

Integrated Approach in the Management of Major Biodiversity Corridors (IA-Biological Corridors)

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

9584

Countries

Philippines

Project Name

Integrated Approach in the Management of Major Biodiversity Corridors (IA-Biological Corridors)

Agencies

UNDP

Date received by PM

5/22/2019

Review completed by PM

3/26/2020

Program Manager

Paul Hartman

Focal Area

Multi Focal Area

Project Type

FSP

PIF ☐

CEO Endorsement ☐

Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat Comment at CEO Endorsement

06/27/19

Component 4 has been added to cover knowledge management, gender mainstreaming and monitoring and evaluation. As a consequence, there has been some reorganization of outputs from the original PIF. None of these are major.

Cleared

Response to Secretariat comments

2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?

Secretariat Comment at CEO Endorsement

6/27/19

The is a well designed but highly ambitious project with a theory of change that lays out a number of components, activities and outcomes that are each complex and requiring significant financing and person-hours of resources, especially the intention to work deeply at both the national policy and site level initiatives. While the logic and approach within the design is sound, we question if all the initiatives are of equal importance to achieving the ultimate outcomes and outputs and whether they all need to be pursued to the extent detailed in the ProDoc in order to achieve the project objective sought.

For example, component one is made up of policy/institutional framework outputs that while important are not all required as pre-conditions to achieving the project objective and generating GEBs in the identified project sites. Nonetheless, they will require significant project effort to carry out, which may distract from other core actions in components 2 & 3. We suggest that you consider prioritizing which of component one activities are most strongly linked to component 2 & 3 outcomes as a means of reducing project investment while not risking attainment of the overall project objective.

Similarly, output 3.1 (Voluntary forest certification system piloted for local communities and privately managed forests), appears to require a significant undertaking, and while potentially providing a positive future framing for community livelihood efforts, the results generated from this output may not be seen during the lifetime of the project and are peripheral to the core objective of supporting communities to sustainably manage the lands. Please provide a stronger justification for the importance of this output or consider revising/removing it.

Please review the Theory of Change and prioritize those project components and outcomes that are truly critical to achieving the project objective and attempt to simplify those that do not fall into this category.

9/5/2019

The adjustments to project activities made to address the concerns expressed are broadly acceptable and we appreciate the efforts to revisit the project design. As related to the piloting of the voluntary certification scheme, we note that one of the sites will be a concession of a private company. We would like more information on the nature of the activities with the company and whether GEF STAR resources are being allocated for this engagement, and if so whether any funds are going directly to support the company. Please also acknowledge that the OFP is aware of and supportive of this work.

11/8/19

1. The nature of the engagement with the private company in testing and validating the Philippines Forest Certification System has been clarified and the response sufficient.
2. The ProDoc indicates that UNDP will be performing executing functions under the project. A letter of agreement with the government has also been included that identifies executing functions to be carried out by the Implementing Agency. The GEF Secretariat has assessed this arrangement and determined that there isn't sufficient justification for UNDP to undertake an executing role on the project. Please revise the CEO Endorsement documents and budget and remove UNDP from undertaking these functions and charging associated costs. The implementing agency should instead ensure that these functions are undertaken by the executing agencies.
3. Please fill in the missing FA in table D.

12/04/19

The document and budget have been modified with executing functions removed. It has been clarified that since this is a GEF-6 project, programming of funds in table D and F is not required in the portal but they are now reflected in the CEO Endorsement Request Datasheet.

On core indicators, the project indicates that Indicator 6 Greenhouse Gas Emissions Mitigated is mapped under sub-indicator 6.2 which works for projects outside of AFOLU scope. Given that this project falls within the scope of AFOLU, it is suggested to move the value from indicator 6.2 to indicator 6.1, where it should fit.

12/16/19

On the Core indicators, the change has been made. There are however minor pending issues that the Agency may have overlooked:

- The project should add to indicator 6.1. the Anticipated start year of accounting and Duration of accounting.
- The project should remove from indicator 6.2. the Anticipated start year of accounting and Duration of accounting.

2/13/20

Issues related to indicator 6 have been resolved.

Cleared

Response to Secretariat comments

UNDP, 19 August 2019

Thank you for your comments, they have triggered an additional round of consultations and discussion with government and key stakeholders about the relevance of proposed activities, outputs and outcomes to achieve the project's objective. Below you will find a summary of these discussions and the proposed prioritization of activities as requested.

Prioritized activities under Component 1

We have identified activities that are critical for corridor/cluster planning and implementation by PAs and OECMs with support of LGUs, AS, and mining firms, among others. Please note that these activities, that the project will support, build on what is already being done by the government as baseline for this project and will continue to be co-financed during project implementation. The intent is, with limited intervention from the project, to test/strengthen and implement these policies that are currently either very advanced or in-progress.

In terms of policy work under Output 1.2, we feel that policies/practices related to the following are critical for implementation of Components 2 and 3 as well as to ensure conservation within the corridors on the longer term, namely:

1. Biodiversity-Friendly Agriculture: A draft Joint Administrative Order (JAO) has already been developed for promotion of biodiversity and IP friendly agriculture and the project will help in developing the rules and regulations to support the implementation of the JAO. An IP friendly agricultural strategy would support **IPs food system and security** with is essential to enable IPs and communities to invest in biodiversity-friendly agriculture. This is important for well-functioning Ancestral Domains which cover large parts of our OECMs. This will be reinforced by the policy target (manual) for ADSDPP of IPs (Pol2).

2. Biodiversity friendly enterprises: BMB has ongoing activities towards promotion of biodiversity-friendly enterprises and the project will support to ensure that standards on BDFE are in place.

3. Sustainable Land Management for Local Government Units (LGUs) to enhance conservation outcomes in local level planning through identification and adoption of appropriate incentive mechanisms. It is also necessary to help **incentivize and leverage more funding** from LGUs especially since the **recent Supreme Court ruling expanding their revenue base**. The DENR – DiLG rules for devolution are also old (almost 30 years old), fragmented and sometimes pose as disincentive for LGU investments.

4. Management of the role of extractive industries: MGB and BMB are in the process of finalizing revision of policy and standards for mining companies. In terms of the project, it would (i) pilot test and/or demonstrate the operationalization of such standards; and (ii) pilot the promotion of conservation estates within mining tenements to promote habitat connectivity and subsequently support policy development related to conservation estates.

Please note that two policy related activities have been eliminated from the original proposal under Output 1.3, as follows:

- (i) Revision of research agenda for mainstreaming biodiversity considerations in development practices, which though important on the longer-term, might not be immediately necessary for implementation of Components 2 and 3; and

- (ii) Development of strategies and agreements with regional sector agencies for promotion of biodiversity friendly investments in their respective Regional Spatial Development Framework and Regional Development Plans particularly for the next midterm planning period (2022 to 2028).

Voluntary forest certification system

In terms of the Voluntary Forest Certification initiative, Government has already developed indicators and criteria for FCS that the project will pilot in 2 sites (under Output 3.1) and any policy related to this activity will be developed following successful implementation of the pilot activities supported under Output 3.1 **with government co-financing**.

The Government (in particular, DENR, through the Forest Management Bureau (FMB), considers VFCS of paramount importance to REDD+. Criteria for Indicators for Sustainable Forest Management, Non-Legally Binding Instruments for Sustainable Forest Management, FLEGT, and Conservation on Biodiversity are considered venues for sustainable management of forests and other natural resources as part of broader strategies to provide incentives for forest communities and the private sector to manage their forest resources sustainably.

The current project's Output 3.1: Voluntary Forest Certification System will contribute significantly to the government's effort to develop and implement a national FCS. During consultations with DENR and FMB executive officers, it was evident that they are committed to pursue FCS development, including the formulation of a national policy (following successful implementation of Output 3.1) that will guide its implementation. They envision the system as an effective avenue to engage the private sector in the management of the country's natural resources for sustainable countryside development.

However, to keep activities within acceptable limits, given financial constraints, the following modifications are suggested

1. Reducing the number of pilot sites: from 3 to 2 (1 for forest communities involving either a CBFMA or CADC/CADT, and one private company through the SFMA)
2. The private sector and forest community partnership will be forged with the involvement of the pilot sites. This partnership will be initiated through the support and collaboration of FMB, and at the onset of the Piloting of the PFCS.
3. Any policy related work related to FCS will be defined following completion of the pilot activities **with government co-financing**.

Theory of Change

Since the project revision does not entail dropping any Output, no change in the ToC is envisaged. Changes in outcomes because of the reduction of activities are reflected in the RFA.

Changes in documents

Prioritizing activities under Component 1: Output 1.2 (Paragraph 47) and Annex 1 of UNDP Project Document

Voluntary forest certification system: Output 3.1 (Paragraphs 78-80) and Annex 10 of UNDP Project Document, RF (page 40), Core Indicator 6 (page 51) of GEF CEO ER

UNDP response, 17 October 2019

Thank you for your comments.

The private company that will be selected as a pilot area for the voluntary forest certification is under the Integrated Forest Management Agreement (IFMA). IFMA is the new tenurial instrument adopted by DENR in lieu of the old and now defunct forest concession-based system. IFMA areas are generally smaller than the 'old' concessions which grants qualified applicants the right to develop, manage, protect and utilize a specified area of forestland and forest resources consistent with the principle of sustainable development and in accordance with an approved Comprehensive Development and Management Plan (CDMP).

The purpose of the pilot areas, both the community-based (e.g. CBFM) and privately managed areas (IFMA) is to test and validate the Philippine Forest Certification System (PFCS) to be developed by the project. The steps, procedures and activities of the PFCS are outlined in Annex 10 (Procedures for Forest Certification). All of the necessary steps and activities to test and validate the PFCS will be conducted by the consultant and the professionals hired by the GEF project. The nature of engagement of the private company will be to provide data and information as required or needed by the PFCS (requested by the consultant and/or professionals hired by the project –this is data and information relevant to a specific standards contained in the PFCS), including social data that are relevant to the indicators included in the PCFS. The collection and analysis of biological, geographic and environmental data will be undertaken by the consultant and/or professionals hired by the GEF project. The private company will be expected to provide information and feedback that may help improve and refine the draft PFCS. Also, the results of the PFCS certification assessment may ultimately be adopted by the private company particularly if the result is positive (i.e. certified to be sustainably managed) at their own expense, or they could adopt recommendations from the PFCS process such as improving those forest activities that are found to be lacking or inadequate, at their own expense.

The nature of engagement and activities of the private company that is selected as a pilot area for forest certification is generally collaborative. Much of these collaborative activities and voluntary engagement of the company will be described in the partnership agreement with the company as outlined in Annex 10 and as part of the project's piloting activities. These activities do not require any funds to be allocated by the GEF project to the company. This is in fact the case in a genuine or actual certification process, i.e. the forest company to be certified should not receive any funds from the certifying agent.

The above description is intended to demonstrate that the pilot company identified for the pilot IFMA area will not be allocated any GEF resource during the assessment, verification, and certification process for validation of the PFCS or for any investments later to enable compliance with the validated PFCS standards.

UNDP, 20 November 20, 2019

Thank you for your comments.

1. Thank you for clearing the response provided earlier
2. The document and budget has been accordingly revised to exclude UNDP's executing role and associated costs removed

3. Missing FAs could not be included, we were told by the Help Desk, that they are not required for GEF-6 projects

Refer UNDP Project Document Section VIII “Governance and Management Arrangements, Page 91 Organogram and Paragraphs 170 and 200 and Section X “Total Budget and Work Plan” and Budget Notes where the DPC costs have been excluded, including in GEFCEO ER Page 27. The missing FAs are now included in Table D of GEFCEO ER

UNDP Response 12/12/2019

Thank you for your comment, it is understood that no further action is required with regards to the sections addressing the programming of funds.

On core indicators, we noticed there was an error in the portal entry for sub-indicator 6.1 and it has now been corrected. Also, please note that Core Indicator 6 is correctly mapped under sub-indicator 6.1 in the project resource framework, project indicator 2 (ProDoc page 73); the tracking tools section (ProDoc paragraph 164, page 81); Annex A, project resource framework, project indicator 2 (CEO ER page 36); and, Annex E, GEF7 Core Indicator worksheet (CEO ER page 50).

Please note that no changes have been made to the documents. The portal has been updated to reflect sub-indicator 6.1 for core indicator 6.

UNDP, 20 January 2020

Thank you for your comment. All required corrections have been made in the portal

3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?

Secretariat Comment at CEO Endorsement

06/27/19

As detailed in the response to question 2, given the project's ambitious approach, please justify how the financing is adequate to meet project objectives -- particularly the significant outcomes sought by the project at both the national policy and site levels -- or reduce the ambition of the project to align with what can realistically be achieved with the GEF and co-financing resources.

Additionally, it would be helpful to better understand the estimated costs associated with restoring 60,000 ha of forests and grasslands, as restoration techniques, particularly through agroforestry and of grasslands, can be time and input intensive and thus expensive. Please provide an estimate of the per hectare cost of restoring this area along with the breakdown of how this cost was determined and references used to estimate the cost per hectare for each of the different kinds of restoration activities.

Co-financing of approximately 5:1 is sufficient.

9/5/2019

The reducing of activity load as detailed in the response and reflected in the ProDoc is acceptable. However, although the agency indicates the project will primarily rely on co-financing for actual restoration efforts, co-financing activities should still be considered a part of project and the results generated reflected in the Core Indicators. Specifically, the area of land restored (core indicator 3) has been greatly reduced from the PIF estimate. While the resources may have shifted from GEF TF to co-financing it seems that CEO Endorsement estimate isn't factoring in the use of co-financing to provide an accurate reflection of number of hectares the project will restore. Please justify or revise accordingly.

11/8/19

1. Comments have been addressed sufficiently and the total target of hectares to be restored has been validated. Financing is determined to be adequate to meet the project objective.
2. Please include the NIM audit in PMC instead of M&E budget.

12/04/19

NIM audit and Gender action plan included in the M&E budget ProDoc have to be removed. The NIM audit is to be charged to PMC.

12/16/19

The M&E budget comments were not addressed. There is no amended ProDoc, and the CEO Endorsement request template still keeps the ineligible items in the M&E budget. Please amend accordingly.

2/13/20

Gender and Stakeholder costs in the M&E budget have been sufficiently explained. What continues to be unaddressed is the Audit being charged to M&E instead of to the PMC. Although a footnote in Portal says that Audit is charged to PMC, the Audit cost is still included in the M&E Plan in both the Portal and ProDoc. To avoid double counting, the Agency should remove the Audit fully from the M&E Plan and instead charge it to the PMC. For your reference, the next version of the M&E Plan should sum to a total cost of \$411,750, as opposed to the current \$488,550.

3/24/20

The project budget in the prodoc includes the NIM audit cost under PMC, but the NIM audit also still remains in the M&E budget in the portal (Table 5: Mandatory GEF M&E Requirements and M&E Budget), with the cost for this audit included in that budget's roll up of indicative costs to be charged to the Project Budget. The discrepancy between the prodoc and portal budgets, with the audit listed under the M&E budget (portal) on one hand and under PMC in the overall project budget

(prodoc) on the other, leaves open the potential for double counting. Even with the portal footnote saying that audit cost is being charged to PMC, this isn't acceptable. As has been requested several times, the agency must remove the NIM Audit from the budgeted M&E plan under section C in the portal.

04/07/20

The NIM audit cost has been removed from the M&E budget in the portal.

Cleared

Response to Secretariat comments

UNDP, 19 August 2019

Reduction of scope of project (response to Question 2)

As mentioned in response to Question 1, the following activities have been reduced:

- (a) Output 3.1 Reducing the number of forest certification pilot sites: from 3 to 2 (1 for forest communities involving either a CBFMA or CADC/CADT, and one private company through the SFMA)
- (b) Grassland Restoration is no longer included for GEF funding.
- (c) Reduction of policy related work that also ensures that any policy related work supported under the project builds on the work already co-financed by the government

Forest Restoration

In terms of forest restoration, the strategy is as follows:

The project will fund the following activities as the basis for galvanizing government and private sector co-financing for the actual restoration efforts. The following activities will be funded by the \$20/ha project support:

1. Conduct of field/scoping survey to identify project areas for restoration
2. Initiate, facilitate, and provide support for a consultative process bringing together the forest communities, private sector (including the mining sector) and the government to define suitable approaches for forest restoration

3. Through a participatory process involving forest communities, private sector and the government agencies, lead and facilitate the preparation of restoration and management plans for these selected project areas, including adoption of agroforestry and restoration activities, defining appropriate silvicultural practices with the intent of improving biodiversity conservation and promoting connectivity between KBAs;
4. Develop and support monitoring on the progress of the implementation of the restoration and management plans;
5. Provide technical support and oversight for the subsequent restoration effort of the government and/or private companies.

As biodiversity and KBA connectivity will be key factors that will define the restoration objectives and outcomes, the intent is to promote approaches such as agroforestry and Assisted Natural Regeneration (ANR). ANR will essentially involve brushing and weeding around preferred or desired species, fire protection through construction of firelines, and seeding and enrichment planting where appropriate.

FMB/DENR has extensive experience in implementing both agroforestry and ANR adopting a wide range of options and correspondingly, a range of associated costs for the different options. The three major current programs of FMB that are considered as **co-financing for the restoration effort** include; National Greening Program (NGP), Forest Management Program (FMP), and the Integrated Natural Resources Management Program (INREMP) all implement different agroforestry and ANR options. These three programs are generally implemented on a contractual basis; hence, forest communities through formally organized Peoples Organizations (PO) can undertake the restoration efforts.

The project approach is aimed at financing the planning, extension and management process, with the basic aim to ‘leverage’ its project funds in three ways: First, the project can collaborate with FMB, particularly on NGP and other CBFM projects, where much of the **‘direct’ costs will be borne by the government**. Secondly, the project can work directly with forest communities (POs) within their existing CBFM areas by providing planning and extension support for enhancing/expanding/improving existing, (or establishing new agroforestry) areas within their CBFM areas. Thirdly, the project can also work collaboratively with private companies, such as mining companies, where the private companies can provide funds to forest communities for direct activities like site preparation and planting. Mining companies have expressed interest in pursuing such leveraging and **co-funding of restoration activities** in part because they are mandated to do so as part of the conditions of the permits issued to them for their mining activities. These restoration activities bundled with leveraged funds will be spelled out in the forest restoration plan that will be prepared collaboratively by the project and the forest communities and funded by the project adopting the community development funding scheme described in Annex 4.

Grassland Restoration

On further discussion with the Government, it was decided to exclude the 30,000 ha grassland restoration activities from the project as this would likely be promoted through the PA management planning process and will entail an exclusion and management of domestic livestock grazing within the PAs rather than a direct labor-intensive actual restoration effort. Since the cost of grassland restoration was inadvertently left out of the earlier project budget there is no budget implications on account of the decision to drop the grassland restoration activity from the project. As a consequence, the project will entail the restoration of a total of 30,000 ha (15,000 ha SLM and 15,000 ha SFM) (see Annex G of the CEO ER).

Changes in documents

Forest Restoration: Output 3.3, Paragraphs 82-84 and Annex 4 of UNDP Project Document

Grassland Restoration: Excluded from Output 2.3 (paragraph 66) of UNDP Project Document and RFAs target of restoration now only include 30,000 ha as opposed to 60,000 ha

UNDP response, 17 October 2019

As outlined in the ProDoc, the DENR is using project resources to develop and adopt a restoration strategy. In so doing, the project will assist DENR in conducting supportive activities and initiatives that will strengthen their efforts in pursuing their current initiatives such as the National Greening Program, forest landscape restoration, along with their support for community-based forest management. Considering these, the project will provide technical support to DENR, including forest communities, while DENR will co-finance the actual cost of restoration activities targeted in the project areas. To facilitate the restoration process, the GEF financed project will fund the following supportive and preliminary and preparation activities as summarized in the ProDoc that include: 1) Identification of priority forest areas for restoration; 2) Conduct of workshops, capacity building seminars and focus group discussions about potential SFM approaches, including customary forest management techniques currently practiced by IPs and local communities; 3) Preparing technical guidelines on SFM approaches; 4) With direct and active participation of stakeholders, develop a sustainable forest management plan for selected priority areas for intervention; 5) Provide technical support to better integrate and improve innovative sustainable forest management and benefit sharing practices; 6) Provide technical support for the implementation of the sustainable forest management plan under a collaborative forest management platform, including incentive mechanisms to encourage long-term participation and improved benefits for local communities; and 7) Conduct monitoring of progress and impacts of SFM, including assessment of biological, ecological and community benefits to evaluate progress in particular to assess reduction in fragmentation of biodiversity habitats, improved forest cover and condition and community benefits.

All the above activities are led by the DENR with direct linkage with its co-financed actions. The actual costs of restoration of forests will be financed by DENR and private sector (extractive industry). The GEF grant will only meet costs of the preparatory activities, forest management planning, training and monitoring (and not costs of forest restoration). Hence, the total target area of SLM intervention with the GEF grant and DENR co-financing, is expected to be a total of 15,000 hectares and is reflected in the Results Matrix and Core Indicators (Indicator 3).

Thus, no changes are required in Core Indicators as the total of SFM activities amount to 15,000 ha including GEF preparatory and technical support and co-financing from DENR and private sector, the latter funding sources for the actual forest restoration activities.

Additionally, as mentioned in Annexes 4 and 5 of the ProDoc and Annex G of the CEO Endorsement Request, it is expected that through the best practices introduced under outputs 3.2 and 3.3 and policies introduced under Component 1, SLM/SFM principles and strategies will be mainstreamed in the 24 Municipal Comprehensive Land Use Plans (CLUPs) which in turn can potentially have an impact on an estimated 150,000 ha of agricultural lands and 100,000 ha of forest lands available for improved SLM/SFM practices in the landscape. However, the reach of these policy interventions, which ought to be informed by the results of the SLM/SFM demonstrations under outputs 3.2 and 3.3, cannot be assessed during the project life cycle considering the intrinsic delays in the response of the ecological systems to restoration activities.

Refer UNDP Project Document Paragraphs 81-84 and Section XI TBWP Budget Note 17 and GEFCEO ER Table 2, Footnote 7 to see changes in the document.

UNDP, 20 November 2019

1. Thank you for clearing the response provided earlier

2. Note that the NIM audit budget was included in the PMC costs from the beginning and only cross referenced in the M&E table.

Refer UNDP Project Document Section X “Total Budget and Work Plan” under Budget Item and Budget Note 34. It is cross referenced in the M&E Table 7 and footnote 32 on Page 87 in UNDP Project Document and in Table 5 and footnote 15 on Pages 31/32 of GEFCEO ER.

UNDP Response 12/12/2019

As stated in UNDP response dated 20 November 2019, the NIM audit budget is included in the PMC costs (see Section X of “total budget and workplan”, Project Management Costs, budget line 74100, page 105; budget note 34, page 112; table 7, page 87; and footnote 32, page 87).

In regard to the gender action plan, please note that the plan has been finalized (See Annex 13). It is also properly budgeted to ensure that it can be executed during implementation as reflected in the budget for Component 4 titled “Knowledge management, gender mainstreaming and monitoring and evaluation” and the corresponding Outcome titled “Awareness and collaborative decision-making on Integrated Ecosystem Management enhanced through effective knowledge management and gender mainstreaming”. As suggested by these titles and the narrative of the baseline and alternative proposed for Component 4 (See paragraphs 87 through 89, page 45 of the ProDoc), this component has a specific raison d’être beyond M&E. It also has an emphasis on gender mainstreaming and KM across all technical components of the project (see Output 4.1 “Knowledge Management and Communications, Gender Mainstreaming and Monitoring and Evaluation strategies developed and implemented” and indicative activities, paragraphs 90 and 91, page 46 and 47 of the ProDoc).

With this backdrop, and after additional consultations with government, it is suggested to maintain the original design and budget distribution of this component aiming to address cross-cutting aspects of the project including Gender, KM and M&E.

UNDP, 20 January 2019

Please note that UNDP cannot remove monitoring of the project gender action plan from the M&E budget as this is a GEF policy requirement. This M&E activity will ensure the execution of the Gender Action Plan at the project level. This execution function is separate from the implementation/oversight tasks that the RTA will provide to ensure the Gender Action Plan is executed to the high standards of the GEF Gender Policy. This implementation oversight function is covered by the GEF Fee. We trust this is clear and will not delay the approval of this project.

UNDP, 20 February 2020

NIM Audit is budgeted under PMC and it has now been removed from the M&E table as requested. Also note that the costs of monitoring of the gender action plan have been revised and adjusted to USD 6,000 (USD 1,000 per year). The total cost of the M&E Plan has been revised and adjusted to a total of USD 278,000 (See M&E table 7 pages number 87 and 88).

Additionally, the estimated start and end dates of the project have been adjusted to reflect the current status of the endorsement process (See cover page).

UNDP Response, 1 April 2020

NIM audit cost has been removed from the M&E table in the portal

4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)

Secretariat Comment at CEO Endorsement

06/27/19

Yes, the project takes into account potential major risks including climate change and describes sufficient response measure.

Cleared

Response to Secretariat comments

5. Is co-financing confirmed and evidence provided?

Secretariat Comment at CEO Endorsement

06/27/19

Yes, co-financing is confirmed and evidence is provided. For the contribution of Province of Surigao del Norte, the confirmation letter indicates that the co-financing will be both in-kind and cash. Please provide a indicative breakdown of both in Table C.

9/5/2019

The co-financing support of Surigao del Norte Province has been further assessed and is reflected correctly in Table C.

Cleared

Response to Secretariat comments

UNDP, 19 August 2019

The comment is noted. Accordingly, we have determined, in consultation with the Province of Surigao del Norte, that the co-financing will be of in-kind nature.

Changes in documents

Table C of GEF CEO ER and paragraph 199 of UNDP Project Document

6. Are relevant tracking tools completed?

Secretariat Comment at CEO Endorsement

06/27/19

Per the approval at the GEF Assembly in 2018 of the GEF Guidelines on Core Indicators and Sub-Indicators (ME/GN/02), the GEF recommends a period of 20 years of GHG benefits serves as the basis for this estimation, unless an alternative number of years is deemed appropriate. In line with this new indicators document, please apply a 20 year GHG benefit period in the EX-ACT calculation of carbon benefits, or provide a further justification for 10 year period that they currently stand.

As the sustainability of interventions over a longer period is more uncertain, if the 20 year period is applied we would encourage a more conservative estimation of the deforestation reduction, perhaps -20% in Protected Area and -10% in OECM, instead of -25% and -15% respectively as it currently stands.

For restoration, determination of the cost per hectare of restoration (detailed in question response to question 2) could lead to a more conservative estimate of the total number of hectares the project will restore. If such a change is made this would also need to be reflected in a revision to the GHG estimate.

Finally, please check the consistency between the GHG estimate shown in the different documents. Some of the data in the carbon calculation explanation (Annex 29.1) doesn't correspond to what is in the EX-ACT table.

9/5/2019

The calculations have been adjusted and are reflective of our comments. They are also now consistent in the documents. As suggested, adjustments have been made to reduce the estimated impact of the project to the deforestation rate to 10% and 20%, however, the results in terms of total ha of deforestation avoided may be high considering this more conservative estimate. In order to validate these results, it would be important to know what is the current deforestation rate in the 2 project areas and where this data comes from. Also, please explain on how the project will provide the expected results over an area as big as 0.5 million ha.

Additionally, if, per the suggestions in box three, changes are made to the estimate of hectares the project will restore, this should be reflected in indicator three, and the new restoration total added to the GHG estimate through the use of the EX-ACT tool and reflected in indicator 6.

11/8/19

A clearer explanation of expected results in hectares of avoided deforestation has been provided through the information provided on the current deforestation rate in the targeted landscapes. The GHG calculation is now clear and other tracking tools are complete.

Cleared

Response to Secretariat comments

UNDP, 19 August 2019

The changes recommended by the reviewers were adopted as follows:

- Duration for the calculation is now 20 years instead of 10 as suggested by the reviewer: 6 Years implementation and 14 Years Capitalization

For Amount of Carbon Emission avoided (from avoided deforestation):

- The GEFSEC recommendation to be more conservative in the estimation were also adopted; hence, reduction in amount of annual deforestation at PA due or With Project was reduced from 25% to 20%, and for OECM a reduction from 15% to 10%.

The following targets for carbon calculation were adopted:

- 300,000 PAs and 200,000 New OECM
- These are the same target assumptions as in the previous draft except for the duration (now 20 years) and the estimated deforestation rate (which were changed accordingly based on the conservative estimates as stated above).

For these changes, the amount of carbon emission avoided increased from 7.869 Million tCO₂ to 12.106 Million tCO₂.

For Carbon Sequestration from forest restoration:

Sources for Carbon sequestration was calculated from restoring forest and agricultural lands. The assumptions are as follows:

- 15,000 hectares of restored forest lands
- 15,000 hectares of restored agricultural lands

Changes made: Carbon benefit from Grassland Restoration is no longer included because the ProDoc also no longer provide any target/indicator for Grassland Management of Tamaraw Habitat.

As a result of the change in duration (20 years), the amount of carbon sequestered were calculated to be 4,846,490 tCO₂ and 549,588 tCO₂ for restored forest lands and agricultural lands respectively.

Based on these changes, the projected total GHG benefit for the project is estimated at 17.5 million tCO₂ over 20 years.

Changes to documents

Annexes 29 and 29.2 (FAO EX-ACT), RFA (page 73), and Core Indicator table (page 85) of UNDP Project Document. Core Indicator Table (section E page 9), Table 1 (page 11), Table 4 (page 30), PRF (page 36) of GEF CEO ER.

UNDP response, 2 October 2019

The annual deforestation rates in the two project areas that were used in the FAO-EXACT were estimated at 3,000 hectares and 4,000 hectares within Protected Areas and OECM, respectively. These rates were estimated after conducting forest cover analysis, classification and mapping, and forest cover change detection analyses. Different remote sensing image analysis techniques were used such as supervised classification and object-based image analysis techniques. These techniques were applied using satellite data obtained within the two project areas in 2003, 2010, and more recent remote sensing data obtained at different years beyond 2010. Within existing and targeted Protected Areas (300,000 hectares), reduction of deforestation is expected to be achieved through the development and implementation of improved PA management plans, capacity building of forest staff, and through forest protection by engaging forest communities in forest monitoring, detection and prevention/avoidance of encroachment, including protection from forest fires. Moreover, many of these forest protection and monitoring activities will be strengthened by the adoption of the LAWIN Forest and Biodiversity Protection System adopted by DENR. The LAWIN Forest and Biodiversity Protection System is a user-friendly tablet or SMART Phone-based systems that make use of innovative information and communication technologies in detecting, reporting, and monitoring various activities within the forest, especially those that are destructive. LAWIN is now the flagship forest protection and monitoring system adopted by DENR that engages and directly involves forest communities within the PAs to conduct regular patrolling and monitoring within the PAs and nearby forest areas. LAWIN keeps track of the activities detected and reported, and the recommended and actual measures done to address these activities. Similarly, in the new OECM (200,000 hectares), reduction of deforestation is also expected through the identification, development and implementation of OECM management plans, and through the engagement of indigenous peoples in forest protection and monitoring and other collaborative partnerships. Moreover, the LAWIN System will also be adopted within OECM with the direct involvement of indigenous peoples that is expected to be the dominant occupants of the OECM areas.

As indicated in or response in box three, the target area for forest restoration is 15,000 hectares in total with preliminary preparatory work supported by the GEF project and forest restoration co-financed by DENR. The GHG benefits from these restored areas are already included in FAO-EXACT calculations

No changes needed for Indicator 6 as the figures reflected in EX-ACT are correct.

UNDP November 20, 2019

Thank you for clearing the response provided earlier

7. Only for Non-Grant Instrument: Has a reflow calendar been presented?

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?

Secretariat Comment at CEO Endorsement

06/27/19

Yes, the project is coordinated with national plans and through a table on partnership arrangements shows how it will work with related initiatives. We are particularly pleased to see the close coordination planned with the GEF project in the Philippines "Enhancing biodiversity, maintaining ecosystem flows, enhancing carbon stocks through sustainable land management and the restoration of degraded forestlands" that is implemented by the FAO. We encourage both organizations to work closely together and with DENR to maximize outcomes.

Cleared

Response to Secretariat comments

UNDP Response, 19 August 2019

Thank you. No additional comments

9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement

06/27/19

Yes, the project includes a budgeted M&E Plan that measures indicators and targets.

Cleared

Response to Secretariat comments

10. Does the project have descriptions of a knowledge management plan?

Secretariat Comment at CEO Endorsement

06/27/19

Yes, component 4 describes the knowledge management plan.

Cleared

Response to Secretariat comments

Agency Responses

11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

STAP

Secretariat Comment at CEO Endorsement

06/27/19

Yes, STAP's comment on the need for improved maps has been addressed.

Cleared

Response to Secretariat comments

GEF Council

Secretariat Comment at CEO Endorsement

06/27/19

Yes, Germany Council comments have been adequately addressed.

Cleared

Response to Secretariat comments

Convention Secretariat

Secretariat Comment at CEO Endorsement N/A

Response to Secretariat comments

Recommendation

12. Is CEO endorsement recommended?

Secretariat Comment at CEO Endorsement

06/27/19

No, please address the comments above.

9/5/2019

No, please address the comments above.

11/8/19

No. Please address the remaining comments.

12/4/19

No. Please address the remaining comments.

12/16/19

No. Please address the remaining comments.

2/13/20

No. Please address the remaining comments from question three.

3/24/20

No. The agency must remove the NIM Audit from the budgeted M&E plan under section C in the portal .

04/07/20

Yes, the CEO endorsement is recommended.

Response to Secretariat comments

UNDP, November 20, 2019

After additional consultations with the implementing partner, all comments have been addressed.

UNDP, January 20, 2020

All comments have been addressed.

UNDP, February 20, 2020

All comments have been addressed.

UNDP Response, 1 April 2020

NIM audit cost has been removed from the M&E table in the portal.

Review Dates

Secretariat Comment at CEO Endorsement

Response to Secretariat comments

First Review		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		
Additional Review (as necessary)		

CEO Recommendation

Brief Reasoning for CEO Recommendations

OBJECTIVE AND KEY INTERVENTIONS: Through the “Integrated Approach in the Management of Major Biodiversity Corridors in the Philippines” project (9584) the UNDP seeks \$12,260,241 in GEF financing. This project aims to operationalize in the Philippines integrated management of biological corridors to generate multiple benefits including effective conservation of globally significant biodiversity, reduced deforestation and degradation and enhanced livelihoods. It is

structured around four components: 1) Effective coordination and governance framework for integrated biodiversity management in the Philippines biodiversity corridors system; 2) Application of network design and integrated management of biodiversity corridors to ensure continued stability and sustainability of their biological, ecosystem services and socio-economic conservation values; 3) Community-based sustainable use and management systems in two pilot biodiversity corridor systems; and 4) Knowledge management, gender mainstreaming, learning and monitoring and evaluation. Project interventions will ensure that existing protected areas and surrounding high conservation value forests are managed to support viable populations of globally threatened species and allow for the movement of wildlife, pollination and reproduction, and other processes that support the recovery and improve natural resiliency to external development and climatic shocks. GEF financing of the project is estimated to leverage nearly \$63m in co-financing.

CONTEXT, BASELINE, INCREMENTAL REASONING: Of the more than 1,130 terrestrial wildlife species recorded in the Philippines, almost half are found nowhere else. The flora is equally diverse, with between 10,000 and 15,000 species of vascular and non-vascular plants, more than half of them endemic to the Philippines, representing 5% of all species globally described. Two project biodiversity corridors (Eastern Mindanao Biodiversity Corridor and Central Mindoro Biodiversity Corridor) that will be the focus of activities on the ground were chosen because of their critical importance as centers of endemism and represent distinct biodiversity characteristics and forest formations, located in different biogeographic zones.

Despite the great ecological diversity of the country, the Philippines ranks among top ten globally countries with the largest number of species threatened with extinction. Among the primary threats to biodiversity in the Philippines is loss and degradation of natural habitat from deforestation due to conversion of forest areas to agriculture, poor agricultural practices, incoherent agricultural and natural resources policies, informal settlements, illegal logging, irresponsible mining, forest fires, and infrastructure development. The Philippines Biodiversity Strategy and Action Plan (PBSAP) reported that between 2000 and 2010, the country lost 626,840 hectares of closed forests, while the area of open forests increased by 564,566 hectares. Overall forest cover loss between this period was estimated at 328,683 hectares.

Under the baseline scenario, protected areas, including KBAs, will continue to remain as islands and threats from surrounding landscapes will likely continue to increase, undermining the conservation values of these KBAs and increase fragmentation of the corridor habitats. These areas would continue to be managed independent of their surroundings and thus lose the opportunity to contribute to ecological connectivity. KBAs would continue to be inadequately managed to achieve no net loss to biodiversity and human well-being. The GEF increment will support the extension and improved management of a network of areas under some form of protection within the two corridors, improving the management of 300,000 hectares of existing protected areas, and the establishing and recognizing ‘other area-based conservation measures’ (i.e. indigenous groups management and other co-management approaches) to improve the protection and sustainable management of at least 200,000 hectares of KBAs that are currently outside of the PA system. This approach will strengthen the conservation of biodiversity, rehabilitate degraded agricultural and forest lands, maintain the connectivity and ecosystem values of these biodiversity corridors, and mitigate climate change impacts. More broadly, the project will produce an integrated framework for managing biodiversity corridors across the Philippines that will strengthen efforts to conserve biodiversity in large

landscapes and generate sustainable economic and livelihood initiatives to reduce pressures and threats to biodiversity while strengthening benefits to local communities.

STRATEGIC ALIGNMENT: The project is consistent with the priorities defined in the Philippine Development Plan (2011 to 2016), which proposes the strengthening the network of protected areas within three priority biodiversity corridors. The project will demonstrate how the network approach to PA system management can be demonstrated at the corridor level. The project is also aligned with the strategic priorities of the PBSAP 2015-2028.

GLOBAL ENVIRONMENT BENEFITS: GEBs resulting from the project include 300,000ha of terrestrial protected areas created or under improved management for conservation and sustainable use, 30,000ha of land restored, 200,000ha of landscapes under improved practices, and 17.5 million metric tons of CO₂e mitigated, with co-benefits to 65,000 direct beneficiaries.