



## **Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines**

### **Part I: Project Information**

#### **GEF ID**

10079

#### **Project Type**

FSP

#### **Type of Trust Fund**

GET

#### **CBIT/NGI**

CBIT **No**

NGI **No**

#### **Project Title**

Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines

#### **Countries**

Philippines

#### **Agency(ies)**

UNDP

#### **Other Executing Partner(s)**

Department of Environment and Natural Resources Biodiversity Management Bureau (DENR-BMB)

#### **Executing Partner Type**

Government

#### **GEF Focal Area**

Biodiversity

#### **Taxonomy**

Biodiversity, Focal Areas, Supplementary Protocol to the CBD, Access to Genetic Resources Benefit Sharing, Beneficiaries, Stakeholders, Civil Society, Non-Governmental Organization, Academia, Community Based Organization, Indigenous Peoples, Local Communities, Private Sector, SMEs, Individuals/Entrepreneurs, Type of Engagement, Partnership, Participation, Information Dissemination, Consultation, Behavior change, Communications, Awareness Raising, Education, Public Campaigns, Gender results areas, Gender Equality, Participation and leadership, Access to benefits and services, Knowledge Generation and Exchange, Access and control over natural resources, Capacity Development, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Gender-sensitive indicators, Knowledge Generation, Capacity, Knowledge and Research, Learning, Adaptive management, Theory of change, Indicators to measure change, Enabling Activities, Innovation, Knowledge Exchange, Strengthen institutional capacity and decision-making, Influencing models, Demonstrate innovative approaches, Deploy innovative financial instruments, Transform policy and regulatory environments, Convene multi-stakeholder alliances

**Rio Markers**

**Climate Change Mitigation**

Climate Change Mitigation 0

**Climate Change Adaptation**

Climate Change Adaptation 1

**Submission Date**

4/4/2019

**Expected Implementation Start**

2/11/2021

**Expected Completion Date**

2/11/2027

**Duration**

72In Months

**Agency Fee(\$)**

416,480.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
BD-3-9	Further development of biodiversity policy and institutional frameworks through the Implementation of the Nagoya Protocol on Access and benefit sharing	GET	4,384,000.00	21,631,787.00
<b>Total Project Cost(\$)</b>			<b>4,384,000.00</b>	<b>21,631,787.00</b>

**B. Project description summary**

**Project Objective**

Increased economic opportunity and biodiversity conservation for local communities and indigenous peoples in the Philippines stemming from fair and equitable sharing of biodiversity benefits

<b>Project Component</b>	<b>Financing Type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>GEF Project Financing(\$)</b>	<b>Confirmed Co-Financing(\$)</b>
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol	Technical Assistance	<p>Strengthened national regulatory frameworks and clarified institutional mechanisms for ABS that are in compliance with the Nagoya Protocol measured by:</p> <ul style="list-style-type: none"> <li>- One inter-agency framework for monitoring and tracking use of GR and ABS transactions in place</li> <li>- One mechanism to channel ABS monetary and non-monetary benefits to local communities and Ips and support biodiversity conservation and sustainable use established and institutionalized.</li> <li>- One integrated knowledge management platform established and institutionalized to capture</li> </ul>	<p>Output 1.1. Revised and harmonized rules and regulations to facilitate access and research towards ABS agreements taking into account gender and environmental and social safeguards</p> <p>Output 1.2 Clear procedure, protocols and guidelines for bioprospecting, research and development</p> <p>Output 1.3 Functional mechanism, including administrative system, institutional arrangements, monitoring and financing mechanism in place to facilitate implementation and compliance of the national ABS framework</p> <p>Output 1.4 Access and Benefits</p>	GET	982,000.00	542,282.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Awareness raising and capacity building for implementation of the national ABS framework	Technical Assistance	<p>Enhanced understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources for improved policy making and on the ground conservation, sustainable use and fair and equitable sharing of benefits measured by:</p> <p>-At least 30% increase in agency capacity as measured by UNDP ABS scorecard</p> <p>- One gender-responsive Communication, Education, and Public Awareness (CEPA) plan fully deployed</p> <p>- Change in knowledge, attitudes and practices (KAP) of target groups</p>	<p>Output 2.1 Awareness campaign targeted to different ABS stakeholders implemented.</p> <p>Output 2.2. Integrated training program and other capacity building measures for staff relevant to ABS agencies and stakeholders undertaken</p> <p>Output 2.3. Best practices and lessons of ABS documented and disseminated and traditional knowledge of IPLC catalogued and made accessible to all stakeholders</p>	GET	1,374,300.00	422,322.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Demonstrating benefit-sharing agreements	Technical Assistance	<p>At least one ABS Agreement negotiated and finalized that demonstrate PIC and MAT and with clear provision on fair and equitable benefit sharing measured by:</p> <p>-At least two ABS products tested for potential commercial application: Pili (Canarium ovatum and Canarium luzonicum) and Banaba (Lagerstroemia speciosa)</p> <p>-Two biodiversity management plans for in-situ conservation and management of biological resources integrated into pilot agreements.</p> <p>-Two gender-smart and ABS value chains for Banaba and Pili mapped and with a</p>	<p>Output 3.1 Research and development conducted for identified species (Pili and Banaba)</p> <p>Output 3.2 Strategic Roadmap for the identification and creation of benefits based on genetic resource development.</p> <p>Output 3.3 Negotiate and implement ABS agreement modeling FPIC and PIC processes</p> <p>Output 3.4 In-situ conservation measures to ensure the security of the concerned genetic resources are integrated into the negotiated MAT</p>	GET	1,652,940.00	20,556,766.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4. (Monitoring and Evaluation)	Technical Assistance			GET	166,500.00	
<b>Sub Total (\$)</b>					<b>4,175,740.00</b>	<b>21,521,370.00</b>
<b>Project Management Cost (PMC)</b>						
	GET		208,260.00		110,417.00	
<b>Sub Total(\$)</b>			<b>208,260.00</b>		<b>110,417.00</b>	
<b>Total Project Cost(\$)</b>			<b>4,384,000.00</b>		<b>21,631,787.00</b>	



**C. Sources of Co-financing for the Project by name and by type**

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Recipient Country Government	Department of Environment and Natural Resources	Public Investment	Investment mobilized	3,439,864.00
Recipient Country Government	Department of Environment and Natural Resources	In-kind	Recurrent expenditures	2,024,735.00
Recipient Country Government	Department of Agriculture Regional Office No. 5	Public Investment	Investment mobilized	2,752,600.00
Recipient Country Government	Department of Science and Technology ? Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development	Grant	Investment mobilized	907,692.00
Recipient Country Government	Local Government Unit ? Province of Albay	Public Investment	Investment mobilized	1,000,000.00
Other	Academic and Research Institutions (Central Luzon State University and Sorsogon State College)	Grant	Investment mobilized	6,527,247.00
Other	Philippine Pili Industry Board	Grant	Investment mobilized	2,100,000.00
Other	Philippine Pili Industry Board	In-kind	Recurrent expenditures	1,408,800.00
Private Sector	Herbanext Laboratories, Inc.	Grant	Investment mobilized	174,000.00
Private Sector	Herbanext Laboratories, Inc	In-kind	Recurrent expenditures	52,200.00
GEF Agency	United Nations Development Programme	In-kind	Recurrent expenditures	110,417.00

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Recipient Country Government	Local Government Unit ? Province of Sorsogon	Public Investment	Investment mobilized	1,000,000.00
Private Sector	Pharmalytics Corporation	Grant	Investment mobilized	95,813.00
Private Sector	Pharmalytics Corporation	In-kind	Recurrent expenditures	38,419.00
<b>Total Co-Financing(\$)</b>				<b>21,631,787.00</b>

**Describe how any "Investment Mobilized" was identified**

The ?Investments Mobilized? was determined through the identification and enumeration of existing and future investments of the project stakeholders that will contribute to the attainment of the Project objective and outcomes. These investments are mainly programs and projects which are currently in operation and in the pipeline for the next six years or during the Project implementation, including: ? Investments mobilized committed by the Department of Environment and Natural (DENR) will come from: (a) Protected Area Investment Plans; (b) allocation for thematic area on ABS under the Philippine Biodiversity Strategy and Action Plan (PBSAP); and c) National Greening Program. ? Investments mobilized from the Department of Agriculture Region V will be from its High Value Crop Development Program. ? Investments mobilized from the Department of Science and Technology-Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD) are from its Pili Research and Development Center Program with seven component projects under DOST?s Accelerated R&D Program for Capacity-Building and Development Institutions and Industrial Competitiveness: Niche Centers in the Region for R&D (NICER). ? Investments mobilized committed by the Provincial Local Government Units (PLGUs) of Albay and Sorsogon are from its Program on Development of Pili Industry in the two Provinces. ? Academic and research institutions, specifically the Sorsogon State College and Central Luzon State University, will source its investment commitments from its research activities under the Sorsogon Pili Roadmap Program and Research and Development of Banaba Pharmaceutical Properties. ? The Philippine Pili Industry Board will provide investments of its members engaged in pili oil production. ? Investments mobilized from the private sector are from there R&D activities and technology development program.

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

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
UNDP	GET	Philippines	Biodiversity	BD STAR Allocation	4,384,000	416,480
<b>Total Grant Resources(\$)</b>					<b>4,384,000.00</b>	<b>416,480.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

**F. Project Preparation Grant (PPG)**

PPG Required **false**

**PPG Amount (\$)**

150,000

**PPG Agency Fee (\$)**

14,250

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programmin g of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
UNDP	GET	Philippine s	Biodiversity	BD STAR Allocation	150,000	14,250
<b>Total Project Costs(\$)</b>					<b>150,000.00</b>	<b>14,250.00</b>

## Core Indicators

**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)
10000.00	41662.00	0.00	0.00

**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)
10,000.00	41,662.00		

**Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)**

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 Forest (HCVF) loss avoided**

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

**Documents (Please upload document(s) that justifies the HCVF)**

Title	Submitted

**Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**

	<b>Number (Expected at PIF)</b>	<b>Number (Expected at CEO Endorsement)</b>	<b>Number (Achieved at MTR)</b>	<b>Number (Achieved at TE)</b>
<b>Female</b>	1,000	2,120		
<b>Male</b>	1,000	3,938		
<b>Total</b>	2000	6058	0	0

## Part II. Project Justification

### 1a. Project Description

#### 1a. *Project Description.* ?

The most significant change from the PIF was the finalization of species selection the Pili tree (*Canarium ovatum* and *Canarium luzonicum*) and Banaba (*Lagerstroemia speciosa*). Pili was indicated during the PIF and confirmed during the PPG stage. Banaba was selected during the PPG stage. The choice of a species other than Sambong was triggered by the DENR and BMB's decision to select an indigenous tree species which is within their mandate's jurisdiction. The primary motivation for the change is for the Philippine's to be able to maximize biodiversity resources which are indigenous and located within Key Biodiversity Areas and protected areas of the Philippines. During the PPG, based on deliberations with DENR and numerous stakeholder meetings, the species and site selected were Pili in Bicol and Banaba in Central Luzon. The selection was based on the following criteria: (1) the plant species being abundant and indigenous in the selected areas, while considering the possible effect on conservation status by the identified economic utilization; (2) the existing Indigenous Knowledge Systems and Practices and traditional knowledge (IKSP/TK), trade and other utilization in the market; (3) the available research and product development pointing to the potential of increasing the market value derived from such; and (4) the opportunity for greater local stakeholder inclusion in the value chain. Both species have existing industrial revenue streams derived from derivative food products. There are some initiatives towards non-food products (e.g. cosmetic, medicinal) yet they cannot be considered as widespread nor mainstream enough to establish its current impact to the industry and their regions. The location of these two species overlaps significantly with Key Biodiversity Areas (KBAs). Region 3, Central Luzon includes approximately 408,131 hectares of terrestrial KBAs. In Bataan, Banaba has been surveyed within the ancestral domains that shares boundaries with the Bataan National Park and the Subic Forest Reserve.

Other than species selection there are no significant changes in the project design from the original PIF. During the PPG stage, the refinement of species and site selection enabled a more precise estimate of direct project beneficiaries from a total of 2000 (1000 women and 1000 men) to 6058 (2,120 women and 3,938 men). The beneficiary figures are further detailed in the UNDP Project Document (PRODOC) *Section V. Project Results Framework, Annex 3 Monitoring Plan, and Annex 12. Site Selection.*

The co-financing amount has slightly increased from the PIF estimate of USD 19,100,000 to 21,631,787.



*Ib. Project Map and Geo-Coordinates.* Please provide geo-referenced information and map where the project interventions will take place. Please see **Annex E and PRODOC Annex 1**.

**1) Global environmental problems, threats, root causes and barriers to be addressed.**

There are no significant changes from the PIF. Through the PPG process - threats, impacts, and barriers presented in the original PIF have been further refined and elaborated through consultations. The three main barriers include:

**Barrier 1: Inadequate and weak enforcement of policies, institutional and regulatory frameworks on ABS implementation.** The granting of access is delegated to three government agencies: DENR, DA, and PCSD each of which implement separately the procedures and approval under the Wildlife Act and the Bioprospecting Guidelines. There is also a weak coordinating mechanism among these agencies, including the need to streamline and harmonize their processes and procedures. Furthermore, there is a need to harmonize ABS policy with the PIC/FPIC process. Once the activity falls under the Bioprospecting Guidelines, the applicant has to apply for the Bioprospecting Undertaking (BU) where the application includes a certification that PIC or FPIC has been secured with the resource providers. The PIC procedures vary, depending on whether the area targeted for bioprospecting is within a protected area, private land, or ancestral domain. In addition, the procedure for FPIC for bioprospecting falls within the project category of Extractives Intrusive Large Scale Activities (EILSA), where, after the community consent is secured by a Memorandum of Agreement (MOA), the process of certification involves various levels of approvals within NCIP up to the certification by its highest body, the NCIP Commission En Banc. The issuance of the BU is dependent on the timely issuance of PIC/FPIC.

Moreover, BU is issued by the Secretary of DENR or DA or Chairman of PCSD which is the Governor of Palawan. To date implementation of the rules is mired with inefficiency and uncertainty, contrary to the goal of the NP to have more predictable conditions for access to genetic resources to ensure the sharing of benefits. There is also inadequate monitoring capability to detect and thereby enforce illegal collection of genetic resources. A more detailed overview of the current permitting process is provided in the PRODOC *Annex 11. Situational Analysis*.

**Barrier 2 : Lack of awareness and weak capacity of key stakeholders on ABS implementation at the national and local level.** The academic community, local government units, and industry have limited appreciation of the basic rules and rationale of existing ABS policies resulting in poor compliance and indifference. As a result, very few have applied for access to genetic resources, negotiated bioprospecting agreements, or developed ABS products. Similarly, there is low appreciation on patent information by researchers and scientists which contributed to the low patent applications from local researchers in the country. There was is also a lack of appreciation and awareness among universities and research institutes on the relevance of patent information in their R&D work and in the possible commercialization of their research outputs. Further, researchers and scientists often do not declare if the subject or source of their patent applications are related to or stem from local genetic resources or local traditional knowledge.

Capacities of research and academic institutions are also lacking in terms of facilitating Intellectual Property Right (IPR) applications, and in advancement of research into the next stages of product development and commercialization. In addition, the field offices of agencies in charge of implementing regulations, namely: DENR, DA and NCIP have weak capacities to assess research proposals, thus resulting in missed opportunities to secure benefits from further advance of bioprospecting research should these proceed to product development and eventual commercialization. At the national level, there is also a need to strengthen capacities for negotiating agreements, understanding industry business models, facilitating access to genetic resources, compliance monitoring and tracking of bioprospecting projects, handling cases related to implementation of the Nagoya protocol.

Other groups such as the private sector, lack access to information on genetic resource research projects that can be transformed into ABS products. IPLCs have limited capacities to manage their own genetic resources associated with traditional knowledge, while ensuring the quality of their raw materials and links in the value chain leading to the development of ABS products. Their skills in negotiations and awareness of opportunities and benefits of engagement in bioprospecting agreements are also limited.

While there are existing mechanisms available for use by IPLCs to protect their cultural heritage relating to genetic resources and traditional knowledge, very few of them are aware of these provisions that will enable them to facilitate issuance of FPICs. Finally, there is no systematic documentation of TK pertaining to utilization of genetic resources nor a database of ongoing and pipeline researches resulting in inefficiencies in advancing genetic resources research towards commercialization. Documentation has been sporadic, and the absence of acceptable protocols for recognition and registration of these TKs has discouraged many IPLCs from sharing their information with a central registry. Such documentation does not come with assurances or protection of the IPRs of IPLCs, thus the reluctance to share information with the science community and private sector.

Annex 14. Capacity Assessment includes the detailed results of capacity score cards and presents the self-identified capacity building needs by ABS institutions.

**Barrier 3: Absence of good practices on ABS implementation from the initial stage of bioprospecting to research and development, product innovation and commercialization:** Since the passage of relevant ABS laws and issuance of policies to facilitate bioprospecting as early as 1995, there has not been a single case to cite as best practice that is compliant with the NP across the entire continuum of the ABS process from securing PIC/FPIC to conducting of R&D up until the commercialization of research products and to the sharing of benefits down to indigenous peoples and local communities. This could be related to many factors including the inherent business risk of bioprospecting activities up through market introduction. There are government programs that encourage and provide funding for drug discovery yet not all private enterprises are enticed by this due to the shared patent ownership or profit sharing down the road.

*Please refer to PRODOC Section II Development Challenge for details.*

## **2) Baseline scenario or any associated baseline projects.**

There is no significant change from the PIF. However, a more detailed analysis of the current policies, regulations, rules, and laws as well as relevant projects and initiatives has been conducted during the PPG (please see PRODOC *Annex 11: Situational Analysis*). In addition, a wider range of partners that would be involved in project implementation have been identified and consulted during the PPG process (please see PRODOC *Annex 7: Stakeholder Engagement*). Greater detail about the species selection including an overview of *Pili* and *Banaba*'s distribution, threat level, R&D, value change as well as conservation and social benefits is included in PRODOC *Annex 12: Site Selection*.

A summary of the associated baseline projects is below. Annex 11: Situational Analysis includes a more comprehensive cataloguing and analysis of the current baseline.

Research and Development Programme on Medicinal Plants. The Department of Science and Technology, the PCHRD and Philippine Council for Agriculture, Aquatic, and Natural Resources Research Development (PCARRD) are providing research and equipment grants to academic and research institutions focusing on discovery of novel compounds from indigenous/endemic terrestrial and marine species. In order to initiate this programme and encourage medicinal plant research in rural areas where the richness of Philippine biodiversity is evident, the government has established screening and extraction centers in various universities around the Philippines to study flora and fauna which are

endemic and/or indigenous to the area. The DOST and its attached research councils have a **total annual allocation for research and equipment grant not lower than PhP1B (US\$20M)**. Through components 1 and 3 this project will identify the most advanced research which can be linked up with private sector.

Tuklas Lunas (Drug Discovery) Centers. The government has established at least **10 Tuklas Lunas (Drug Discovery) Centers** in several regions in the country housed in select State Universities. This aims to boost research in the regions and harness biodiversity. This programme promotes the scientific validation of traditional and locally used medicinal natural products. These centers are currently studying hundreds of plant species that are locally used by local healers. Table below lists six of these centers with advanced research and the researches they are currently working on.

<b>Tuklas Lunas Center</b>	<b>R&amp;D Project</b>	<b>Status</b>
Marcos Mariano State University	Phytochemical, Toxicologic Profiling and Anti-inflammatory Activity of Indigenous Medicinal Plants (Phase 1)	Screened 46 plant species used by local healers
Visayas State University	Molecular Discovery Project from Selected Philippine Indigenous Medicinal Plants for Treatment of Diabetes Mellitus	Covered 55 plant species with potential for anti-diabetic properties
Mindanao State University	Drug Discovery and Development from Indigenous Plants of Mindanao (Phase 2)	Combined biodiversity surveillance and pharmacological screening
Central Luzon State University	Mykoming of Wild Edible Mushrooms and Other Allied Species in Central Luzon for their Medicinal Properties	On-going
Central Mindanao University	Exploring the Potentials of Philippine Ferns and Lycopods as Source of Therapeutics for Chronic Inflammation and Cancer	Combined biodiversity surveillance and ethnobiological surveys of Philippine ferns and lycopods; Screened 28 species of ferns and lycopods
University of San Carlos	Identification, Isolation, and Characterization of Bioactive Metabolites from Terrestrial Plants and Marine Organisms Used by Herbalists in Cebu Province (Phase 1)	Extensive ethnopharmacological screening of indigenous plants in Cebu

New centers are added to the list each year, based on evaluation by the DOST. **Each center is given a budget of Php 20-50 Million per year (US\$ 400,000 to 1 Million)**. Recently, the United Laboratories

(UNILAB) ? a local drug company, has been designated a Tuklas Lunas Center, and has committed Php 20 Million (US\$ 400,000) to establish a facility for drug research.

Research program of DENR's Ecosystem Research and Development Bureau (ERDB). The DENR's research arm is currently prioritizing research efforts on forest tree species with economic potential as well as medicinal value. They have estimated an **annual budget for R&D in the coming years of the current administration to be about \$1M**. Recently, the ERDB has developed a Roadmap for genetic research and development for 43 forest tree species for their potential for pharmaceutical, cosmetics, nutraceutical, industrial, and other values.

Other ABS related activities: In addition to the above several ABS related activities are on-going and planned. For instance, the DENR is undertaking policy review and development related to wildlife management and access and benefit sharing, protection and conservation of threatened species and their habitats, preparation of permits and agreements for the conduct of researches on wildlife. This has an **estimated annual budget of USD 250,000**. In addition, a roadmap on ABS under the Phil Biodiversity Strategy Action Plan from 2015 to 2028 has been prepared.

DENR-BMB's flagship program on coastal and marine entitled ? Coastal and Marine Ecosystem Management Program (CMEMP): This program aims to improve the management of coastal and marine ecosystem thereby increasing their ability to provide ecosystem services and goods including the provision of raw materials for pharmaceutical purposes. The CMEMP will run until 2028 with an estimated **annual budget allocation of PhP500M (USD 10M)**.

USAID PROTECT Wildlife Project. USAID recently launched a **USD25 Million Project** aimed at among others, combatting illegal trade of wildlife. Slated to be implemented initially in Palawan and Zamboanga provinces, the Project will also develop capacities for apprehension, enforcement, and work with communities to protect wildlife resources and conserve biodiversity, including genetic resources in critical sites. The Project started in 2016 and shall be implemented for the next five years.

### ***3) Proposed alternative scenario, with brief description of expected outcomes and components of the project***

The relevance and feasibility of the proposed outcomes and outputs have been confirmed (*Refer Figure 5 for Theory of Change and Section IV, of PRODOC*) through additional expert review and through extensive consultations during the preparation phase of the project (*Refer PRODOC Section IV: Results and Partnerships, and Annex 7: Stakeholder Engagement Plan*). Project indicators and targets have been refined to reflect on-ground practicalities and indicative pilot site selection (see *PRODOC Annex 12: Site Selection*). The main components have remained the same since the PIF.

**Component 1: Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol:** This component aims to update the current national ABS framework in accordance with the Nagoya Protocol and harmonize current policies on bioprospecting and scientific research on genetic resources and TKs and IKSPs associated with genetic resources. The project will enhance multi-sectoral and inter-agency collaboration with regard to on-going research up until its potential for commercialization. The institutional mechanism should be able to cross-check or inform other agencies of any research undertakings and link these with the private sector for possible uptake.

**Component 2: Awareness raising and capacity building for implementation of the national ABS framework:** A nation-wide communication, education and public awareness campaign on ABS and its related policies and procedures will be undertaken under this component. The capacity building will include: strengthening the research sector by developing an integrated and comprehensive ABS road

map on genetic R&D; strengthening national systems on intellectual property rights by the researchers and Indigenous peoples and local communities (IPLCs); improving the capacities of national government and IPLCs to engage with private sector with regard to ABS; strengthening capacities in the assessment of research proposals including the monitoring and tracking of bioprospecting and related activities involving utilization of Philippine genetic resources and TKs; strengthening capacities of IPLCs in the use of mechanisms and provisions of the Intellectual Property Right Act (IPRA), Cultural Heritage Act, etc. to ensure their participation and recognition of their GRs associated TKs; strengthening capacities of IPLCs to manage their genetic resources associated TKs as well the benefits that come with it; establishment of a model research and development facility.

**Component 3: Demonstrating benefit-sharing agreements:** Under this component, a key outcome is to facilitate the negotiation of at least one ABS agreement. The project will support the design and review of ABS agreements so that they are in line with the national ABS framework and the provisions of the Nagoya Protocol. This component will also support community protocols of securing Prior and Informed Consent and Free, Prior and Informed Consent (PIC/FPIC) and Mutually Agreed Terms (MAT) and ensuring the fair and equitable sharing of both monetary and non-monetary benefits for the use of the genetic material, products, and knowledge. Further under this component, conservation strategies of specific resource covered by the ABS agreement will be planned. To this end the project will develop at least 2 bio-products from local genetic resources of Pili tree (*Canarium ovatum* and *Canarium luzonicum*) and Banaba (*Lagerstroemia speciosa*).

**Response to Project Reviews** is provided in **Annex B of the GEFCEO ER.**

#### ***4) Alignment with GEF focal area strategies***

The project aligns with program eight of the Biodiversity Focal area strategy: Implementing the Nagoya Protocol on Access and Benefit Sharing. The project activities will support national implementation of the Nagoya Protocol. The project specifically supports (i) Development and implementation of a strategy and action plan for the implementation of ABS measures. (e.g. monitoring of use of genetic resources, compliance with legislation and cooperation on trans-boundary issues); and (b) Building capacity among stakeholders (including indigenous and local communities, especially women) to negotiate between providers and users of genetic resources. The project will also build institutional capacity to carry out research and development to add value to the Philippines' genetic resources and their traditional knowledge.

#### ***5) Incremental/additional cost reasoning***

Baseline projects as well as other contributions to the project's baseline and co-financing are given in PRODOC *Section IV: Results and Partnership*) for each project component, and *Section IX: Financial Planning and Management*). The indicative co-financing for the project has been confirmed with a total of USD 21,631,787 (see Table C above).

In the baseline situation, updating the current national ABS framework in accordance with the NP and harmonizing current policies on bioprospecting and scientific research on genetic resources would take considerably longer, and it would be more difficult to achieve the international standards for best practice in ABS required by the CBD and the Nagoya Protocol. The lack of technical expertise towards the development of implementing regulations will affect the completion and quality of agreements. Inter-agency coordination for genetic resource development will remain weak, resulting in potential conflicts and confusion, which may adversely affect investor confidence.

Further, in a business-like-usual scenario, resources will not be adequate to support the level of capacity building needed to bring the DENR, checkpoint authorities and other stakeholders to implementation readiness in the short term, and local experience and information-sharing on the development of PIC/FPIC, MAT and benefit-sharing will remain inadequate. Bio-prospecting and use of traditional knowledge resources will continue to be weakly regulated, therefore IP communities across the country would remain at risk of losing out on the benefits associated with bio-prospecting and there will be little incentive for improving the security of biological resources at the local level. This issue will be compounded by the impact of COVID-19 on local communities which is currently being assessed.

Without the support of adequate resources, private investment would continue in its attempt to commercialize genetic resources, without the full help of the country's institutions and with confusion regarding legal and contractual requirements. The supply chain for products related to Pili and Banaba would mobilize limited resources through these companies to a limited number of beneficiaries in Regions 3 and 5. Local communities may not be able to realize the full expectation of increased income that has been created and the process would likely be at risk of failure as the viability of such ventures is questionable, given the uncertainty of the legal, permitting and benefit sharing procedures. The communities would therefore likely increase their extraction activities, which in turn would increase ecosystem deterioration. Lack of investment in this project would therefore lead to financial, social and environmental losses.

Despite the resource investment in the baseline scenario, the impacts would not be competitive in comparison with other alternative uses of the land, which are currently better sources of income for the communities. The alternative of investing GEF resources will help to break commercial, legal and institutional barriers, and give momentum to a process which would not be otherwise competitive. This will be achieved using the three components outlined above, which complement each other, and which, when combined, will improve access to genetic resources and benefit-sharing, as a competitive alternative for the pilot sites, and for the country in general.

The alternative GEF scenario will facilitate and speed up negotiation for access and benefit-sharing agreements. ABS agreements and contracts do not currently exist and in light of the Nagoya Protocol, the GEF alternative will identify measures for total compliance with its provisions, including introducing a comprehensive ABS framework to enhance access and coordination of information for permitting and monitoring as well as support community protocols of securing PIC and MAT and ensuring the fair and equitable sharing of both monetary and non-monetary benefits for the use of the genetic material, products, and knowledge. See table 1 below for a summary of the detailed benefits.

## **6) Global Environmental Benefits**

The GEF alternative will improve landscape management, allow the Philippines to better comply with the Nagoya Protocol, and provide benefits at the National and community level. This will be done by strengthen the commercialization of two genetic resources (Banaba and Pili) and the generation of benefit-sharing and distribution for identified IP communities (see PRODOC *Annex 7:Stakeholder Engagement*). The resources will allow the development of final products, strengthen local producers' ability to sustainably manage the two identified genetic resources, improve the product material, increase supply capacity, promote commercialization, and validate a framework for benefit-sharing. The project will provide global environmental benefits through the sustainable use of Banaba and Pili. and the successful implementation of the project will demonstrate that it is possible to create value chains with the sustainable use of these genetic resources. Through successful implementation the project will build trust regarding the financial opportunity which the use of biological and genetic resources offers, as an economic alternative to unsustainable exploitation of biological resources. With successful implementation the project has the added value of facilitating further R&D, which can lead to greater wealth creation for the country in the long-run.

A key global environmental benefit of the project is the equitable sharing of benefits derived from the utilization of Banaba and Pili. The project will improve the management of globally important biodiversity at the landscape level through the targeting of **41,662 Ha for pilot ABS initiatives**. This will raise awareness among local communities of the importance of these landscapes for plant genetic resources and provide greater local support for strengthening the management and sustainable use of the genetic resources in these landscapes. At the species level, both Banaba and Pili will benefit directly from project interventions in terms of increased population viability as well as a greater understanding and appreciation of their medicinal and other values to society. Most importantly, the genetic resources and associated traditional knowledge will become more widely appreciated, all of which will strengthen conservation measures, given the high incidence of traditional lands/domains within KBAs that the pilot interventions will target.

Many of the Philippines' plants and genetic resources remain undiscovered, others are yet to be thoroughly studied and large numbers remain under-utilized. A number of these species are likely to be at risk from reductions in their gene pool and, in the case of rare and endemic species within the landscape, a few may be facing extinction. In the Philippines, in a study commissioned by UNDP Philippines, it is estimated that the bioprospecting value of recorded endemic species in a closed canopy forest is USD 39.8 million annually in perpetuity. It was also estimated that the country loses around USD 8.1 million annually in foregone potential royalty fees for just one pharmaceutical product that was not patented.<sup>8</sup> This demonstrates that as a mega-diverse country, the Philippines has considerable untapped wealth which can be generated from sustainable management of its rich genetic resources. The project will seek to change these patterns, by streamlining the current regulations, facilitating inter-governmental coordination and demonstrating successful benefits sharing utilizing in situ conservation measures.

To carry out this work the GEF will invest USD 982,000 in strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol (Component 1 of the project). The counterpart funding for the achievement of Component 1 of the project is USD 542,282. GEF will allocate USD 1,374,300 for raising awareness and building capacity building for implementation of national ABS Framework (Component 2) with counterpart funding of USD 422,322. Finally, GEF will allocate, USD 1,652,940 for demonstrating benefit-sharing agreements (Outcome 3) with counterpart funding of USD 20,556,766.

The project's baseline finance has been assessed at approximately **\$187 million** (Table 1), with **USD 17.4 million** leveraged through this project.

**Table 1. Project Baseline Finance and Co-finance**

<b>Baseline Investment (B) / Co-financing (C)</b>	<b>Total (USD)</b>	<b>In-kind co-financing (USD)</b>	<b>Leveraged co-financing (USD)</b>	<b>Total Co-financing (USD)</b>
DENR	58,274,735	2,024,735	3,439,864	5,464,599

DA			2,752,600	2,752,600
DOST PCAARRD	100,000,000		907,692	907,692
LGUs			2,000,000	2,000,000
Industry Research	4,090,619	90,619	269,813	360,432
Industry PhilPili		2,100,000	1,408,800	3,508,800
State Universities			6,527,247	6,527,247
Bilateral	25,110,417		110,417	110,417
				-
<b>TOTAL</b>	<b>187,475,772</b>	<b>2,190,619</b>	<b>17,416,432</b>	<b>21,631,787</b>

Table 2 below presents a summary of the baseline situation, the GEF alternative, and the incremental intervention.

**Table 2. Summary of GEF Incremental Intervention and Benefits**

<b>Baseline situation (B)</b>	<b>GEF Alternative (A)</b>	<b>The Increment (B-A)</b>
Conservation and Sustainable Management of Genetic and Biological Diversity		



<p>Conservation of genetic resources and biological diversity does not take account of their full economic value and benefits to current and future generations as well as the transfer of economic benefits to local communities as incentive for their conservation</p> <p><i>Including:</i></p> <p>(1) No functional mechanism established for BS at community and local levels; (2) No mechanism for investing monetary and non-monetary benefits derived from the negotiation of benefit-sharing agreements; (3) No clear policy on how benefits are allocated; (4) Rules or system of reinvesting part of benefits from GR and TK into biodiversity conservation and community development are not in place</p>	<p>An incentive mechanism in place that ensures economic benefits to IPs and local communities</p> <p>Incentive system for the private sector to include biodiversity conservation in their business models</p> <p>A system which plows back revenues derived from products and processes of genetic resources and traditional knowledge to local areas where the resource is endemic or indigenous</p>	<p>Improved management and sustainable use of <i>Banaba</i> and <i>Pili</i> (though <b>pilot ABS agreements and biodiversity management plans for in-situ conservation and management introduced into pilot agreement</b>)</p> <p>Competitive pressures between uses of biodiversity and forest and biodiversity degradation and destruction reduced.</p> <p>Establishment and institutionalization of mechanism to channel ABS monetary benefits to local communities</p>
<p>National ABS Framework</p>		

<p>Weak national regulatory and administrative system for ABS promotes overlapping and conflicting authorities for management of genetic resources and not in line with the Nagoya Protocol.</p> <p><i>Including:</i></p> <p>(1) ABS policies are in place (see Situational Analysis Annex 11) but not much progress has been made on bioprospecting and commercialization; (2) Access to GR has been highly bureaucratic with multiple agencies involved in issuing access and collection permits; (3) Processes for securing FPIC has been protracted; (4) Absence of coordination mechanism amongst ABS agencies at the national level and from local to national to promote compliance; (5) Absence of a systematic way to document and register TK has resulted in piracy of TK on medicines and industrial products developed by IPs and scientific research results of students, researchers and scientists; (6) No monitoring in place when gratuitous permits or its results are made commercial; (7) Current, ABS rules and regulations are not integrated in Research, Project Development plans</p>	<p>Enabling National ABS regulatory and permitting framework</p> <p>Streamlining the processes for clear procedures, protocols and guidelines for bioprospecting, research and development</p> <p>Functional mechanism, including administrative system, institutional arrangements, monitoring and financing mechanism in place to facilitate implementation and compliance of the national ABS framework</p> <p>System for protection of local and traditional knowledge</p>	<p>Increased wealth creation through safeguarding Philippines' biological resources and its genetic diversity from unfair exploitation</p> <p>Improved knowledge and experience gained through the project contributes to global knowledge of ABS and international community of practice (through the integration of a KM platform established for on-going and pipeline researches, traditional knowledge of IPLCs, and access permits)</p> <p>Development of an inter-agency framework for monitoring and tracking GR</p>
<p>Capacity</p>		

<p>Weak institutional capacity of state agencies constrain the development and implementation of national and local ABS norms, weak capacity and awareness of IP and local communities who hold traditional knowledge undermine the value of the genetic resources and their benefit and weak or limited understanding and awareness from the private and research sector limits the opportunities to engage on ABS partnerships.</p> <p>In the capacity assessment scorecard, 15 ABS institutions assessed themselves as having zero to one (some capacities exist) in ABS under five core areas (refer to Annex 14. Capacity Assessment).</p> <p>At the local level in both regions, they have no knowledge on ABS and have almost none on capacities generate, access, and use information and knowledge on ABS</p>	<p>Enhanced capacity and capability for the negotiation, implementation and monitoring of ABS</p> <p>Improved awareness and understanding of role and benefits of ABS</p> <p>A community of practice on ABS developed</p> <p>A national ABS KM platform/database linked with national biodiversity and genetic resources database</p>	<p>Increased knowledge and awareness of values of biodiversity and steps to conserve and use it sustainably will improve conservation status of species</p> <p>Improved capacity and skills to manage biodiversity and genetic resources improved conservation outcomes (as measured by increase in UNDP ABS scorecard)</p> <p>A better understanding of value of traditional knowledge on biological diversity enhances opportunity for its sustainable use and long-term conservation</p> <p>Improved financing for ABS related initiatives</p>
Piloting of ABS Agreement		

<p>Limited in-country scientific research capacity and experience with negotiation and implementation of ABS agreements constraints the capture of economic benefits of genetic resources</p> <p><i>Including:</i></p> <p>(1) Commercial GR developers would continue product development at their own pace and priorities due to limited incentives, support mechanisms and precedence to pursue ABS; (2) Drug development based on Banaba is on track based on government support via Tuklas Lunas. However, developing inclusive value chains may not be prioritized given the lack of grounding on ABS principles, and may be satisfied to comply with minimum bioprospecting laws; (3) Pili industry cohesion and product development efforts would be fragmented, with individual members racing to produce first to market with primary motivation of attaining market share and/or cost leadership. This mindset may not support the industry's vision of an equitable Pili value chain leading to sustainable inclusive development and preservation of wild Pili plantations.</p>	<p>Demonstration of 2 pilot ABS agreements compliant with national legislation and Nagoya Protocol</p> <p>Demonstration of TK registers and the development of bio-community protocols</p> <p>On the ground experience and demonstration and lessons that will inform future negotiation of fair benefit sharing agreements</p>	<p>Improved knowledge and experience gained through the project contributes to global knowledge of ABS and international community of practice</p> <p><i>In situ</i> conservation measures and improved management in place to ensure security of concerned species in pilot site targeting 41,662 Ha</p>
<p><b>Current baseline expenditure and investments at approx.:</b></p> <p><b>\$187 M</b>, broken down as in Table 1, above</p>	<p><b>Alternative: Baseline + GEF + Co-financing net of baseline:</b></p> <p><b>\$192 M</b></p>	<p><b>The incremental costs: GEF</b></p> <p><b>\$4.38M</b></p>

**7) Innovativeness, sustainability and potential for scaling up.**

*Innovation:* This is the first project on ABS that intends to demonstrate the full stream of compliance with Nagoya Protocol, from bioprospecting to R&D to product innovation and commercialization. Specific innovations of the project include the following: Enabling on-the-ground institutional mechanisms, customary laws as well as the community protocols of indigenous peoples and local communities, to be operationalized in line with a specific legal provision in Section 35 of the Indigenous Peoples' Rights Act. This innovation is already covered by the law but very few are aware of it, other than some civil society organizations working with indigenous peoples and the Biodiversity Management Bureau who have been using it for quite some time. This institutional mechanism will complement the existing regulatory framework of the National Commission on Indigenous Peoples, especially in areas where it is the community that decides to use their customary laws and community protocol to deal with a specific bioprospecting application. In this sense, it is a supplementary institutional mechanism, which also serves to remedy the usual bottlenecks in administrative decision-making on access to biological and genetic resources concerns that are typical of national agencies with far-flung regional service centers. The use of customary laws and community protocols in securing fair and equitable benefit-sharing from the utilization of traditional knowledge associated with genetic resources is one innovation that has not yet been implemented and documented, at least in the Philippine setting.

Unlocking the full potential of both target genetic resources will be done by reinforcing and corroborating the established benefits from traditional knowledge, current usage and R&D. For Pili, it will capitalize on the growing recognition of it being the healthiest nut by advancing its fatty acids, antioxidant and other micronutrient content into useful medicinal, cosmetic and functional food. Most of its by-products (e.g. pulp, discarded kernels, leaves) have existing R&D whose commercial feasibility will be pursued by applying suitable technology with an eye towards market competitiveness. Banaba on the other hand, can rely on its inclusion in other drug formulations as a means of overcoming the numerous patents on anti-diabetic claims. Ultimately, the innovation is further made more profound by the multi-benefit arrangement of ABS. Table 2 below provides a summary of the R&D profile for both Pili and Banaba including a description of the genetic resources the project is targeting for R&D as well as the potential end product developed. More detail on the specifics for R&D are included in the PRODOC under the description for Component 3, as well as Annex 12. Site Selection.

**Table 2. Summary of R&D Profile for Pili and Banaba**

	<b>Pili</b> <i>(Canarium ovatum, C. luzonicum)</i>	<b>Banaba</b> <i>(Lagerstroemia speciosa)</i>
Description of genetic resources and derivatives of Pili and Banaba	Bioactive alkaloids, flavonoids, glycosides, saponins, sterols, tannins, terpenens, and fatty acids found in pulp that support antioxidant and antibacterial claims.  Terpineol, elemicine, elemol, dipentene, phellandrene and limonene derived from Pili sap that support antibacterial claims	Corosilic Acid, Ellagic Acid and Ellagtannins derived from dried Banaba leaves
Description of the biotechnology used to develop potential products from the genetic resources or derivatives of Pili and Banaba	Press extraction and refinement for pulp oil. Steam distillation for sap to become essential oil	Post-harvest drying then spray drying for raw material preparation. To be determined as crude formula or synthesized isolates in drug formulation

Potential products developed from project R&D	Cosmetic products with antioxidant and antibacterial benefits	Antiviral drug formulation
Private sector or public biotech/research organizations to carry out product development	Manufacturers under Philippine Pili Industry League Inc. (PhilPILI) which have pledged co-financing under project	Pharmalytics Corp, and Herbanext Corp. under Tuklas Lunas national drug development program

The wildlife, biological and traditional knowledge research sectors in the Philippines are largely unaware of this decentralized mechanism and, for the first time, may be able to secure free and prior informed consent directly from the communities using customary laws and community protocols whereby they can be active partners with them in designing the research goals and objectives from the outset of the project through to completion. The application of the various monitoring and tracking mechanisms (checkpoints and the internationally recognized certificate of compliance), of the Nagoya Protocol is a first for a megadiverse country that affirms the rights of indigenous peoples and local communities.

A key aspect of the ABS system is the monitoring of the utilization of the genetic resources (GR) and associated TK and the negotiation and implementation of the MAT, particularly when the GR and associated TK leave the Philippines. Towards this end, a system of tracking such utilization and implementation of the MAT will be developed, and this system will be supported by a national ABS clearing house. This innovation will be integrated into a knowledge management platform for ABS to capture and disseminate lessons, case studies, and good practice nationally, regionally, and globally.

*Sustainability:* The basis for the environmental sustainability of the project's outcomes lies mainly in the improved capacity of national and local stakeholders to utilize the ABS mechanism to support biodiversity conservation and its sustainable use. The project will support pilot initiatives to develop products derived from the utilization of genetic resources, which will generate monetary and non-monetary benefits to be used to support conservation efforts in the areas with KBAs. In addition, the project will consolidate a local base that will be essential for the long-term conservation of the biological and genetic resources present in these areas. This will be achieved by working closely with the local communities and IPs, who have a significant amount of traditional knowledge about these areas, and through the fair and equitable sharing of benefits derived from the utilization of genetic resources.

? Institutional sustainability will be achieved through the improved capacity of the stakeholders associated with ABS across the Philippines (government agencies, public and private research organizations, the private sector and key industries, and local communities/IPs) to effectively manage access to genetic resources and ensure the distribution of benefits. The establishment of fundamental and functional institutional arrangement for ABS management with involvement of national and local institutions associated both with access to biological resources and related traditional knowledge will provide an institutional structure that will be expected to provide the backbone for future ABS in the Philippines. At the national level, strengthening the national framework for implementing ABS in accordance with the NP will greatly contribute to change the way access and sharing benefit of genetic resources is managed in the Philippines, leading to a more equitable, fair and sustainable use of genetic resources. After the completion of the project, awareness and capacity of all stakeholders on implementation, compliance, monitoring and tracking of the national ABS framework will be significantly enhanced. Providers will better understand the value of genetic resources they own and

become more capable of negotiating with the user on benefit sharing in accordance with the ABS principles. Users will be more aware of their responsibility to share benefits of genetic resources with the providers, thus creating a legal MAT for clarification and transparency related to use of genetic resources for commercial and research purposes, as well as ensuring benefits from utilization of genetic resources are shared equitably and fairly between the state and communities. This provides the basis for ensuring the sustainability of the public-private community partnerships in genetic resource use and management of ABS related concerns that overall contribute to biodiversity conservation and social security at the household and community levels.

? Social sustainability: The social sustainability of the project will be achieved by developing capacities among local communities and IPs regarding ABS and the Nagoya Protocol, including the negotiation of ABS agreements, obtaining PIC/FPIC, establishing MAT, and the sharing of benefits. Through the implementation of pilot initiatives on ABS, the selected communities will have direct experience in implementation of ABS and will be aware of the multiple derived benefits. Additionally, there will be capacity-building for other stakeholders such as private businesses and key industries and researchers to generate awareness of the benefits associated with biodiscovery and ABS agreements.

? Financial sustainability will be achieved through the development of a clear and transparent permit system, the project will contribute to encourage private investments in bioprospecting and lead to future benefits for other communities and ecosystems. Moreover, at the pilot scale, when products are successfully produced and sold, the value chain and the distribution of benefits derived from it will be maintained. The increases of financial flow from users of genetic resources will not only directly benefit target pilot sites but also the broader communities living in genetic resource diversity areas due to increased opportunities for income from activities such as collecting, cultivating, harvesting and transporting the targeted species for commercialization products. Outcomes from Component 3 will demonstrate the various approaches to increased financial and economic sustainability. Through policy support for ABS, including delineating clear and accountable institutional arrangements and financing for ABS implementation, the project will also work to unlock available financing for ABS through the national budget.

*Potential for scaling-up:* The government is committed to replicating and scaling-up project results to other sectors and species and is committing national resources to ensure project success. Several strategies for replication are embedded in the project design including in improved capacities of GR producers to negotiate based on increased ABS awareness as well as improved capacities of NCAs to implement NP ABS compliance through the use of a digital national clearinghouse, which should lead to additional agreements.

Moreover, given the high diversity of genetic resources and associated TK in the country, a national road map identifying GR and associated TK with the highest potential for new discoveries supporting commercial (e.g. drug development, personal care and cosmetics, industrial biotechnology etc.) and non-commercial uses (e.g. taxonomy, ecosystem analysis) will be developed. The roadmap shall include components on research, capacity building, institutional arrangements, financing and cross cutting components on gender and rights empowerment.

Upscaling comprises enabling existing markets to expand once enterprises have consolidated their supplies of TK-based products and then mainstreaming models of best practices across other regions of the country. Given that there are at least 110 indigenous peoples in the Philippines scattered in

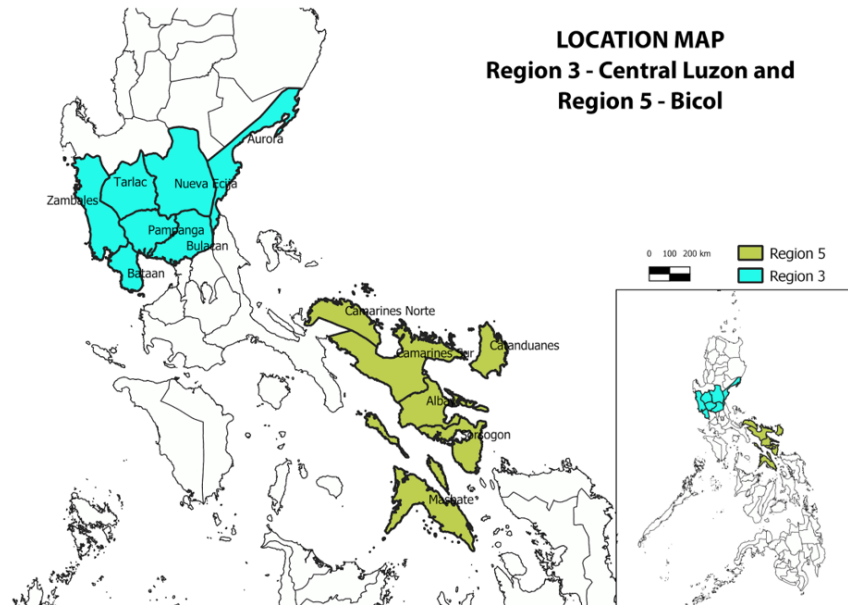
recognized ancestral lands that are very often in or near to KBAs, upscaling of this project has every chance of being successful provided the management of genetic resources is shown to be demonstrably sustainable based on rigorous monitoring and evaluation procedures. Upscaling of traditional knowledge-based enterprises is also a key component of the Philippine Wealth Creation Program and, therefore, will be an important contribution towards the attainment of the Program's objectives.

**1b. Project Map and Coordinates**

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

Please see **Annex E and PRODOC Annex 1.**

*Figure 1 includes a map of all of Region 3 and Region 5, the regions where the pilot sites will be selected.*



**1c. Child Project?**

**If this is a child project under a program, describe how the components contribute to the overall program impact.**

**2. Stakeholders**

**Select the stakeholders that have participated in consultations during the project identification phase:**

**Civil Society Organizations** Yes

**Indigenous Peoples and Local Communities** Yes



**Private Sector Entities** Yes

**If none of the above, please explain why:**

**Please provide the Stakeholder Engagement Plan or equivalent assessment.**

Throughout the project development process stakeholders from national government, local government, the private sector, indigenous communities, academia and others have been actively engaged. This is evidenced by the overall consensus reached during the project's validation workshop as well as the level of co-financing secured. Stakeholders participation will continue to be a top priority for the project and will be sustained throughout implementation. The formulation of the stakeholder engagement plan aims to: (a) identify the basic roles and responsibilities of the Project partners and stakeholders in relation to the three components of the Project; (b) ensure their participation in project activities; and (c) build strong partnerships and collaboration to maximize their knowledge and skills to achieve measurable results. Ultimately, the stakeholder engagement plan aims to ensure long-term sustainability of the project achievements, based on transparency and the effective participation of the key stakeholders. A comprehensive gender-responsive stakeholder engagement plan is included in Annex 7 of the PRODOC.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

**Select what role civil society will play in the project:**

**Consulted only;** Yes

**Member of Advisory Body; Contractor;** Yes

**Co-financier;**

**Member of project steering committee or equivalent decision-making body;** Yes

**Executor or co-executor;**

**Other (Please explain)**

### **3. Gender Equality and Women's Empowerment**

**Provide the gender analysis or equivalent socio-economic assesment.**

According to the UNDP gender marker standards, the project has UNDP GEN2 gender marker. Key gender-disaggregated indicators and targets in the project results framework and monitoring plan will be tracked throughout project implementation. The project has set targets to engage women in project activities at a rate that is greater than the percentage of women in the agencies. These targets mean that the project will preferentially target women for involvement in related project activities to proactively encourage the engagement and empowerment of women in the participating communities and ensure that women are key beneficiaries of the project.

At the project onset, efforts will be made to ensure that gender-differentiated roles and practices in relation to natural resource use and access and benefit sharing of the two target species are defined. This will be done through a gender-smart, ABS-compliant value chain analysis of Pili and Banaba in Regions 3 and 5, respectively, which will especially focus on the PIC/FPIC and MAT, and commercialization and conservation stages of the chain, which have been identified as gender gaps that need to be addressed.

The project will ensure that wealth is created and shared among Filipino women and men as a result of sustainable use of genetic resources and its associated traditional knowledge. As part of the effort to strengthen the national ABS framework, current ABS policies will be enhanced so that rights, roles and responsibilities of women and men are recognized and clearly defined and their legal access to genetic resources is facilitated. Similarly, awareness and capacity building on ABS shall empower women and men from different ABS-related fields and sectors ? regulatory, science and research, business development and innovation, community development ? to meaningfully participate in ABS; challenges such as the lack of confidence and skills of indigenous and local communities to communicate and negotiate ABS-related concerns shall also be addressed. The pilot ABS agreement targeted by the project shall also ensure equal access to business and other economic opportunities by women and men, mindful not to further gender stereotypes nor widen inequalities, and addressing socio-economic concerns such as unpaid care work so as not to add to the burden of women. Some key gender mainstreaming approaches are summarized in Table 3 below.

**Table 3. Gender Mainstreaming Approaches by Project Component**

<p>Component 1. Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol</p>	<ul style="list-style-type: none"> <li>? Gender will be strategically mainstreamed in the revised and harmonized rules and regulations for ABS</li> <li>? Women and men stakeholders and communities will meaningfully participate in bio-prospecting research and development processes</li> <li>? Functional mechanism shall be managed by a dedicated inter-agency working group on ABS with gender expert agencies (Note: This is a PBSAP indicator)</li> <li>? Gender-balance for membership n in national coordinating mechanism</li> <li>? Collection of gender-disaggregated data through the national ABS clearinghouse</li> </ul>
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<p>Component 2. Awareness raising and capacity building for implementation of national ABS Framework</p>	<p>? Women and men will benefit from a national roadmap on ABS, which will include a recognition of their important roles in safeguarding biodiversity species conservation.</p> <p>? CEPA plan will deliberately target women to encourage their participation in the various aspects (R&amp;D, science, business, conservation etc.) of ABS</p> <p>? Gender balance will be achieved in all capacity building programs and activities through equal opportunity for women and men trainers/resource speakers and participants.</p> <p>? ABS IEC and capacity building materials convey gender sensitivity and use of gender-fair language</p> <p>? Local knowledge (IP and non-IP) shall be validated, documented and disseminated to women and men stakeholders.</p> <p>? Gender balance for participation in any South-South Exchange</p> <p>? Documentation of good practices and lessons learned with gender perspective</p>
<p>Component 3: Demonstrating benefit-sharing agreements</p>	<p>? The R&amp;D output shall include socio-cultural aspects, including the roles of women, men and children, in the natural resource use of <i>Pili</i> and <i>Banaba</i></p> <p>? Women and men will benefit from the commercialization of <i>Pili</i> and <i>Banaba</i> and possible issues such as gender biases in the business and scientific community and gender pay gaps will be analysed and addressed</p> <p>? The model ABS agreement will provide opportunities to address gender inequalities and empower women such as by increasing women's access to technology and participation in generating traditional and scientific knowledge, and securing livelihood opportunities for women and men along the <i>Pili</i> and <i>Banaba</i> value chains</p> <p>? The conservation measures that will be put in place will also allow women and men to save their time and gain and apply new knowledge and skills on sustainable <i>Pili</i> cultivation and <i>Banaba</i> harvest, including health and safety practices</p>

**Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?**

Yes

**Closing gender gaps in access to and control over natural resources; Yes**

**Improving women's participation and decision making Yes**

**Generating socio-economic benefits or services or women Yes**

**Does the project's results framework or logical framework include gender-sensitive indicators?**

Yes

#### 4. Private sector engagement

##### **Elaborate on the private sector's engagement in the project, if any.**

The private sector and academia have also been actively engaged during the PPG process including committing 3.879 M USD and 6.534 USD in co-finance, respectively. Industry will continue to be actively engaged throughout most project outputs including awareness raising on the ABS framework; capacity-building; preparation of the ABS R&D Roadmap; preparing and using policies, guidelines and protocols; providing resources and contributing to value chain development t; demonstrating PIC/FPIC and MAT, direct investments, facilitated access to genetic resources, using R&D results, and practicing ABS. Among the industries that have been initially identified that the Project will work with include: Philippine Pili Industry League, Inc. (PhilPili), Herbanext, Pharmalytics, Leonie Agri Corporation, Chamber of Cosmetics Industries of the Philippines (CCIP) and Chamber of Herbal Industries of the Philippines (CHIPI).

Research institutions will be engaged to work with and benefit from the project's support to research as well as communication, education and public awareness, and capacity building activities for the implementation of national ABS framework to ascertain that their respective policies, plans, strategies, and programs involving genetic resources are compliant with the Nagoya Protocol. They will participate in product development towards ABS agreements and its related studies like IKSP and TK documentation, Ethnobotany studies, biodiversity surveillance and resource assessment (i.e., abundance and species richness, vegetation, structure), biogeography (identification of locations, ecological factors) characterization (morphological and molecular identification), bioassays, prototype product development, sustainable production technology and use of raw materials, technology transfers, and market and value chain analysis. and, and related activities to support in-situ conservation. They will also participate in reviewing existing policies, formulating harmonized rules and regulations as well as procedures, protocols and guidelines for bioprospecting, and creating structures, processes, mechanisms, and financing to facilitate the implementation and compliance of the ABS framework. PRODOC *Section IV Results and Partnerships* and *Annex 12: Site Selection* provide more details on how the private sector.

#### 5. Risks to Achieving Project Objectives

##### **Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):**

The identified project risks, their overall rating and the mitigation actions required during project implementation are provided in **Annex 5** of the PRODOC. Risks are only shown if their rating is considered to be Moderate or High, with the exception of risks identified in the Social and Environmental Screening Procedure (SESP, *Annex 4*) which are all described. As per standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk register (Risk Log, *Annex 5*). Risks will be reported as critical when the impact and probability are high. Management responses to critical risks will also be reported to the GEF in the annual PIR.

The SESP was finalised during project preparation, as required by UNDP's Social and Environmental Standards (SES). The SESP identified eight risks for this project that could have potential negative impacts in the absence of safeguards, six of these risks were rated as Moderate and two as Low. Therefore, the overall SESP risk categorization for the project is Moderate. Depending on further revision to assessments of risks, detailed assessments and management plans may be required. The following safeguards are triggered: Human Rights; Gender Equality and Women's Empowerment; Biodiversity Conservation and

Natural Resource Management; Climate Change Mitigation and Adaptation; Cultural Heritage; and Indigenous Peoples. The Moderate risks are as follows:

Risk 1 (Moderate): The Project could potentially discriminate against local communities and other indigenous peoples from other parts of the Philippines who share the same TKs/ IKSPs associated with the species selected in the Project in ABS agreements. For ground level activities, the project has developed an ESMF (Annex 8) and a Stakeholder Engagement Plan (Annex 7). Per the Philippine's government's preference an issue specific management plan for IPs has also been developed (Annex 13). All aforementioned plans fully consider IPs rights and standards under the Nagoya Protocol, other international laws and agreements, and national laws and regulations. The Project will mitigate this risk at the National Level by policy proofing through a process that follows Strategic Environmental and Social Assessment (SESA) principles.

Risk 2 (Moderate): The Project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits if gender roles, relations, and capacities in the Project area are not clearly understood and gender is not mainstreamed across all Project components and the implementation of the Gender Plan is inadequate. At the policy level, gender will be strategically mainstreamed in the revised and harmonized rules and regulations for ABS, as well as in the functional mechanisms that will be put in place to operationalize it. In the work related to building awareness and capacities around ABS, women and men stakeholders will be provided with equal opportunities to be engaged in the various aspects (research and development or R&D, science, business, conservation, etc.) of ABS. In particular, local and indigenous stakeholders will be capacitated to communicate and negotiate more effectively for the conservation of biodiversity and access to both monetary and non-monetary benefits arising from ABS agreements. At the target site and species level (pili and banaba), the Project will specifically address the lack of gender-smart and ABS-compliant value chain models in the Philippines.

Risk 5 (Moderate): Typhoons and other climate change exacerbated phenomena could affect the achievement of outputs and outcomes of the Project, especially under component 3. Currently, the timing, paths and intensity of typhoons do not follow previous patterns. Increased and more serious flooding have also been observed in recent years. Climate change resiliency measures and analysis will be made integral to ABS processes and reflected in partner community/ LGUs local plans. The Project will also support data gathering on community resilience, climate change impacts including indigenous/ traditional indicators will be generated and analyzed for informed decision making.

Risk 6 (Moderate): The Project proposes to access and develop genetic resources and associated IKSPs for commercial purposes. Exploitation of genetic resources in ancestral domains and associated IKSPs of IPs, including issues of authorship and ownership of intellectual property rights may arise. The Project recognizes IPs rights to GR and associated IKSPs in accordance with UNDRIP, UNCBD Nagoya Protocol, and IPRA and will mitigate the issue through FPIC Processes, MAT as well as policy proofing. The Project will ensure that the issues of democratization of knowledge production, authorship, and intellectual property issues are thoroughly discussed during the FPIC Process and are resolved in the MOA that will be signed between and among parties.

Risk 7 (Moderate): The Project could potentially restrict access/use of natural resources by IPs. In consideration of the Expanded National Integrated Protected Area Systems (ENIPAS) Act, the Project will recognize IP rights to govern, maintain, develop, protect, and conserve such areas, in accordance with their customary law and IKSPs, with full and effective assistance from the NCIP, DENR and other concerned government agencies. The Project will also recognize and respect indigenous governance and leadership structures and work with the established coordination and complementation structures and mechanisms between and among the IP leadership, NCIP, DENR, LGUs and civil society. Furthermore, following the IPRA, restrictions of access which have impacts to IPs, whether positive or negative, also have to comply with the FPIC requirements of the law.

Risk 8 (Moderate): Indigenous, community-owned land arrangements and indigenous-claimed resources might be affected by commercial cultivation, threatening traditional cultural socio-economic dynamics and

potentially generating conflict within indigenous communities. Overall, the Project is designed to strengthen the fair and equitable sharing of benefits derived from the access, use, and commercialization of genetic resources, through both ABS pilots and other systemic measures. However, experience from other business endeavors indicate that negative cultural change as well as tensions and divisions among IP communities arise with the influx of money from royalty payments. As described in the Indigenous People's Framework IPF, the Project will mitigate this with a range of capacity building activities (i.e. community organization, financial management).

In addition to the above moderate risks identified in the SESP, **Annex 5** highlights a risk on COVID-19 or Similar Crises: COVID threats have been prevalent during the project design and are expected to have long-lasting impacts on people's health, security, safety and economic conditions. COVID-19 or similar crises are expected to result in delays of project implementation, affecting health of beneficiaries, limiting areas in which the project can be implemented, limiting face-to-face consultations among stakeholders, further marginalizing the disenfranchised that have limited access to resources and technology. Due to the rapid spread of the pandemic, risk mitigation procedures will be developed to address possible operational delays or pauses on an ongoing basis, to follow the latest guidance and advisories from Government, UNDP and GEF Sec. Increased communication will be considered when consulting with local beneficiaries regarding possible impacts, and site specific protocols will be followed. Changes in the scope or timing of planned activities may be necessary through workplan adjustments. The Implementing Partner, together with the Project Board, will monitor and address significant financial constraints arising from exchange rate fluctuations and any delays or failures in co-financing delivery. Alternative access technology/communication tools that can be utilized during Project implementation will also be explored by the Implementing Partner, together with the Project Management Unit. WhatsApp and mobile phones, which many have access to, will be used for communication and exchange of information. The Project Management Unit will have to be mindful of the kind of resources that are available to beneficiary groups, specifically the communities with which the Mutually Agreed Terms (MATs) will be signed. The Communications Strategy will also include specific considerations for communication, public awareness and exchange of information under these circumstances.

Overall, the project is expected to result in positive impacts for biodiversity conservation, aiming to ensure environmental sustainability mainstreaming into the bioprospecting sector of Philippine economy. The envisaged long-term solution for the project highlights the environmental benefits that the project will generate and ensures that environmental and economic sustainability are mainstreamed into the bioprospecting sector. The Project is designed to include in-situ conservation measures to ensure the security of the genetic resources; these measures will be integrated into the negotiated MAT. Among others, the Project will support the conduct of resource inventory of resources including geotagging of the resources to determine species abundance and availability of resources for bioprospecting. IPLCs will be supported in preparing resource management plans and strengthening of their cultural practices in plant propagation, nursery development, planting and harvesting protocols. The Project will work with LGUS from the barangay, municipal and provincial level to enforce and monitor conservation of genetic resources. At the National Level, a system of tracking such as utilization and implementation of the MAT will be developed, and this system will be supported by a digital platform, the national ABS clearing house

An Indigenous People's Framework has been developed that provides guidance for ensuring that Indigenous Peoples are fully involved in decision-making in terms of resource use, livelihood and income generation investments and conservation action. The project will support the recruitment of an E&S Safeguard expert to help develop and monitor the application of FPIC principles, undertake social

assessments in IP areas and train and sensitize staff in the application of FPIC principles and practices. For further information on social and environmental aspects and management measures refer UNDP SESP PRODOC Annex 4, the Environmental and Social Management Framework (PRODOC *Annex 8*), and Indigenous People's Framework (PRODOC *Annex 13*).

In line with UNDP standard procedures, the Project will set up and manage a grievance redress mechanism (GRM) that would address project affected persons' (PAP) grievances, complaints, and suggestions. The GRM will be managed and regularly monitored by the PMU.

#### **6. Institutional Arrangement and Coordination**

##### **Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.**

The Project will be implemented following UNDP's National Implementation Modality (NIM), according to the Standard Basic Assistance Agreement between UNDP and Government of the Philippines and the Country Programme.

The Implementing Partner for this Project is the DENR-Biodiversity Management Bureau (BMB). As the Implementing Partner, DENR-BMB is the accountable agency for managing this Project, including the monitoring and evaluation of Project interventions, achieving Project outcomes, and for effective use of UNDP resources.

The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document. Please see PRODOC section VII. Governance and Management Arrangements for full details of the institutional arrangements of the project.

Execution Support: Per the request from BMB-DENR, the Implementing Partner / Executing Agency, apart from project assurance, and as agreed by the GEF Secretariat, UNDP will provide limited project execution support services to process direct payments of goods and services procured by the IP, in accordance with UNDP's rules and regulations, as described in the letter from BMB-DENR to the GEF OFP in the Philippines (ProDoc Annex 24a)[1], the letter from the OFP to the GEF Secretariat (ProDoc Annex 24b), and the signed Letter of Agreement (LOA) between the UNDP and BMB-DENR requesting UNDP support services (ProDoc Annex 24c). For execution support rendered by UNDP, a strict firewall will be maintained between the delivery of project oversight and execution as described in the GEF Audit Checklist (ProDoc Annex 23).

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[1] Note that the 'third option analysis' done by the GoP suggests that UNDP's cost of execution support service (estimated at 1% of the project budget, noting that UNDP recovers these costs based on fees per administrative service provided as defined by their Universal Price List) is the most economical relative to the costs/fees charged by other international or national organizations. For example, other UN agencies charge an average of 6-8% of the project budget for PMC; international NGOs, charge and overhead of 5-25% depending on the nature of the project and source of funding; while local NGOs require 5-10% PMC.

## 7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

The project aims to demonstrate how the provisions of the Nagoya Protocol (NP) on ABS can be applied to the Philippines' national context, which is one of high biodiversity alongside high ethnic and linguistic diversity that has resulted in a wealth of knowledge about plant and aquatic genetic resources and IPLCs. The project builds on twenty years of initiatives on the part of the Philippine Government to implement Article 15 of the CBD and, more recently, applying the NP on ABS that came into force in 2015. The project will provide the enabling administrative system including building the capacity of government to implement the proposed executive and legislative measures currently under consideration by the President and both Houses the Philippine Genetic Resources and Access and Benefit Sharing PGRABS Bill (for HB 2163) which has been approved at the level of the House Committee on Science and Technology at the committee hearing (August 2018). The PGRABS bill is 'an act strengthening the national policy on wealth generation from access, benefit-sharing from the utilization of Philippine genetic resources and for other purposes.'

The project is also consistent with the country's Philippine Development Plan 2016-2022, specifically Chapter 20 which specifies ABS as a strategy in developing and expanding resource-based industries. This is also consistent with the area-based convergence programme entitled 'Sustainable Integrated Area-Based Development' of the DENR which began implementation in 2017. It identified priority areas including the sites that are nominated as pilot/demonstration sites for this proposal. Similarly, the project will contribute in the implementation of the key priorities defined in the Philippine Biodiversity Strategy and Action Plan 2015-2028, particularly the Roadmap for Realizing Access and Benefit-Sharing in the Philippines where close synergy among the various agencies for implementing Joint DENR-DA-PCSD-NCIP Administrative Order No. 1, Series of 2005 or the 2005 Guidelines for Bioprospecting under the Wildlife Act is called for. It will contribute to the goals and targets of the PBSAP through the strengthening of mechanisms for the assertion by the communities of their rights and the corresponding respect that must be given to such rights by interested stakeholders, particularly the research community and the private sector.

With the Philippines' ratification of the Nagoya Protocol, the DENR has put forward proposed legislative measures to fully make ABS functional. A draft Executive Order on 'Strengthening the National Policy on Wealth Generation From Access, Benefit- Sharing and Utilization of Philippine Genetic Resources' is also pending at the Office of the President. Included in these draft domestic policy measures are the institutional arrangements for implementing the Nagoya Protocol. In terms of research, the roadmap designed under Component 1 will build on the identified major research agenda under the Philippines Wealth Creation Program: nutraceutical, cosmetic, pharmaceutical, industrial products. This roadmap will allow for the scaling-up .PRODOC Annex 11: *Situational Analysis* includes a detailed



description of current policy measures as well as a table that outline's the Philippine government intuitions? current role under the Nagoya Protocol.

## **8. Knowledge Management**

**Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.**

Component 2 will target awareness raising and capacity building for implementation of national ABS Framework. As part of that component, output 2.3 of the project focuses on *best practices and lessons of ABS documented and disseminated and traditional knowledge of IPLC catalogued and made accessible to all stakeholders*. In addition, all the major activities of the project shall have a Process Documentation Research to document best practices, lessons and insights learned, including documenting the role of women and other marginalized groups. These processes may include policymaking, development of protocols and guidelines, FPIC and PIC process, developing, implementing and monitoring research roadmaps, negotiating and implementing ABS agreements and supporting in-situ biodiversity conservation efforts. Results shall be published in different knowledge products.

In partnership with the National Museum, a museum display on the Philippine's rights over genetic resources recognized by the Nagoya Protocol and the ABS implementation in the Philippines in the National Museum of National History to communicate, educate, and create awareness on genetic resources as our cultural heritage, our sovereign rights over them, the benefits that we can derive from them, and our responsibilities to protect and conserve these resources. The display will also communicate and educate the public on ABS. The display maybe conceived as similar to the display on National Integrated Protected Areas System (NIPAS) sites in the Philippines that was done in partnership between the DENR-BMB and the NM. The Project may also explore the possibility of co-designing and implementing a travelling exhibit on ABS on Philippine genetic resources to various universities around the country.

Finally, the Project will support attendance to and/or conduct of learning events where academic and research institutions as well as concerned government agencies can share progress of ABS initiatives and lessons and insights gained.

## **9. Monitoring and Evaluation**

### **Describe the budgeted M and E plan**

Please see PRODOC Section VII Monitoring and Evaluation (M&E) Plan. A table of the budget is reproduced below.

<b>Monitoring and Evaluation Plan and Budget:</b>
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GEF M&E requirements	Indicative costs (US\$)	Time frame
<b>Inception Workshop</b>	8,000	Within 60 days of CEO endorsement of this project.
<b>Inception Report</b>	None	Within 90 days of CEO endorsement of this project.
<b>M&amp;E of GEF Core Indicators and Project Results Framework</b>	36,000	Annually and at mid-point and closure
<b>GEF Project Implementation Report (PIR)</b>	None <sup>14</sup>	Annually typically between June-August
<b>Monitoring of ESMF</b>  <b>See ESMF Annex 8 and related management plans</b>	<i>Covered above under monitoring of project results framework</i>	On-going.
<b>Supervision missions</b>	None <sup>[1]</sup>	Annually
<b>Independent Mid-term Review (MTR)</b>	48,000	12 February 2024
<b>Independent Terminal Evaluation (TE)</b>	48,000	11 August 2026
<b>Total Indicative Cost</b>	<b>140,000</b>	

[1]The costs of UNDP CO and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

## 10. Benefits

**Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCE/SCCF)?**

The strategic development of Pili and Banaba genetic resources have multiple inter-locking opportunities that have strong potential towards equitable wealth creation and inclusive development. The economic benefits may be the initial driver yet the investments towards social and environmental stewardship will determine the ultimate value of ABS.

At the national level, the project will help to facilitate the use of genetic resources, while being cautious of environmental and social safeguards, through a more proactive and streamlined process to securing PIC/FPIC. As such, if implemented properly, compliance with the Nagoya Protocol will provide resources that will accrue to the specific sector concerned such as those involved in drug and cosmetic product development. More academic and research institutions as well as the private sector will be incentivized to invest in ABS-related researches and product development since financial returns can be expected.

At the local level, the increased activity will lead to added employment and job diversification primarily in participating sites and eventually into replicating regions. The formalization of these supply chains and coordinated R&D activities will lead to various roles well suited for local community stakeholders. Non-traditional roles such as research, audit, maintenance (e.g. conditions of expanded plantations and test fields) are strong compliments for the growth of traditional roles in farming, processing/manufacturing, logistics, quality control, marketing and retail created by developing industries. These are aligned with government programs such as the Department of Agriculture's (DA) high value crops development but it is important to note the added opportunity when DENR's National Greening Program (NGP) is supported by policies that allows people's organizations (POs) that were designated to reforest allowed to gain from the produce of the trees they planted in exchange for continuous monitoring and maintenance. Ultimately, these diversified and added jobs can be protected through capacitating of local community enterprises (e.g. cooperatives, Community Based Forest Management (CBFM)) to become sustainable SMEs.

The viability of these added jobs is contingent on the stable and remunerative income genetic resource development is intended to contribute. Pili and Banaba are tree sources that are known to be relatively more resilient to weather disruption and climate change, thus reducing risk of income disruptions. Furthermore, adaptable technology (e.g. dryers for Banaba leaves), R&D (e.g. superior plant varieties) and capacity building (e.g. agri-trainings to IPs) may lead to extended farming and production seasons.

Fair pricing is a key component to remunerative income as the economic fruits of genetic resource development cannot be left unattended to traditional market players. Standardizing processes and evaluating evolving value chains creates an opportunity to establish fair wage and fair-trade standards based on productivity and quality of life indicators starting with participating communities and adapted to regional and national situations. This does not discount the existence of current and traditional livelihoods, yet it intends to diversify income streams that will generally uplift occupational standards and economic benefits primarily among local stakeholders.

## 11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

### Overall Project/Program Risk Classification\*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

**Measures to address identified risks and impacts**

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

**Annex 4: UNDP Social and Environmental Screening Procedure (SESP)**

**Project Information**

<b><i>Project Information</i></b>	
1. Project Title	Implementing the National Framework on Access and Benefit Sharing of Genetic Resources and Associated Traditional Knowledge in the Philippines
2. Project Number	9778
3. Location (Global/Region/Country)	Philippines

**Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability**

**QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?**

*Briefly describe in the space below how the Project mainstreams the human-rights based approach*

Indigenous Peoples (IPs) who attended consultations during the PPG stage perceive that the Project recognizes, respects, and promotes their rights to: 1) genetic resources; 2) community intellectual property rights; 3) sciences and technologies; 4) cultural integrity; 5) livelihoods; and (6) environment and biodiversity conservation. In their view, the Project provides them opportunities to develop these through capacity strengthening (*dagdag na kaalaman*), building partnerships with organizations based on mutual trust and respect, and institutionalizing mechanisms for access and benefit sharing of genetic resources and biodiversity conservation. Aside from its potential economic benefits, they see the Project as recognizing, validating, and promoting the importance of their Indigenous Knowledge and Practices Systems (IKSPs) in development and biodiversity conservation. Currently, their genetic resources and IKSPs are undervalued: these are harvested and sold to intermediaries for additional cash-holdings at low prices. They are also threatened by unsustainable resource use (e.g., charcoal making). During the PPG a wide series of consultations were conducted (see Annex 7 Stakeholder Engagement). Two communities have submitted Community Resolutions after community-initiated discussions declaring a desire to be considered as part of the pilot sites.[1]

By putting in place legal certainty, clarity, as well as fair and non-arbitrary rules for access and benefit sharing over the use of genetic resources and their associated Traditional Knowledge (TKs) and IKSPs, the Nagoya Protocol, implemented in a mutually beneficial manner with other relevant international instruments mainstreams the human rights-based approach to development, science and technology development, business and biodiversity conservation in the country. The Project integrates these principles in its design. If implemented, the Project will greatly benefit the and Local Communities (LCs) and IPs --- its most vulnerable and marginalized groups.

First, the Project recognizes, respects, protects, and promotes the contribution of the LCs and IPs TKs and IKSPs to conservation of genetic resources, sustainable use of its components, and sustainable livelihoods. This positive change of the Project is in consonance with the Universal Declaration of Human Rights (UDHR), particularly Articles 22 and 27. For IPs, this is in line with the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), particularly Article 20. Second, by establishing clear rules and procedures for Prior Informed Consent (PIC) for LCs and Free, Prior and Informed Consent (FPIC) for IPs the Project supports the exercise of these peoples' rights to self-determination to pursue their economic, social, and cultural development as guaranteed in Article 1.1 of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and Article 1.2 of the Declaration of Rights to Development. Meanwhile, by putting in place rules and procedures for mutually agreed terms for access and benefit sharing, the Project guarantees LCs and IPs to get fair and equitable share in the benefits derived from the access of these genetic resources and their associated TKs and/or IKSPs as guaranteed in Article 1.2 of ICESCR. For IPs, this key feature of the Project is in accordance with Articles 19, 23 and 31 of UNDRIP. Meanwhile, capacity building measures supported by the Project will empower IPs in decision-making and help ensure their full and effective participation.

The Project helps protect the rights of peoples to participate, enjoy, and share in scientific advancement and its benefits as enshrined in Article 27 of UDHR by supporting partnerships between LCs and IPs, scientists from the academe and private research institutions, Department of Science and Technology, regulatory agencies, and the private sector on i) R&D on genetic resources and associated TKs and/or IKSPs; ii) development and commercialization of products derived therefrom; and iii) negotiating agreements for fair and equitable sharing. Meanwhile, the Project's support to the development and application of appropriate intellectual property rights policies that recognizes the co-authorship of LCs and IPs for research and product development derived from access to genetic resources and its associated TKs and/or IKSPs is in consonance with Article 28.2 of the UDHR. Research and development for value adding to the products derived from genetic resources and their commercialization will create jobs in the bioprospecting sector. By targeting vulnerable social groups as potential employees, the Project will contribute to improving the economic status of LCs and IPs who will provide the resource and TKs and/or IKSPs. Furthermore, the capacity building measures will boost the professional skills of the targeted groups, help secure their economic and social well-being, and indirectly contribute to ensuring fair and equal pay for work for them.

IPs have the right to biodiversity conservation and the protection of the capacity of the environment and the productive capacity of their lands or territories and resources, as per Article 20 of UNDRIP. By providing support and rallying IPs, research and development community, government, and business to include in situ conservation in the negotiations for mutually agreed terms and fair and equitable sharing, the Project ensures the recognition, respect, protection and promotion of this right.

**Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment**

The Project, as designed, recognizes, protects and promotes the rights of women as guaranteed by the Convention on the Elimination of Discrimination Against Women (CEDAW). This Project aims to contribute to reduced gender discrimination by promoting increased recognition of the role of women in the bioprospecting sector. The Project strategy includes a strong gender action plan to ensure that implementation of project interventions incorporates aspects of gender equality and empowerment throughout. The Project will aim for gender balance across all project components, outputs, and activities. A complete gender analysis and associated action plan is included in Annex 9.

**Briefly describe in the space below how the Project mainstreams environmental sustainability**

This Project has a strong biodiversity conservation aspect, aiming to ensure environmental sustainability mainstreaming into the bioprospecting sector of Philippine economy. The envisaged long-term solution for the Project highlights the environmental benefits that it will generate and ensure that environmental and economic sustainability are mainstreamed into the bioprospecting sector.

The Project is designed to include in-situ conservation measures to ensure the conservation and sustainability of the genetic resources. To ensure its institutionalization, these measures will be integrated into the negotiated Mutually Agreed Terms (MAT). Among others, the Project will support conducting resource inventories including geotagging activities to determine species abundance and availability. LCs and IPs will be supported in preparing resource management plans and strengthening of their cultural practices in plant propagation, nursery development, planting and harvesting protocols. The Project will work with Local Government Units (LGUs) from the barangay, municipal and provincial level to enforce and monitor conservation of genetic resources. At the National Level, a system of tracking such as utilization and implementation of the MAT will be developed, and this system will be supported by a digital platform, the National ABS Clearing House.

**Part B. Identifying and Managing Social and Environmental Risks**

**QUESTION 2: What are the Potential Social and Environmental Risks?**

*Note: Describe briefly potential social and environmental risks identified in Attachment 1 ? Risk Screening Checklist (based on any ?Yes? responses).*

**QUESTION 3: What is the level of significance of the potential social and environmental risks?**

*Note: Respond to Questions 4 and 5 below before proceeding to Question 6*

**QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?**

<i>Risk Description</i>	<i>Impact and Probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
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<p><i>Risk 1:</i> The Project could potentially discriminate against local communities and other indigenous peoples from other parts of the Philippines who share the same TKs/IKSPs associated with the species selected in the Project in ABS agreements.</p> <p><i>Principle 1, Human Rights.</i></p>	<p>Impact: 4 Probability: 1</p>	<p>Moderate</p>	<p>This risk was initially identified during the PPG Inception Workshop in Region 3 and raised again during the Stakeholder Engagement Meeting with Philippine Council for Agriculture, Aquatic, and Natural Resources Research Development (PCAARRD). The probability of this risk to take place is minimal as Article 11.2 (Transboundary Cooperation) of the Nagoya Protocol already provides guidance on how to resolve this issue.</p>	<p>The Project will mitigate this risk at the National Level by policy proofing through a process that follows Strategic Environmental and Social Assessment (SESA) principles. Furthermore, the Project will support the conduct of a policy study on LCs and IPs? concepts on ownership of GR and their associated TKs/IKSPs to ensure that the IPLC?s knowledge and practices on the ground are captured in the harmonized policy that will be proposed for the Project. At the ground level, the Project will support conducting a survey/assessment on the Project site as part of site or area development planning to further examine how the Project will affect local communities and indigenous peoples.</p> <p>For ground level activities, the project has developed an ESMF (Annex 8) and a Stakeholder Engagement Plan (Annex 7). Per the Philippine?s government?s preference an issue specific management plan for IPs has also been developed --- see the IP Framework (Annex 13). All aforementioned plans fully consider IPs rights and standards under the Nagoya Protocol, other international laws and agreements, and national laws and regulations.</p>
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<p><i>Risk 2:</i> The Project could potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits if gender roles, relations, and capacities in the Project area are not clearly understood and gender is not mainstreamed across all Project components and the implementation of the Gender Plan is inadequate.</p> <p><i>Principle 2, Gender Equality and Women's Empowerment.</i></p>	<p>Impact: 4 Probability: 1</p>	<p>Moderate</p>	<p>The gender situation and potential issues and concerns were discussed by various stakeholders during the National and Regional Inception Workshops using guide questions. By design, the Project aims to improve the lives of 2,120 women and 3,938 men as direct Project benefits.</p>	<p>A Gender Analysis and Gender Action Plan has been prepared to address issues of lack of understanding of gender roles, gender relations in resource governance and capacities in the Project Areas that will potentially result to lack of participation of women, and consequently lead to their disenfranchisement in access and benefit sharing from genetic resources and its associated TKs/IKSPs.</p> <p>At the policy level, gender will be strategically mainstreamed in the revised and harmonized rules and regulations for ABS, as well as in the functional mechanisms that will be put in place to operationalize it. In the work related to building awareness and capacities around ABS, women and men stakeholders will be provided with equal opportunities to be engaged in the various aspects (research and development or R&amp;D, science, business, conservation, etc.) of ABS. In particular, local and indigenous stakeholders will be capacitated to communicate and negotiate more effectively for the conservation of biodiversity and access to both monetary and non-monetary benefits arising from ABS agreements. At the target site and species level (pili and banaba), the Project will specifically address the lack of gender-smart and ABS-compliant value chain models in the Philippines.</p> <p>By the second PIR or MTR, if the Project is right on track to meet the target, the SESP can be revised to remove the risk.</p>
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<p>Risk 3: Monocropping of pili in plantation type development might develop new pests and diseases. It might also erode genetic variation in a population.</p> <p><i>Standard 1, SES 1.6.</i></p>	<p>Impact: 3 Probability: 1</p>	<p>Low</p>	<p>Risk identified at PPG stage. This risk was identified in two separate discussions: 1) by various participants during the Inception Workshop in Bicol; and 2) by the DENR Region 5 Office in a comprehensive discussion with them using the Stakeholder Profile Template. The Project will involve plantation development and reforestation of pili and banaba as they are part of DENR's National Greening Program and DA's High Value Crops Program. The two government agencies already have mitigation measures in place to support diversification and integrated farming practices, respectively. Thus, these issues are already being mitigated successfully by the DENR and DA in the implementation of their regular Projects. As an incentive in NGP sites, the DENR has committed to support farmers in planting coffee and</p>
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<p><i>Risk 4:</i> Project activities involving utilization of genetic resources, including collection, harvesting, and commercial development may inadvertently support genetic resources related malpractices.</p> <p><i>Standard 1, SES 1.9.</i></p>	<p>Impact: 3 Probability: 1</p>	<p>Low</p>	<p>Utilization of genetic resources, under this Project has the explicit purpose of promoting fair and equitable access benefit sharing and ensuring biodiversity conservation through putting in place legal certainty and clarity in access rules and mechanisms. The Project will pilot Free/Prior Informed Consent and Mutually Agreed Terms (MAT) in compliance with the Nagoya Protocol and existing international agreements and national legal frameworks.</p>	
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<p><i>Risk 5:</i> Typhoons and other climate change exacerbated phenomena could affect the achievement of outputs and outcomes of the Project, especially under component 3. Currently, the timing, paths and intensity of typhoons do not follow previous patterns. Increased and more serious flooding have also been observed in recent years.</p> <p><i>Standard 2, SES Req. 2.2</i></p>	<p>Impact: 4 Probability: 2</p>	<p>Moderate</p>	<p>The risk was discussed by stakeholders during the Stakeholder Engagement Workshop after Typhoon Kammuri (Tisoy) hit Bicol on December 1-2, 2019.</p>	<p>The potential outcomes of the Project are sensitive or vulnerable to potential impacts of climate change. Currently, the timing, paths, and intensity of typhoons have shifted due to climate change.</p> <p>Climate change resiliency measures and analysis will be made integral to ABS processes and reflected in partner community/ LGUs local plans. The Project will also support data gathering on community resilience, climate change impacts including indigenous/ traditional indicators will be generated and analyzed for informed decision making.</p>
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<p>Risk 6: The Project proposes to access and develop genetic resources and associated IKSPs for commercial purposes. Exploitation of genetic resources in ancestral domains and associated IKSPs of IPs, including issues of authorship and ownership of intellectual property rights may arise.</p> <p><i>Standard 4, SES 4.2.</i></p>	<p>Impact: 4 Probability: 1</p>	<p>Moderate</p>	<p>Risk identified at PPG stage. The Project proposes the utilization of tangible and/or intangible forms of cultural heritage for commercial or other purposes, but with the explicit purpose of protecting traditional knowledge promoting fair and equitable sharing of benefits thereof derived through ABS pilots and systemic measures.</p>	<p>An Indigenous Peoples Framework (Annex 13) has been prepared to address issues associated with IKSPs, this is also contemplated in the project's ESMF (Annex 8).</p> <p>During Project implementation, the specific activities related to IPs to be identified in Region 3 will undergo the Environmental and Social Safeguard screening, assessment and management defined in the ESMF (Annex 8) . Further, Indigenous Peoples Plans (IPPs) and Livelihood Action Plans (LAPs) will be developed (where/if relevant) following the Site-Specific screening results.</p> <p>The Project recognizes IPs rights to GR and associated IKSPs in accordance with UNDRIP, UNCBD Nagoya Protocol, and IPRA and will mitigate the issue through FPIC Processes, MAT as well as policy proofing.</p> <p>The Project will ensure that the issues of democratization of knowledge production, authorship, and intellectual property issues are thoroughly discussed during the FPIC Process and are resolved in the MOA that will be signed between and among parties.</p>
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<p><i>Risk 7:</i> IPs are present in select Project areas in Region 3, and most of these areas are located in ancestral domains and lands within and/or adjacent to protected areas already declared and recognized Indigenous Community Conserved Areas (ICCA). The Project could potentially restrict access/use of natural resources by IPs.</p>	<p>Impact: 4 Probability: 1</p>	<p>Moderate</p>	<p>Representatives of IP communities who participated in during the Pre-Inception Meeting and Inception Workshop discussed this issue extensively and articulated that the Project recognizes, respects, and promotes their rights to: (1) genetic resources; (2) community intellectual property rights; (3) sciences and technologies; (4) cultural integrity; (5) livelihoods; and (6) environment and biodiversity conservation because it provides them an opportunity to develop these through capacity strengthening (<i>dagdag na kaalaman</i>), building partnerships with organizations based on mutual trust and respect, and putting in place mechanisms for access and benefit sharing and biodiversity conservation. Note that the ICCA that overlaps with a National Park and a Forest Reserve proposed for the ABS Project already has a Community</p>	<p>As provided by the IP Framework (Annex 13) and ESMF (Annex 8), this risk will be managed by enhancing the positive impacts of ABS in IPs lives. Note that the specific recommendations from IPs are already integrated in the Project design, this has been documented through PPG consultation minutes.</p> <p>Also, in consideration of the Expanded National Integrated Protected Area Systems (ENIPAS) Act, the Project will recognize IP rights to govern, maintain, develop, protect, and conserve such areas, in accordance with their customary law and IKSPs, with full and effective assistance from the NCIP, DENR and other concerned government agencies. The Project will also recognize and respect indigenous governance and leadership structures and work with the established coordination and complementation structures and mechanisms between and among the IP leadership, NCIP, DENR, LGUs and civil society.</p>	<p>Furthermore, following the IPRA, restrictions of access which have impacts to IPs, whether positive or negative, also have to comply with the FPIC requirements of the law.</p>
<p><i>Standard 1, SES 1.2.</i> <i>Standard 6, SES 6.1, 6.2, 6.3, 6.5 and 6.9.</i></p>					

<p><i>Risk</i> 8: Indigenous, community-owned land arrangements and indigenous-claimed resources might be affected by commercial cultivation, threatening traditional cultural socio-economic dynamics and potentially generating conflict within indigenous communities.</p> <p><i>PI Human Rights Standard 5, 5.4 Standard 6, SES 6.8.</i></p>	<p>Impact: 4 Probability: 1</p>	<p>Moderate</p>	<p>Risk identified at PPG stage. Some of the Project sites include land inhabited by the IPs and their ancestral domains and ancestral lands. They have been purposively selected so that rights-based and culturally appropriate ABS policies and guidelines on FPIC and MAT can be designed for them and with them.</p>	<p>As identified in the IP Framework, the Project will ensure that IP rights (including land rights) are respected and commercial cultivation of tree species will not negatively affect traditional livelihoods. Customary law and IKSP in resource management and biodiversity conservation will be promoted and adapted. Additionally, the Project will contribute to improving the economic well-being of IPs in the value chain by securing a fair and equitable sharing of financial returns from bioproducts.</p> <p>Overall, the Project is designed to strengthen the fair and equitable sharing of benefits derived from the access, use, and commercialization of genetic resources, through both ABS pilots and other systemic measures. However, experience from other business endeavors indicate that negative cultural change as well as tensions and divisions among IP communities arise with the influx of money from royalty payments. As described in the IP Framework , the Project will mitigate this with a range of capacity building activities (i.e. community organization, financial management).</p>
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**QUESTION 4: What is the overall Project risk categorization?**

Select one (see <a href="#">SESP</a> for guidance)	Comments
<i>Low Risk</i>	?

<i>Moderate Risk</i>	?	<p>Eight potential risks are identified, six as MODERATE and two as LOW. All potential risks at this stage have been duly identified and have been scoped in time and scale with a reasonable degree of certainty. For each risk that can be avoided, reduced or mitigated through project design, appropriate measures have been taken and reflected in the Project Document. Hence, the project's social and environmental risks exist, but these can be managed within proposed project activities, standard best practices. An Environmental and Social Management Framework (ESMF) was developed to guide SES considerations during project implementation (see Annex 8), together with a Stakeholder Engagement Plan (see Annex 7), a Gender Analysis and Action Plan (see Annex 9), and Indigenous Peoples Framework (See Annex 13).</p> <p>During Project implementation, the specific activities related to IPs to be identified in Region 3 will undergo the Environmental and Social Safeguard screening, assessment and management defined in the ESMF (Annex 8). Further, Indigenous Peoples Plans (IPPs) and Livelihood Action Plans (LAPs) will be developed (where/if relevant) following the Site-Specific screening results.</p>
<i>High Risk</i>	?	

**QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?**

<i>Principle 1: Human Rights</i>	?	Risk 1
<i>Principle 2: Gender Equality and Women's Empowerment</i>	?	Risk 2
<i>1. Biodiversity Conservation and Natural Resource Management</i>	?	Risks 3 and 4
<i>2. Climate Change Mitigation and Adaptation</i>	?	Risk 5
<i>3. Community Health, Safety and Working Conditions</i>	?	
<i>4. Cultural Heritage</i>	?	Risk 6
<i>5. Displacement and Resettlement</i>	?	Risk 8
<i>6. Indigenous Peoples</i>	?	Risks 7 and 8
<i>7. Pollution Prevention and Resource Efficiency</i>	?	

**Final Sign Off**

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		
QA Approver		
PAC Chair		



## SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental <u>Risks</u>	Answer (Yes/No)
<b>Principles 1: Human Rights</b>	
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? [2] <sup>2</sup>	Yes
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	Yes
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
<b>Principle 2: Gender Equality and Women's Empowerment</b>	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	Yes
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?  <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
<b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	

Checklist Potential Social and Environmental Risks	Answer (Yes/No)
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>	
<p>1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?</p> <p><i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i></p>	No
<p>1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?</p>	Yes
<p>1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)</p>	No
<p>1.4 Would Project activities pose risks to endangered species?</p>	No
<p>1.5 Would the Project pose a risk of introducing invasive alien species?</p>	No
<p>1.6 Does the Project involve harvesting of natural forests, plantation development, or reforestation?</p>	Yes
<p>1.7 Does the Project involve the production and/or harvesting of fish populations or other aquatic species?</p>	No
<p>1.8 Does the Project involve significant extraction, diversion or containment of surface or ground water?</p> <p><i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i></p>	No
<p>1.9 Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)</p>	Yes
<p>1.10 Would the Project generate potential adverse transboundary or global environmental concerns?</p>	No
<p>1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?</p> <p><i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i></p>	No
<b>Standard 2: Climate Change Mitigation and Adaptation</b>	

<b>Checklist Potential Social and Environmental Risks</b>	<b>Answer (Yes/No)</b>
2.1 Will the proposed Project result in significant <sup>[3]</sup> greenhouse gas emissions or may exacerbate climate change?	No
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3 Is the proposed Project likely to directly or indirectly increase social and environmental <b>vulnerability to climate change</b> now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
<b>Standard 3: Community Health, Safety and Working Conditions</b>	
3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2 Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3 Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6 Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9 Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
<b>Standard 4: Cultural Heritage</b>	
4.1 Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No

<b>Checklist Potential Social and Environmental Risks</b>	<b>Answer (Yes/No)</b>
4.2 Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	Yes
<b>Standard 5: Displacement and Resettlement</b>	
5.1 Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2 Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions ? even in the absence of physical relocation)?	No
5.3 Is there a risk that the Project would lead to forced evictions?[4] <sup>4</sup>	No
5.4 Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	Yes
<b>Standard 6: Indigenous Peoples</b>	
6.1 Are indigenous peoples present in the Project area (including Project area of influence)?	Yes
6.2 Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	Yes
6.3 Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	Yes
6.4 Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5 Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	Yes
6.6 Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7 Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8 Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	Yes
6.9 Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	Yes
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>	

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Checklist Potential Social and Environmental Risks	Answer (Yes/No)
7.1 Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or <a href="#">transboundary impacts</a> ?	No
7.2 Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3 Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	No
7.4 Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5 Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

[1] A third community has also initiated the drafting of a Community Resolution however, the process has been delayed due to the Luzon-wide lockdown following the COVID-19 outbreak. Technically, these processes already constitute community-initiated FPIC. But under Philippine Laws, the FPIC process is a longer and more tedious process, initiated by the National Commission on Indigenous Peoples (NCIP).

[2] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to ?women and men? or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

[3] In regards to CO<sub>2</sub>, ?significant emissions? corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

[4] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

#### Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
<b>PIMS 6275_ABS ProDoc___14May21</b>	<b>CEO Endorsement ESS</b>	
<b>PIMS 6275 -CEO Endorsement Request - ABS- Philippines ready for submission_14May21</b>	<b>CEO Endorsement ESS</b>	
<b>PIMS 6275 10079 Review Sheet 14May21_Responses</b>	<b>CEO Endorsement ESS</b>	
<b>Annex 24C_Signed LOA ABS</b>	<b>CEO Endorsement ESS</b>	
<b>Annex 24B__OFP Letter_ABS Project_to GEFSEC</b>	<b>CEO Endorsement ESS</b>	
<b>Annex 24A__PIMS6275_IP Letter for OFP on ExecServices</b>	<b>CEO Endorsement ESS</b>	
<b>Annex 23_PIMS 6275_GEF Checklist_ABS_signed</b>	<b>CEO Endorsement ESS</b>	

**ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).**

**Annex A: Project Results Framework (PRODOC Section V. Project Results Framework)**

<b>This project will contribute to the following Sustainable Development Goal (s):</b>							
Goal 10: Reduce inequalities ? By developing ABS frameworks the project is supporting Goal 10 targets, specifically sustaining income growth and reducing cross border exploitation of resources.							
Goal 12: Ensure sustainable consumption and production patterns ? ABS and sustainable use of biodiversity helps support Goal 12 targets of improving sustainable management and efficient use of natural resources in value chain and building awareness in local communities of life in harmony with nature							
Goal 15: Life on Land ? By contributing to biodiversity conservation and sustainable use this project is contributing to achieving Life on Land Biodiversity targets, specifically, targets for sustainable management of forests, preventing degradation of habitats and loss of biodiversity, curbing demand for illegal biodiversity products, and especially increasing the capacity of local communities to pursue sustainable livelihood opportunities.							
<b>This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD):</b>							
UNDAF Outcome statement and CPD Outcome 2.3 Urbanization, economic growth, and climate change actions are converging for a resilient, equitable, and sustainable development path for communities.							
CPD Output statement: Partnerships strengthened, and economic models introduced to reduce biodiversity degradation from unsustainable practices and climate impact							
	<b>Objective and Outcome Indicators</b>	<b>Baseline</b>		<b>Mid-term Target</b>		<b>End of Project Target</b>	
<b>Project Objective:</b> Increased economic opportunity and biodiversity conservation for local communities and indigenous peoples in the Philippines stemming from fair and equitable sharing of biodiversity benefits	<b>Mandatory Indicator 1:</b> Direct project beneficiaries disaggregated by gender (individual people, No.)	1.	0	1.1	1,060	1.	2,120
	1. Female (35%) 2. Male (65%)	2.	0	1.2	1,969	2.	3,938
	GEF Core Indicator 11						
	<b>Mandatory Indicator 2:</b> Area of landscapes under improved management (hectares; excluding protected areas)	2.1:	0	2.1:	15,000 Hectares	2.1:	35,828 Hectares
	2.1 Hectares Region 3 (Central Luzon)	2.2:	0	2.2:	2,500 Hectares	2.2:	5,834 Hectares
	2.2 Hectares Region 5 (Bicol)						
	GEF Core Indicator 4 (Indicator 4.1 Area of landscapes under improved management to benefit biodiversity)						

	<p>Indicator 3: Gender-responsive harmonized rules and regulations in place for the implementation of the Nagoya Protocol</p> <p>3.1 Bioprospecting guidelines and relevant supporting rules and regulations</p> <p>3.2. NCIP FPIC guidelines and relevant supporting rules and regulations</p>	<p>Rules and regulations for ABS exist but are uncoordinated, inconsistent, and not followed</p>	<p>3.1 Bioprospecting guidelines and relevant supporting rules and regulations updated and harmonized</p> <p>3.2. NCIP FPIC guidelines and relevant supporting rules and regulations updated and harmonized</p>	<p>3.1 Bioprospecting guidelines and relevant supporting rules and regulations adopted</p> <p>3.2. NCIP FPIC guidelines and relevant supporting rules and regulations adopted</p>
	<p><b>Indicator 4:</b> ABS Agreements negotiated (No.)</p>	<p>No ABS Agreements have been concluded and approved in compliance with Nagoya Protocol</p>	<p>At least 1 draft agreement completed</p>	<p>At least 1 ABS Agreement successfully concluded</p>
<b>Project component 1</b>	Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol			
<b>Project Outcome 1</b> Strengthening the national framework for implementing ABS in accordance with the Nagoya Protocol	<p><b>Indicator 5:</b> Mechanism for national implementation of ABS improved</p> <p>5.1 Inter-agency framework for monitoring and tracking the use of GR and ABS transactions developed (No.)</p> <p>5.2 Mechanism to channel ABS monetary and non-monetary benefits to local communities and IPs and support biodiversity conservation and sustainable use (No.)</p>	<p>No formal monitoring and tracking framework exist</p>	<p>5.1: 1 initial draft framework for monitoring and tracking GR developed ?</p> <p>5.2: 1 draft mechanism to channel ABS monetary benefits to local communities developed and tested</p>	<p>5.1: 1 inter-agency framework for monitoring and tracking GR in place ?</p> <p>5.2: 1 mechanism to channel ABS monetary benefits to local communities established and institutionalized</p>
	<p><b>Indicator 6:</b> Integrated knowledge management platform to capture ABS documentation including cataloging of TK (No.)</p>	<p>No single place to find centralized and curated information on genetic resources/ABS</p>	<p>1 Beta version of Integrated knowledge management platform for ABS in place for trial and fine-tuning</p>	<p>1 integrated knowledge management platform established and institutionalized for on-going and pipeline researches, traditional knowledge of IPLCs, and access permits</p>



<b>Outputs to achieve</b> <b>Outcome 1</b>	1. Revised and harmonized rules and regulations to facilitate research and promote ABS agreements 2. Clear procedure, protocols and guidelines for bioprospecting research and development 3. Functional mechanism, including administrative system, institutional arrangements, monitoring and financing mechanism in place to facilitate implementation and compliance of the national ABS framework 4. Access and Benefits Sharing national roadmap developed			
<b>Project component 2</b>	Awareness raising and capacity building for implementation of national ABS framework			
<b>Outcome 2</b> Enhanced understanding of the ABS regime and the value of traditional knowledge associated with genetic and biological resources for improved policy making and on the ground conservation, sustainable use and fair and equitable sharing of benefits	<b>Indicator 7:</b> Improved capacities of relevant agencies and stakeholders for ABS implementation as measured by an increase in UNDP ABS capacity development scorecard 7.1 National government 7.2 Local government Region 5 7.3 Local government Region 3  <b>Indicator 8:</b> Gender-responsive Communication, Education, and Public Awareness (CEPA) plan (No.) 8.1 CEPA 8.2 Change in knowledge, attitudes, and practices (KAP) of target groups	Limited capacity of relevant agencies for ABS implementation as shown by UNDP ABS capacity development score of 7.1 46%/(1.4/3) 7.2: 46% (1.4/3) 7.3: 20% (0.6/3)	10% increase in agency capacity 7.1 56% 7.2: 56% 7.3 30%  8.1 One CEPA developed and tested 8.2 One KAP carried out and initial survey results	At least 30% increase in agency capacity as measured by UNDP ABS scorecard 7.1 76% 7.2: 76% 7.3 50%  8.1 One CEPA fully deployed 8.2 One Final KAP survey results assessed
<b>Outputs to achieve</b> <b>Outcome 2</b>	1. Awareness raising campaign implemented targeted to different ABS stakeholders (user, providers, research institutions, etc.) 2. Integrated training program and other capacity building measures for staff of relevant ABS agencies and stakeholders undertaken 3. Best practices and lessons of ABS documented and disseminated and traditional knowledge of IPLC catalogued and made accessible to all stakeholders			
<b>Project component 3</b>	Demonstrating benefit-sharing agreements			

<b>Outcome 3</b> At least one ABS Agreement negotiated and finalized that demonstrate PIC and MAT and with clear provision on fair and equitable benefit sharing	<b>Indicator 9:</b> Number of potential ABS products identified and tested for potential commercial application (No.)  9.1: Pili ( <i>Canarium ovatum</i> and <i>Canarium luzonicum</i> ) 9.2: Banaba ( <i>Lagerstroemia speciosa</i> )	Several products identified but not through ABS processes: 9.1 Pili (6): cooking oil, animal feeds, biofuel, industrial component (in thinner, paints, sealant, waterproofing), essential oils, cosmetic, medicinal ointment  9.2 Banaba (3): herbal teas, supplements, anti-dengue drug in clinical study	9.1 At least 1 ABS product <b>identified</b> Pili 9.2 At least 1 ABS product <b>identified</b> Banaba	9.1 At least 1 ABS product <b>tested</b> for potential commercial application Pili 9.2 At least 1 ABS product <b>tested</b> for potential commercial application Banaba
	<b>Indicator 10:</b> Biodiversity management plan for in-situ conservation and management of biological resources integrated in pilot agreement (No.)  10.1 Region 3 10.2 Region 5	10.1 No such plan in place under ABS 10.2 No such plan in place under ABS	10.1 Region 3: 1 Draft management plan for in-situ conservation developed 10.2 Region 5: 1 Draft management plan of in-situ conservation developed	10.1 Region 3: 1 Management plan for in-situ conservation integrated into pilot agreement 10.2 Region 5: 1 Management plan for in-situ conservation integrated into pilot agreement
	<b>Indicator 11:</b> Gender-smart and ABS compliant value chain for identified genetic resources mapped (No)  11.1 Region 3 11.2: Region 5	11.1 Several potential markets identified but not analyzed across the entire value chain  11.2 Several potential markets identified but not analyzed across the entire value chain	11.1: 1 Draft value chain Banaba mapped with strategic development road map 11.2: 1 Draft value chain Pili mapped with strategic development road map	11.1: 1 Value chain Banaba mapped with strategic development road map 11.2: 1 Value chain Pili mapped with strategic development road map
<b>Outputs to achieve Outcome 3</b>	1. Research and development conducted for identified species ( <i>Pili</i> and <i>Banaba</i> ) 2. Strategic Roadmap for the identification and creation of benefits based on genetic resource development 3. Negotiate and implement ABS agreement modeling FPIC and PIC processes 4. In-situ conservation measures to ensure the security of the concerned genetic resources are integrated into the negotiated MAT			

**ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).**

**Annex B: Response to Project Reviews**

Comments	Response	Relevant Section of UNDP Project Document and - GEF CEO ER.
Comments from GEFSEC Review		
None		
Comments from STAP		

<p>1. Overall comment: STAP has some specific concerns about the lack of coherent theory of change that should be addressed during PPG phase to increase the likelihood of overall success . Finally, STAP recommends that the project proponents should reflect on the lessons learned and experience in other countries which have attempted to generate local benefits and biodiversity conservation outcomes with ABS. A useful recent review is <a href="https://www.ictsd.org/sites/default/files/research/access_to_genetic_resources_and_benefit_sharing?_ruiz_final.pdf">https://www.ictsd.org/sites/default/files/research/access_to_genetic_resources_and_benefit_sharing?_ruiz_final.pdf</a></p>	<p>During the PPG process a complete theory of change was developed that incorporated lessons learned and experiences from other countries. The design took into account the review highlighted by STAP as well as a number of other projects including the recently published GEF-funded <i>ABS is Genetic Resources for Sustainable Development</i> (2018), which highlights how 27 countries are 'investing in biodiversity for people and planet,' a comprehensive paper <i>Access to Genetic Resources and Benefit Sharing 25 Years on: Progress and Challenges</i> (2018), which argues that there is evidence to suggest the need for a shift in the narrative on, and policy options for ABS that is adapted to a changing R&amp;D landscape , and an earlier study <i>Assessing Biodiversity and Sharing the Benefits: Lessons from Implementation of the Convention on Biological Diversity</i>, (IUCN, 2004). From these and other projects key lessons were integrated into the project design, including:</p> <ul style="list-style-type: none"> <li>? Taking a multi-stakeholder approach in ABS implementation where the role of private sector as well as communities are emphasized, particularly in the project sites</li> <li>? Selecting species strategically to have both scientific and traditional uses as well as economic value; and</li> <li>? Replicating, the GEF-UNDP Global ABS Project's methodology for designing a gender-smart, ABS-compliant value chain (Annex 9 Gender Analysis)</li> </ul>	<p>PRODOC Section III: Strategy (pp. 16-20) - TOC and lessons incorporate</p> <p>PRODOC Annex 12: Site Selection</p> <p>PRODOC Annex 9: Gender Analysis</p>
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2. Not entirely clear that the total hectares targeted for improved management to benefit biodiversity (10,000 has) will necessarily result from the activities described in the project, particularly since it involves encouraging communities to farm the species involved rather than sustainably wild harvest, which presumably could provide incentives for forest conversion to agriculture rather than conservation (although not enough information is provided to understand this)

During the PPG, based on deliberations with the Department of DENR, the lead implementing agency in this ABS development program and numerous stakeholder meetings, the species and site selected for the project have changed from the original PIF. The selection was based on the following criteria: (1) the plant species being abundant and indigenous in the selected areas, while considering the possible effect on conservation status by the identified economic utilization; (2) the existing IKSP/TK, trade and other utilization in the market; (3) the available research and product development pointing to the potential of increasing the market value derived from such; and (4) the opportunity for greater local stakeholder inclusion in the value chain.

The project been designed to include in-situ conservation measures to ensure the security of genetic resources; these measures will be integrated into the negotiated MAT (Output 3.4). Among others, the project will support the conduct of resource inventory of resources including geotagging of the resources to determine species abundance and availability of resources for bioprospecting. IPLCs will be supported in preparing resource management plans and strengthening of their cultural practices in plant propagation, nursery development, planting and harvesting protocols. The project will work with LGUs from the barangay, municipal and provincial level to enforce and monitor conservation of genetic resources. At the National Level, a system of tracking such as utilization and implementation of the MAT will be developed, and this system will be supported by a digital platform, the national ABS clearing house.

At the policy and program levels, there are adequate safeguards that ABS activities are pursued with conservation and sustainable use of biodiversity principles.

PRODOC  
Section III:  
Strategy (pp. 21-22)

Annex 12: Site Selection provides details on the selected species, site selection and provides an overview of the two selected species? distribution, threat level, R&D, value change as well as conservation and social benefits.

<p>3. Barrier 1 not particularly well titled, this is more about weak, inconsistent and uncoordinated application of policy framework and their enforcement rather than weak enforcement per se</p>	<p>Barrier 1 wording has been changed to ?Inconsistent, uncoordinated application of policy, institutional and regulatory frameworks on ABS implementation? to better reflect the actual barrier .</p>	<p>PRODO C Section III (p. 13)</p>
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4. Are the lessons learned from similar or related past GEF and non-GEF interventions described; This project builds on several other related activities supported by the GEF, USAID, and others. Not clear that lessons learned from these projects are relevant or have been incorporated into this project apart from the fact that there are significant gaps in policies and capacity building related to ABS that this project hopes to fill. Given the general global failure of ABS to deliver on its perceived initial promise, learning lessons from successful and failed efforts globally is really important here? what has been effective in overcoming roadblocks and securing local benefits and incentives elsewhere? There are very few examples of this really worked? where has it worked and what has made the difference?

Please also see response above in no. 1

In addition, the project looked into the experience of India (GUPTA, Aman. Indian Traditional Knowledge: Leeway towards Sustainable Development. Journal of Intellectual Property Rights Law, [S.l.], v. 1, n. 2, p. 35-41, Feb. 2019. Available at: <http://lawjournals.stmjournals.in/index.php/jiprl/article/view/145> . Date accessed: 04 Feb. 2020.) and has incorporated the following into Output 1.3: (i) ABS online filing system; and (ii) Traditional Digital Library.

Other successful initiatives from countries supported by GEF were adopted by the project these include (i) the development of customized ABS community protocols and guidelines by local communities and indigenous peoples as potential providers of genetic resources and/ or associated TK (*Output 1.2 Clear procedure, protocols and guidelines for bioprospecting, research and development*); (ii) the case of Brazil which deregulated access to genetic resources to support more access and innovation, and has thereby received an increase in ABS applications. This is important for the Philippines to see as there is over-regulation but no implementation, monitoring and learning; and (iii) reports that ABS failure in other countries is due to a huge knowledge gaps with regards to understanding the business models of different industries using genetic resource. The project takes this into consideration and has secured commitment with major business players in the *Banaba* and *Pili* industry to apply as the resource users and working together with the DENR and ABS institutions towards an ABS product. In this way ABS regulations will be improved with the input of the private industry (Component 3, Annex 7: Stakeholder Engagement)

PRODOC  
Section IV:  
Results and Partnerships (Outputs 1.2, 1.3, p. 27, Component 3 pp. 29-31)

PRODOC  
Annex 7:  
Stakeholder Engagement

<p>5. The links to <i>in?situ</i> biodiversity conservation are not clearly articulated. Given that some forms of use of genetic resources do not require any on?going wild harvest (and the project explicitly supports farming rather than wild harvest), how will such use of genetic resources incentivize ongoing biodiversity conservation? The relationship in component 3 between farming of the species and the BMPs is unclear ? will they be wild harvesting or farming? And what is the rationale for either? In relation to Sambong, it appears a patent already exists, and products are in commercial production ? so what is the role of securing FPIC (this does not appear to be possible)? More information is needed on the approach taken here and the rationale for this approach</p>	<p>Sambong is no longer one of the species targeted within this project (see response #2 above). The choice of a species other than Sanbong was triggered by DENR and BMB?s decision to select an indigenous tree species which is within their mandate?s jurisdiction. The primary motivation for this is to be able to maximize the country?s biodiversity resources which are indigenous and sets the Key Biodiversity Areas and protected areas of the Philippines apart from the other countries.</p> <p>Through the PPG process a more thorough baseline assessment of the two selected species, Pili and Banaba was undertaken. The project approach has been more fully articulated and the baseline for the targeted genetic resources has been more fully articulated (PRODOC Annex 12). The PPG process has also allowed for more in-depth stakeholder consultations to better narrow the approach which will combine both wild harvesting and farming. There are already resource management plans mandated for ancestral domains, and they have a biodiversity component. The harvesting to be done will require permits, inventory, use of sustainable harvesting protocols, and allowable quotas.</p>	<p>CEO ER #1a Project Description and #6 Global Environment Benefits</p> <p>PRODOC Annex 12: Site Selection</p> <p>PRODOC Annex 7: Stakeholder Engagement</p>
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<p>6. If the pilot isn't successful, for example, how will the project succeed in making the case that the Philippines should invest time and resources into building capacity, strengthening the legal framework, etc.</p>	<p>The project combines various approaches in developing critical ABS experience - working at the top where ABS specific interventions in capacity building and policy are envisioned across sectors (across all research agencies, state universities) and intra-sector (within an agency such as DENR, NCIP, DOH pharmaceuticals and cosmetics). There has also been significant co-financing commitment from the private sector and academia demonstrating commitment to the process.</p> <p>The basis for the environmental sustainability of the project's outcomes lies mainly in the improved capacity of national and local stakeholders to utilize the ABS mechanism to support biodiversity conservation and its sustainable use.</p>	<p>CEO ER Table C, #7 Innovativeness, sustainability and potential for scaling up.</p> <p>PRODOC Section IV: Results and Partnerships</p>
<p>7. Indicators, or methodologies, provided to demonstrate how the global environmental benefits will be measured and monitored during project implementation</p>	<p>Annex 12: Site Selection details the geographic areas the pilot projects will target and the methodology for calculating HA under improved management. The indicators for monitoring, sources of verification, responsibilities etc. are included in Annex 3 of the PRODOC.</p>	<p>PRODOC Annex 3: Monitoring Plan</p> <p>PRODOC Annex 12: Site Selection</p>

<p>8. What activities will be implemented to increase the project's resilience to climate change</p>	<p>Typhoons will affect the achievement of outputs and outcomes of the project, especially under component 3. Both Regions 3 and 5 are prone to typhoons. The issue is made complicated by climate change: currently, the timing, paths, and intensity of typhoons are not according to previous patterns. Increased and more serious flooding have also been observed.</p> <p>Climate change resiliency measures and analysis will be made integral to ABS processes and reflected in partner community/ LGUs local plans. The Project will support data gathering on community resilience, climate change impacts including indigenous/ traditional indicators will be generated and analyzed.</p> <p>At the site-level, the project will be led by the DENR field offices and local government units, these offices have climate change plans in place as mandated by climate change law, the project will use these plans to provide consistency and complementation of interventions.</p> <p>In region 3, where the partners include organized community groups such as indigenous peoples, they also have their ancestral domain management plans where the project can refer to and enhanced to ensure ABS activities are adequately supports and improves community resiliency.</p> <p>Generating more data at the species level for Pili and Banaba will also support species level conservation against climate change impacts.</p> <p>The project will work on tree species, these are sources that are known to be more resilient to weather disruption and climate change. Safeguards are placed to ensuring that cultivation of tree species will not negatively affect traditional livelihoods</p>	<p>PRODO C Annex 5: UNDP Risk Register</p> <p>PRODO C Annex 4: SESP</p> <p>PRODO C Annex 8: ESMF</p>
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9. The entire concept of ABS is innovative; however, this particular project doesn't include any additional innovations in terms of design, financing, etc.

The successful implementation of the Project will prove that it is possible to create value chains with the sustainable use of genetic resources, including medicinal plant and other non-timber resources and with local communities. In addition, the project will build trust regarding the financial opportunity which the use of biological and genetic resources offers, as an economic alternative to unsustainable exploitation of biological resources.

Industry level- At the national and local level the project presents an opportunity to jumpstart a genetic resources industry which is rights based and equitable. Preferential support will be given to community organizations who are also the owner and manager of these genetic resources while at the same time promote GR develop respecting customary law and IKSPs. The project also provides an opportunity to build enterprises which are community- based and culturally appropriate but with linkages to SMEs.

The genetic innovation derived from the R&D is expected to lead to the development of the following from each species.

*Pili cosmetic product development with PhilPILI*

The Pili industry has been exploring alternative products derived from Pili nut processing to leverage against volatile nut prices. Pili pulp and sap have been used in various products namely, cooking oil, animal feeds and resin. The most promising in terms of higher market value is through the development of cosmetic products founded primarily on its antioxidant and antibacterial traits. Multiple research areas have identified the high bioactive constituents of alkaloids, flavonoids, glycosides, saponins, sterols, tannins, terpenens, fatty acids in the pulp and terpineol, elemicine, elemol, dipentene, phellandrene and limonene derived from the sap.

Pulp oil is commonly derived via crude press extraction which requires refining to eliminate impurities. While elemi oil is derived from the Pili tree's sap via steam distillation extraction. Early developers of these raw materials

CEO ER #7

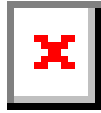
Innovativeness, sustainability and potential for scaling up.

PRODOC Section III. Project Strategy

PRODOC Section IV. Results and Partnerships

<p>10. Project Map and Coordinates. Please provide geo?referenced information and map where the project interventions will take place. map is included but no geo?referencing</p>	<p>A map of all of Region 3 and Region 5 is included with the geospatial coordinates of the potential pilot sites for this project. The final pilot selection will be made during the first year of implementation.</p>	<p>CEO ER Annex E PRODOC Annex 1</p>
<p>11. The risks are reasonably comprehensive, and none are outside of the project's control. However, it is hard to see how the mitigation measures in the first risk really reduce this risk ? this is an economic assessment for the companies involved. Further, there may be a need to highlight the risk that communities may not provide FPIC in the case of the two selected case examples in component 3, which would mean these examples could not progress as planned.</p>	<p>Risk matrix has been updated to incorporate SESP. It better highlights risk of communities not providing FPIC or PIC and the SESP, ESMF, and Stakeholder Engagement Plan all delve into the work done during the PPF to engage IP communities.</p>	<p>CEO ER #5 Risk PRODOC Annex 5: UNDP Risk Register  PRODOC Annex 4: SESP  PRODOC Annex 7: Stakeholder Engagement Plan  PRODOC Annex 8: ESMF</p>

Comments from US Council Member



The technical comments from the United States were taken into account in the full proposal development. The project baseline was expanded during the PPG process and the Philippine Genetic Resources Access and Benefit Sharing bill (PGRAS) has been fully integrated in to the proposal. Under the ProDoc, p. 12:

?The project will provide the enabling administrative system including building the capacity of government to implement the proposed executive and legislative measures currently under consideration by the President and both Houses the Philippine Genetic Resources and Access and Benefit Sharing PGRABS Bill (for HB 2163) which has been approved at the level of the House Committee on Science and Technology at the committee hearing (August 2018). The PGRABS bill is ?an act strengthening the national policy on wealth generation from access, benefit-sharing from the utilization of Philippine genetic resources and for other purposes.?

The bill is also discussed in the Annex 11, Situational Analysis (pp. 1-2, 17). Overall, the bill is one part of a larger national framework including several other existing laws and regulations on ABS (outlined in the baseline and situational analysis) that have been analyzed and integrated into the project design. The project has been designed to prioritize and build upon these as well as including policy measures to make it easier for the Philippines to meet NP core requirements.

In terms of the Philippine Natural Health Products Industry Roadmap (2014-203), this unfortunately is no longer an active program and since 2015 there has been no indication of any progress made. It has therefore not been included as part of the proposal.

During the PPG, based on deliberations with the Department of Environment and Natural Resources (DENR) , the lead implementing agency in this ABS development program and numerous stakeholder meetings (see Annex 7 for a summary of all stakeholder meetings and workshops), the species and site selected were Pili in Bicol and Banaba in Central Luzon. The selection was based on the following criteria: (1) the plant species being abundant and

PRODOC p.12

Annex 11, Situational Analysis (pp. 1-2, 17)

Annex 12, Site Selection.

**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).**  
**(Provide detailed funding amount of the PPG activities financing status**  
**in the table below:**

*PPG Grant Approved at PIF: \$150,000*

<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent to Date</i>	<i>Amount Committed</i>

<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent to Date</i>	<i>Amount Committed</i>
<b>Component A: Preparatory Technical Studies and Reviews</b>			
1. Engagement of Local PPG Team	82,200	51,479.95	30,720.05
a. National Expert on ABS Policy and Institutional Building			
b. Stakeholder Engagement and Safeguards Specialist	33,000	33,000	-
c. Enterprise Development Specialist			
d. Gender Specialist			
2. Desktop and field-based studies and data collection			
a. Desktop reviews			
b. Gender Analysis			
c. Environmental and Social Safeguards Assessments			
d. Identification of project sites	25,800	21,096.46	4,703.54
e. Financial Planning			
f. National and Site Level Inception Workshops			
g. Field Missions for Data Gathering			
<b>Component B: Formulation of the UNDP-GEF Project Document, CEO Endorsement and Mandatory and Project Specific Annexes</b>			
1. Engagement of International Project Development Officer who was responsible for the consolidation and finalization of all required documents (i.e., Project Document, CEO Endorsement Request, Annexes), with a specific focus on the following areas:	2,000	1,235.28	764.72
a. Theory of Change	7,000	6,638.89	361.11
b. Results Framework			
c. Monitoring and Evaluation Plan and Budget			
d. Stakeholder Engagement Plan			
e. Gender Action Plan and Budget			
f. Social and Environmental Standards			

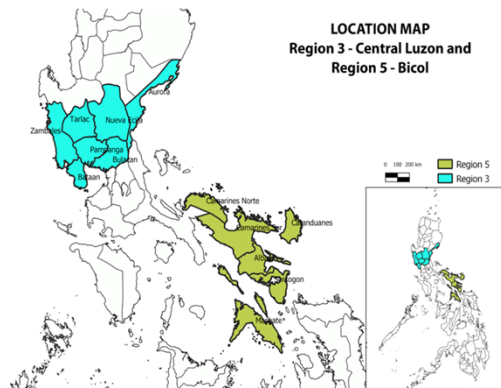
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent to Date</i>	<i>Amount Committed</i>
<b>Total</b>	150,000	113,450.58	36,549.42

## ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

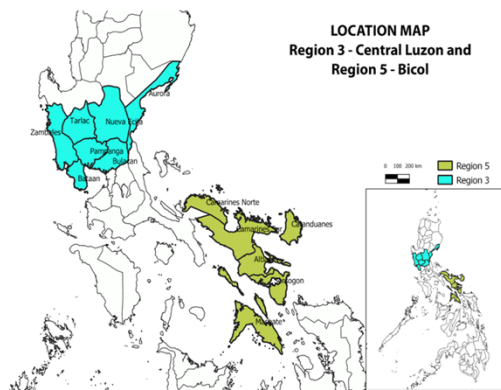
Please see PRODOC Annex 1 for a larger version of the maps. Figure 1 includes a map of all of Region 3 and Region 5, the regions where the pilot sites will be selected.

**Figure 1. Location of Regions 3 and 5**



Please see PRODOC Annex 1 for a larger version of the maps. Figure 1 includes a map of all of Region 3 and Region 5, the regions where the pilot sites will be selected.

**Figure 1. Location of Regions 3 and 5**



Tables 1 and 2 below provide the geospatial coordinates of the potential pilot sites for this project. The final selection will be made during the first year of implementation.



**Table 1. Region 3 Potential Sites Geospatial Coordinates**

Area	Latitude	Longitude
Maporac	15.1558416	120.061468
Sitio Porac	15.2466	120.026
Camias	15.088	120.4704
Villa Maria	15.089425	120.484529
Barangay Biniritan	14.799945	120.374007

**Table 2. Region 5 Potential Sites Geospatial Coordinates**

Local Government Unit	Latitude	Longitude
<b>Sorsogon</b>		
Casiguran	12.840319	124.041847
Sorsogon City	12.980654	124.02398
Bulusan	12.761898	124.112203
Gubat	12.81816	123.97204
Juban	12.81816	123.972
<b>Albay</b>		
Tabaco City	13.350259	123.702029
Bacacay	13.284593	123.866835
Malilipot	13.303637	123.719937
Malinao	13.385597	123.662965
Tiwi	13.462066	123.638417
<b>Camarines Sur</b>		
Canaman	13.643598	123.14459
Pili	13.591516	123.265126

San Gabriel, Pamplona	13.5664	123.095
Nabua	13.40238	123.338181
Iriga City	13.41667	123.4167

Figure 2 depicts the target provinces in the Bicol region (i.e., Sorsogon, Albay, Camarines Sur). Identified indicative sites per province are also shown which are represented by red points on the map. The potential sites were determined using the information provided by the Department of Agriculture Region 5 on the top recipients of pili sapling distribution.

**Figure 2. Indicative Project Sites in Region 5**

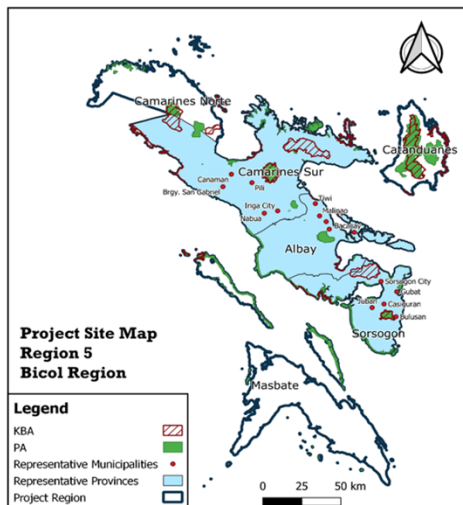
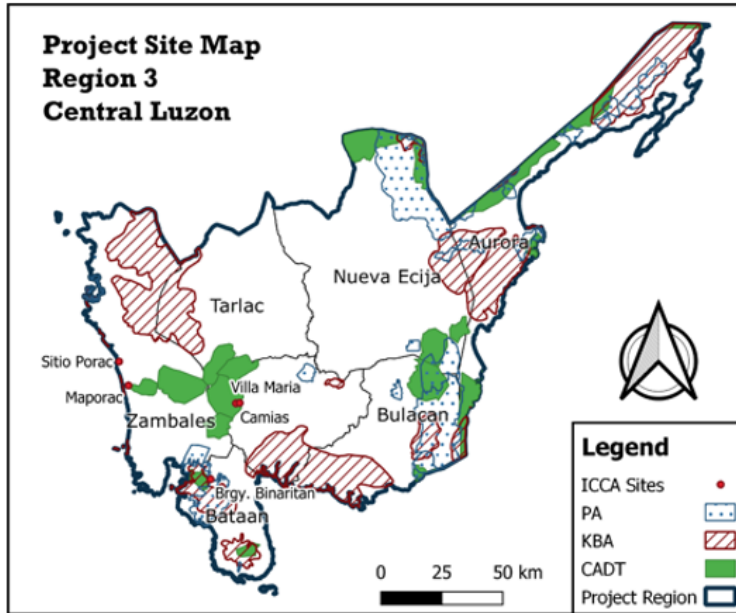


Figure 3 depicts the potential sites in the Central Luzon Region. Four of the identified sites (i.e., Maporac, New San Juan, Cabangán, Zambales; Villa María and Camias, Porac, Pampanga; and Brgy. Biniritan, Morong, Bataan) were declared as Indigenous and Community Conserved Areas (ICCAs) while the remaining one (i.e., Sitio Porac, Botolan, Zambales) is under a Community Based Forest Management Agreement (CBFMA) with the Department of Environment and Natural Resources.

**Figure 3. Potential Project Sites in Region 3**



**ANNEX E: Project Budget Table**

**Please attach a project budget table.**

**ANNEX F: (For NGI only) Termsheet**

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on

Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

**ANNEX G: (For NGI only) Reflows**

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

**ANNEX H: (For NGI only) Agency Capacity to generate reflows**

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).