STAP SCREENING TEMPLATE

GEF ID	**12004**
Project title	**Integrated Management of Small Island Landscapes and Seascapes in the Philippines (ISLAS)**
Date of screen	**May 18, 2026**
STAP Panel Member	**Sandy Andelman**
STAP Secretariat	**Guadalupe Duron**

1. Summary of STAP's views of the project

STAP welcomes the Philippines project "Integrated Management of Small Island Landscapes and Seascapes in the Philippines (ISLAS)". The project aims to operationalize natural capital accounting at the local-level and to embrace financial mechanisms to strengthen biodiversity conservation on the islands of Camiguin, Marinduque, and Panaon. The project is innovative and has a strong ambition to scale Other effective area-based conservation measures (OECMs), biodiversity and ecosystem valuation, and natural capital accounting into governance systems at the local and national levels, as well as into financial mechanisms.

STAP welcomes these ambitions. However, it urges the project team to account for the challenges and risks associated with these interventions in the project design, rather than allowing these issues to become residual risks. STAP also strongly encourages the use of future narratives in the design. As currently designed, the project activities risk being maladaptive, both in terms of achieving GEBs and reducing communities' vulnerabilities to climate change, and in terms of other negative effects on their social well-being. Given that the GEBs outcomes expected from components 1 and 2 are intertwined with generating livelihood and financial benefits for communities, greater attention to incentives, based on social structures, is warranted.

Below, STAP details its recommendations.

STAP's assessment

- □ Concur - STAP acknowledges that the concept has scientific and technical merit
- □ X Minor - STAP has identified some scientific and technical points to be addressed in project design
- □ Major - STAP has identified significant concerns to be addressed in project design

Please contact the STAP Secretariat if you would like to discuss.

2. Project rationale, and project description – are they sound?

See annex on STAP's screening guidelines.

The project rationale offers a detailed description of the significance of biodiversity in the Philippines, a global biodiversity hotspot, both terrestrial and marine. It then describes how biodiversity loss has occurred largely due to deforestation and land-use change, climate change and extreme weather events, as well as weak enforcement of policies, including those for fisheries. In addition, poaching, unsustainable hunting and illegal wildlife trade, together, constitute another important threat to biodiversity in the country (e.g., Tanalgo et al. 2026; Brandis et al. 2023; Scheffers et al. 2012). Overfishing is also briefly noted as a threat to biodiversity.
To improve biodiversity conservation, the project focuses on strengthening management of Key Biodiversity Areas (KBAs) through creation of OECMs, ridge-to-reef approaches, and Nature-based Solutions in three target sites: Camiguin, Marinduque, and Panaon. It also aims to pilot biodiversity financing mechanisms. To support these efforts, the project emphasizes the need for an enabling environment, including existing or soon-to-be-adopted policies. This includes the Philippines Ecosystem and National Capital Accounting (NCA) Law and national guidelines on OECMs and Integrated Environmental Management. This enabling context is important for supporting the proposed interventions, and STAP would encourage the project team to also consider what

other policies are necessary to support an effective expansion of biodiversity conservation and NCA across the local government units in the target sites. Assessing the coherence of policies will also be important to ensure alignment between sectors and coordination between national and sub-national level policies.

Most of the drivers of environmental degradation and biodiversity loss are described, including climate, market shocks, and demographic changes. These descriptions offer helpful insights into driver trends to account for when designing interventions. However, failing to account for these drivers in project design will likely compromise expected outcomes and the project's durability. For example, climate shocks can quickly diminish the non-market value of natural capital, including biodiversity, e.g., through climate change-induced shifts in vegetation cover (Bastien-Olvera et al. 2024). Without recognizing the very real impact of climate change on natural capital, local government units may not plan appropriately for the risks to biodiversity. This oversight can jeopardize financial innovation if the risks are not appropriately accounted for in the project design. In this regard, developing future narratives can be helpful for planning in the face of uncertainty, based on current and expected trends.

The project's baseline and additionality, as articulated, depend significantly on financial innovation and scaling. It will be important to plan for both in the theory of change (TOC) and in the project design and implementation. Regarding the TOC, STAP notes its description, but as mentioned above, it will be important to explicitly build in the key drivers that can undermine the outcomes and compromise the project logic. Additionally, it is imperative that the TOC is revisited with stakeholders, including Indigenous Peoples and local communities. The project notes this will be done, which STAP welcomes. The approach taken during these engagements should be one that facilitates IPLCs to serving as agents of change.

Below, STAP offers recommendations on these points.

3. Specific points to be addressed, and suggestions

During the project design, STAP recommends addressing the following points to strengthen the technical soundness of the project:

1. Describe in greater detail the social structures of the targeted communities and clarify the extent to which they are Indigenous communities with ancestral domains. This includes the cultural values, gender norms, power dynamics, ethics, and other social aspects that characterize the population. Designing the project based on these social aspects and explicitly articulating them across the different theory of change pathways and throughout the project activities will strengthen the project logic.

2. For climate change information, STAP recommends checking whether more recent data than 2021 is available. Additionally, downscaled data would be preferable for assessing changes at the project sites. An additional source of climate data is the World Bank's Climate Change Knowledge Portal. STAP also notes that one of the target sites, the Panaon Seascape, has been globally recognized by the 50 Reefs Study as one of the few places globally where coral reefs are most likely to be resilient to climate change impacts. Although coral reefs in the Philippines have been steadily declining over the last 40 years because of climate change, in 2020, an Oceana-led expedition found that the Panaon Island reefs are a unique exception, with coral cover three times the national average. Unfortunately, the expedition also found the Panaon reefs to be threatened by overfishing, destructive fishing and plastic pollution. STAP therefore suggests that additional sources of local information, such as these, related to climate change and other threats to coral reefs and marine ecosystems in the target areas should be incorporated into the project design. STAP would also appreciate clarification whether the proposed project actions for Palaon Island can be considered an expansion of the Philippines protected area estate, since the Government

already declared the Palaon Island Protected Seascape in 2025. Would it be more appropriate to consider specific actions to improve management of the protected area?

3. As currently written, the future narratives are preliminary. For example, it is unclear whether Indigenous Peoples were consulted. During the project design, STAP strongly urges the project team to work with Indigenous Peoples to develop narratives based on Indigenous Peoples' knowledge and decisions about managing uncertainty. During this process, STAP recommends describing the interactions among the drivers (climate change, markets, and migration to the islands) that have informed the PIF. STAP's guidance on future narratives outlines the steps for analyzing these interactions, including first identifying the priority drivers, of which climate change is one driver, that influence each system. STAP recommends writing a short narrative describing four (no more) plausible futures. Then, the proponent should ensure that project interventions are designed to be robust across all plausible futures. See Table 2.4 in the STAP primer for further guidance on designing the project based on future narratives. The endorsed CEO project should identify response options – steps #5 and 6 in the Table.

   Equally important, revisit the TOC and its logic based on more detailed site assessments of current biodiversity baselines, including identifying the target elements of biodiversity, proposed interventions to provide value added for biodiversity conservation and based on these narratives.

4. For the baseline, STAP recommends strengthening it, and ensuring it is based on in-depth engagement with Indigenous Peoples. The future narratives described by Indigenous Peoples can inform the baseline.

5. On the TOC, STAP recommends:
   a. Identify assumptions that are specific to each of the target sites and pathways. Currently, the identified assumptions apply to the project in general and, as such, need to form part of the project design because they can undermine the project outcomes and logic.
   b. Similarly, ensure all relevant barriers have been articulated, and then link specific barriers to a pathway. When considering this logic, also assess whether the pathway is necessary and sufficient to achieve the outcome, or whether multiple pathways are required to address the barrier.
   c. A premise of the project is to identify Indigenous community-managed areas as OECM models that establish enabling conditions rooted in the Indigenous People's Right Act. STAP recommends that the description of the logic underpinning the theory of change, and particularly pathway 1, be explicitly grounded on this law, which embodies Indigenous Peoples' governance and empowerment.
   d. The project also aims to scale natural capital accounting for biodiversity and biodiversity financial mechanisms across the three targeted islands and beyond. This will require considerable innovation, risk management, and learning for transformation to occur. STAP urges the project team to develop a separate theory of change for scaling, so that challenges and risks associated with the innovation across components 1 and 2 are addressed in the project design, rather than being left as residual risks – which could evolve into failure concerns.
   e. As mentioned above, apply future narratives to the logic in the TOC. This will require revising the figure and the description of its logic.

6. STAP's comments and recommendations on the components are:
   a. Component 1: STAP notes that the project team plans to engage further with IPLCs during the project design. Since in the Philippines there is nearly a 1:1 correspondence between unprotected Key Biodiversity Areas and Indigenous ancestral domains (UNDP 2024),

during this process, STAP suggests it will be important to demonstrate respect for the rights of Indigenous Peoples to self-determination, self-governance, and Free, Prior and Informed Consent (FPIC), noting that FPIC applies not only to actions affecting tenure and resource rights, but also to use of Indigenous knowledge and data. STAP's report on consultations on strengthening GEF support for Indigenous Peoples discusses specific examples from the Philippines of GEF biodiversity conservation projects led and implemented by Indigenous Peoples, rather than implementing actions developed by non-IPLCs for IPLCs. STAP's information note on strengthening GEF support for Indigenous Peoples provides recommendations for strengthening support for Indigenous Peoples in GEF programs and projects. Although STAP recognizes that this is not a GBFF project, some of the GBFF "Guidelines on Actions by Indigenous Peoples and Local Communities" may be relevant for this project. The guidelines focus on supporting actions that recognize IPLCs as agents of change, which is integral to the project.

Conduct a policy analysis to identify synergies and policy incoherence. The document states that Indigenous and Community Conservation Areas (ICCAs) are not legally recognized, however, according to UNDP (2024), there is a salient provision on Indigenous Communities Conserved Areas (ICCAs) in the enhanced National Integrated Protected Areas System (ENIPAS) law. ICCAs are now considered as a stand-alone conservation measure alongside protected areas and Other Effective Area-Based Conservation Measures (OECMs). STAP suggests it will be important to clarify these points. In addition,

b. Component 2:
    i. As mentioned above, STAP strongly urges to embed the challenges and financial innovation risks in component 2, in the project design. Monitoring the residual risks closely will be important for learning rapidly and pursuing the necessary adaptive management to prevent failure.
    ii. For the performance-based grants (mangrove rehabilitation, agroecological restoration, nurseries, ecotourism) and the performance-based financing (coral reef insurance, climate risk coverage for agro-ecosystems), STAP recommends giving considerable thought to incentives for communities (intervention actors) to achieve the proposed GEBs. In this regard, consider whether these are plausible co-benefits to generating biodiversity benefits from this component. Additionally, consideration should be given to whether these incentives will accrue in a timely manner relative to the payment (PES or other) or to a potential loan (the project raises the potential for blended finance, although blended finance does not necessarily involve loans). STAP details these considerations further, along with monitoring points, in its Screening Checklist for GEB Impact Logic in Blended Finance projects.

    iii. As urged above, apply future narratives to the design of this component. The types of outcomes expected, such as improvements in live coral (despite demonstrating resilience in Camiguin and Panaon, corals remain under threat by climate) and seagrass, along with mangrove and agroecosystem restorations, are uncertain, given the current climate change trends.

c. Component 3: Strengthen the focus of this component on managing knowledge, focus the component on managing knowledge and learning resulting from the ongoing monitoring of innovation proposed in components 1 to 2. There also is a need to formally recognize

and ensure that Indigenous Peoples involved in the project understand that FPIC applies to and protects Indigenous knowledge.

7. Revise the risk table so that the contextual risks (e.g., climate) are in the design of the project. Risks associated with innovation also should form part of the design, while risks that remain after designing the project should be listed in the risk table. STAP provides detailed guidance on these issues, in its advisory note "Clarifying risks in GEF projects, with a focus on innovation risks".

ANNEX: STAP'S SCREENING GUIDELINES

1. How well does the proposal explain the problem and issues to be addressed in the context of the **system** within which the problem sits and its drivers (e.g. population growth, economic development, climate change, sociocultural and political factors, and technological changes), including how the various components of the system interact?

2. Does the project indicate how **uncertain futures** could unfold (e.g. using simple **narratives)**, based on an understanding of the trends and interactions between the key elements of the system and its drivers?

3. Does the project describe the **baseline** problem and how it may evolve in the future in the absence of the project; and then identify the outcomes that the project seeks to achieve, how these outcomes will change the baseline, and what the key **barriers** and **enablers** are to achieving those outcomes?

4. Are the project's **objectives** well formulated and justified in relation to this system context? Is there a convincing explanation as to **why this particular project** has been selected in preference to other options, in the light of how the future may unfold?

5. How well does the **theory of change** provide an "explicit account of how and why the proposed interventions would achieve their intended outcomes and goal, based on outlining a set of key causal pathways arising from the activities and outputs of the interventions and the assumptions underlying these causal connections".

    - Does the project logic show how the project would ensure that expected outcomes are **enduring** and resilient to possible future changes identified in question 2 above, and to the effects of any conflicting policies (see question 9 below).
    - Is the theory of change grounded on a solid scientific foundation, and is it aligned with current scientific knowledge?
    - Does it explicitly consider how any necessary **institutional and behavioral** changes are to be achieved?
    - Does the theory of change diagram convincingly show the overall project logic, including causal pathways and outcomes?

6. Are the project **components** (interventions and activities) identified in the theory of change each described in sufficient detail to discern the main thrust and basis (including scientific) of the proposed solutions, how they address the problem, their justification as a robust solution, and the critical assumptions and risks to achieving them?

7. How likely is the project to generate global environmental benefits which would not have accrued without the GEF project (**additionality**)?

8. Does the project convincingly identify the relevant **stakeholders**, and their anticipated roles and responsibilities? is there an adequate explanation of how stakeholders will contribute to the development and implementation of the project, and how they will benefit from the project to ensure enduring global environmental benefits, e.g. through co-benefits?

9. Does the description adequately explain:

    - how the project will build on prior investments and complement current investments, both GEF and non-GEF,
    - how the project incorporates **lessons learned** from previous projects in the country and region, and more widely from projects addressing similar issues elsewhere; and
    - how country policies that are contradictory to the intended outcomes of the project (identified in section C) will be addressed (**policy coherence**)?

10. How adequate is the project's approach to generating, managing and exchanging **knowledge**, and how will lessons learned be captured for adaptive management and for the benefit of future projects?

11. Innovation and transformation:

- If the project is intended to be **innovative:** to what degree is it innovative, how will this ambition be achieved, how will barriers and enablers be addressed, and how might scaling be achieved?
- If the project is intended to be **transformative:** how well do the project's objectives contribute to transformative change, and are they sufficient to contribute to enduring, transformational change at a sufficient scale to deliver a step improvement in one or more GEBs? Is the proposed logic to achieve the goal credible, addressing necessary changes in institutions, social or cultural norms? Are barriers and enablers to scaling be addressed? And how will enduring scaling be achieved?

12. Have **risks** to the project design and implementation been identified appropriately in the risk table in section B, and have suitable mitigation measures been incorporated? (NB: risks to the durability of project outcomes from future changes in drivers should have been reflected in the theory of change and in project design, not in this table.)