

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

(This report covers implementation period from July1,2020 to June30,2021 including recently closed projects covering the reporting period)

ADB Official Project Title: Integrated Natural Resources and Environment Management Project

ADB Project Number: 41220-013

I. GEF PROJECT SUMMARY**Project Ratings:**

Development Objective Rating (DO): Moderately Satisfactory (MS)

Implementation Progress Rating (IP): Satisfactory (S)

Risk Rating: Modest Risk

Information on Progress, challenges and outcomes on project implementation activities

As of 30 June 2021, the project has achieved 90% physical accomplishment and 74% financial achievement (Asian Development Bank, International Fund for Agricultural Development & GEF). The greatest contribution to the physical achievement were due to completion of several rural infrastructure and livelihood subprojects across the four upper river basins (URBs). Completion of natural resources management (agroforestry, reforestation, conservation farming and commercial tree plantation), and community-based forest protection continues as each subprojects completes their respective maintenance. GEF support has been very instrumental to IP/People Organizations (PO) who successfully adopted the conservation farming models (e.g., intercropping and farm contouring in agroforestry) initiated by the World Agroforestry Centre (ICRAF).

Major accomplishments are:

- (i) Component 1: The re-enhance indicative development plans (IDPs) for the Upper Chico River Basin (CURB) and the Wahig-Inabanga River Basin (WURB) were adopted by the respective watershed management council (WMCs) along their respective watershed management plans. While the remaining IDPs for Upper Bukidnon River Basin (BURB) and Lake Lanao River Basin (LLRB), through its Lake Lanao Master Plan, were already reviewed and expected to be adapted by September and December 2021, to enable timely completion of watershed management and investment plans (WMIPs) before the project closure.
- (ii) Component 2: Except for the cancelled areas under the community-based forest protection – CBPM - (around 6,554.5 hectares (ha)), all forestry and agriculture management activities (agroforestry, conservation farming, reforestation, and commercial tree plantations) are completed and are now being validated for payment released. For rural infrastructures, 15 out of 55 subprojects are still undergoing constructions. For livelihood enhancement support (LES1), activities led by DENR are completed by August 2021 while there are still around 22 LES2 led by the Department of Trade and Industry (DTI) that are still under procurement, construction before handover to communities. LES3 partnered with community-based forest protection are also near completion (141 targets).
- (iii) Component 3: The project continues to train and capacitate the partner POs and local government units (LGUs) in the implementation of the subproject.
- (iv) Component 4: All project management offices and consultants are still in place with some of them ending in August, September, and October 2021 due to the upcoming closing of the project on 31 December 2021.

The project implementation continues to be challenge by the impacts of coronavirus disease (COVID-19) such as travel restrictions, social distancing, where it makes validation, capacity building and consultation slow or impossible. As alternative the project has explored the use of technology (e.g., remote sensing, GPS, drones) to continue its validation, supervision, and monitoring – this enables timely release of payment to the people’s organization.

Training manuals are also loaded online to present to communities in place of face-to-face training. Local people are engaged to reduced travel and hip-pocket trainings were provided.

Information on Progress, challenges and outcomes on Stakeholder Engagement, Environment and Social Safeguards

Consultations were made across levels: national and subnational government offices, POs/IPOs, and LGUs (regional, provincial, municipal, and village levels) in all four river basins, prior to any initiation of activities. Sufficient budgets have been provided by the Project for community consultations, subproject field validation and surveys. Despite Covid-19 restrictions and local lockdowns that hamper project implementation, continuing community consultations, stakeholder's consultative meetings, venues for grievance redress and joint-monitoring activities are simultaneously facilitated by INREMP field implementing units, POs and LGUs to ensure community and beneficiary participation from preparation, implementation, completion/installation to turn-over of subprojects. Covid-19 minimum safety protocols and health guidelines and protocols implemented by the GOP, LGUs and DENR were observed and shared by INREMP in the conduct of consultations and monitoring of subprojects

Monitoring is done with the assistance of drones, GPS, pictures that are being uploaded for verifications and actions if any is required. Trainings were provided during construction and post turnover to ensure proper operation and maintenance. On the job training such as through demonstration sites were also provided to the PO/IPOs and other communities for better understanding of the benefits of the project's interventions.

Particular attentions were given to IP organizations evidence by the number of Certificate of Pre-conditions issued by the National Commission on Indigenous People. Of the 186 applications (to cover around 2,092 subprojects all under Output 2), 180 were already issued and the remaining targets to be secured before closing of the project. The issuance of Certificate of Pre-conditions requires the Free Prior and Informed Consent of IPs.

The project is now focusing on integrating sustainability plans to the Community Development Plans (CMPs)¹ prepared under this project. These CMPs documents the socio-economic development plans of the community, it is here that they identify opportunity for investments and income generating activities including possible partnership with private sectors.

The project is using existing grievance redress mechanisms (GRM) which are established in all levels of the project, to record complaints as result of the project. Visibility boards such as Subproject Information and GRM Posters are installed bearing contact information where grievances, queries and complaints can be lodged aside from the GRM intake forms. Grievance redress reports from POs, LGU SPMUs and field implementing units are summarized and are incorporated in the quarterly progress reports submitted by RPCOs in 4 URBs. As of 30 June 2021, no complaints was recorded for environment. While those 23 previously reported under social safeguards from the different URBs are now resolved

As the project is Category A for IP, an external monitoring agent (EMA) was mobilized in November 2020 to review compliance with the CMPs, and submitted 3 external monitoring reports.

Key challenge now is the continuous imposition of lockdowns which restrict field visits.

Information on Progress on gender-responsive measures

¹ Prepared in lieu of Indigenous Peoples Plan for subprojects other than rural infrastructure. Also, instead of updating the Ancestral Domain Sustainable Development and Protection Plans (ADSDPP) which involves long process and beyond the Project's mandate. Though the project has help with updating of some ADSDPP by incorporating some information from the CMPs, however this is not pursued further as it requires several steps before it gets endorsed or approved by NCIP.

This project is categorized as Effective Gender Mainstreaming (EGM). As of 30 June 2021, 100% (11 out of 11) GAP activities are either completed or are on-track. However, only 75% of the 8 GAP targets are on-track. Remaining issues include: (a) difficulty in achieving the 25% female target employment in construction of rural infrastructure; (b) status of gender mainstreaming in the PES Framework; (c) lack of data to show achievement of DMF target 3.3 on women's membership in community watershed protection brigades; and (d) need for more data both qualitative and quantitative data to show empowerment outcomes.

Knowledge activities/ Products

- Blog articles are published in ICRAF's Agroforestry World:
 - [Reaching the field in the 'new normal'](#)
 - [From fire-prone to fire-proof: how trees and crops can prevent wildfires](#)
 - ['Those unemployed before, they are now employed'](#)
 - [Keeping track of environmental projects in the new normal: data does it](#)
 - [The power of proof: how model farms in the Philippines encouraged the expansion of scale of agroforestry](#)
 - [Eat together, work together: piquing farmers' interest in sustainable land management](#)
 - [Preserving Mindanao's highland paradise through conservation farming](#)
 - [Suffering with your department's land-restoration program? Take on a "partner perspective"](#)
- ICRAF-INREMP website accessible through <http://worldagroforestry.org/project/inremp>
- Training Manuals (with accompanying training PowerPoint presentations in English):
 - [Tree nursery establishment](#)
 - [Conservation agriculture with trees](#)
 - [Propagation of quality planting material](#)
 - Proper tree planting (for uploading)
- Policy Briefs:
 - [Fair and transparent benefit-sharing in government forest restoration programs](#)
 - [Organizing farmers for effective training and capacitation on tree-based enterprises](#)
 - [Facilitating the shift from tree planting to promoting community-based forest enterprises in the Philippines](#)
 - Towards a national legal framework for PES development in the Philippines
- Workshop report: [National Stakeholders' Forum for INREMP](#)
- Policy Reports:
 - Policy review and institutional analysis for development of commercial forestry investment sub-projects (for uploading)
 - Incentive structures for policy and institutional mainstreaming of commercial forestry investment sub-projects (for uploading)
- Conference paper/poster presentations:
 - Calderon, M., C. Tiburan, GA Reynoso, MA Menguito, and CD Pinon. 2021. Potential impacts of INREMP on selected Ecosystem Services in the KABAMAAM Watershed, Philippines. Paper presented during the Philippines Agricultural Economics and Development Association (PAEDA) 1st International Conference and 51st National Convention (PAEDACON 2021), 3-4 June 2021, virtual.
 - Most Outstanding Convention Paper Award
 - Best Paper Aware in Sustainability in the Agriculture, Aquatic and Natural Resources Category
 - Tiburan, C, M Calderon, MA Menguito, GA Reynoso, and CD Pinon. 2021. INREMP and the Ecosystems Services of the Cagayan de Oro River Basin, Philippines. Accepted as paper for

presentation at the 2021 Wenzap Ursulin International Conference on Southeast Asia studies in Tawin. However, this will be presented as poster because of travel restriction.

- Seventeen brochures including:
 - Five brochures on CFISP establishment (agroforestry, conservation farming, tree nursery establishment, propagation of quality planting material, proper tree planting)
 - Four brochures for PES (PES basics, A guide for sellers, A guide for buyers, A guide for intermediaries)
 - Six brochures on specific tree species (Falcata, Musizi, Narra, Lanzones, Rambutan, Durian, Coffee, Cacao)
- Instructional videos on CFISP establishment and PES
- Success story videos on selected INREMP beneficiaries and partners in the field
- The knowledge management and communication and outreach strategies document were customized into:
 - Communication packages for each upper river basin
 - Knowledge management systems for each upper river basin

FOR SCCF/LDCF INDICATORS: (Provide information if applicable)

Total Number of Beneficiaries	
Ha of land better managed to withstand the effects of climate change	
No. of risk and vulnerability assessments, and other relevant scientific and technical assessments carried out and updated	
No. of people trained to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
No. of regional, national and sub-national institutions with strengthened capacities to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	
Contribute towards public awareness of climate change impacts, vulnerability and adaption (Tick if relevant)	
Expand access to improved climate information services (Tick if relevant)	
Expand access to improved climate related early-warning information (Tick if relevant)	
No. of regional, national and sector-wide policies, plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	
No. of sub-national plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	

II. Project Profile

1. General Information	1	GEF ID	3980
	2	Focal Area(s)	MFA
	3	Region	Southeast Asia
	4	Country	Philippines
	5	GEF Project Title	Integrated Natural Resources and Environmental Management Project
	6	Project Size (FSP; MSP)	FSP
	7	Trust Fund (GEFTF; SCCF; LDCF)	GEF TF
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	29 April 2011
	9	ADB Approval Date if the GEF Fund (mm/dd/yy)	3 December 2012
	10	GEF Grant Signing of the GEF Fund (mm/dd/yy)	22 March 2013
	11	Implementation Start Date of the Project and of the GEF Component (mm/dd/yy)	9 August 2013
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy) <i>(Definition: First disbursement date is the date when GEF funds are actually disbursed to the executing agency in the country or when funds are disbursed directly to the suppliers of goods for the project; could include initial date of cash advance to Imprest accounts)</i>	29 September 2014
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	N/A
	14	Proposed/Revised Implementation End (mm/dd/yy)	N/A
3. Funding	15	Actual Implementation End (mm/dd/yy)	N/A
	16	Expected Financial Closure Date (mm/dd/yy)	31 December 2021
	17	Actual Financial Closure Date (mm/dd/yy)	N/A
	18	PPG/PDF Funding (USD)	\$291,000 (anticipated)
	19	GEF Grant (USD)	\$2,500,000
	20	Total GEF Fund Disbursement as of 30 June 2021(USD)	\$1,298,822.28
4. Evaluations	21	Confirmed Co-Finance at CEO Endorsement (USD)	
	21	Materialized Co-Finance at project mid-term (USD)	
	22	Materialized Co-Finance at project completion (USD)	
	23	Proposed Mid-term date (mm/dd/yy)	N/A
	24	Actual Mid-Term date - if applicable (mm/dd/yy)	14 March 2017
	25	Proposed Terminal Evaluation date (mm/dd/yy)	30 June 2022
	26	Actual Terminal Evaluation Date (mm/dd/yy)	N/A
	27	Tracking Tools Required (Yes/No/ Focal Area TT)	No
28	Tracking Tools Date - if applicable (mm/dd/yy) Midterm Tracking Tool Terminal Evaluation Tracking Tool	N/A	

III. Project Implementation

A. Project Description:

The Integrated Natural Resources and Environmental Management (INREM) Project (hereinafter referred to as Project) will address unsustainable watershed management in four priority river basins: (i) the Chico River Basin in the Cordillera Administrative Region, Northern Luzon; (ii) the Wahig-Inabanga River Basin on the island of Bohol; (iii) the Lake Lanao Basin in the Bangsamoro Autonomous Region of Muslim Mindanao (previously Autonomous Region of Muslim Mindanao); and (iv) the Upper Bukidnon River Basin in Bukidnon, Northern Mindanao. With focus on indigenous peoples and resource-poor communities, the project will reduce and reverse degradation of watersheds and associated environmental services caused by forest denudation and unsustainable farming practices. It will also provide incentives to local communities, local government units (LGUs), and the Department of Environment and Natural Resources (DENR) for improving natural resources management by generating sufficient and tangible economic benefits. Mechanisms to achieve these project objectives include (i) payments for environmental services (PES) including water regulation, soil conservation, carbon offsets, and biodiversity; (ii) income generation from sustainable use and management and value-added processing of timber and non-timber forest products; (iii) improved natural resources productivity; and (iv) improved climate-resilience in project watersheds. GEF financing will be used specifically to support project activities designed to attain incremental global benefits in biodiversity conservation, and climate change mitigation relating to land use, land use change and forestry (LULUCF).

GEF-supported elements of the project will aim to mainstream planning for climate change adaptation and mitigation into the overall river basin management through a combination of capacity building, institutional development, and demonstration activities. These latter will initially focus mainly in the Cordillera headwaters area and will include the establishment of credible reference emission levels as well as community-based monitoring. Of the four targeted project sites, the Cordillera represents biodiversity resources of high value that are at greatest risk. Concentrating effort in one area will ensure that adequate resources are made available to undertake all required activities. Capacity-building will be initiated at the other three project sites, to prepare local communities and lay the foundation for replicating best practices, once they have been successfully demonstrated in the Cordillera. This phased approach is one way of ensuring that resources are applied in a cost-effective manner.

B. Implementation Progress (IP) Rating:

Output	Rating	Evidence/Examples	Issue/Risk/Action
Component 1			
By 2015, river basin indicative development plans and watershed management plans adopted in four project sites covering 1.13 million ha	MS	18 of the 23 watershed management plans have been prepared with breakdown as follows: 8 in CURB, 4 in WIRB, 6 in BURB. IDP of CURB and WIRB were adopted by the LGU	IDPs for BURB and LLRB to be adopted by 31 December 2021

Output	Rating	Evidence/Examples	Issue/Risk/Action
By 2018, 81 (23) watershed management and investments plans developed as basis for project investments in 81 LGUs.	MS	57 out of 81 LGUs adopted the watershed management and investments plans.	24 remaining LGUs to adopt the watershed management plans by 15 December 2020.
By 2018, a GIS based database, including remote sensing information for performance monitoring established and operationalized	S	1 GIS based database established; 21 out of 27 nodal stations established	
At least 30% of watershed management council members are women.	S	All the 20 watershed management councils were created under the project of which only 30% members are women.	
Component 2			
By 2020, over 80,152 ha effectively protected through community-based monitoring in four URBs.	S	As of Jun 2020, 74,061 ha effectively protected through community-based monitoring in four URBs	Around 6,554.5 ha were cancelled by the people's organization due to conflict and other prioritization.
By 2020, at least 22,486 ha of natural forestland rehabilitated through reforestation and assisted natural regeneration.	S	22,483 ha rehabilitated through reforestation and assisted natural regeneration.	
By 2018, over 14,374 ha of agroforestry with community participation and 3,568 ha of commercial plantation established.	S	14,374 ha. of agroforestry with community participation and 3,568 ha of commercial plantation established	
By 2018, 3,634 ha of conservation farming demonstration established	S	3,634 ha of conservation farming demonstration established	

Output	Rating	Evidence/Examples	Issue/Risk/Action
By 2020, income-enhancing small-scale infrastructure improvements completed including <u>133 km</u> of rural access <u>68 km</u> of foot trails, and 1 provincial trading center; communal irrigation systems for about <u>269 ha</u> ; and <u>10 units</u> of potable water supply (level II – spring development) schemes	S	Income-enhancing small-scale infrastructure improvements completed – 123kms of farm to market roads, 10 km of foot trails, 1 provincial trading center, 255 ha covered by communal irrigation systems and 7 units of potable water supply. The rest are still undergoing constructions.	Completion is a challenge due to the continuous presence of COVID-19 and July-Sept 2021 is rainy season specially in mountainous areas. DENR, and LGUs to closely monitor progress, engage local communities (to reduce travel) and observe health and safety protocol.
At least <u>25%</u> of local labor for infrastructure will be reserved for local rural women.	MS	12% of the local labor for infrastructure is occupied by local rural women.	Though the hiring of local laborers is open to men and women, only a few applied due to the nature of work and women are mostly involve to management the livelihood activities.
At least 200 livelihood enhancement support (LES) packages operationalized	MS	<u>DENR Led</u> 239 LES packages were signed with POs and are operationalized. 172 of the 191 LES3 as incentive for CBFM are completed. <u>DTI Led</u> 39 of the 52 shared service equipment delivered and functional 6 of 28 shared service structures (buildings centers) are constructed or renovated	Due to COVID-19, operation is not at full capacity. Suppliers are also limited. Trainings are also limited. 2 DTI led shared services structures are in danger of slipping after project closing date. DENR and DTI with local extension officers and communities strive to assess gaps and needed support towards maximizing the operation and income generation
Component 3			
By 2019, at least 9,000 local beneficiaries trained (i) land use assessment and URBMP; (ii) land use planning, watershed management and monitoring and REDD and (iii) TE-IEC.	S	34,028 local beneficiaries trained (PO members, LGUs, DENR staff).	
3b. By 2018, <u>233</u> barangays capacitated in developing land management system to	S	309 barangays capacitated across the four (4) project sites.	

Output	Rating	Evidence/Examples	Issue/Risk/Action
reduce carbon dioxide emissions.			
By 2018, 14 community watershed protection brigades organized with at least 30% female membership	S	110 community watershed protection brigades organized and strengthened.	
Component 4			
By March 2013, one NPCO, four RPCOs, at least four PPMOs and WMPCOs established.	S	Completed	
By June 2013, Project implementation consultants recruited.	S	Mobilized in August 2016 and contract closed on 31 August 2021.	
4c. By 2014, Project M&E, including GIS-based database, established at the NPCO and provincial and watershed units of DENR.	S	PPMS being finalized (with manual on community-based participatory M&E with ESS integrated in the system developed)	
GAP implementation and reporting reflected in quarterly progress reports to ADB	S	Achieved. As of 30 June 2021, 100% of the GAP activities are on track.	

a. GEF Grant Disbursement

Reason for delayed disbursement were (i) failure to engage individual consultants; (ii) delayed in the loan activities; and (iii) change in the recruitment of individual to direct contracting of World Agroforestry Centre (ICRAF). ICRAF was mobilized in January 2019 (≈ 6 years after GEF signature of the grant agreement).

The continued COVID19 further delayed disbursement as implementation of field activities are delayed due to travel restrictions and changing community quarantine status in the sites. In many cases, activities must be re-scheduled and re-organized (several times), which affected not just the delivery of outputs but also affected utilization of funds.

b. Stakeholders Engagement

A strong partnership has been developed between DENR, LGUs, across the four-river basin as well Department of Trade and Industry (DTI) for Cordillera, Region VII and Region X and Department of Agriculture (DA) for RI in Cordillera. NPCO was actively involved in organizing training and workshop events both at the national and regional levels. In the same way, the regional units– RPCO, PPMO, and WMPCO were influential in the implementation of the field activities. The regional units have encouraged a strong collaboration between field staff. It is expected that this partnership will continue to prosper as the Project implement more capacity-building activities.

ICRAF continued to engage DENR and INREMP's team, especially its local counterparts at the regional, provincial, and watersheds/community levels for field activities. ICRAF supported NPCO on the project management level and in harvesting key results that can be mainstreamed in DENR's regular programs. They identified outputs that they believe would be useful in improving DENR's operation (e.g. enhanced CFISP models, PES on watershed services, KoboCollect app, etc.) and provided venue for these to be presented and discussed.

At the local level, some of earlier engagements gained positive results. For example, the Provincial Environment and Natural Resources Officer of Bohol has mainstreamed the enhanced CFISP models in their regular operation; the pronouncement has helped facilitate the scaling up activities that resulted to a greater number of POs and farmers enhancing their NRM sub-projects.

Meanwhile, the training and capacitation activities were meant to equip DENR on knowledge and skills on sustainable forest management. However, for some activities, it has been challenging synchronizing these because INREMP's field staff were also busy and loaded with many tasks.

It is noted that the most active local partners are the WMPCOs and SMOs, and ICRAF benefitted from their strong connection with POs and IPOs. While the training and experience are useful to them professionally, it may be challenging institutionally, considering that SMOs are contract-based; the WMPCOs are DENR organic staff

c. Gender Action Plan Implementation Status

This project is categorized as Effective Gender Mainstreaming (EGM). As of 30 June 2021, 100% (11) GAP activities are on-track. However, only 75% of the 8 GAP targets are on-track. Details of the status of each GAP indicator, as reviewed by ADB is in [Annex D](#).

Reporting has improved with the inclusion of sex-disaggregated data on project beneficiaries, membership in committees, and participants in the various project activities, Remaining issues identified include: (a) difficulty in achieving the 25% female target employment in construction of rural infrastructure; (b) status of gender mainstreaming in the PES Framework; (c) lack of data to show achievement of DMF target 3.3 on women's membership in community watershed protection brigades; and (d) need for more data both qualitative and quantitative data to show empowerment outcomes.

Further actions are further recommended: (i) further disaggregate data on people by IP status; (ii) ADB, EA and IA gender teams to meet on 21 September 2021 to discuss preparations for project completion report; and (iii) start collecting human interest stories and other data showing gender equality and women's empowerment outcomes resulting from project interventions at the ground level.

d. Social and Environmental Safeguard Plan Implementation Status

The project is categorized overall as "B" for environment. Subprojects under natural resources and managements, and livelihood enhancements are categorized as "C", environment safeguards implications of the subprojects are still required to be assessed. As of June 2021, about 72% (156 subprojects) are being implemented. Most of the subprojects are compliant with the environmental management plan (EMP). Training on environmental safeguards has been done online for POs on management of wastes of

processed commodity crops, handling of fertilizer and proper use of pesticides. Rural Infrastructure, except for trading center, were categorized as B for environment and require initial environmental examination (IEE) reports. There are 45 IEEs prepared and disclosed in the ADB website Nine IEEs are still pending for disclosure ADB website. There are no more outstanding IEEs to be prepared under this project. Environmental Compliance Certificates (ECCs), Certificates of Non-coverage (CNCs), Tree Cutting Permits, and Conditional Water Permits (CWPs) were all secured from relevant government offices.

The project is categorized as “B” for involuntary resettlement and “A” for indigenous people. Out of 186 applications for Certificates of Precondition (CP), the NCIP has issued 180 for all INREMP-funded subprojects. 55 IPPs for RI subprojects and 135 CMP were submitted to ADB. There is no outstanding IPPs and CMPs to be prepared for the project. The EMA reported that (i) POs/IPOs across the URBs appreciated the usefulness of the CMPs as basis for identifying community’s needs and provision of financial assistance from INREMP and other agencies; and (ii) based on interviewed affected persons (APs), the process of donation was free from coercion, meaningful consultations were conducted and options for compensations were provided and documented. DENR has allocated budget for payment of affected crops and trees.

Since field visit is not allowed due to COVID-19, compliance with the IEE, EMPs, IPP, and CMPs above are continuously being monitoring through the submission of semi-annual monitoring reports, the latest of which covers period from Jan to Jun 2021 which are due for submission by September 2021.

C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:

Development Objective	Performance Targets and Indicators with Baselines	Status/Achievements
Increased rural household incomes and LGU revenues in selected watersheds in the four URBs	By 2020: Rural household income in project areas increased by 30% from 2009 levels (P60,000 – P90,000 per annum)	Moderately Satisfactory: The project is already receiving positive feedback from beneficiaries on (i) stable income through partnership with private sector; and (ii) higher market price for their products. However, this might be undermined by the impact of COVID-19 e.g., lower market demand, higher input cost.
	Poverty incidence rate in the project areas decreased to 25% from 47% (2009 baseline)	Moderately Unsatisfactory: Project investments are expected to increase rural household incomes. However, increased household and LGU incomes alone will not lead to poverty incidence rate reduction. Poverty incidence indicator is being proposed to be deleted because ADB guidelines provide that “poverty reduction should not generally be treated as an impact of a project because there are many steps between a project and the ultimate goal of poverty reduction” (ADB Guidelines for Preparing DMF, Mar. 2006, p 23).

	<p>Revenues of participating municipalities in the URBs increased by 10% from 2010 income levels (ranging from 30 to 105 million pesos) through project investments in livelihood, biodiversity protection and conservation, and PES</p>	<p>Moderately Unsatisfactory: The rural infrastructure subprojects are already providing easier access for the upland farmers to bring their local produce in the market which can contribute in achieving this target. However, it may not be enough to show 10% increased. Due to limited time that is also further aggravated by COVID-19, piloting of payment for ecosystem services will not be implemented during this project period, though the mechanism has already been put in place by ICRAF.</p>
--	--	--

D. Risk Rating:

Risk	Rating	Explanation for Risk rating	Planned/undertaken risk management/corrective activities
<p>Sustainability of the subprojects introduced under this project.</p>	<p>S</p>	<p>Without project support the interventions specially on natural resources management and livelihood enhancements supporting activities will be discontinued.</p>	<p>Link the PO/lps to relevant government agencies and private sector for community-based tree enterprises for NTFPs and timber products. Alignment of DENR's forest investment road map to include</p>
<p>Suspension of subproject activities due to General/Enhanced Community Quarantine for 2-3 months. This may redound to 5-6 months delay including remobilization of manpower and other resources needed.</p>	<p>M</p>	<p>Due to COVID-19, the delivery of activities and assistance to the POs and LGUs are reduced.</p>	

E. Overall Rating of the Project:

A moderately satisfactory rating is provided to this project, though implementation is on track and targets are achievable, the risk on meeting the outcome target might not be met due to several factors (i) subprojects are completed near the project closing date not giving the project with sufficient time to assess its operations and contribution to the revenues of municipals and local government units; and (ii) unless sufficient support (financially, technically and physically) is provided after the project, there is a big chance that incentives to continue will decrease.

F. Additional Comments – Good Practices and Lessons Learned:

Below are in addition to the previous reported good practices and lessons learned:

Enhanced CFISP demonstration sites as “proofs of concepts”. The established learning sites served as learning venues for farmers and local stakeholders to learn about sustainable land management systems as demonstrated in their land use and management practices. Seeing how sustainable land management evolve, and that the development is a stepwise process, farmers who visited the learning sites were encouraged to do the same based on their own needs and aspirations. In Bohol, some POs have developed their own model farms to encourage their members to adopt the same. Although time consuming and expensive, this experience supports that learning site establishment is an important tool to scaling out activities to reach out for more farmers and encourage adoption and investment on sustainable farming systems. The challenge now is to sustain the development of the learning sites and serve its purpose and this require continuous facilitation to keep the farmers’ interest and the momentum created by INREMP.

The need to transform POs and IPOs into viable tree-based businesses. The project invested significantly in the NRM component (financial, technical, and human resources), particularly on CFISPs and Livelihood Enhancement Support (LES). While most LES is focused on the development of agricultural and a few on perennial tree products, there remains a need to ensure economic incentives coming from the farms’ tree components. While INREMP has focused on the productivity of the CFISPs, it could also help the POs and IPOs by linking them to relevant government agencies and private sector for community-based tree enterprises for fruits, wood, timber, and non-timber forest products. INREMP may also align its sustainability plan on this aspect to the FMB’s Forest Investment Road Map, which potential investment areas include (1) forest plantation for timber, non-timber and high value crops such as cacao, coffee and rubber, (2) biomass of renewable energy development, and (3) grazing among others. The long-term success of INREMP depends on the economic incentives of POs and IPOs to continue to adopt and invest on tree-based land use systems and manage the resources. Clear access and utilization rights, including fair and transparent benefit-sharing agreements, are pre-conditions to this process.

INREMP builds the science-policy nexus. The project provides ICRAF the opportunity to directly share the knowledge generated from various research and development activities in DENR. NPCO introduced and enabled ICRAF to present at DENR-FMB’s Executive Committee key results and contribute to their key research and development agenda, such as on enhanced CFISP models, PES and off-line and online M&E through KoboCollect app. It is hoped that these results will influence DENR’s related policies and programs on forest landscape restoration like the Enhanced National Greening Program. These engagements and contributions are considered great achievements for ICRAF and the project.

RES business cases as one sustainability measure of INREMP’s CFISPs. As shown by the quantification and valuation studies, INREMP’s NRM interventions has positive impact on the sustainability of selected ES when managed properly. While doing so would improve the farms’ productivity and profitability, it will also sustain the provision of important ES in the watershed. The development of RES business cases will provide them additional (direct or indirect) incentives if these will graduate into a scheme where an ES beneficiary would reward them for providing and sustaining an ES that is important to the former. These needs continued facilitation and coordination. Rewards for watershed services development should be seen as an opportunity to develop a more sustainable relationship between ES buyer and sellers rather than an arrangement that needs to be attained or followed. Meanwhile, the adoption of FMB’s DAO on PES could be a first step to developing a national PES law in the near future.

Use of digital data collection tool. The use of a digital offline-online data collection tool, particularly KoboCollect, to continue collecting data from the field even in this pandemic time. This is continuously becoming a powerful tool as it reduces the tediousness of data collection, and manual encoding of data

to the database. Especially in this time of pandemic where community quarantines are imposed, the farm progress can be readily observed even with minimal movement. However, the user must be trained, and strong internet connection is necessary when sending the forms to the database. DENR-INREMP has already adopted this tool in their recent socio-economic survey on household income.

G. Knowledge activities / products:

- Blog articles are published in ICRAF’s Agroforestry World: (Jul 2020-Aug 2021)
 - [Reaching the field in the ‘new normal’](#)
 - [From fire-prone to fire-proof: how trees and crops can prevent wildfires](#)
 - [‘Those unemployed before, they are now employed’](#)
 - [Keeping track of environmental projects in the new normal: data does it](#)
 - [The power of proof: how model farms in the Philippines encouraged the expansion of scale of agroforestry](#)
 - [Eat together, work together: piquing farmers’ interest in sustainable land management](#)
 - [Preserving Mindanao’s highland paradise through conservation farming](#)
 - [Suffering with your department’s land-restoration program? Take on a “partner perspective”](#)
 - FEATURE: Trees on paper on paper or trees to sustain livelihoods? (for uploading)
- ICRAF-INREMP website accessible through <http://worldagroforestry.org/project/inremp>
- Training Manuals (with accompanying training PowerPoint presentations in English):
 - [Tree nursery establishment](#)
 - [Conservation agriculture with trees](#)
 - [Propagation of quality planting material](#)
 - Proper tree planting (for uploading)
- Policy Briefs:
 - [Fair and transparent benefit-sharing in government forest restoration programs](#)
 - [Organizing farmers for effective training and capacitation on tree-based enterprises](#)
 - [Facilitating the shift from tree planting to promoting community-based forest enterprises in the Philippines](#)
 - Towards a national legal framework for PES development in the Philippines
- Workshop report: [National Stakeholders’ Forum for INREMP](#)
- Policy Reports:
 - Policy review and institutional analysis for development of commercial forestry investment sub-projects (for uploading)
 - Incentive structures for policy and institutional mainstreaming of commercial forestry investment sub-projects (for uploading)
- Conference paper/poster presentations:
 - Calderon, M., C. Tiburan, GA Reynoso, MA Menguito, and CD Pinon. 2021. Potential impacts of INREMP on selected Ecosystem Services in the KABAMAAM Watershed, Philippines. Paper presented during the Philippines Agricultural Economics and Development Association (PAEDA) 1st International Conference and 51st National Convention (PAEDACON 2021), 3-4 June 2021, virtual.

- Most Outstanding Convention Paper Award
 - Best Paper Award in Sustainability in the Agriculture, Aquatic and Natural Resources Category
- Tiburan, C, M Calderon, MA Menguito, GA Reynoso, and CD Pinon. 2021. INREMP and the Ecosystems Services of the Cagayan de Oro River Basin, Philippines. Accepted as paper for presentation at the 2021 Wenzap Ursulin International Conference on Southeast Asia studies in Tawin. However, this will be presented as poster because of travel restriction.
- Seventeen brochures including:
 - Five brochures on CFISP establishment (agroforestry, conservation farming, tree nursery establishment, propagation of quality planting material, proper tree planting)
 - Four brochures for PES (PES basics, A guide for sellers, A guide for buyers, A guide for intermediaries)
 - Six brochures on specific tree species (Falcata, Musizi, Narra, Lanzones, Rambutan, Durian, Coffee, Cacao)
- Instructional videos on CFISP establishment and PES
- Success story videos on selected INREMP beneficiaries and partners in the field
- The knowledge management and communication and outreach strategies document were customized into:
 - Communication packages for each upper river basin
 - Knowledge management systems for each upper river basin

H. Location Data:

- Upper Chico River Basin lies between 16°49'28" to 17°57'58" north latitude and 120°50'37" to 120°33'14" east longitude.
- Wahig-Inabanga River Basin located between 123°43'0" to 124°37'0" east longitude and between 9°33'0" to 10°12'0" north latitude.
- Upper Bukidnon River Basin 8°00' and 8°60' latitude and between 124°35' and 124°60' longitude; and
- Lake Lanao River Basin lies between 8° north latitude and 124° east latitude.

Signature:



Name of Project Officer:

Thierry Liabastre

Position:

Senior Natural Resources and Agriculture Specialist

Date:

8 September 2021



Endorsed by:

Jiangfeng Zhang

Division Director

Environment, Natural Resources and Agriculture Division

Email thierryliabastre@adb.org

EA Project Officer
Name and Agency Asec. Marcial C. Amaro Jr.
Policy, Planning and Foreign Assisted and Special Projects
Con-Current Director for the Forest Management Bureau
Department of Environment and Natural Resources
Email npcoinremp@gmail.com

Co-Implementing Partner
Name and Agency Dir Ron Odsey, Department of Agriculture
Email ron.odsey@gmail.com
Name and Agency Dir Lydia Gueverra, Department of Trade and Industry
Email lydiaguevarra@dti.gov.ph

Project Coordinator/Manager
Name and Agency Percival Cardona
Forest Management Bureau
Email percivalcardona@yahoo.com

ANNEX C: DEFINITION OF RATINGS

Implementation Progress Ratings

Highly Satisfactory (HS): Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

Satisfactory (S): Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

Moderately Satisfactory (MS): Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.

Unsatisfactory (U): Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

Highly Unsatisfactory (HU): Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Global Environment Objective/Development Objective Ratings

Highly Satisfactory (HS): Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

Satisfactory (S): Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

Moderately Satisfactory (MS): Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

Moderately Unsatisfactory (MU): Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

Unsatisfactory (U): Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

High Risk (H): There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

Substantial Risk (S): There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

Modest Risk (M): There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

Low Risk (L): There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.