes identified as a result of the CLUP process. Where the opportunity exists, work towards the establishment of suitable sites as Critical Habitats as defined under the Wildlife Act, as also suggested by BMB</p> <p>e. As suggested by the BMB, check existing correspondence between BPP sites and 83 sites identified by the DOT for sustainable tourism, and eligible for support from the DOT. This can help tap resources from the Tourism sector for the sustainability of BPP actions.</p>	
<p><u>Outcome 2:</u></p> <p>A comprehensive suite of tools and associated capacity-building support for mainstreaming biodiversity available to LGUs in the target regions by year 3.</p>	<p>5. Local Area Planning.</p> <p>Consolidate interventions on local planning processes especially the CLUP, and help at least three provincial governments prepare for follow on support. CLUP preparation has made a lot of outstanding progress and has in fact exceeded physical targets. There is no compelling need to cover more sites.</p> <p>a. Conduct a participatory assessment of progress made so far at the site level to assess gains and loose ends, identify recurrent planning gaps encountered by LGUs in developing and implementing their CLUPs, and develop guides (such as FAQs) to address such gaps). This activity may</p>	<p>PLGU NEDA - RLGUC HLURB regional office PMU, HLURB local staff</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
<p><u>Outcome 3:</u> LGUs in the project sites sharing PA or KBA areas jointly adopt resource planning tools such as FLUP, ICRMP, ecological zoning.</p> <p><u>Outcome 3:</u> At least 3 Provincial CLUPs in the project sites adopt the planning tools for biodiversity conservation.</p>	<p>also be done in conjunction with the target for BD SEA at the local level (see discussion under BD SEA).</p> <p>b. Provide orientation to at least three provincial government teams as well as municipal sharers on the use of the guides to help prevent confusion on the multiple planning instruments that have been recommended to LGUs by different projects. Prepare and communicate a brief guide to LGUs that will help them to determine what planning process to use for different situations (CLUP, FLUP, watershed planning, etc.).</p>	
<p><u>Outcome 2</u></p> <p>Mechanism and network established to regularly share lessons on mainstreaming biodiversity</p>	<p>6.1. LGU Knowledge management.</p> <p>With technical assistance support, develop or adopt appropriate system for documentation and analysis of experience to ensure they are useful for inter-LGU sharing and policy formulation.</p> <p>a. Identify the LGUs that are demonstrating varying levels of good practices in the theme of agriculture business, wildlife trade and local development planning.</p> <p>b. Develop a typology of good practices cited above that are being generated, and support proactive documentation of practices coming from different production /enterprise systems.</p> <p>c. Pilot the appropriate documentation process as early as possible in early 2015 in at least one site to gain experience and adjust the protocols to</p>	<p>BMB, PMU, DILG-LGA, LPSC</p>

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
	<p>suit project needs. Immediately mobilize at least one LPSC by mid-2015 that can demonstrate the knowledge sharing process as envisioned by the project.</p> <p>d. Tap the BMB website for long term communication support by assisting the BMB develop a web page dedicated for LGUs. Such a web page may include an annotated list of policies directly relevant to LGUs, a portfolio of emerging good practices (initially coming from BPP sites) and downloadable guides and tools (also initially coming from BPP). Biodiversity data from LGUs may be uploaded in the current page for PA or species data. Regional DENR offices may encourage their counterpart LGUS to regularly visit the web page. Upload this link to the websites servicing LGU concerns such as the websites of the Leagues of LGUs as well as CSO networks working with LGUs. The BPP website can serve as the de facto webpage during the project period.</p> <p>e. Identify other supplemental or locally existing alternative platforms for knowledge sharing that can carry and sustain the sharing process and provide technical support to local facilitators as needed (example: local R&D consortia).</p> <p>f. Collaborate with the Leagues of Cities and Municipalities to share information on good practices in selected regular sessions of the leagues. This may be done once the Project is able to assemble an initial set of good practices documentation. In engaging the Leagues, the Project may also wish to team up with other similar foreign assisted projects working with LGUs so that they can communicate a “bigger message” with more cases (from BPP and from others) to substantiate it. The project may also wish to take advantage of annual league events</p>	

End of Project Target Indicator	Action (based on Outcome Analysis)	Actors
	<p>both at the national or regional levels.</p> <p>g. Consider also working with the professional leagues associated with the Leagues of LGUs, An example would be the League of Planning Officers and the League of Environment and Natural Resources Officers (ENROs). These leagues also hold their own annual conferences and such venues provide opportunity to share the good practices emanating from LGUs assisted by BPP.</p>	
<p><u>Outcome 2:</u></p> <p>New national policy proposals formulated/approved based on lessons from LGUs/project sites</p> <p><u>Outcome 2:</u></p> <p>Improved capacity by LGUs to advocate improved policies</p>	<p>LGU Knowledge management – new proposal formulation.</p> <ul style="list-style-type: none"> • With respect to the target for development of new policy proposals (under Outcome 2) convene a round table discussion series as part of the knowledge sharing process /event series on the final year. This would be among proactive LGU partners; key line agency and CSO partners as well as local governance research networks. The knowledge sharing process would reflect on good practices and lessons learned as well as identify the potential 2nd generation policy proposals. This should ideally initially concentrate on how to address identified gaps in the initial policies promoted under the BPP. Indicative scopes of such proposals may also be identified. <p>h. Additionally, the policy identification process may also help develop improved templates for key LGU policies or ordinances (based on LGU experience). This can then be shared with other LGUs. Where resources allow, the support of local governance specialists may be solicited from partner SUCs to help facilitate the dialogue.</p>	<p>BMB, PMU and DILG</p>