GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title	
Integrated Management of Small Island Landscapes and Seascapes in the Philippines (ISLAS)	
Region Asia	GEF Project ID 12004
Country(ies) Philippines	Type of Project FSP
GEF Agency(ies): UNDP	GEF Agency ID 9837
Executing Partner Biodiversity Management Bureau (BMB) of the Department of Environment and Natural Resources (DENR)	Executing Partner Type Government
GEF Focal Area (s) Biodiversity	Submission Date 9/3/2025
Project Sector (CCM Only)	

Taxonomy

Biodiversity, Focal Areas, Protected Areas and Landscapes, Transform policy and regulatory environments, Influencing models, Strengthen institutional capacity and decision-making, Convene multi-stakeholder alliances, Deploy innovative financial instruments, Demonstrate innovative approache, Indigenous Peoples, Stakeholders, Private Sector, SMEs, Financial intermediaries and market facilitators, Individuals/Entrepreneurs, Beneficiaries, Local Communities, Civil Society, Community Based Organization, Non-Governmental Organization, Type of Engagement, Partnership, Consultation, Information Dissemination, Participation, Public Campaigns, Communications, Awareness Raising, Behavior change, Enabling Activities, Capacity, Knowledge and Research, Capacity Development, Knowledge Exchange, Knowledge Generation, Learning, Theory of change, Indicators to measure change, Adaptive management, Innovation, Women groups, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Gender-sensitive indicators, Access to benefits and services, Gender results areas, Knowledge Generation and Exchange, Access and control over natural resources, Participation and leadership, Terrestrial Protected Areas, Productive Landscapes, Community Based Natural Resource Mngt, Coastal and Marine Protected Areas, Productive Seascapes, Tourism, Mainstreaming, Fisheries, Agriculture and agrobiodiversity, Threatened Species, Species, Sea Grasses, Biomes, Mangroves, Coral Reefs, Tropical Rain Forests, Tropical Dry Forests, Payment for Ecosystem Services, Financial and Accounting, Natural Capital Assessment and Accounting, Conservation Finance

Type of Trust Fund	Project Duration (Months)
GET	72
GEF Project Grant: (a) 5,329,452.00	GEF Project Non-Grant: (b) 0.00
Agency Fee(s) Grant: (c) 506,298.00	Agency Fee(s) Non-Grant (d) 0.00

Total GEF Financing: (a+b+c+d)	Total Co-financing
5,835,750.00	42,000,000.00
PPG Amount: (e)	PPG Agency Fee(s): (f)
150,000.00	14,250.00
PPG total amount: (e+f)	Total GEF Resources: (a+b+c+d+e+f)
164,250.00	6,000,000.00
Project Tags	
CBIT: No NGI: No SGP: No Innovation: No Competitive Window: No	

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”.(max. 250 words, approximately 1/2 page)

The Philippines is a mega-diverse archipelago of more than 7,600 islands, hosting significant terrestrial and marine biodiversity. Yet many small islands remain underrepresented in the national protected area system, leaving ecosystems vulnerable to climate change, habitat degradation, and unsustainable resource use. Despite national policies and conservation frameworks, limited financing, fragmented governance, and insufficient integration of biodiversity into local planning constrain effective management of these ecosystems.

The project objective is to expand the biodiversity conservation estate and deliver scalable ridge-to-reef management models in small islands to secure biodiversity, climate resilience, and ecosystem services. The project operationalizes national frameworks for Other Effective area-based Conservation Measures (OECMs), Integrated Ecosystem Management, Natural Capital Accounting, and Nature-based Solutions in Camiguin, Marinduque, and Panaon.

Global environmental benefits include improved management of 62,478 hectares in the Panaon Island Protected Seascape, 11,963 hectares of terrestrial protected areas, about 4,000 hectares of production landscapes adopting biodiversity-compatible practices, 1,500 hectares of ecosystem restoration, and 399 hectares of marine habitats under improved management. The project is expected to reduce or avoid approximately 125,520 tons of CO2-equivalent emissions and benefit 3,000 people, half of whom are women.

The project establishes financing pathways through biodiversity-linked local government budgeting, eco-tourism reinvestment, and pilots for payments for ecosystem services and reef insurance. Replication and learning architecture is anchored in implementation of the Philippine Biodiversity Strategy and Action Plan (PBSAP) through DENR–Biodiversity Management Bureau mandates, Local Government Unit adoption, and national policy, finance, and registry mechanisms, enabling models to be adopted in other island ecosystems.

Indicative Project Overview

Project Objective

Expand the biodiversity conservation estate and deliver scalable island ridge-to-reef management models in three priority Philippine islands to secure biodiversity, climate resilience, and ecosystem services

Project Components

Component 1: Ecosystem governance systems and planning tools for the target islands of Camiguin, Marinduque, and Panaon

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
300,000.00	2,360,000.00

Outcome:

Outcome 1.1: Improved policy and institutional environment for biodiversity conservation in small island ecosystems.

Preliminary indicators:
- NCA results integrated into local development, land use, and/or conservation plans in three LGUs.

-Three joint management bodies established for cross-boundary conservation.

- Contributes towards CI 1 (11,963 ha of terrestrial protected areas), CI 2 (62,478 ha of marine protected areas), and CI 11 (overall target: 3,000 people, 50% women).

Output:

Output 1.1.1: Natural capital accounting (NCA) system and capacity integrated into PA and OECM planning and budgeting (national/provincial guidance, data standards, accounts updates, training, and budget-tagging methods).

Output 1.1.2: Mainstreaming national OECM and IEM policies into local frameworks and marine spatial planning across the three islands.

Output 1.1.3: Municipal and provincial ordinances adopted to support joint management of shared terrestrial and marine resources across administrative boundaries.

Component 1: Ecosystem governance systems and planning tools for the target islands of Camiguin, Marinduque, and Panaon

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
300,000.00	2,360,000.00

Outcome:

Outcome 1.2: Capacity of multi-stakeholder platforms and local institutions strengthened to plan, implement, and monitor area-based conservation initiatives.

Preliminary indicators:

-Increased institutional capacities (measured using an adapted capacity development scorecard).

- Three gender-responsive co-management agreements established with IPLCs.

-Traditional knowledge reflected in at least one conservation strategy in each of the three target islands.

- Contributes towards CI 11 (overall target: 3,000 people, 50% women).

Output:

Output 1.2.1: Local stakeholder capacities strengthened through targeted training on conservation planning, inclusive governance, and biodiversity finance.

Output 1.2.2: IPLCs and local stewards of nature engaged through project implementation and supported to integrate traditional knowledge into conservation strategies.

Component 2: Scalable integrated approaches and financing mechanisms for small island ecosystems

Component Type	Trust Fund
Investment	GET
GEF Project Financing ($)	Co-financing ($)
3,500,000.00	27,580,000.00

Outcome:

Outcome 2.1: Ecosystem health, biodiversity conservation, and local resilience strengthened.

Preliminary Indicators:

- Six NbS under implementation (two in PAs, two in OECMs, and two in production landscapes or seascapes), with equitable participation of women.

- Findings of participatory assessments integrated into two spatial planning overlays or site-level investment prioritization, e.g., for biodiversity-friendly enterprises (BDFEs) or biodiversity-friendly agricultural practices (BDFAPs).

- Contributes towards CI 1 (11,963 ha terrestrial PAs), CI 2 (525 ha marine PAs), CI 3 (1,500 ha), CI 4 (4,000 ha), CI 5 (399 ha), and CI 11 (overall target: 3,000 people, 50% women).

Output:

Output 2.1.1: Integrated ecological, socio-economic, and valuation assessments to apply NCA and inform site-specific NbS across the target islands.

Output 2.1.2: Nature-based Solutions (NbS) implemented across intervention sites, including PAs, OECMs, and terrestrial and marine production systems on target islands.

Output 2.1.3: Technical and investment assistance supporting implementation of NbS, promote stewardship, and support sustainable livelihoods.

Output 2.1.4: Replication initiated in two additional island clusters and scaled through DENR–BMB-led OECM and biodiversity implementation mechanisms under the PBSAP.

Component 2: Scalable integrated approaches and financing mechanisms for small island ecosystems

Component Type	Trust Fund
Investment	GET
GEF Project Financing ($)	Co-financing ($)
500,000.00	3,950,000.00

Outcome:

Outcome 2.2: Biodiversity conservation enhanced through performance-based financing.

Preliminary indicators:

- Three biodiversity financing strategies developed and approved by LGUs in the target islands, with gender-equitable benefiting sharing plans.

- Three performance-based financing mechanisms (one per target island) under pilot implementation (including at least one with women having leadership and equity roles).

- Contributes towards CI 1 (11,963 ha terrestrial PAs), CI 2 (62,478 ha of MPAs), CI 3 (1,500 ha), CI 4 (4,000 ha), CI 5 (399 ha), and CI 11 (overall target: 3,000 people, 50% women).

Output:

Output 2.2.1: Financing needs for NbS assessed and integrated into LGU planning across PAs, OECMs, and production landscapes and seascapes.

Output 2.2.2: Performance-based financing mechanisms deployed across PAs, OECMs, and production landscapes and seascapes to support conservation and sustainable use initiatives.

Output 2.2.3: Targeted support to women's groups, facilitating leadership and equity roles in financing mechanisms.

Output 2.2.4: Financing strategies and partnerships strengthened to sustain and replicate performance-based financing mechanisms across small islands.

Component 3. Knowledge management and learning

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
317,000.00	2,500,000.00

Outcome:

Outcome 3.1: Knowledge systems strengthened to consolidate learning, amplify Indigenous and local knowledge, and support replication, policy uptake, and sustainability.

Preliminary indicators:

-National OECM registry established and publicly accessible.

- Statistically significant improvements in knowledge, attitudes, and practices among surveyed stakeholders in the target islands (gender disaggregated).

- Five communication and knowledge products (at least one highlighting gender equality and women's empowerment) produced and disseminated to support peer learning, South-South Cooperation, international outreach, replication, and policy integration.

Output:

Output 3.1.1: Knowledge platforms established or strengthened to support implementation of key national policies and approaches operationalized under the project.

Output 3.1.2: Case studies capturing best practices and lessons learned.

Output 3.1.3: Communications and learning tools developed for scaling up.

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
159,000.00	1,250,000.00

Outcome:

Adaptive management supported through proactive monitoring and evaluation.

MTR and TE will explicitly report on gender-disaggregated results and progress in GAP implementation.

Output:

Project monitoring, evaluation, and reporting systems established and implemented.

Component Balances

Project Components	GEF Project Financing ($)	Co-financing ($)
Component 1: Ecosystem governance systems and planning tools for the target islands of Camiguin, Marinduque, and Panaon	300,000.00	2,360,000.00
Component 1: Ecosystem governance systems and planning tools for the target islands of Camiguin, Marinduque, and Panaon	300,000.00	2,360,000.00
Component 2: Scalable integrated approaches and financing mechanisms for small island ecosystems	3,500,000.00	27,580,000.00

Component 2: Scalable integrated approaches and financing mechanisms for small island ecosystems	500,000.00	3,950,000.00
Component 3. Knowledge management and learning	317,000.00	2,500,000.00
M&E	159,000.00	1,250,000.00
Subtotal	**5,076,000.00**	**40,000,000.00**
Project Management Cost	253,452.00	2,000,000.00
Total Project Cost ($)	**5,329,452.00**	**42,000,000.00**

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

A.1. Global significance

The Philippines, a mega diverse archipelago of over 7,600 islands, faces growing ecological and institutional challenges in managing its unique and fragmented biodiversity. These small island ecosystems are globally significant for terrestrial and marine biodiversity but remain under persistent threat from habitat degradation, overexploitation, climate change, and governance gaps. While national legislation such as the National Integrated Protected Areas System (NIPAS) and the Expanded NIPAS (E NIPAS) Acts has expanded the protected area estate to over 250 sites, many of these remain 'paper parks' with limited enforcement, inadequate staffing, and chronic financing shortfalls.[1][1] Additionally, national protected areas (PAs) continue to underrepresent island ecosystems, leaving critical marine and upland habitats vulnerable to degradation.[2][2]

The country hosts over 52,000 species, half are endemic[3][3],[4][4], yet deforestation and land conversion, particularly in smaller islands, have led to irreversible habitat losses. In the marine realm, the central Philippines harbors the world's highest reef biodiversity per unit area but less than 5% of coral sites remain in excellent

condition, and over 70% of municipal fisheries are overfished. Weak enforcement and limited co-management undermine local stewardship.

Species loss is accelerating and visible. Critically endangered species such as the Philippine eagle (*Pithecophaga jefferyi*), Visayan warty pig (*Sus cebifrons*), and humphead wrasse (*Cheilinus undulatus*) face mounting pressure[5][5]. Each proposed site overlap with internationally recognized Key Biodiversity Areas (KBAs), which support rare orchids, reef building corals, and forest birds found nowhere else on Earth. In Panaon and Camiguin, communities report sharp declines in iconic reef species such as green humphead parrotfish (*Bolbometopon muricatum*) and giant clams (*Tridacna spp.*), signaling collapse of functional reef systems.[6][6]

National guidelines on OECMs and IEM are under finalization with ongoing piloting, offering a timely opportunity to operationalize these frameworks. This intervention uses the **CBD definition of OECM** and aligns with the Department of Environment and Natural Resources – Biodiversity Management Bureau (**DENR–BMB) draft national OECM framework**: a **geographically defined area outside the protected-area system** that is **governed and managed** to achieve **sustained, positive, long-term in-situ biodiversity outcomes**, with associated ecosystem functions and cultural values. Candidate OECMs in ISLAS are **Community-Based Forest Management Areas (CBFMAs), Local Conservation Areas,** and other community-managed coastal/terrestrial areas **outside PA boundaries**. The OECM creation process used in this project includes (1) **mapping and documentation** (tenure/governance/uses), (2) providing **evidence of effective management** (rules, enforcement, monitoring, financing), (3) **long-term security** (by-laws/agreements), and (4) **biodiversity results**. For reporting, OECM hectares are **fully included under CI-4.1/4.2** (improved practices) and flagged **contextually under CI-4.5** to show progress toward formal recognition; they are **not double-counted** under PAs. For example, the **Panaon Island Protected Seascape** is counted under **CI-2**; its locally managed areas are **nested** and not reported separately as OECMs.

The passage of the Philippine Ecosystem and Natural Capital Accounting Systems (PENCAS) Law (RA 11995, 2024) establishes a national system for valuing ecosystems and requires that these accounts inform planning, budgeting, and investment appraisal. While this creates a clear policy signal, **local implementation capacity remains limited**—data are fragmented, methods are unfamiliar to most local government units (LGUs), and results are not yet embedded in land-use plans, annual investment programs, or revenue policies. ISLAS bridges this gap by translating national methods into **practical, island-level tools**: rapid natural-capital profiles and ecosystem-service maps for the target islands; simple co-benefit and risk screens to prioritize nature-based solutions; budget-tagging guidance and use of Environment Special Accounts; and a small set of performance indicators that link natural-capital trends to the project's results framework. Training and on-the-job coaching for LGU staff and site managers will institutionalize these practices, while evidence from the islands will be fed back to national agencies to **inform PENCAS rollout and BMB guidance**, setting the stage for replication through DENR–BMB-led implementation under the Philippine Biodiversity Strategy and Action Plan (PBSAP).

The three proposed project sites, Camiguin, Marinduque, and Panaon exemplify both the urgency and opportunity for action. Economically, they reflect key characteristics of small island systems: geographic isolation, narrow resource bases, and heavy reliance on natural capital. Camiguin's landscapes and ecotourism create both opportunity and ecological strain.[7][7] Marinduque is transitioning from a mining legacy toward agriculture and eco-based services while still grappling with

environmental legacies from the Marcopper disaster.[8][8] Panaon, though relatively intact ecologically, depends heavily on small-scale fisheries for local livelihoods and remains highly vulnerable to marine resource depletion.[9][9] Across all three islands limited infrastructure, undiversified local economies, and underinvestment in sustainable natural resource management constrain resilience. These sites offer an ideal testing ground for operationalizing OECMs, piloting island scale IEM models, and for embedding ecosystem valuation into governance and finance systems.

This project translates national policy momentum into site-based action, activating locally led, data-informed, and institutionally grounded biodiversity stewardship.

A.2. Threats and drivers

Small island ecosystems in the Philippines face a set of interlinked pressures that operate across ridge-to-reef systems and are intensified by climate variability, episodic population surges, market exposure, and governance constraints. These drivers interact in ways that amplify biodiversity loss and heighten vulnerability in settings characterized by steep catchments, narrow coastal plains, limited freshwater storage, and economies closely tied to natural capital. The following subsections summarize the principal drivers shaping biodiversity outcomes in Camiguin, Marinduque, and Panaon, forming the basis for the project's adaptive design.

1. Climate Drivers

Climate change is a dominant threat multiplier for small-island ecosystems. Historical records show a national warming trend of approximately **0.6°C** since the mid-20th century[10][10], accompanied by increases in hot days and warm nights. Projections indicate further warming of approximately **1.1°C to 1.5°C by mid-century** under intermediate emissions scenarios[11][11], with consistent increases across seasons. Extreme heat events—rare historically—are projected to increase later in the century.

Rainfall projections show high model agreement on increases in annual precipitation, with **15 of 16 global climate models** indicating an upward trend[12][12]. The most robust signal is the intensification of **extreme rainfall events**, which in island settings accelerates upland erosion, sedimentation, and nutrient loading onto coral reefs and seagrass beds. Even modest increases in storm rainfall can overwhelm drainage and magnify flood and landslide risks in steep island terrains.

Sea-level rise presents a structural long-term risk. Observed relative sea-level rise in parts of the Philippines, such as the approximately 15 mm/year recorded in Manila Bay, demonstrates that local rates can significantly exceed global averages.[13][13] While the ISLAS sites are not located in Manila Bay, the geomorphology of small islands — narrow coastal plains, concentrated shoreline development, limited elevation gradients, and dependence on fringing reefs and mangroves for protection — creates similar exposure pathways. As a result,

even moderate sea-level rise through mid-century can impose disproportionately high risks on coastal habitats, infrastructure, and livelihoods.

Tropical cyclone hazards represent one of the most significant and persistent risks in the Philippines. The country lies in the world's most active cyclone basin, with **19–20 tropical cyclones entering the national area each year and 7–9 making landfall**.[14][14] Historical observations compiled in the World Bank Climate Risk Profile indicate a **long-term increase in landfalling typhoons** in regions such as Leyte, as well as examples of **very high-intensity events** in recent decades.[15][15]

While precise probabilities or frequency projections for future cyclone intensity are not available, scientific consensus indicates that warming sea temperatures increase the likelihood of more intense tropical cyclones.[16][16] This does not constitute a numerical forecast, but it is treated as a credible risk pathway for planning purposes, given its relevance to extreme rainfall, storm surge potential, and coastal flooding.

The World Bank Climate Risk Profile includes a **scenario-based sensitivity analysis** demonstrating that a **10% increase in storm-surge height**—a plausible outcome under combined sea-level rise and cyclone-intensity changes—would be sufficient to expose **millions** of coastal residents to inundation.[17][17] While the analysis does not assign a probability to this level of surge increase, it highlights the **high sensitivity** of Philippine coastlines to relatively modest shifts in storm dynamics.

Although the ISLAS sites are not metropolitan centers, their physical characteristics—**narrow coastal plains, concentrated shoreline development, steep catchments, and dependence on fringing reefs and mangroves for protection**—create similar exposure pathways. As a result, **even moderate changes** in cyclone intensity, rainfall extremes, or surge baselines can produce disproportionately large ecological and socioeconomic impacts.

Combined, these climate drivers heighten pressures on biodiversity, infrastructure, livelihoods, and local government capacity, and reinforce the need for climate-informed ridge-to-reef management.

2. Demographic Pressures

Recent census data indicate that resident populations in the ISLAS sites are stable or increasing. In Camiguin, for example, the Philippine Statistics Authority recorded **92,808 residents in the 2020 census**, increasing to **approximately 94,892 by mid-2024**.[18][18] This stable resident base is complemented by substantial seasonal population surges driven by tourism: **Camiguin received 397,818 visitors in 2025**, a **37.86% increase from 2024**, with **over 654,000 total port and airport movements** recorded for the year.[19][19] These arrivals temporarily expand the island's effective population by several-fold during peak months. Marinduque's population grew from **234,521 in 2015** to **239,207 in 2020**.[20][20] Panaon Island in Southern Leyte—the actual ISLAS project site, comprising the municipalities of Liloan, San Francisco, Pintuyan, and

San Ricardo—is home to approximately **56,000-59,000 residents**, consistent with project figures and with no evidence of long-term population decline.[21]

Such seasonal mobility patterns significantly influence pressure on water supply, waste management, coastal access, recreation sites, and enforcement capacity—factors that become particularly critical during extreme weather events when infrastructure, evacuation logistics, and resource availability are most strained. Similar dynamics are observed in Marinduque and Panaon, where tourism peaks and livelihood-related mobility shape ecosystem use even in the absence of major changes in long-term resident population trends. As a result, **demographic pressure in small islands arises less from permanent population growth and more from episodic surges in demand for services and natural resources**, which can compound climate-related risks and often occur without corresponding increases in LGU budgets or staffing.

3. Market Shocks

Island economies are highly exposed to climate- and environment-sensitive sectors, particularly tourism, coastal fisheries, and agriculture. Shocks affecting these sectors—whether from extreme weather events, ecosystem degradation, or external market disruptions—can rapidly reduce household incomes and **constrain LGU revenue streams that are often tied to tourism activity, local business taxes, user fees, and service charges**. Because conservation and resource management expenditures typically rely on **discretionary or sector-linked revenues rather than protected budget lines**, fiscal stress limits the ability of LGUs to compensate for revenue losses by reallocating funds from other priority services such as health, infrastructure, or disaster response. As a result, biodiversity protection is often weakened precisely when ecological pressures are most acute. This exposure underscores the importance of diversified and resilient financing mechanisms that can sustain environmental management through periods of economic volatility.

4. Governance and Institutional Fragmentation

Despite strong national frameworks—NIPAS, E-NIPAS, draft OECM guidelines, the emerging IEM framework, and the PENCAS Law—**implementation gaps persist at the island and municipal levels**, where biodiversity outcomes depend on coordinated action across multiple institutions. Small islands often face overlapping mandates among DENR bureaus, LGUs, fisheries agencies, and watershed councils, resulting in fragmented spatial planning, unclear lines of authority, and inconsistent enforcement. Subnational governance capacities vary significantly: some islands maintain updated MPA networks or terrestrial PA plans, while others have inactive networks or limited integration of biodiversity objectives into local development plans and budgets.

Enforcement of environmental regulations therefore remains uneven. Limited staffing, unclear jurisdiction over forest lands and coastal waters, political turnover, and resource constraints undermine the continuity of protected area and OECM management. These constraints mean that **even when national policies and technical guidance exist, they are not consistently translated into enforceable, budgeted, and durable local governance arrangements**. Weak enforcement enables illegal fishing, land conversion, and pollution, eroding both ecological condition and community trust. As a result, governance fragmentation represents a **structural barrier to scaling and sustaining integrated island management**, underscoring the need for standardized ordinances, joint management bodies, and governance mechanisms that are resilient to administrative change.

5. Ecological Pressures in Small-Island Systems

Small-island ecosystems experience disproportionately high exposure to biodiversity loss due to their limited spatial extent, ecological interconnectedness, and reliance on fringing coastal ecosystems. Nationally, only approximately **5% of coral sites remain in excellent condition**, while more than **65% are classified as fair-to-poor**, and average **live coral cover has declined from roughly 30% to 10%.**[22][22],[23][23] Sedimentation from upland erosion—intensified by extreme rainfall—smothers reefs and seagrass beds, directly undermining fisheries productivity and coastal protection functions.[24][24]

Overfishing remains a major pressure, with approximately **70% of Philippine municipal fisheries overfished**.[25][25],[26][26] Destructive or unsustainable fishing practices persist in some areas due to weak enforcement and economic pressures, reducing fish biomass and altering reef trophic structures. On land, the Philippines lost **1.42 million hectares of tree cover between 2001 and 2022**, contributing to slope instability, habitat fragmentation, and diminished watershed function in upland zones that are tightly coupled to nearshore ecosystems.[27][27]

Mangroves—critical for coastal protection, fisheries productivity, and carbon storage—continue to face clearing, hydrological disruption, and pollution pressures. Wastewater and solid-waste leakage, particularly in tourism-intensive areas, further degrade marine habitats through nutrient loading and localized reef stress. **Together, these ecological pressures reduce system resilience and increase sensitivity to climate variability, population surges, and economic shocks**, meaning that even moderate disturbances can trigger outsized ecological and livelihood impacts. This narrow ecological margin reinforces the need for integrated ridge-to-reef management approaches that address upstream drivers, coastal habitats, and governance simultaneously rather than in isolation.

Link to Future Scenarios and Adaptive Management

The drivers summarized above define the principal sources of vulnerability in small-island systems under current conditions. The project's approach is therefore designed not only to address these pressures as they exist today, but also to remain effective as climate, demographic, economic, and institutional conditions evolve over time. The following section explains how the project incorporates adaptive management principles to maintain robustness under plausible future trajectories, consistent with STAP guidance on climate risk screening and future scenarios.

Future Scenarios and Adaptive Management

In alignment with STAP's Simple Future Narratives guidance, the project explicitly considers how key drivers may evolve under plausible future conditions and how the selected project design remains robust under such change. Rather than assuming static circumstances, the project embeds adaptive mechanisms across governance, financing, and ridge-to-reef interventions to respond to climate variability, demographic fluctuations, market shocks, and institutional change.

Climate stress scenarios

Climate projections for the Philippines indicate continued warming, intensification of extreme rainfall events, exposure to sea-level rise, and persistent cyclone risk, with uncertainty regarding the timing and magnitude of specific impacts. The project is therefore designed to operate across a range of climate stress conditions rather than optimize for a single forecast. Nature-based solutions (NbS) are implemented as a diversified portfolio across upland, coastal, and marine systems, allowing investments to be rebalanced in response to observed conditions (for example, shifting emphasis between coral rehabilitation, mangrove restoration, seagrass protection, or upland erosion control). Governance and planning tools developed under the project support periodic review of ecological performance and climate signals, enabling adjustments without requiring fundamental redesign.

Demographic variability scenarios

As described above, resident populations in the project islands are stable or increasing, but ecosystem pressure is strongly shaped by seasonal and mobility-driven population surges linked to tourism, fisheries, and livelihood activity. The project design does not rely on assumptions of population decline or stable demand. Instead, stewardship agreements, zoning provisions, and co-management arrangements are structured to accommodate episodic increases in resource use and to adjust management rules during peak-pressure periods. This flexibility is particularly important during extreme weather events, when population surges and climate stress can coincide.

Market shock scenarios

Local government revenues in small island settings are partially dependent on climate- and environment-sensitive sectors, particularly tourism and fisheries. Under scenarios of market disruption—whether due to extreme weather, ecosystem degradation, or external economic shocks—the project's design reduces reliance on discretionary, short-term revenue streams by promoting biodiversity-linked budgeting, protected budget allocations for environmental management, and diversified financing mechanisms. These features are intended to sustain core conservation and management functions during fiscal downturns, when reallocation from other LGU services is often constrained.

Governance and institutional change scenarios

Political turnover, staffing changes, and variable institutional capacity are common in small island LGUs. The project addresses this uncertainty by emphasizing standardized ordinances, joint management bodies, and inter-LGU coordination mechanisms that are less dependent on individual champions. By anchoring management arrangements in formalized governance instruments and shared institutions, the project reduces vulnerability to administrative change and supports continuity of PA and OECM management over time.

Taken together, these adaptive design features ensure that the selected project approach remains effective under plausible future climate, demographic, economic, and governance trajectories. The project's robustness derives not from precise prediction of future conditions, but from embedding flexibility, diversification, and institutional durability into the design itself, consistent with STAP guidance on climate risk screening and adaptive project design.

A.3. Barriers to effective biodiversity conservation in small island ecosystems

Barrier 1: Untested enabling frameworks for OECMs and Integrated Environmental Management (IEM). At the national level, guidelines for OECMs, and implementing IEM approaches remain in draft form. OECM guidelines list 25 eligible area types, including community-based forests, coastal greenbelts, fisheries refugia, and NGO-led conservation zones – but do not yet explicitly recognize Indigenous Community Conserved Areas (ICCAs). These areas, which fall outside the NIPAS, often lack biodiversity as a legal

objective and their status, coverage, and management effectiveness remain poorly understood. Draft IEM guidelines from DENR aim to consolidate biodiversity and climate actions across ridge-to-reef systems but have not been tested in practice. The project will also contribute to the implementation of the updated Environment and Natural Resource (ENR) Framework, which is being finalized with IEM considerations.

Subnational policy environments are uneven. Camiguin has an updated provincial MPA Network Strategic Plan for Timpoong-Hibokhibok Natural Monument, but implementation remains fisheries-oriented. Marinduque's MPA network is inactive, and Panaon's new Marine Protected Seascape awaits national recognition. Local land use plans often reference nature but are not aligned with biodiversity targets. Fragmented governance further limits adoption of integrated approaches. Mandates across DENR bureaus, sectoral agencies (e.g., DA), and Local Government Units (LGUs) overlap, and no harmonized spatial planning system exists to reconcile sectoral priorities with biodiversity needs. LGUs are tasked with integrating conservation into land plans and budgets but lack clear national guidance and tools.

Barrier 2: Weak enforcement of environmental laws. The Philippines has strong environmental laws, but enforcement is undermined by overlapping mandates, siloed responsibilities, limited technical capacity, political interference, and resource constraints. Overfishing, illegal land conversion, pollution, and invasive species persist due to these gaps, accelerating biodiversity loss across the project sites.

In Camiguin, weak enforcement of pollution and easement laws has led to degradation of marine ecosystems. PA management plans in Camiguin and Marinduque exist but remain only partially implemented, allowing encroachment and habitat loss.

Forestlands lack clear jurisdiction, often function as open-access zones with limited oversight. Swidden farming and unsustainable agricultural persist without integrated governance.

Barrier 3: Financing shortfalls and low private sector engagement. Conservation financing remains chronically insufficient. The Philippines Biodiversity Strategy and Action Plan (PBSAP) needs PHP 24 billion (approx. USD 420 million) annually but receives only around PHP 4.9 billion (approx. USD 85 million). OECMs, not formally recognized in budgets, face even greater constraints. Most PAs collect minimal or no resource user fees and operate as "paper parks". The Biodiversity Finance Initiative (BIOFIN) has proposed offsets, green business models, and corporate social responsibility (CSR) mechanisms, but uptake remains limited, especially in small islands. Protected Area Management Offices (PAMOs) often lack capacity for business and financial planning. Private sector participation is low due to weak public-private-partnership (PPP) frameworks and few incentives. Demonstrating viable, local finance models is essential to scale solutions.

Barrier 4: Inadequate integration of biodiversity into local decision-making. Despite growing evidence on biodiversity's economic value, integration into decision-making remains limited due to the lack of consistent, localized data. The 2024 passage of RA 11995 institutionalized the PENCAS, offering an opportunity to bridge this gap. However, LGUs often lack the capacity, tools, or mandates to implement natural capital accounting in practice. As a result, biodiversity rarely informs land use or development decisions. This project presents an opportunity to pilot NCA-informed planning and strengthen biodiversity-responsive governance.

Enabling Baseline Conditions and Project Approach

The ISLAS project builds on a strong foundation of enabling conditions already present in the Philippine governance landscape but underutilized at the island scale. National frameworks—including the Philippine Biodiversity Strategy and Action Plan (PBSAP), Integrated Ecosystem Management (IEM), the Philippine Ecosystem and Natural Capital Accounting System (PENCAS), and draft OECM guidelines—offer clear policy alignment but have yet to be fully localized. ISLAS bridges this gap by piloting site-based models that translate these national instruments into tangible, island-scale actions aligned with the Kunming-Montreal Global Biodiversity Framework (GBF 2030) targets.

The project is designed to deliver global biodiversity benefits in a cost-effective manner by prioritizing institutional strengthening, governance alignment, and financing mechanisms that build on existing systems rather than creating parallel structures. **In small-island systems, terrestrial, coastal, and nearshore ecosystems are tightly coupled through limited-extent watersheds, concentrated human activity, and locally governed resource use, such that island-scale ridge-to-reef interventions can exert a disproportionate influence on marine biodiversity outcomes.** Instead of establishing new protected areas—which often entails high transaction costs, prolonged designation processes, and recurrent management expenditures—the project expands the conservation estate through OECMs embedded within existing tenure instruments such as Community-Based Forest Management Areas and locally governed marine areas. This approach achieves biodiversity gains at lower marginal cost while maintaining social legitimacy and reducing enforcement burdens.

Cost-effectiveness is further enhanced by mainstreaming biodiversity objectives into existing LGU planning, budgeting, and fiscal mechanisms, including Environment Special Accounts and biodiversity-linked budgeting, thereby improving the durability of outcomes without relying solely on project-financed recurrent costs. Financing instruments are deliberately sequenced: targeted grant support is used initially to establish enabling conditions and reduce risk, followed by performance-based and potentially blended mechanisms only where site readiness and market conditions justify them. Finally, by positioning ISLAS as a demonstration input to the national biodiversity implementation system led by DENR–BMB under the PBSAP, the project enables lessons, tools, and institutional arrangements developed in a limited number of pilot islands to be scaled nationally without proportional increases in investment, maximizing returns on GEF resources

Scaling under ISLAS is achieved through the national biodiversity implementation system led by the DENR–Biodiversity Management Bureau (DENR–BMB) under the PBSAP. This system provides institutional architecture for advancing integrated approaches across small islands by aligning terrestrial, coastal, and marine governance through existing policy instruments, planning tools, and coordination mechanisms. Rather than functioning as a project implementation mechanism, this national system enables scaling by consolidating policy guidance, planning templates, coordination processes, and knowledge products that LGUs and national agencies can adopt and adapt across multiple island contexts.

Each target island already hosts governance platforms such as Protected Area Management Boards (PAMBs), Marine Protected Area (MPA) networks, and Local Government Units (LGUs) with relevant mandates for natural resource management. Emerging inter-LGU alliances and locally adopted Integrated Coastal Management (ICM) plans provide practical institutional entry points. The project will strengthen these mechanisms to enable coordinated planning, monitoring, and enforcement.

Financially, ISLAS leverages a suite of solutions identified through BIOFIN, including natural capital accounting, payments for ecosystem services (PES), reef insurance, and biodiversity enterprises—embedding ecosystem values directly into LGU budgets and investment processes. These mechanisms form part of a growing portfolio of domestic resource-mobilization tools that the project will adapt for small-island contexts.

At the community level, socially, the target islands are home to Indigenous Peoples and Local Communities (IPLCs) with strong environmental stewardship traditions. The project builds on this social capital to promote inclusive governance and recognition of Indigenous and Community Conserved Areas (ICCAs) and OECMs, ensuring local rights and traditional knowledge systems are central to conservation and restoration activities.

Strong national and local momentum for resilient island development provides a timely opportunity to demonstrate scalable, finance-ready models of biodiversity conservation. This momentum is reinforced by an evolving baseline of spatial-planning and biodiversity-finance initiatives across the country. Land- and seascape planning is already anchored in LGU-mandated Comprehensive Land and Water Use Plans and, where present, Marine Spatial Plans led by provincial Environment and Natural Resources Offices and the Bureau of Fisheries and Aquatic Resources (BFAR). These existing frameworks establish the institutional foundation for integrated planning in the pilot islands.

At the national and regional levels, ISLAS complements and extends lessons from ongoing and completed GEF-supported and GBFF initiatives:

- **GEF-7 10386 Natural Capital Accounting and Assessment (UNEP)**: ISLAS applies the national NCA framework developed under this project to island-level planning, translating national-scale ecosystem accounts into local development-budgeting tools. The project therefore operationalizes—not replicates—the GEF-7 outputs by testing their use in three small-island geographies, demonstrating how national NCA results can inform local decision-making and investment.
- **GEF-7 10431 Partnerships for Coral Reef Finance and Insurance (ADB):** ISLAS tests the practical readiness of reef-insurance concepts within LGU-managed coastal zones, linking with ADB's regional work on valuation and underwriting.
- **GEF-7 11041 Transforming Policy and Investment through Natural Capital Assessment (IADB):** ISLAS will **consider** the rapid NCA screening approaches developed under the NatCap partnership as **candidate methods** for island-scale natural-capital profiling, **subject to data availability and alignment with DENR–BMB/PENCAS standards**. The final profiling method will be **selected during the PPG** once site data and capacity constraints are confirmed.
- **GBFF 11600 Philippines Biodiversity Financing Program (UNDP):** ISLAS will **adapt applicable BIOFIN tools** (e.g., biodiversity-linked LGU budgeting, incentives) for **small-island contexts**, **subject to LGU finance regulations and UNDP-CO/BMB guidance**. Specific instruments and pilot sites will be **identified during the PPG** once baseline fiscal data and administrative capacities are confirmed.
- **GBFF 11589 Strengthening Globally Significant Biodiversity Corridors (ADB):** ISLAS will **draw on** 11589's community-empowerment and corridor-governance **principles** as **reference models**, adapting relevant practices to **small-island ridge-to-reef contexts where appropriate** and **subject to BMB/UNDP-CO guidance**. Specific applications will be **identified during the PPG** based on site conditions and stakeholder readiness.
- **GEF-8 11250 Blue and Green Islands Integrated Program (BGI IP, UNDP) and 11266 Global Coordination/Knowledge Platform:** ISLAS will engage with the BGI IP knowledge platform to draw on relevant guidance notes, tools, and case studies (e.g., participation in KM events).

In addition, ISLAS builds on three GEF-supported projects directly relevant to the pilot provinces: **GEF 9584 (Integrated Approach in the Management of Major Biodiversity Corridors, DENR)**, which mainstreamed IEM and biodiversity-friendly enterprises through local planning; **GEF 5826 (Strengthening National Systems to Improve Governance and Management of ICCAs and OECMs, BMB)**, which demonstrated local conservation area management models; and **GEF 3606 (Expanding and Diversifying the National System of Terrestrial Protected Areas, DENR/BMB)**, which provided the original framework for identifying and formalizing ICCAs. These initiatives establish tested approaches and institutional partners in regions where ISLAS will pilot integrated site management and OECM recognition.

The **private sector** also forms part of the enabling environment for biodiversity action in small islands. Financial institutions, insurers, tourism operators, and agribusinesses already active in the target provinces provide entry points for co-financing and piloting biodiversity-linked instruments such as reef insurance, eco-tourism reinvestment, and green credit lines for biodiversity-friendly enterprises. During project preparation, ISLAS will engage national platforms and institutions active in the pilot provinces—illustratively the **Business for Sustainable Development (BSD),** local chapters of the **Philippine Chamber of Commerce and Industry (PCCI),** the **Land Bank of the Philippines, Villgro Philippines,** and the **Microfinance Council of the Philippines** — through the **BIOFIN framework** to identify feasible partnerships and align incentives with local development priorities. Specific partners and mechanisms will be confirmed at **PPG** once site-level economic assessments are complete.

To avoid ambiguity in financial flows, the project defines indicative roles in all biodiversity-linked mechanisms as follows: **Contributors/Payers**—LGUs (budget lines/fees), private tourism operators and agribusinesses, and other partners leveraging BIOFIN guidance; **Fund Managers**—designated LGU environment budget lines or ring-fenced local conservation trust accounts with **DENR–BMB oversight** and PMU fiduciary support; **Beneficiaries**—communities and PA/OECM managers implementing agreed conservation/NbS activities under stewardship agreements. In this intervention, **NbS** is defined using the **IUCN Global Standard;** actions that **protect, restore, or sustainably manage ecosystems** to address local challenges (coastal risk, food/water security, livelihoods) **while delivering measurable**

biodiversity gains. The **IUCN Global Standard** principles are also adhered to - clear problem statement, design at appropriate scale, net biodiversity benefit, inclusive governance, economic viability, and adaptive management. Project NbS include: **reef no-take/seasonal closures and compliance**, **mangrove assisted natural regeneration**, **agroecology/soil-and-water measures**, and **ridge-to-reef watershed management**. NbS are linked to targets in **CI-1/2/3/4/5** and tracked through simple monitoring & evaluation (e.g., patrol/compliance records, survival rates, habitat condition).

In partnership with the Local Government Units (LGUs**)**, the project will support the **establishment or strengthening of Environment Special Accounts** so that **conservation-related user fees and charges** can accrue and be transparently reinvested in biodiversity management, **as provided for by the Local Government Code**. Specific fee instruments (e.g., tourism/environmental fees, resource-use permits) and accounting modalities will be **confirmed during the PPG**, following legal review and alignment with LGU ordinances and Department of Finance guidance.

Together, these linkages define the baseline from which ISLAS adds value, translating national policy tools and regional pilots into operational island-scale models within the national biodiversity implementation system led by DENR–BMB under the PBSAP.

A.4. Project sites and justification

Three priority small islands, Marinduque, Camiguin, and Panaon, were selected by the Department of Environment and Natural Resources–Biodiversity Management Bureau (DENR–BMB) through structured consultations with internal and external stakeholders. Selection was guided by transparent, criteria-based screening that ensured representation across the country's three major island groups (Luzon, Visayas, and Mindanao) and captured a gradient of ecological and institutional conditions—from relatively intact to highly degraded systems. Each island contains confirmed Key Biodiversity Areas (KBAs) and community-stewarded ecosystems that present opportunities to **demonstrate the first applications of national OECM and IEM frameworks in sites with no existing ICCAs or LCAs**. This deliberate focus on islands where formal conservation designations are absent allows ISLAS to show how national biodiversity policies can be localized through participatory spatial planning, integrated ridge-to-reef management, and LGU-driven financing mechanisms. The combination of ecological value, governance readiness, and clear policy gaps makes these islands ideal for proof-of-concept demonstrations whose results can be scaled nationally through the national biodiversity implementation system led by DENR–BMB under the PBSAP.

Camiguin (Mindanao; 24,144 ha land area; 215,218 ha coastal waters; population: approx. 92,000) is known for its rich biodiversity, volcanic landscapes, and eco-tourism experiences. It contains the **Camiguin Island KBA** (KBA ID: PH091), encompassing both protected (58%) and non-protected areas (42%)[28][28], including the Mount Timpoong–Hibok-Hibok Natural Monument, an IUCN Category III protected area and ASEAN Heritage Park with an updated management plan. Camiguin also has 31 locally designated marine protected areas, provisionally recognized as OECMs under national draft guidelines, a province-wide MPA Network Strategic Plan (2024–2028), and Integrated Coastal Management (ICM) plans in each of its municipalities. Indigenous communities with ancestral ties to upland areas contribute to site stewardship. Camiguin offers the most developed natural resource management framework of the three sites and presents a testbed for scaling OECMs and IEM. The Indigenous peoples of Camiguin, primarily known as the Kamigin, are believed to be the original inhabitants of the island.

Marinduque (Luzon; 95,925 ha land area; 241,500 ha coastal waters; population: approx. 239,000) contains the **Central Marinduque KBA** (KBA ID: PH023), a national KBA (CI Philippines 2006)[29] and the Marinduque Wildlife Sanctuary (9,760 ha) and coastal areas of the Verde Island Passage, one of the world's most biodiverse marine zones[30]. Historically impacted by mining, the island remains underrepresented in conservation programming. With 91% of the its KBA under formal protection but no functioning MPA network, the site offers opportunities to align OECMs and biodiversity recovery with inclusive, post-disaster development.

Panaon Island (Visayas; 20,713 ha land; 62,478 ha coastal waters; population: approx. 59,000) is among the Philippines' most ecologically intact island ecosystems. Its coral-rich waters support threatened species such as whale sharks, sea turtles, and manta rays, and are recognized under the global "50 Reefs" initiative[31]. Though not yet a confirmed KBA, Panaon highlights gaps in national and global recognition of high-integrity marine ecosystems.

A **provincial declaration** established the Panaon Island Protected Seascape in 2023, followed by Senate and House legislation in 2023-2025, but national enactment remains pending.

This project will technical validation and stakeholder support to help secure full NIPAS and KBA recognition, advancing IEM and addressing representational gaps in national protection frameworks.

A.5. Incremental Reasoning (With and Without the Project)

The Philippines did not meet its Aichi "17–10" targets and remains off-track toward the "30×30" Global Biodiversity Framework (GBF) goals. Without targeted investment, particularly in under-represented and high-biodiversity small-island ecosystems, these gaps will result in continuing habitat loss and irreversible declines in ecosystem services that underpin food security, climate resilience, and livelihoods.

Baseline (Without-Project) Scenario

Ongoing national and local programs already provide the enabling environment for biodiversity management. These include the Philippine Biodiversity Strategy and Action Plan (2024–2040), the Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Law (RA 11995 of 2024), the Biodiversity Finance Initiative (BIOFIN), and prior GEF-7 pilots on natural-capital accounting and reef-insurance concepts. These initiatives strengthen policy and financing frameworks but remain largely national in scope and have not yet been applied or validated in small-island contexts.

For purposes of illustrating the scale of baseline investment, the project draws on the co-financing table (USD 42 million) as a **proxy envelope**[32] of government and partner expenditures that are either ongoing or already programmed within existing budgets. Only those portions demonstrably committed irrespective of the GEF grant are treated as baseline; the remainder represents **parallel finance** mobilized by the GEF alternative. Current baseline expenditures focus on national-level policy formulation, protected-area operations, and stand-alone restoration efforts, leaving small-island ecosystems under-represented and under-financed.

Under this "business-as-usual" scenario, coral reefs would continue to degrade due to overfishing, sedimentation, and warming seas, reducing fish biomass and weakening natural storm defenses. Without intervention, coral cover in Camiguin and Panaon could decline by another 10–20 percent by 2035. Mangroves and upland forests would be lost to unsustainable development, shrinking habitat for endangered species and eroding the ecological foundations of island food systems. Policy frameworks such as the OECM guidelines, IEM framework, and PENCAS law would remain largely untested, and the global environmental benefits they were designed to deliver would remain unrealized.

GEF Alternative (Incremental With Project Scenario)

The GEF investment adds the missing operational layer that converts national policy intent into measurable, island-level outcomes. It:

1. Integrates ridge-to-reef management across the three priority islands through coordinated governance platforms and inter-LGU alliances.
2. Operationalizes national instruments—PENCAS, BIOFIN, and reef insurance—within local planning and budgeting systems.
3. Creates replication and learning architecture anchored in implementation of the Philippine Biodiversity Strategy and Action Plan (PBSAP) through DENR–BMB mandates, LGU adoption, and national policy, finance, and registry mechanisms.

This incremental USD 5.3 million therefore transforms baseline policies into functioning, finance-ready island models, yielding measurable global environmental benefits: improved management of 11,963 ha of terrestrial protected areas and 62,478 ha of marine protected areas, restoration of 1,500 ha of degraded ecosystems, adoption of improved practices across approx. 4,400 ha of production landscapes and seascapes, mitigation of 125,520 t CO_2e, and direct benefits for 3,000 people (50% women).

By embedding biodiversity costs in local budgets and linking Nature-based Solutions to concrete financing tools—reef insurance, eco-tourism reinvestment, and biodiversity-linked LGU budgeting—the project ensures cost-effectiveness and durability. Replication through the national biodiversity implementation system led by DENR–BMB under the PBSAP will multiply results across additional islands at marginal cost, providing strong justification for the incremental investment and fully meeting the intent of GEF/C.31/12.

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B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy

requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

B.1. Theory of Change (ToC)

This project responds to the intersecting ecological, institutional, and financial challenges that continue to undermine small-island biodiversity in the Philippines. Disjointed governance, under-developed policy frameworks, persistent financing gaps, and limited local capacity have constrained the effectiveness of past conservation efforts. Recent national reforms —including the finalization of guidelines for Other Effective Area-Based Conservation Measures (OECMs), the adoption of an Integrated Ecosystem Management (IEM) framework, and the passage of the Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Law—demonstrate political commitment, yet these enabling conditions remain under-utilized at the island scale. ISLAS operationalizes them through integrated, participatory, and climate-resilient biodiversity management in three high-value island sites.

Causal Pathways

The project activates three complementary causal pathways that operate together across the project's Components to deliver system-level change, rather than as standalone or sequential workstreams. Governance Integration is advanced primarily through Component 1; Financing Innovation is operationalized mainly through Component 2; and Integrated Assessments and Targeted NbS-implementation support are facilitated through the combined action of Components 1 and 2. Component 3 cuts across all pathways by consolidating learning, supporting adaptive management, and enabling replication through implementation of national biodiversity policy and institutional mechanisms led by DENR–BMB under the PBSAP.

Causal Pathway 1: Governance Integration.

The project aims to integrate biodiversity governance with national frameworks and small-island practice., addressing the persistent gap between policy design and on-the-ground application. Downward, it embeds national biodiversity and ecosystem-management policies into island-level planning, budgeting, and regulatory instruments—updating local ordinances, integrating conservation targets into investment programs, and using multi-stakeholder councils and inter-municipal alliances to coordinate decisions. Upward, lessons and evidence generated through island-level implementation are channeled back through the PBSAP, informing national guidance on OECMs, IEM mainstreaming, and biodiversity-linked budgeting. This feedback loop ensures that governance systems evolve in a manner that is both context-responsive and nationally scalable. Weak enforcement of environmental laws is addressed primarily through institutional and governance mechanisms rather than direct enforcement actions. The project strengthens enforcement by clarifying rules and jurisdictions through updated ordinances and zoning, formalizing stewardship arrangements under PA and OECM recognition, improving coordination among LGUs and management bodies, and securing predictable financing for monitoring and compliance functions. These measures enhance legitimacy, reduce ambiguity, and improve compliance, thereby strengthening enforcement effectiveness within existing legal mandates.

Causal Pathway 2: Financing Innovation.

The project ensures that conservation objectives are financially viable by mainstreaming biodiversity into local fiscal systems and mobilizing complementary private-sector engagement where appropriate. The project is designed around a **progressive financing approach**, in which public grant funding is used initially to establish enabling conditions and reduce risk, followed by performance-based and, where viable, blended financing mechanisms as governance maturity, monitoring capacity, and market readiness increase.

At the outset, the project supports LGUs in establishing or strengthening Environment Special Accounts so that conservation-related user fees accrue transparently, develops biodiversity-linked budgeting guidance in

collaboration with BIOFIN, and pilots fit-for-context instruments such as eco-tourism reinvestment models, reef-insurance pilots, and green credit lines for biodiversity-friendly enterprises. Engagement with public and private convening institutions (e.g., BSD, local PCCI chapters, Land Bank, Villgro, and the Microfinance Council) supports the co-design and testing of financing approaches, with funds held through LGU budget lines or protected conservation trust arrangements under DENR–BMB oversight. Clear role demarcation among payers, fund managers, and beneficiaries links financial flows directly to conservation performance.

Within this sequencing logic, **Outputs 2.1.2 and 2.1.3 serve distinct but complementary functions**. Output 2.1.2 applies **performance-based stewardship agreements** to finance compliance, management, and conservation outcomes where governance arrangements, monitoring systems, and legal recognition (e.g., PA or OECM status) are already in place. Output 2.1.3 provides **targeted grant support for enabling investments**—including habitat rehabilitation, monitoring systems, nurseries, and early-stage community enterprises—that generate public environmental benefits, address market or institutional failures, or reduce risk to a level where performance-based or private finance mechanisms can subsequently operate.

At the PIF stage, both outputs are therefore structured as grant-based instruments to reflect site readiness, regulatory requirements, and fiduciary constraints. During the PPG, the project will assess opportunities to introduce additional performance-based financing, co-financing, or blended finance mechanisms—particularly for revenue-generating activities—once baseline data, institutional capacity, and private-sector interest have been validated.

Causal Pathway 3: Integrated Assessments and Targeted NbS-implementation Support

The project translates governance and financing reforms into measurable ecological gains and strengthened stewardship across ridge-to-reef systems, while supporting biodiversity-compatible livelihoods that reinforce conservation objectives. On land and coast, the project backs integrated interventions including forest and riparian rehabilitation, erosion control, mangrove and seagrass restoration, and community-agreed marine zoning that prioritizes protection of critical habitats and ecosystem services. Where formal protected areas are limited, the project advances OECM recognition (e.g., CBFMAs and ICCAs) to expand the conservation estate and formally acknowledge long-standing stewardship practices.

Estate expansion activities—including WDPA registration for PIPS and OECM submissions for approximately 4,000 ha of CBFMAs outside protected areas—enable legal recognition and uptake of governance and financing mechanisms, contributing to improved management effectiveness and CI-2/CI-4 outcomes, while CI-5 captures complementary biodiversity benefits outside designated protected areas. Performance-based grants and stewardship agreements link support to clear ecological and social results (e.g., METT/MEAT improvements, reduced encroachment, recovery of key habitats and species, and women's participation).

Livelihood support is deliberately targeted to **biodiversity-compatible enterprises and practices** (BDFEs/BDFAPs) that operate within agreed management rules and zoning frameworks. These livelihood packages are selected for climate resilience and alignment with conservation objectives and are treated as **supporting incentives** rather than standalone development interventions. Their role in reinforcing stewardship, reducing pressure on sensitive areas, and sustaining compliance is explicitly monitored and adapted through the project's results framework and learning mechanisms.

Together, these causal pathways address governance fragmentation, funding shortfalls, and ecological degradation, moving islands from isolated projects to integrated, finance-ready systems. Resulting **intermediate outcomes** include participatory island governance structures, biodiversity objectives embedded in local policy and budgeting, viable financing mechanisms tested with LGUs and the private sector, and improved terrestrial and marine management effectiveness.

Impact Drivers

The main impact drivers that sustain and amplify ISLAS outcomes are: (i) institutional embedding of biodiversity planning and budgeting in LGU systems; (ii) self-replenishing local finance mechanisms; (iii) cross-scale alliances linking island-level implementation to DENR–BMB-led national biodiversity policy and implementation mechanisms under the PBSAP; (iv) transparent data and learning systems that reinforce adaptive management; and (v) strong social legitimacy through inclusive participation and livelihood benefits. Together, these create the internal momentum—the "flywheel effect"—that keeps the system improving after external funding ends.

External Actors and Proven Foundations

Durable change depends on actors beyond the project's direct control. ISLAS aligns national agencies (DENR, DOF, NEDA), LGUs, private-sector associations, and civil society through a common results framework. Each partner provides complementary capacities including policy authority, co-financing, investment channels, and community legitimacy making the causal pathways collectively necessary and sufficient.

ISLAS also builds on the tested foundations of ongoing national and regional initiatives:

- **OECM and ICCA frameworks** piloted under *GEF 5826* and *NewCAPP* provide procedural templates for recognizing locally managed conservation areas.
- **Biodiversity-corridor and IEM models** from *GEF 9584* demonstrate multi-jurisdictional governance applicable to ridge-to-reef systems.
- **NbS policy development** and the *Accelerating Green and Climate Finance Project* supply reference criteria for selecting feasible island NbS interventions.
- **Marine Protected Area Networks (CMEMP)** offer operational lessons for scaling coastal governance.
- **Biodiversity-Friendly Enterprises and Agricultural Practices (BDFEs/BDFAPs)** provide livelihood templates that can be adapted for island conditions.
- **BIOFIN and Philippines Biodiversity Financing Program** supply tested instruments for fiscal mainstreaming and public–private investment.

These linkages ensure ISLAS is not starting from zero but converting enabling factors into cohesive, island-level systems.

Scaling Strategy and Durability

Replication of the ISLAS approach will occur through the national biodiversity implementation system led by the DENR Biodiversity Management Bureau (BMB) under the Philippine Biodiversity Strategy and Action Plan (PBSAP). This system translates national biodiversity policy into local implementation through LGU planning instruments such as CLUPs and FLUPs, the national protected area and OECM frameworks, and biodiversity finance initiatives including BIOFIN and the Philippine Ecosystem and Natural Capital Accounting System (PENCAS). The project's outputs on governance arrangements, biodiversity finance mechanisms, and Nature-based Solutions implementation (Outputs 1.1.1, 1.1.2, 2.1.2, and 2.2.2) provide operational models that DENR-BMB and LGUs can adopt in other island ecosystems. During the PPG phase, a more detailed theory of change for scaling and replication will be developed to define the institutional pathways, capacity requirements, and policy instruments required for expansion to additional islands.

Resilience and Adaptive Management

The design explicitly considers plausible external futures—climate variability, migration, governance shifts, and market shocks—and embeds adaptive management within existing institutional structures. Learning and

review will be conducted through **Protected Area Management Boards (PAMBs)** in Marinduque and Camiguin and the new PAMB in Panaon, the **Watershed Management Councils** active across the islands, the **Regional Development Councils**, and emerging **inter-LGU alliances** coordinating ridge-to-reef management. Annual scenario reviews under these platforms will test assumptions, assess risks, and adjust priorities. Knowledge generated will feed into DENR- BMB guidance, national biodiversity knowledge systems, and policy processes under the PBSAP, ensuring lessons are captured and reapplied. This approach follows STAP's *Simple Future Narratives* guidance and institutionalizes adaptation beyond the project cycle.

Key Assumptions

The ToC assumes that local governments and communities will act when provided practical tools and incentives; national agencies will sustain enabling policy and budget frameworks; private-sector actors will respond to credible investment opportunities; and the national OECM framework will be formalized. If OECM policy finalization is delayed, ISLAS will still promote community-conserved sites into local plans/ordinances and apply biodiversity-compatible practices, so management improvements are realized and fully documented for later submission.

Conditions for Transformation and Global Environmental Benefits

ISLAS contributes to GEF-8's transformational objectives through:

- **Innovation** – introducing island-level biodiversity-finance and accounting models integrated into local fiscal systems.
- **Integration** – linking biodiversity, climate adaptation, and livelihoods in coherent island plans.
- **Inclusion** – ensuring women, youth, and Indigenous Peoples and Local Communities participate in governance and benefit from livelihoods.
- **Influence** – mainstreaming biodiversity values in national and local decision-making.

By strengthening governance, finance, and community ownership simultaneously, ISLAS converts fragile enabling factors into resilient systems that safeguard biodiversity and sustain ecosystem services.

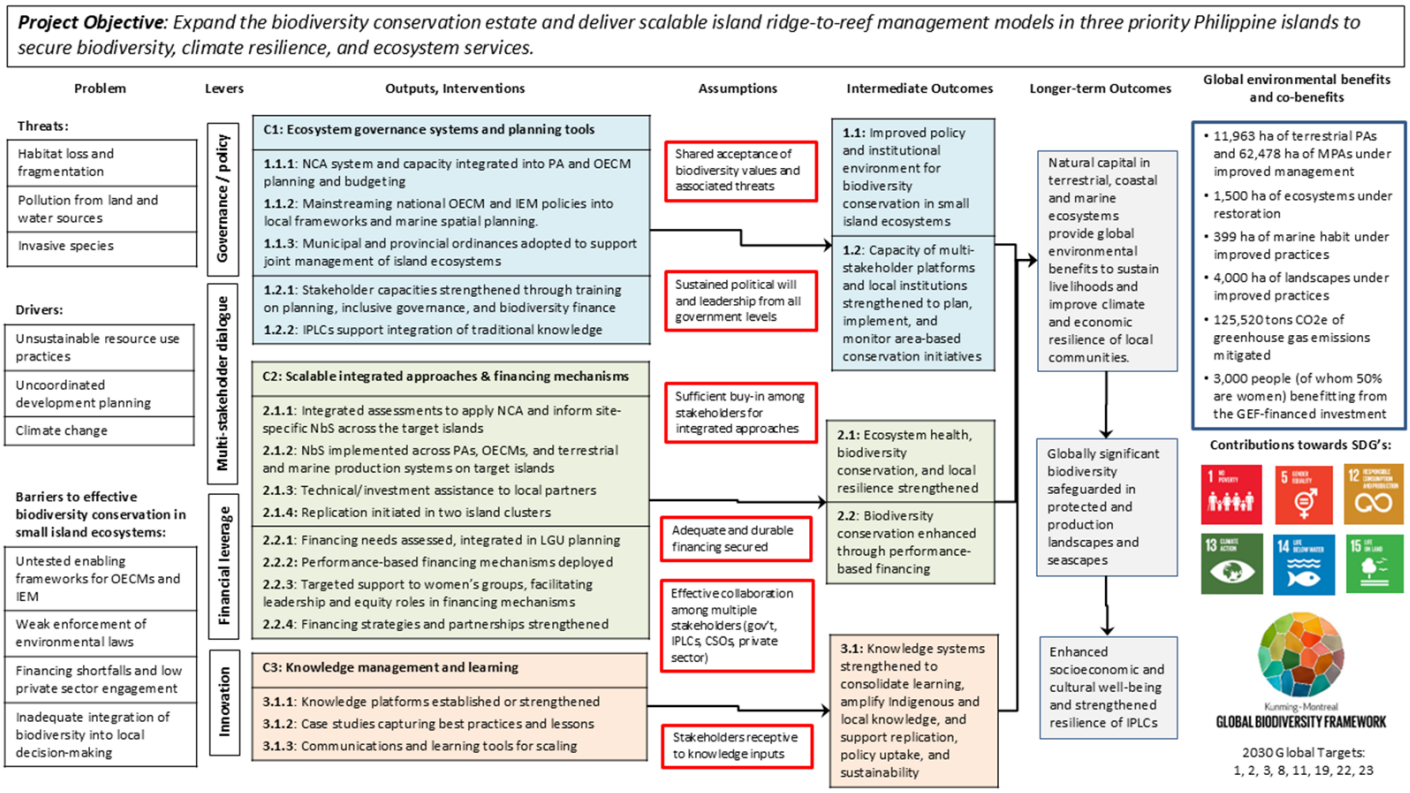

Figure 1. Theory of Change

Project Objectives, Components, Outcomes, and Outputs

Objective

The project aims to expand the biodiversity conservation estate and deliver scalable island ridge-to-reef management models in three priority Philippine islands to secure biodiversity, climate resilience, and ecosystem services. The project employs a combined approach using PAs, OECMs, and ridge-to-reef integrated management strategies to enhance biodiversity outcomes and strengthen climate resilience. These interventions will sustain critical ecosystem services such as food security, disaster risk reduction, and nature-based livelihoods that underpin local adaptation capacity and economic resilience.

These interventions will directly contribute to Core Indicator targets for improved management of terrestrial and marine PAs (CI 1 and 2), restoration of degraded ecosystems (CI 3), application of improved land- and seascape practices (CI 4 and 5), and broader community benefits (CI 11). In parallel, the project will pilot innovative biodiversity financing mechanisms such as ecotourism reinvestment, reef insurance, and local budget alignment. These financing mechanisms will strengthen financial sustainability and enable durable conservation impacts beyond GEF's lifespan. Partnerships with private sector actors, including banks, insurers, and ESG investors, will be explored during the PPG and scale-up phases to co-develop and deploy these mechanisms.

To operationalize this strategy, the project will be delivered through three interlinked components focused on enabling governance, site-based implementation, and knowledge systems for scaling and sustainability. These components are anchored in increased financing, community-driven solutions, and science-based decision making to ensure impact and replicability.

Component 1: Ecosystem governance systems and planning tools for the target islands of Camiguin, Marinduque, and Panaon

Component 1 strengthens the governance and finance systems needed to support area-based conservation in the priority islands. It includes two outcomes: one focused on aligning and implementing national and local policies, such as on OECMs, IEM, and NCA, and another centered on building the capacities and roles of local stakeholders, including Indigenous communities and women's groups. It should be noted that in the target islands there are **no programmed ICCAs or Local Conservation Areas yet**; this gap is a core rationale for ISLAS, which will **identify and prepare candidate community-conserved areas** for OECM recognition and/or local protection instruments. The DENR is finalizing national guidelines to recognize OECMs as part of its 30×30 commitments under the PBSAP 2024–2040. These guidelines are anchored in the E-NIPAS framework and aligned with the Indigenous Peoples Rights Act (IPRA) and will guide the project's support for site documentation and recognition of Indigenous and community-managed areas as OECM models. Together, these efforts aim to create enabling conditions for long-term biodiversity conservation through stronger institutions, clearer roles, and inclusive, participatory governance models that promote gender-responsive decision-making and equitable access to conservation benefits. In parallel, this component builds foundational capacity for biodiversity financing by supporting the application of NCA, integration of ecosystem values into local planning and budgeting systems, and development of policy instruments that link conservation priorities to public finance. Gender-responsive budgeting approaches will ensure that conservation investments address the differentiated needs and priorities of women and men in island communities.

Outcome 1.1: Improved policy and institutional environment for biodiversity conservation in small island ecosystems.

This outcome addresses gaps between policy formulation and implementation by operationalizing OECMs and IEM frameworks into actionable instruments – local development plans, spatial management plans, inter-LGU ordinances; equips local governments with NCA to justify biodiversity investments and improve budgetary decision-making; and contributes to enhanced enabling conditions for achievement of targets for GEF-8 Core Indicators 1, 2, and 11.

Output 1.1.1: *Natural capital accounting (NCA) system and capacity integrated into PA and OECM planning and budgeting (national/provincial guidance, data standards, accounts updates, training, and budget-tagging methods)*

Key activities under this output include the following:

- Develop/endorse **NCA guidance** aligned with **PENCAS**: define priority accounts (e.g., coastal protection, fisheries, carbon, water) and compilation methods for LGUs.
- Establish **data standards and pipelines** (GIS baselines, metadata, exchange protocols) and a shared repository/MoUs for DENR–BMB/LGUs.
- Produce an **LGU toolkit**: Comprehensive Land Use Plan (CLUP)/Forest Land Use Plan (FLUP) integration templates, **BIOFIN-aligned budget-tagging** sheets, and performance indicators linking NCA to plans/budgets.
- Deliver **capacity building/Training-of-trainers (TOT**) for BMB and LGUs on compiling accounts and **using NCA evidence in planning and budgeting**.
- Issue **policy/budget memos** enabling NCA use in Annual Investment Programs (AIPs)/budget codes and investment programming.

Define **M&E linkages** so NCA metrics feed the Results Framework and Core Indicators (avoid double counting).

Output 1.1.2: *Mainstreaming national OECM and IEM into local frameworks and marine spatial planning across the three islands.*

While the target islands currently have no programmed ICCAs or LCAs, ISLAS will demonstrate how national OECM and IEM frameworks can be operationalized from this baseline—identifying and documenting candidate community-conserved sites, validating governance and ecological effectiveness, and integrating them into local spatial and development planning for eventual national recognition.

Indicative activities to finalize and apply national OECM and IEM policies:

- **Identify and screen candidate areas** (e.g., community-stewarded forests/coasts, CBFMAs, locally recognized sites) against draft OECM criteria for selection.
- **Participatory mapping, documentation, and submit approx. 4,000 ha CBFMAs for OECM recognition** of candidate sites (ICCA/CBFMA/LCA) and their governance arrangements. (Includes tenure checks, consultations/FPIC, and DENR-BMB review).
- **Validation of governance and ecological effectiveness** using agreed criteria and simple baselines.
- **Community declaration of ICCAs** through assemblies and signed community resolutions (as applicable).
- **Formulation of Community Conservation Plans (CCPs)** and integration into **Ancestral Domain Sustainable Development and Protection Plans (ADSDPPs)** where ancestral domains exist.
- Provide technical assistance to localize national frameworks for target island-level implementation.
- Embed biodiversity considerations into land-use and marine spatial plans.
- Support demonstration of Indigenous Communities Conserved Areas as OECM models, e.g., at the Camiguin Island site through participatory mapping, FPIC (where applicable), and preparation of documentation packages for submission to DENR–BMB for inclusion in the national OECM registry.
- Facilitate OECM recognition through submission for national **recognition** to **DENR–BMB** under the draft **OECM Guidelines**, and support to complete any verification steps.

Output 1.1.3: *Municipal and provincial ordinances adopted to support joint management of shared terrestrial and marine resources across administrative boundaries.*

Key activities under this output include the following:

- Identify ecologically connected systems crossing administrative boundaries.
- Facilitate cross-jurisdictional consultations to draft shared responsibility ordinances.
- Establish joint management bodies for cross-boundary conservation.
- Design inter-LGU financing arrangements including pooled contributions and revenue-sharing.
- Deliver capacity building for concerned provincial LGUs to support inter-LGU alliances that will be formed as platforms for setting up shared resource user fee systems and revenue-sharing agreements.

Outcome 1.2: Capacity of multi-stakeholder platforms and local institutions strengthened to plan, implement, and monitor area-based conservation initiatives.

This outcome strengthens institutions and partnerships for co-governing terrestrial and marine conservation areas, emphasizing multi-stakeholder coordination, Indigenous knowledge systems, and local leadership capacity. The project will support ecosystem services across shared landscapes and seascapes such as watersheds, coastal zones, and marine corridors fortifying local livelihoods, climate resilience, and biodiversity.

Output 1.2.1: *Local stakeholder capacities strengthened through targeted training on conservation planning, inclusive governance, and biodiversity finance.*

Key activities under this output include the following:

- Assess governance structures and coordination mechanisms across existing PAs and emergent OECMs to identify success factors and gaps.
- Conduct participatory capacity assessments focusing on empowering marginalized groups, including women, youth, and Indigenous peoples.
- Design targeted training emphasizing inclusive decision-making, gender-responsive budgeting, and financial management for conservation.
- Establish peer-learning exchanges across sites to share successful gender-inclusive governance practices.
- Support intergenerational knowledge transfer between community elders and youth, with special emphasis on recognizing women's traditional ecological knowledge.

Output 1.2.2: *IPLCs and local stewards of nature engaged through project implementation and supported to integrate traditional knowledge into conservation strategies.*

This output establishes fair, transparent rules for how **project-supported** benefits (grants, livelihood support, enterprise revenues) are shared within participating communities, and how community knowledge shared with the project is respected and protected. It **does not** involve Access and Benefit-Sharing (ABS) under the Nagoya Protocol or access to genetic resources.

Key activities under this output include the following:

- **Co-develop community benefit-sharing guidelines** (with women and youth represented) that set transparent eligibility, decision-making roles, distribution rules, and public reporting for project-supported benefits.
- **Integrate equity clauses** into stewardship agreements and grant MOUs, including quotas/targets for women's participation and leadership where feasible.
- **Traditional knowledge safeguards (non-ABS):** adopt simple consent-and-attribution practices for any community knowledge voluntarily shared for project planning, monitoring, or communications (e.g., prior community consent, proper attribution, ability to opt out). No collection or use of genetic resources or associated TK for research/commercialization.
- Document and validate Indigenous Knowledge, Systems and Practices (IKSPs), ensuring equal representation of women's and men's knowledge systems in conservation planning.
- Support establishment of co-management agreements with IPLCs that recognize women's customary resource management roles and decision-making authority.

- **Grievance and feedback channels:** operationalize accessible complaints/appeals mechanisms and periodic community reviews of benefit-sharing outcomes.

- Provide training for IPLC participation in biodiversity monitoring and restoration, with targeted support for women's leadership in community-based conservation initiatives.

Component 2: Scalable integrated approaches and financing mechanism for small island ecosystems

Effective biodiversity conservation in small-island ecosystems requires approaches, including Nature-based Solutions (NbS), that are both ecologically grounded and financially sustainable. This component invests in integrated interventions that protect ecosystems while strengthening the technical, institutional, and financial conditions for long-term resilience and **scalability**. In this project, scalable means **repeatable interventions** with clear steps, roles, and checklists, so another island can apply the same design by adjusting only local parameters (for example, the share of tourism receipts, closure durations, or PES/reef-insurance rates). A concise **replication approach** and **minimum-conditions** checklist will enable LGUs to adopt these interventions without starting from scratch. These interventions will also support the sustainable customary use of biodiversity, in line with the Global Plan of Action.

Interventions will take place across a diverse set of ecological and socio-cultural settings, including PAs, OECMs, and production landscapes and seascapes that are essential to sustaining biodiversity and community livelihoods. These include customary use areas, buffer zones, and community-managed territories that contribute to conservation outcomes even if not formally designated. This spatial scope supports the achievement of targets set for GEF-8 CI 1 and CI 2 (terrestrial and marine PAs, respectively) as well as CI 4 and CI 5 (improved practices in landscapes and marine habitats, respectively).

Outcome 2.1: Ecosystem health, biodiversity conservation, and local resilience strengthened

The outputs under this outcome are designed to strengthen ecosystem health, biodiversity conservation and local resilience through implementation of NbS across PAs, OECMs, and terrestrial and marine ecosystems. The interventions will lead to improved management of protected and production landscapes and seascapes, reduce pressures, and promote customary sustainable use practices among IPLCs, benefiting biodiversity and generating both adaptation and mitigation co-benefits.

This outcome aims to strengthen conservation in island ecosystems through implementation of integrated approaches, including NbS, to improve management of terrestrial and marine PAs and OECMs and facilitate improved practices across landscapes and marine habitats. Indicative examples of integrated approaches, framed as NbS throughout the project description, include the following:

- Coral reef conservation and small-scale fisheries management initiatives, e.g., agreeing upon no-take zones and/or seasonal closures, protecting reefs and marine biodiversity while supporting the resilience of IPLCs dependent on marine resources.
- Sustainable agroecological practices that protect scarce water and soil resources, safeguard terrestrial biodiversity, strengthen food and income security, and reduce dependence on external inputs, thus fostering local resilience.
- Sustainable tourism practices to balance economic development with conservation, e.g., including local bylaws on the protection of marine and terrestrial biodiversity, promoting a sustainable code of practice among operators, training IPLCs in ecotourism experiences, etc.

- Ridge-to-reef watershed management, engaging with multiple stakeholders, conserving and restoring degraded habitats, promoting customary sustainable use of terrestrial and marine resources, thus empowering IPLCs to actively manage and protect their ancestral lands and marine territories.

Demonstration sites and national recognition.

Integrated interventions under this outcome will be demonstrated across three priority islands—**Panaon, Camiguin, and Siquijor**—representing a continuum of ecological conditions and governance maturity.

- **Panaon Island**, officially designated as the **Panaon Island Protected Seascape (62,478 ha, RA 12238 of 2025)**, now provides a nationally recognized management unit encompassing 19 locally managed marine areas (approx. 525 ha) nested within its boundary. The project will strengthen management-plan implementation, financing, and monitoring systems, and will support **DENR–BMB** in completing **WDPA registration** during the PPG phase.
- **Camiguin Island** combines established terrestrial protected areas with extensive nearshore fishing grounds under community management. Project support will align PA and LMMA governance under a unified ridge-to-reef framework and introduce biodiversity-linked financing mechanisms.
- **Siquijor Island**, characterized by smaller community-managed forest and coastal zones, provides an opportunity to pilot **OECM recognition** and biodiversity-friendly production systems that can be scaled nationally.

Together, the three islands provide contrasting yet complementary contexts for testing and replicating Nature-based Solutions, demonstrating how integrated governance and finance mechanisms can improve the management of both protected and production landscapes and seascapes.

Expanding the conservation estate (small-island pathway).

In line with the project objective, estate expansion will occur through **legal recognition and consolidation** rather than new terrestrial PA creation. The project will (i) support **WDPA registration** of the **Panaon Island Protected Seascape (62,478 ha; RA 12238)**, and (ii) identify and submit **approx. 4,000 ha of community-based forest/marine areas (CBFMAs) outside PA boundaries** for **formal OECM recognition** under DENR–BMB guidelines. Complementary by-laws (no-take/seasonal closures) will secure additional conservation coverage and durability in community-managed zones. OECM hectares will be tracked **contextually (CI-4.5)** and fully included under **CI-4.1/4.2** to avoid double counting; **CI-2** captures the full PIPS area.

Apart from the biodiversity-related results, interventions are expected to generate both adaptation and mitigation co-benefits (e.g., protection and carbon sequestration in mangroves, community-managed regeneration of degraded upland ecosystems).

Output 2.1.1: *Integrated ecological, socio-economic, and valuation assessments to apply NCA and inform site-specific NbS across the target islands*

Key activities under this output include the following:

- Conduct biodiversity baseline surveys and ecosystem service mapping for across target areas, including PAs, OECMs, and adjacent production landscapes and seascapes.

- **Quantify ecosystem services** (fisheries, coastal protection/reefs, carbon, tourism) via island accounts and **rapid biodiversity/vulnerability assessments.**

- Prepare and submit **WDPA dossier** for Panaon Seascape; implement **seascape-wide management measures** (inter-LGU enforcement, finance, monitoring).

- Conduct **participatory NCA** with communities/IPLCs to co-interpret results and set **restoration/management priorities**.

- Integrate ecological and socioeconomic findings into spatial planning overlays and site-level investment prioritization, e.g., for biodiversity-friendly enterprises (BDFEs), biodiversity-friendly agricultural practices (BDFAPs).

- Apply NCA to **PA/OECM management plans** and zoning; generate **O&M costings**.

- Use NCA evidence to price **PES** and **reef insurance** parameters, and to calibrate **resource-user fees**; integrate into LGU Annual Investment Plans (**AIPs)/budget lines.**

***Output 2.1.2: Nature-based Solutions** (NbS) implemented across intervention sites, including PAs, OECMs, and terrestrial and marine production systems on target islands*

NbS will address **ecological and societal challenges**, not resilience alone, including **water security, sustainable fisheries/livelihoods, disaster-risk reduction, food security, erosion/sediment control, and tourism development.** A robust set of targets to include both ecological and societal goals will be embedded in stewardship agreements and performance-based grants.

Key activities under this output include the following:

- **Site diagnostics** that identify priority **societal challenges** alongside biodiversity threats (e.g., dry-season water deficits, reef-fish depletion, landslide risk, shoreline erosion, waste leakage to reefs), and map where NbS can deliver joint benefits.

- **Co-design NbS packages** (with women, youth, and IPLCs participating) aligned to PA/OECM objectives and production-zone needs (e.g., assisted natural regeneration, mangrove/seagrass rehab, riparian buffers, agroforestry, reef no-take/seasonal closures, green infrastructure).

- **Anchor in governance instruments:** integrate NbS actions and maintenance duties into updated PA plans, local ordinances, coastal zoning, and budget lines.

- **Stewardship agreements & performance-based grants** that include **explicit targets and indicators** for both **biodiversity** (e.g., hectares restored, METT/MEAT improvement, live coral cover, seagrass extent) **and societal outcomes** (e.g., % reduction in water-supply gaps, % increase in reef-fish biomass or catch per unit effort, % reduction in disaster-exposed households, trails/beach carrying-capacity compliance).

- **Monitoring & learning:** simple, site-appropriate protocols to track these indicators and adjust grants annually (adaptive management).

***Output 2.1.3:** Technical and investment assistance supporting implementation of NbS, promote stewardship, and sustainable livelihoods.*

While Output 2.1.2 delivers **performance-based grants linked to verified NbS results**, this output focuses on **technical and investment assistance** that ensure such delivery sustainable and scalable.

Key activities under this output include the following:

- Identify and validate IPLC organizations, People's Organizations, and women's groups with capacity to implement NbS and manage grant funds.
- Provide technical support for proposal preparation, business planning, and monitoring—prioritizing women- and youth-led organizations.
- Provide investment assistance using existing grant-making modalities, e.g., the **Biodiversity-Friendly Enterprise (BDFE)** grant program of BMB, and the **Community-Based Forest Management (CBFM)** program of the Forest Management Bureau.
- Issue calls for proposals and award grants for activities such as mangrove rehabilitation, reef monitoring, agroecological restoration, native seedling nurseries, and community-based ecotourism.
- Monitor grant implementation through community co-management platforms with **gender-responsive and participatory evaluation**.

Output 2.1.4: *Replication initiated in two additional island clusters and scaled through DENR–BMB-led OECM and biodiversity implementation mechanisms under the PBSAP.*

Key activities under this output include the following:

- Define and validate selection criteria for candidate replication islands based on ecological significance, institutional readiness, and stakeholder demand.
- Initiate replication activities in at least two additional island clusters—**Romblon and Dinagat Islands** (to be finalized during the PPG phase)—adapting tested NbS, governance, and financing modules from the three demonstration islands.
- Conduct consultations with LGUs, IPLCs, and national agencies to ensure political and institutional ownership of the replication process.
- Synthesize results and lessons learned to produce a **national scaling plan**, identifying policy linkages, financing pathways, and modalities for replication through DENR–BMB-led OECM and biodiversity implementation mechanisms under the PBSAP, alongside the BIOFIN program.
- Document replication processes and outcomes to inform the design of potential follow-on interventions under GEF and other financing platforms.

Outcome 2.2: Biodiversity conservation enhanced through performance-based financing

The outputs under this outcome are designed to enhance biodiversity conservation through performance-based financing, addressing persistent financing gaps by repositioning OECMs, PAs, and multi-use landscapes and seascapes as essential contributors warranting long-term strategic financing. The project will also advance the integration of biodiversity costs and benefits into local government planning and budgeting processes by piloting innovative financing instruments and demonstrating models for sustainable investment.

Key activities under this output include the following:

- Conduct financing gap analyses to determine the full cost of implementing NbS across projects sites, including PAs, OECMs, and production landscapes and seascapes.

- Translate NCA valuations and cost-benefit analyses into actionable, context-specific insights for LGUs to inform planning and justify biodiversity-related investments.

- Facilitate securing long-term biodiversity finance by first aligning with public budgeting reforms, through engagement with BIOFIN, DBM, and LGUs, and then leveraging these frameworks to attract co-financing and private investment.

- Provide technical assistance to local treasurers and planning officers to build capacity in interpreting ecosystem values and aligning them with justifiable local expenditures.

- Facilitate stakeholder dialogues and planning exercises to facilitate the integration of biodiversity and NbS actions in Annual Investment Plans and local budget resolutions.

- Support the drafting or revision of LGU investment plans, ordinances, and co-financing strategies that sustain project interventions beyond the GEF financing cycle.

Output 2.2.2: *Performance-based financing mechanisms deployed across PAs, OECMs, and production landscapes and seascapes to support conservation and sustainable use initiatives.*

Key activities under this output include the following:

- Screen and prioritize site-appropriate financing tools, such as PES, ecotourism, biodiversity credits, and user fees, tailored to the site type (e.g., PA, OECM, productive landscape or seascape, or buffer zone) and local ecological-economic context.

- Explore the feasibility of habitat-linked insurance schemes (e.g., coral reef insurance, climate risk coverage for agro-ecosystems).

- Deploy at least one innovative performance-based financing mechanism per site with transparent governance and benefit-sharing arrangements.

- Operationalize gender-responsive finance by requiring women's leadership and equity positions in financing mechanisms, promoting tangible benefits for women and girls. The project will engage women's rights CSOs, grass roots, women's CBOs, and women in the project sites that will be impacted to ensure leadership and equity participation.

Output 2.2.3: *Targeted support to women's groups, facilitating leadership and equity roles in financing mechanisms*

Key activities under this output include the following:

- Deliver capacity building to women's groups on financial management, proposal writing, partnership building.

- Facilitate participation of women's groups in biodiversity financing mechanisms, promoting leadership and equity roles for women.

Output 2.2.4: *Financing strategies and partnerships strengthened to sustain and replicate performance-based financing mechanisms across small islands.*

Key activities under this output include the following:

- Build financial literacy and investment-readiness among LGUs and IPLC enterprises, equipping them to understand ecosystem asset values, structure investment offers, negotiate co-financing arrangements, and manage biodiversity-linked revenue flows.
- Collaborate with banks, insurers, and climate risk platforms to structure and test nature-linked financial instruments—such as coral reef insurance, resilience scoring indices, or risk-contingent credit facilities—that monetize ecosystem resilience and de-risk conservation investments.
- Design and convene an investment forum to present NCA-derived asset profiles, community enterprise models, and priority blended finance opportunities.
- Engage BIOFIN, national banks, PPPs, and ESG-focused investors to co-develop scalable instruments, tailored to island ecosystems.
- Coordinate with DOF, DENR, and oversight bodies to codify successful financing models into national policy instruments and replicable incentive schemes.
- Engage private sector actors, such as banks, insurers, and ESG-aligned investors, to explore and co-develop scalable financing instruments tailored to island ecosystems, with detailed structuring and partnership development to be explored during the PPG phase.

Component 3: Knowledge management and learning

Outcome 3.1: Knowledge systems strengthened to consolidate learning, amplify Indigenous and local knowledge, and support the replication, policy uptake, and sustainability.

The expected results under this outcome include strengthened knowledge systems on integrated management of small island ecosystems, ensuring innovations, tools, and lessons are systematically captured, validated, and shared to support national policy reforms and institutional learning. In alignment with DENR's initiative to formulate a national ocean environments policy, this outcome generates tangible recommendations and replicable program models for DENR, DA-BFAR, and other delivery partners to implement in new areas. Key outputs include actionable proposals for organizational restructuring to sustain project gains, financing strategies combining traditional government mechanisms with private sector partnerships and sustainable finance innovations, and scalable institutional models that enable replication beyond target islands.

Output 3.1.1: *Knowledge platforms strengthened or established to support implementation of key national policies and approaches operationalized under the project*

Key activities under this output include the following:

- Enhance DENR's existing biodiversity and climate portals to serve as integrated platforms for knowledge sharing, performance tracking, and replication support.
- Establish a digital hub to document and share tools, templates, and methodologies piloted through the project, such as NbS design protocols, PES mechanisms, NCA templates, and IEM planning models.
- Embed peer-to-peer learning modules and case libraries within the platforms to support knowledge exchange across LGUs, IPLCs, and CSOs.

- Produce and package localized knowledge products, such as budget templates, model ordinances, and field-tested methodologies.
- Ensure interoperability with national portals and allow for decentralized access by LGUs, IPLCs, and CSOs, with user training and feedback loops to support ongoing improvement.
- Develop and initiate a sustainability plan to facilitate durability of project results.

Output 3.1.2: *Case studies capturing best practices and lessons learned*

Key activities under this output include the following:

- Document NbS design and implementation lessons including ecological, financial, and equity outcomes.
- Produce studies on financing models and municipal budget integration.
- Capture gender-responsive experiences and contributions of IPLCs into knowledge management systems and products.
- Generate tangible recommendations for DENR, DA-BFAR, and delivery partners on staffing models, financing mechanisms, and replicable program frameworks for implementation in new areas.

Output 3.1.3: *Communications and learning tools developed for scaling.*

Key activities under this output include the following:

- Create a "Cross-Island Learning Network" among project sites and expansion areas to share lessons and enable adaptive management.
- Organize stakeholder roundtables, policy dialogues, and innovation showcases targeting decision-makers, private sector actors, and development partners.
- Produce and disseminate multimedia products (e.g., videos, infographics, briefs) to capture and share success stories, implementation tools, and replication guidance.
- Facilitate South-South exchanges and regional learning events linking Philippine efforts to wider island and archipelagic conservation movements.

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

No

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

The project will coordinate and collaborate with the following complementary initiatives:

The ISLAS project is designed to complement ongoing national and local initiatives while avoiding duplication. Although thematically aligned with other efforts focused on biodiversity, climate resilience, and nature-based solutions (NbS), ISLAS targets a unique cluster of remote island geographies not currently covered by the projects listed below. This geographic differentiation ensures non-duplication, while creating opportunities for targeted collaboration and knowledge transfer.

To maximize coordination, the ISLAS project will proactively engage with selected ongoing initiatives through formal and informal channels. These include joint participation in inter-agency committees, contributions to shared policy instruments (e.g., the NbS catalogue), peer learning exchanges, and co-hosted events on biodiversity financing and adaptive governance. Where possible, ISLAS will draw from tested tools and institutional platforms developed by these initiatives to avoid re-inventing approaches. ISLAS will also seek to harmonize indicators, methodologies, and community engagement practices with relevant efforts to enable comparability and broader uptake. The table below summarizes priority initiatives and specific coordination modalities with each.

Ongoing Projects	ISLAS Alignment and Cooperation
Integrated Approach in Management of Major Biodiversity Corridors in the Philippines, 2021-2027 Implementing Partner: DENR	ISLAS will apply lessons learned on community-based biodiversity-friendly enterprises, on corridor governance in remote island contexts. Coordination with DENR teams involved in both projects will support exchange and harmonization of tools.
Accelerating Green and Climate Finance in the Philippines: Nature-based Solutions (AGCF), 2022-2026 Implementing Partner: DOF	The project will establish a Nature-Based Solutions Accelerator Hub to mentor 10 community-based organizations (CBOs) in creating bankable NbS projects. ISLAS will build on the NbS Accelerator's outputs to identify financeable NbS models for island ecosystems implementation.
Indigenous Women and Girls – Leadership and Empowerment in Ancestral Domains (I-LEAD) Project, 2023-2029 Implementing Partner: National Commission on Indigenous Peoples (NCIP)	ISLAS will collaborate with I-LEAD on community grants and rights-based approaches supporting Indigenous Peoples' institutions—fostering gender-responsive governance and equitable access to ecosystem benefits
Protecting priority coastal and marine ecosystems to conserve globally significant endangered, threatened, and protected marine wildlife in Southern Mindanao (ETP MW), 2024-2029 Implementation Partner: DENR-BMB	Coordination through DENR–BMB will facilitate exchange of technical tools and indicators (e.g., METT, reef resilience metrics) with ILAS, as well as shared lessons on marine spatial planning, coastal restoration, and scaling behavior change.
Biodiversity Finance Initiative (BIOFIN) 2014 to 2030 Implementation Partner: DENR	ISLAS directly applies BIOFIN tools and strategies at the island level—piloting PES, reef insurance, CSR-linked ecotourism, and budget alignment mechanisms under Component 2.2. It also contributes data and lessons to BIOFIN's national finance tracking and policy development efforts. As both are UNDP-supported, coordination and feedback loops are already in place.

ISLAS is designed to complement, not duplicate, **related GEF-financed initiatives** implemented by **UNEP, ADB, IDB and UNDP** across **GEF-4 to GEF-8**, including the **GBFF**. The portfolio includes the following **GEF-7/GEF-8** items: **UNEP 10386**, **ADB 10431** and **11589**, **IDB 11041**, and **UNDP 11600**, plus **three additional GEF-financed initiatives** implemented by UNDP that continue to inform policy and practice at the national level (see Section A/Annex for full citations). ISLAS will (i) **share methods and lessons** on biodiversity finance (BIOFIN, reef insurance) and planning tools (PENCAS/NCA, OECMs, ridge-to-reef IEM), (ii) **harmonize indicators and data standards** to enable apples-to-apples reporting across island sites and national systems, (iii) **sequence pilots and scale-up** to avoid overlap and double-counting (e.g., hectares under improved management, beneficiaries), and (iv) **document replicable models** and lessons for expansion beyond the three target islands through national biodiversity implementation mechanisms led by DENR–BMB

under the PBSAP, and through global knowledge platforms where relevant. Institutional coordination will be anchored by **DENR–FASPS**, which convenes **quarterly coordination meetings** for GEF and other foreign-assisted projects to review progress, identify complementarities, avoid duplication, and plan joint actions.

Specifically, Section A includes a discussion of the following projects:

- **GEF-7** 10386 (*Natural Capital Accounting and Assessment* – UNEP)
- **GEF-7** 10431 (*Partnerships for Coral Reef Finance and Insurance* – ADB)
- **GBFF** 11600 (*Philippines Biodiversity Financing Program* – UNDP)
- **GBFF** 11589 (*Strengthening Globally Significant Biodiversity Corridors* – ADB)
- **GEF-8** 11266 (*BGI IP Global Coordination Project – UNDP*)
- **GEF-6** 9584 (*Integrated Management of Major Biodiversity Corridors – DENR*)
- **GEF-5** 5826 (*Strengthening National Systems for Governance of IPLC Conserved Areas – DENR-BMB*)
- **GEF-4** 3606 (*New Conservation Areas in the Philippines Project – DENR-BMB*)

In addition to the initiatives mentioned above, and in alignment with the KMGBF and PBSAP, the project coordinates with multilateral environmental agreements, notably the UNFCCC through its ecosystem-based adaptation and climate-resilient livelihoods approach.

The ISLAS project will build on these lessons to scale integrated NbS approaches, adapt proven tools to the small island context, and test biodiversity finance strategies across a broader range of site types (e.g., PAs, OECMs, productive seascapes).

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
11963	0	0	0

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
11963	0	0	0

Name of the	WDPA ID	IUCN Category	Ha (Expect	Ha (Expected at CEO	Total Ha (Achiev	Total Ha (Achiev	METT score (Baseline	METT score (Achiev	METT score (Achiev

Protected Area			ed at PIF)	Endorsement)	ed at MTR)	ed at TE)	at CEO Endorsement)	ed at MTR)	ed at TE)
Marinduque Wildlife Sanctuary	555583086	Habitat/Species Management Area	9,760.00						
Mt. Timpoong-Hibok-Hibok Natural Monument	555583100	Natural Monument or Feature	2,203.00						

Indicator 2 Marine protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
62478	0	0	0

Indicator 2.1 Marine Protected Areas Newly created

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 2.2 Marine Protected Areas Under improved management effectiveness

Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
62478	0	0	0

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Panaon Island Protected Seascape	N/A	Protected Landscape/Seascape	62,478.00						

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

1500	0	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Cropland	500.00			

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
500.00			

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
500.00			

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4000	0	0	0

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4,000.00			

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
TBD	TBD	4,000.00			

Documents (Document(s) that justifies the HCVF)

Title

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
399.00			

Indicator 5.1 Fisheries under third-party certification incorporating biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Type/name of the third-party certification

Indicator 5.2 Large Marine Ecosystems with reduced pollution and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE

Indicator 5.3 Marine OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
Camiguin	N/A	308.00			
Marinduque	N/A	91.00			

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	125520	0	0	0
Expected metric tons of CO_2e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	125,520			
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2028			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)				
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	1,500			
Male	1,500			
Total	**3,000**	**0**	0	**0**

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The following assumptions and calculations were applied in estimating targets for GEF-8 Core Indicators at the PIF stage. Values will be refined and fully disaggregated during the PPG in consultation with local partners.

CI 1: Terrestrial Protected Areas (11,963 ha). Comprised of the Marinduque Wildlife Sanctuary (9,760 ha) and the Mt. Timpoong–Hibok-Hibok Natural Monument (2,203 ha). The project will improve PA management by: (i) updating/enforcing management plans; (ii) integrating NCA/PENCAS into LGU planning and budgeting; (iii) strengthening financing (e.g., PA-linked budget integration, incentive schemes); and (iv) building capacity of PA staff, LGUs, and co-management actors. METT will be used to establish baselines and track improvements at both sites. To avoid any double counting, restoration implemented inside these PAs will be reflected in CI-1 results (METT/biophysical outputs) but excluded from CI-3 hectares; restoration outside PAs/OECMs will count under CI-3 (and, where relevant, contribute to CI-4/CI-5). Any area overlaps to be confirmed at PPG via GIS.

CI 2: Marine Protected Areas (62,478 ha). The project's primary marine coverage corresponds to the Panaon Island Protected Seascape (PIPS), officially designated under Republic Act 12238 on 29 August 2025. The Seascape encompasses the entire 62,478 ha of Panaon municipal waters, including 19 locally managed marine reserves and fish sanctuaries (approx. 525 ha) that are now

formally nested within the national protected-area boundary. Under GEF Core Indicator 2 ("Protected Areas under improved management"), the project therefore reports the full 62,478 ha as the management unit for PIPS, while the 19 LMMAs are treated as component sites within that area and not double-counted elsewhere (e.g., under OECMs or CI 4/5). Project support will strengthen governance, management-plan implementation, and financing for the Seascape, contributing to measurable improvements in METT scores and biodiversity outcomes. During PPG and early implementation, DENR–BMB will coordinate with UNEP-WCMC to register PIPS in the World Database on Protected Areas (WDPA), following national reporting and validation procedures. WDPA ID assignment typically follows submission and review by UNEP-WCMC. WDPA registration of PIPS (62,478 ha) consolidates marine estate expansion at national/global registry levels.

CI 3: Ecosystems under Restoration (1,500 ha). The preliminary estimate reflects restoration of degraded agricultural land, forest areas, and mangroves The indicative preliminary breakdown is as follows: 500 ha of forest land, including community-managed natural regeneration and enrichment planting in upland areas; 500 ha of mangrove ecosystems, with a focus on hydrological rehabilitation and replanting; 500 ha of degraded agricultural areas, where biodiversity-friendly practices such as agroforestry will be promoted. This breakdown reflects the project's integrated ridge-to-reef approach and alignment with IEM and NbS principles. Final figures will be confirmed through participatory mapping and assessments during the PPG phase.

CI 4: Landscapes under Improved Practices (4,000 ha). The preliminary target reflects approximately 4,000 ha of existing Community-Based Forest Management Areas (CBFMAs) across the project's island sites that will be supported by the project and strengthened toward recognition as Other Effective Area-Based Conservation Measures (OECMs). These areas are geographically defined, located outside formal protected areas, and provisionally aligned with the Philippines' national OECM guidelines. Project support will focus on improving governance, management effectiveness, and biodiversity outcomes through biodiversity-compatible practices such as sustainable agroforestry, assisted natural regeneration, and erosion control, consistent with Integrated Ecosystem Management (IEM) principles and local land-use contexts.Consistent with GEF Core Indicator guidance, the same 4,000 ha are reported under CI 4.1 (terrestrial area under improved management) and CI 4.5 (terrestrial OECMs supported), reflecting areas strengthened toward OECM recognition at PIF stage. Formal identification of individual sites and registration in the World Database on OECMs (WD-OECM), including assignment of WDPA-IDs, will be completed during the project implementation phase, once site boundaries, governance arrangements, and community consent are finalized. Other terrestrial interventions under the project—such as ridge-to-reef actions in production, buffer, and watershed areas—form part of the integrated project design but are not yet spatially quantified at PIF stage and are therefore not included in the current CI target. These areas will be refined and reported, where eligible during the project preparation phase.

CI 5: Marine Habitats under Improved Practices (399 ha). Includes OECM-designated coastal areas in Camiguin (308 ha) and Marinduque (91 ha) that fall outside formal PA boundaries. These habitats, primarily coral reefs, seagrass beds, and associated nearshore ecosystems, will benefit from improved practices such as community-led marine zoning, seasonal no-take regulations, reef and mangrove rehabilitation, and integration of biodiversity safeguards into fisheries management. Co-management arrangements will be strengthened in partnership with LGUs and fisherfolk associations, in line with IEM and ridge-to-reef principles. The reported total (399 ha) corresponds to marine areas governed as OECMs and is reported under both CI 5 (Area of marine habitat under improved practices) and CI 5.4 (Marine OECMs supported), consistent with the structure of the GEF-8 Results Measurement Framework. Habitat types (coral reefs, seagrass beds, and mangroves) are provided for contextual description and do not represent separate additive area totals.

CI 6: Greenhouse gas emission mitigated (125,520 t). The preliminary target was estimated using the FAO Ex-Ante Carbon Balance Tool (EX-ACT), considering the expected restoration interventions across agricultural, forest, and mangrove ecosystems.

CI 11: People Benefiting (3,000 individuals). A working estimate of 1,000 direct beneficiaries per island, including IPLCs involved in NbS or livelihood interventions, PA/OECM managers, enforcement actors, and local government personnel trained in biodiversity governance. This will be further broken down by gender and intervention type during the PPG phase.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		

Climate	Substantial	In general, small islands are the most vulnerable to climate change impacts; and the sites identified are prone to natural hazards – typhoons, storm surge, tsunami, landslides, earthquake, among others. These extreme weather events associated with climate change may limit accessibility of the project site and the implementation of NbS and therefore its success. During the PPG, the vulnerability of the candidate sites to climate change will be further assessed and mitigation measures will be identified to ensure that the design of the project incorporates potential climate change and disaster risks. The existing traditional practices and Climate Change Adaptation and Disaster Risk Reduction Plans (CCA-DRRMPs) that are prepared by the local government units in the priority islands management plans. Other than that, Local NGOs, academic, and research institutions will be tapped to be part of the PPG to allow field work to proceed when the islands are inaccessible. However, UNDP and DENR will consider other candidate sites if the island/s become expensive to work in. In general though, small islands are the most vulnerable to climate change impacts
Environmental and Social	Substantial	As an environmental project, the risks to project design and implementation will be thoroughly considered and will be minimized in the design/scheduling of the design and implementation activities. As Component 1 of the project focuses on developing policies and plans, the social and environmental impacts of these upstream activities should be further assessed during PPG and implementation stage to ensure that the execution of these policies would not cause adverse impacts to the environment, having nearby protected areas and heritage sites; and the community, having IPLCs that are dependent to natural resources and ecosystem services as source of livelihood and deeply rooted culture and tradition. This is the same with Component 2 that will enable the implementation of NbS and provision of Low Value Grants (-LVGsgrant assistance) which may have varying social and environmental impacts if not properly designed and implemented. Based on current information, no specific adverse social impacts are anticipated at PIF stage; however, the project is provisionally rated Substantial due to uncertainty pending site-level assessments and consultations during the PPG. Social risks may arise regardless of the presence or recognition of Indigenous Peoples (IPs) (e.g., access/use restrictions, livelihood shifts, intra-community dynamics). IPs and FPIC: The project will screen for IP presence and claims in all sites (including Camiguin), and where applicable will apply FPIC consistent with national law and UNDP SES.A Stakeholder Engagement Plan (SEP), ESMF, Gender Action Plan (GAAP), and Grievance Redress Mechanism (GRM) (UNDP SRM and government channels) will be prepared/updated during PPG and implemented throughout the project. Both the environmental and social risks will be further screened, assessed and mitigated following the UNDP Social and Environmental Standards, during the PPG Phase. An ESMF, IPPF, SEP, and GAAP should be prepared during the PPG stage which will be executed and updated, as necessary, during implementation. The ESMF will guide the social and environmental safeguards strategies in all project activities, particularly as guidance on the applicability and conduct of a Strategic Environment and Social Assessment for Component 1 and Environmental and Social Impact Assessment for Component 2 An Environmental and Social Management Plan shall be

		developed during implementation, along with other targeted plans, as needed. Safeguards Procedure.
Political and Governance	Moderate	The candidate sites are not in any conflict or fragile area. Consultations undertaken with the DENR field staff – Provincial Environment and Natural Resources Officers (PENROs) – have confirmed the favorable political and governance climate in the initial selection process. These will be confirmed during the PPG, especially in terms of political drive to implement the project and its innovations, potential differences in development priorities with the current administration, and its ability to fully engage stakeholders, especially the IPLCs, including affected and other marginalized groups which are the stewards of biodiversity conservation
INNOVATION		
Institutional and Policy	Moderate	Local level: the project will introduce new concepts and solutions to address environmental, social, and economic issues faced by communities, with the IPLCs taking on direct roles in implementation. However, in designing towards a successful mainstreaming of these concepts and solutions, during PPG and implementation, there's a need to consider the harmonization of existing culture, tradition, and management strategies that are currently being practiced. In addition, through Components 1.2 and 3, capacities of IPLCs and other stakeholders will be assessed early during design and implementation to capture baseline information on the capacities needed to be developed through training and learning-by-doing to ensure delivery of GEBs, taking into consideration proper training methodologies to tailor-fit with the level of understanding of its participants. Also, at the national level: the modality of implementation agreed on by UNDP and DENR addresses the capacities of the latter in project implementation.
Technological	Substantial	Component 2 on NbS will be relevant in this risk category. As the NbS guidelines will be followed in the design and implementation, the risks will be associated with finding win-win solutions in areas that have been serving multiple uses. Through participatory approaches, however, the project will be able to identify the NbS that may be accepted by all stakeholders. The inputs of the IPLCs will be continuously sought at all stages of the project. An ESMF, IPPF, SEP, and GAAP should be prepared during the PPG stage which will be executed and updated, as necessary, during implementation. The ESMF will guide the social and environmental safeguards strategies in all project activities. An Environmental and Social Management Plan shall be developed during implementation, along with other targeted plans, as needed.
Financial and Business Model	Moderate	The success of Outcome 2.2 on Sustainable financing mechanism is crucial in the continued conservation and development activities beyond project duration thereby ensuring durability of project outcomes in all priority islands. During the design and implementation stage, design an appropriate financing gap analysis, especially on capturing the traditional sources and improving the gaps of stakeholders in accessing financial assistance towards wealth creation from natural resources and ecosystem services. This also

		includes measures on mainstreaming these financing mechanisms at the local government units. In addition, on the role of enhancing the private sector towards financing and management of biodiversity, during the design and implementation stage, there will be an analysis on the current status, challenges, and opportunities of private sector financing/investments in the area. Especially, in terms of strategies towards increasing buy-in from investing in NbS.
EXECUTION		
Capacity	Moderate	The DENR has offices at the Central Office, Regional, Provincial, and up-to Community Offices. They are in close coordination with one another and with various Government agencies that will be involved in the Project, such as the LGUs and NCIP. They have been implementing GEF projects, hence the capacity for implementation is not an issue. A co-financing commitment letter will be secured from them and other agencies that would have a crucial role in this project. In addition, during the design and implementation stage, a Technical Working Group will be developed that would facilitate the effective project development. However, at the local level, PIF acknowledges the lack of capacity to implement the project without the proper technical background on OECMs and IEM, including NCA, NbS, and safeguards implementation among others. As such, during the design stage, consultations should include capacity building measures to show the importance of the project, its outcomes, and outputs. Through Components 1.2 and 3, capacities of IPLCs and other stakeholders will be assessed early during design and implementation to capture baseline information on the needed capacities to be developed through training and learning-by-doing, taking into consideration proper training methodologies to tailor-fit with the level of understanding of its participants.
Fiduciary	Moderate	Principal risks relate to financial management and procurement at the PMU and sub-recipient levels (LGUs/CSOs and the grant-making mechanism): potential ineligible expenditures, procurement delays or non-compliance with RA 9184 procedures, weak segregation of duties, delayed financial reporting, and misuse of small grants. Mitigation: At PPG, UNDP will conduct a micro-assessment and agree a capacity development plan with DENR–BMB; a project Financial Management Manual and Procurement Plan will be finalized (RA 9184-compliant and meeting GEF/UNDP standards), including prior-review thresholds, competitive processes, and bid committees with independent observers. The PPG will explore and discuss with the GEF Secretariat prior to CEO ER submission potential exception for execution support for Direct Payment applied for high-risk categories. The PMU will maintain dual signatories, monthly bank reconciliations, quarterly IFRs, and an asset registry with annual physical verification. The grant-making mechanism will use standard grant agreements, milestone-based tranches, and on-site verification before disbursement. UNDP will conduct spot checks; an annual external audit (COA/independent acceptable to UNDP) will be undertaken; and GRM channels will be active throughout implementation.

Stakeholder	Moderate	The project will have various stakeholders to consider such as NGAs, RGAs, LGUs, Academe and/or HEIs, NGOs/CSOs, POs, private sector, and IPLCs. They will have varying roles, influences, and drive in the project. One of the important results of the PPG is the Stakeholder Analysis and Gender Analysis and the development of corresponding Stakeholder Engagement Plan and Gender Action Plan, respectively. These analyses and plans will provide details on this risk category from which mitigation measures will be identified. Stakeholder consultations and workshops to be conducted during PPG and implementation should consider gender and culture sensitivity and social inclusion. Especially, that there's a need to come up with selection and prioritization criteria on NCA, NbS, and Low Value Grants (LVGs); and that Indigenous Peoples are present in two project sites (Camiguin and Panaon Islands). Noting the presence of IP/ICCs, early discussions with NCIP should be conducted. In dealing with private sector partners, the design and implementation should ensure adherence with the UNDP Private Sector due Diligence Policy. Meanwhile, proper selection criteria should also be established in engaging with NGOs/CSOs, as responsible parties, and POs, as beneficiaries. During the design phase, the initial process and development of a Grievance Redress Mechanism (GRM) should be disclosed by the PPG Team during consultations, and it should be immediately installed and functional during implementation.
Other	Moderate	This category refers to macroeconomic and market conditions that could constrain the project's sustainable financing outputs (e.g., private co-finance, tourism-linked revenues, CSR). Expected impacts are low–moderate given the Philippines' ongoing post-pandemic recovery. Mitigation: During PPG, consult priority-island private actors to gauge appetite, sequence instruments, and adjust targets accordingly. The project will rely on the adoption of 2 national policies on OECM and IEM. There are existing draft administrative orders and they are in various stages of the review process. Based on discussions with the DENR, the likelihood that these policies and strategies will be adopted is high. It will be the localization of these policies through provincial, inter-municipal and municipal ordinances that put the risks at moderate. The project will demonstrate that these policies are appropriate in the local context, hence the risks may be managed.
Overall Risk Rating	Substantial	The overall risk rating of Substantial was derived from the assessment of climate, environmental and social, and technological risks, reflecting uncertainties related to site-specific conditions, stakeholder dynamics, and the application of innovative approaches. Risks associated with climate vulnerability of project sites, potential environmental and social impacts, and challenges associated with implementing innovative and participatory approaches will be assessed in more detail during the PPG phase, including site selection screening, stakeholder consultations, and capacity analyses. The project will apply established safeguards instruments (e.g., ESMF, SEP,

		IPPF, GAAP) and adopt adaptive, participatory design approaches to ensure stakeholder buy-in and minimize adverse impacts. Additional measures include capacity building, robust financial and fiduciary controls, and flexibility in site selection and implementation modalities.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

This project aligns with the GEF-8 Biodiversity (BD) focal area by advancing an integrated, ridge-to-reef approach to small-island ecosystem resilience across **Camiguin, Marinduque, and Panaon**. It promotes synergies among protected/conserved area management, ecological restoration, and biodiversity-compatible production systems.

Alignment with GEF-8 Biodiversity programming.

- **BD-1 (Conserve biodiversity in terrestrial and marine ecosystems):** The project strengthens the enabling environment and improves effectiveness of area-based conservation, including the **Panaon Island Protected Seascape (CI-2 = 62,478 ha)**, terrestrial PAs in **Marinduque** and **Mt. Timpoong–Hibok-Hibok** (CI-1 = 11,963 ha), and OECM pathways for CBFMAs (tracked contextually under **CI-4.5** and fully included in **CI-4.1/4.2**).
- **BD-3-2 (Domestic resource mobilization / biodiversity finance plans):** Under Component 2, the project operationalizes **PENCAS/NCA** in LGU budgeting and planning; applies **BIOFIN** tools (budget tagging and expenditure reviews); and pilots **reef insurance**, **PES**, and **eco-tourism reinvestment** with adoption milestones for scaling.

Alignment with national and sectoral priorities.

The project supports the **Philippine Biodiversity Strategy and Action Plan (PBSAP)**—expanding area-based conservation; mainstreaming biodiversity in land-/sea-use planning; promoting sustainable use; and mobilizing biodiversity finance. It aligns with the **Philippine Development Plan (2023–2028)**, the **National Climate Change Adaptation Plan**, and the emerging **Integrated Ecosystem Management (IEM)** framework by embedding ecosystem-based adaptation, resilient livelihoods, and R2R governance in local instruments (**CLUPs**, **FLUPs**) and co-management arrangements, with **Natural Capital Accounting** strengthening local financing and accountability.

Kunming–Montreal Global Biodiversity Framework (GBF) targets.

The project contributes to the following KMGBF targets (qualitative with quantitative hooks where available):

- **Target 1 – Spatial planning:** Component 1 integrates biodiversity/NCA into **CLUPs/FLUPs** for the three island LGUs (participatory, biodiversity-inclusive land-/seascape plans).
- **Target 2 – Restoration: CI-3 (1,500 ha)** of restoration/improvement (e.g., mangrove ANR, agroecology) to be finalized at PPG through GIS polygons and baselines.

- **Target 3 – Effective area-based conservation/OECM: CI-1 = 11,963 ha** (terrestrial PAs) and **CI-2 = 62,478 ha** (Panaon Seascape); OECM progress tracked contextually (**CI-4.5**) and fully counted within **CI-4** (no double counting).
- **Target 8 – Climate mitigation & adaptation (EbA):** Protection/restoration of mangroves/reefs buffers storm surge and coastal erosion; contributes to mitigation (**approx. 125,520 tCO_2e** indicative) and **EbA** mainstreaming in LGU plans/budgets (Comp. 1–2).
- **Target 11 – Nature's Contributions to People (NCP):** Improved **food security**, **coastal protection**, **water regulation**, and **livelihoods** via reef/fisheries measures, mangrove ANR, and biodiversity-compatible production; tracked through CI-11 (**3,000 beneficiaries; 50% women**) and site-specific NCP metrics.
- **Target 19 – Resource mobilization:** Domestic biodiversity finance via **PENCAS/BIOFIN**, **reef insurance**, **PES**, and **eco-tourism reinvestment**, with adoption milestones and replication through DENR–BMB-led national biodiversity implementation mechanisms under the PBSAP and coordinated through existing DENR foreign-assistance coordination mechanisms.
- **Target 22 – Participation & equity:** Inclusive co-management and community protocols; implementation of **SEP/GAAP** strengthens decision-making by IPLCs, women, and local groups.
- **Target 23 – Gender-responsive implementation:** At least **3,000 beneficiaries (50% women, CI-11)**; women's leadership roles embedded across NbS/finance mechanisms.

Contribution to Sustainable Development Goals (SDGs).

The project supports **SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 14 (Life Below Water),** and **SDG 15 (Life on Land)** through integrated biodiversity management, climate-resilient livelihoods, and gender-responsive governance and financing.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

During project identification (2024–2025), consultations were held with DENR–BMB at national level and with provincial and municipal governments in Marinduque, Camiguin, and Siquijor. Discussions focused on site priorities, ridge-to-reef governance, and early design of NbS and financing instruments (PENCAS/BIOFIN, reef insurance, PES). Civil society participation included the Philippine Rural Reconstruction Movement, and in Marinduque, scoping meetings also involved local people's organizations and NGOs active in biodiversity and livelihoods.

We acknowledge, however, that direct engagement with Indigenous Peoples and Local Communities—particularly in Camiguin and Siquijor—was limited at the identification stage, and that women's and youth organizations were not consistently represented. To address this, early in the PPG the team will undertake targeted consultations with IPLCs (coordinating with the NCIP and applying FPIC where applicable), as well as dedicated sessions with women's and youth groups and local CSOs. These dialogues will co-design NbS measures with traditional and local knowledge, and their outcomes will be formalized in the stakeholder engagement plan, ESMF, and gender action plan, with corresponding participation indicators reflected in the results framework and portal.

Stakeholder consultations conducted during the PIF stage

Date of Consultation	Agencies Which Participated in the Consultation Conducted	Key Points Discussed
December 20, 2023	• Department of Environment and Natural Resources – Biodiversity Management Bureau (DENR-BMB) • DENR-Foreign Assisted and Special Projects Services (FASPS) • DENR Region II (Regional and Provincial Conservation and Development Divisions) • DENR Region IVB (Regional and Provincial Conservation and Development Divisions) • DENR Region VIII (Regional and Provincial Conservation and Development Divisions) • DENR Region XIII (Regional and Provincial Conservation and Development Divisions)	• Indicative project design • Biodiversity threats and climate change impacts faced by the target Project sites; proposed solutions of the Islands • Current biodiversity and climate change projects in the Islands • Local stakeholders' initiatives on biodiversity management and climate change • Co-financing
July 10 – 12, 2024	• DENR Region IVB (Regional and Provincial Conservation and Development Divisions, Protected Area Management of Marinduque Wildlife Sanctuary) • Provincial Government of Marinduque (Office of the Governor, Provincial Planning and Development Office, Provincial Environment and Natural Resources Officer, Provincial Fisheries Office, Provincial Agriculture Office) • Representatives of Municipal Local Government Units of Boac, Mogpog, Gasan, Tirrujos and Santa Cruz (Municipal Planning and Development Offices, Municipal Environment and Natural Resource Offices, Municipal Agriculture Offices) • Private sector representatives – representatives from the butterfly industry	Discussions with DENR Region IVB Regional and Provincial Conservation and Development Divisions, and Provincial Government • Status of Effective Area-Based Conservation Measures (OECMs); technical support needed to strengthen and sustain these OECMs • Financing requirements and available resources (from DENR and Provincial Government) to support establishment and strengthening of OECMs • Indicative amount of financial and monetized non-financial resources programmed from 2025-2031 that could serve a co-financing for the GEF grant. These resources could come from the LGUs, NGOs, local communities, private sector and other national and foreign donors. • Governance mechanisms are needed to foster collaboration among the LGUs and DENR to ensure resilience-building • Potential livelihood sources and NBS that can be introduced in the island given the available resources

Date of Consultation	Agencies Which Participated in the Consultation Conducted	Key Points Discussed
	• Marinduque State University • Civil Society Organization (CSO) representative – Philippine Rural Reconstruction Movement	• Key BD threats and climate change impacts that the island is experiencing in which LGUs are these BD threats and climate change impacts most evident; LGUs lacking most in terms of technical capacities and financing to address BD threats and climate change impacts • LGUs needing (technical support, financing, partnership building) most to be able to respond to these BD threats and climate change impacts
October 30, 2024	• Biodiversity Management Bureau	• Revisiting of the project sites given the mining concerns and issues in Dinagat Islands which was one of the original project sites considered • Final project sites to be included – Marinduque Island province, Camiguin Island province and Panaon Island (part of Southern Leyte province)
December 13, 2024	• DENR Region 10 Office • DENR Camiguin PENRO	• Project design • Ongoing and completed initiatives in Camiguin Island • Threats and barriers to biodiversity in the island • Indicative co-financing for the Project

IPLC consultations: At the PIF stage consultations focused on DENR–BMB and LGUs; **direct IPLC engagement was limited/incomplete** in some sites. Comprehensive IPLC stakeholder consultations have been programmed for the PPG phase in line with the need to identify area-based specific interventions within the target islands. Among the three Project sites, Camiguin Island is the only Project site with Indigenous Peoples (IP) communities. To ensure that this Project aligns with the national level targets concerning the Indigenous Peoples, the initial project design was presented to the Chairperson and different technical Bureaus of the National Commission on Indigenous Peoples (NCIP) during the UNDP-NCIP Coordination meetings held last October 3, 2025 and January 8, 2026. NCIP affirmed their support to the Project as it would improve the communities' capacities to adapt to climate change and biodiversity threats.

During **PPG phase**, the design team will **map and consult IPLCs** (with **NCIP coordination** and **FPIC** where applicable) and integrate **traditional/local knowledge** into NbS design; results will be captured in the **stakeholder engagement plan, environmental and social management framework, and gender action plan**.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant($)	Agency Fee($)	Total GEF Financing ($)
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation: BD-1	Grant	4,669,452.00	443,598.00	5,113,050.00
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation: BD-3	Grant	660,000.00	62,700.00	722,700.00
Total GEF Resources ($)						**5,329,452.00**	**506,298.00**	**5,835,750.00**

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount ($)

150000

PPG Agency Fee ($)

14250

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG($)	Agency Fee($)	Total PPG Funding($)
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation: BD-1	Grant	131,500.00	12,492.00	143,992.00
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation: BD-3	Grant	18,500.00	1,758.00	20,258.00
Total PPG Amount ($)						**150,000.00**	**14,250.00**	**164,250.00**

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total($)
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation	6,000,000.00
Total GEF Resources					**6,000,000.00**

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing($)	Co-financing($)
BD-1-1	GET	1,800,000.00	14185325
BD-1-2	GET	1,800,000.00	14185325
BD-1-3	GET	1,069,452.00	8428065
BD-3-2	GET	660,000.00	5201285
Total Project Cost		**5,329,452.00**	**42,000,000.00**

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Department of Environment and Natural Resources (Central and Site-Level)	In-kind	Recurrent expenditures	2000000

Recipient Country Government	Department of Environment and Natural Resources (Central and Site-Level)	Public Investment	Investment mobilized	23000000
Recipient Country Government	Local Government Units (Provincial and Municipal LGUs)	In-kind	Recurrent expenditures	4850000
Recipient Country Government	Local Government Units (Provincial and Municipal LGUs)	Public Investment	Investment mobilized	10000000
Recipient Country Government	Other National Government Agencies (Department of Trade and Industry, Department of Science and Technology, Department of Tourism	In-kind	Recurrent expenditures	500000
Recipient Country Government	Other National Government Agencies (Department of Trade and Industry, Department of Science and Technology, Department of Tourism	Public Investment	Investment mobilized	1500000
GEF Agency	United Nations Development Programme	In-kind	Recurrent expenditures	150000
Total Co-financing				**42,000,000.00**

Describe how any "Investment Mobilized" was identified

Co-financing contributions in the form of investments mobilized excluding recurrent expenditures, have been indicatively identified with the stakeholders through consultations identified the PIF development. Key banner programs and activities of government agencies in the following intervention areas have been identified to contribute to investments mobilized co-financing: protected area management; National Greening Program; river basin management; coastal and marine resources management; enforcement; conservation planning; Sustainable Forest Management; Sustainable Land Management; Biodiversity-Friendly Enterprises; Biodiversity-Friendly Agricultural Practices; local land use planning processes; support ancestral domains and Indigenous Communities Conserved Areas (ICCAs); Marine Protected Area (MPA) management; and inter-LGU alliances, among others.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Nancy Bennet	9/3/2025			nancy.bennet@undp.org
Project Coordinator	Solene Le Doze	9/3/2025			solene.le.doze@undp.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Ms. Analiza Rebuelta-Teh	OFP and Undersecretary	Department of Environment and Natural Resources	9/2/2025

ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

Figure 2. Location Map of Marinduque Province

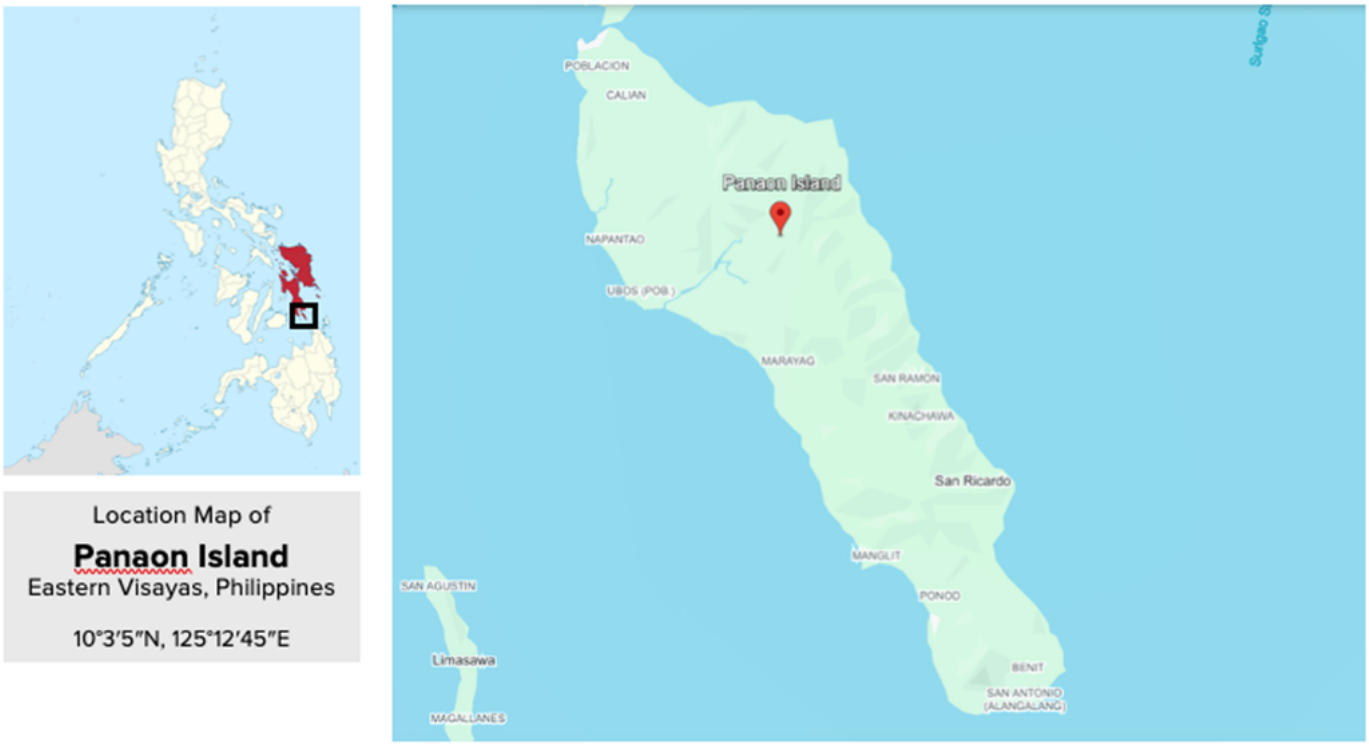

Figure 3. Location Map of Panaon Island

Figure 4. Location Map of Camiguin Island

ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title
Annex D-SESP_final21Aug-clean

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	Significant Objective 1	Principal Objective 2	No Contribution 0

ANNEX F: TAXONOMY WORKSHEET

Provided in a separate file.

Note for Rio Marker:

BD (2 – Principal): Primary objective is biodiversity conservation and effective area-based management across small-island ecosystems (CI-1 = 11,963 ha; CI-2 = 62,478 ha; OECM progress contextual in CI-4.5/within CI-4).

CCM (1 – Significant): NbS restoration and improved practices (mangrove ANR, forest/agroecology) deliver measurable carbon benefits (**CI-6 approx. 125,520 tCO_2e**) and protect blue-carbon ecosystems; mitigation is significant but secondary.

CCA (1 – Significant): Ridge-to-reef NbS (mangroves/reefs/watershed measures) reduce storm-surge/erosion and improve water/food security; EbA is integrated in **CLUP/FLUP** and finance tools (PENCAS/BIOFIN).