

Supplement to Expression of Interest in Joining the Forest Carbon Partnership Facility (FCPF)

December 6, 2011

Guidelines:

1. The information requested in this form is to follow up on your expression of interest in the FCPF and assess your country's interest in relation to the importance of REDD+ (reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks in developing countries) for the country. The governing body of the FCPF, the Participants Committee (PC), requested the Facility Management Team to solicit additional information from countries having expressed interest in the FCPF, propose criteria and a process for the possible selection of more countries into the FCPF, and analyze the cost implications of such a selection, given that the participation of new countries is subject to available resources (see paragraph 11 of Resolution PC/10/2011/1 available at <http://www.forestcarbonpartnership.org/fcp/sites/forestcarbonpartnership.org/files/Documents/PDF/Oct2011/Final%20PC10%20Resolution%201%20-%20strategic%20direction.pdf>).
2. Please keep the length of your response to 5 pages, as this is not meant to be a national Readiness Preparation Proposal (R-PP).
3. Please forward the completed form to the FCPF Facility Management Team by email at fcpfsecretariat@worldbank.org no later than January 31, 2012.
4. Additional information about the FCPF is available at <http://www.forestcarbonpartnership.org/fcp/>.

1. General information

Country submitting the form: PHILIPPINES

Date submitted: 31 January 2012

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2. Background

- 2.1 The Philippines intends to participate in the FCPF under Category iv: Participation with full financial support for REDD+ Readiness preparation, to include financial and technical support for REDD+ readiness to formulate and implement R-PP and for one country representative to attend FCPF meetings.
- 2.2 The Philippines by virtue of Executive Order 881 dated April 26, 2010 mandated the Climate Change Commission (CCC) to include in its scope of coordination the programs and action plans relating to REDD-Plus; designated the Department of Environment and Natural Resources (DENR) as the operational implementor of REDD+. DENR's mandate includes the management and utilization of any support coming from international organizations, United Nations and similar mechanisms in coordination with the CCC. In August of 2010, the PNRPS was approved by the DENR executive board. In January 2012, the PNRPS was further affirmed in the National Climate Change Action Plan (NCCAP) by the Climate Change Commission.
- 2.3 Through a multi-stakeholder and multi-level process of consultative workshops and writeshops, the Philippines prepared its National REDD-Plus Strategy, also known as PNRPS (Philippine National REDD-Plus Strategy). On August 9, 2010, DENR approved the PNRPS and this has been adopted for implementation under the National Climate Change Action Plan (NCCAP) approved on November 23, 2011 by the Climate Change Commission. At present, Philippines have various levels of assistance from the following readiness efforts: (1) BMU/GIZ for policy measures and piloting REDD-Plus measures with demonstration site in Southern Leyte, (2) EU for community and livelihood options with demonstration site in Palawan, (3) FFI- Team Energy- EU for the ancestral domain planning and livelihood options as well with demonstration site in General Nakar, (4) SDC for cross-cutting policy, capacity building, governance and research initiatives , (5) UN-REDD for initial readiness process on institutional mechanisms, awareness, safeguards, and MRV system proposal. Given these, it has been agreed among partners in the recently held planning sessions that at DENR with the leadership of the UN-REDD Project Executive Board, that all committees on these various efforts be consolidated in one body so that meetings will handle all readiness projects with particular agenda items determined accordingly. Specific project technical working groups or project management units shall be retained according to the PNRPS Working Groups to serve as technical arms of the Steering Committee on REDD-Plus. This structure will serve as the platform for the organization of the Multi-Stakeholder REDD-Plus Councils at the National and Provincial levels with integrated work at the Philippine regional development councils.

In view of the above, the most logical Delivery Partner for channeling FCPF resources and providing REDD-Plus readiness Services would be through the UN-REDD country mechanism.

- 2.4 Yes, the World Bank is presently assisting the Department of Environment and Natural Resources through the Environment and Natural Resources Management Project (ENRMP) where Sector Investment and Maintenance Loan (SIM) is implemented as a budget support instrument. Under this window, DENR enrolled the Forestland Boundary Delineation and the National Greening Program in order to finance time slice of DENR's regular budget to ensure continued implementation of activities.
- 2.5 As earlier mentioned, the UN-REDD Philippines Programme is on initial readiness process and all other initial efforts are for readiness as well. However with reference to the PNRPS, the level of support would not be able to provide for the finalization of national systems for the following (1)

institutional capacities in terms of governance structures, policies, research and development, technical expertise, (2) MRV conditions and safeguards, including governance and other MRV of support and (3) Funds management. Furthermore as UN-REDD commitment is only for an initial year and for USD 500,000, the funds are lacking for full readiness status based on the PNRPS.

In view of the above, FCPF support can focus on further support to demonstration sites and the process of informing/ integrating/ consolidating the field results to national systems. Further to the MRV, FCPF could also look into nesting mechanisms from subnational activities to national activities. FCPF could continue on from the work of UNREDD / GIZ in establishing the national reference level as well as subnational (province level) reference levels

3. REDD+ and National Development

- 3.1 Philippine forests provide a wide array of goods and services, including timber, non-timber forest products, water resources, biodiversity habitat, soil retention and stability, and carbon sequestration. They provide various ecosystem services that are vital to the survival and stability of society, such as supporting natural processes (e.g. biodiversity maintenance, crop pollination, soil formation, water infiltration, and enhancement of microclimate); provisioning for human needs (e.g. food, fresh water, medicine, wood, fiber, and fuel); regulating environmental processes (e.g. water flow regime regulation, carbon regulation, air quality regulation, food regulation, and disease regulation); and sustaining cultures (e.g. cultural identity and integrity, spiritual values, aesthetic and recreational values, and educational values).

The Philippines is one of the biodiversity “hot spots” and “mega-diversity areas” of the world (McNeely et al., 1990). Philippine forests have extremely high floral and faunal diversity (PAWB-DENR, 2006). They harbour about 13,000 species of plants, comprising 5% of the world’s total of plant species (DENR/UNEP, 1997). For terrestrial vertebrate fauna, it is estimated that there are around 927 species, of which, 594 (64 percent) are endemic to the country (De Leon, 2007).

Approximately 18 to 20 million people inhabit the uplands of many watersheds and depend on their resources for survival. It is also estimated that no less than 1.5 million hectares of agricultural land presently derive irrigation water from those watersheds (Lasco et al., 2008).

As of 2009, approximately 6 million ha of forestlands were covered by some form of community forest management under various government programs (Lasco et al., 2009), each with corresponding management regimes. This includes 181 Certificate of Ancestral Domains Claims across 2.54 million ha (Catala and Manuel, 2009), supporting the forest tenure of Indigenous Peoples.

- 3.2 From 1969 to 1988, the annual average rate of deforestation in the Philippines stood at about 216,000 hectares per annum (DENR-FMB, 2003). Analysis comparing the forest cover between 1988 and 2003, has shown that deforestation has been arrested, in fact showing an average annual increase of about 25,000 hectares of natural forests (DENR-FMB, 2007). However, forest degradation has continued. During the same latter period, the loss of closed canopy forests has been at an average annual rate of 204,000 ha, converted mainly to open canopy forests, which has increased by about 229,000 ha annually (DENR-FMB, 2007). Nevertheless, the Philippine forestry

sector has remained a carbon sink (Lasco et al. 2008), as its annual rate of carbon sequestration exceeds that of carbon loss.

Of the 27.5 million hectares in the late 1500s, the country's forest cover currently stand at 7.2 million hectares or only 24.27 %t of the country's total land area. This has been attributed to the combined ill effects of indiscriminate logging, inadequate forest protection, incoherent policies, expansion of upland agriculture, fires, pests and diseases, and unplanned land conversion. Of the current remaining forests, only 0.8 million hectares of primary forests remain.

At present, there is little detailed quantitative data on recent land use change in the Philippines, and limited information regarding contemporary drivers of deforestation and forest degradation (including regarding underlying causes, immediate drivers, manifestation, trends and locations). Suspected primary causes of deforestation and forest degradation include illegal logging and fuelwood and timber poaching, agricultural expansion, strip-mining, migration and plantation development.

3.3 No, the Philippines has no forest monitoring system that include estimates for GHG emission from deforestation and forest degradation.

3.4 In order to reduce deforestation and forest degradation, the Philippines intends to implement its National REDD-Plus Strategy (PNRPS) through the following seven key components: (1) Enabling Policies; (2) Governance; (3) Resource Use, Allocation and Management; (4) Research and Development; (5) Measurable, Reportable and Verifiable (MRV) Conditions; (6) Capacity Building and Communication; (7) Sustainable Financing

3.5 The key potential challenges for REDD+ in your country comprise of the following?

- a) The speed of the Philippine National REDD+ implementation depends on capacities and other commitments of the stakeholders;
- b) There is constant demand for information dissemination;
- c) Funding from regular funds of government is still wanting;
- d) Formulation of MRV system is faced with technical challenges as there are discussions in the SBSTA under the UNFCCC process;
- e) Carbon cowboys or so called carbon speculators undermine credibility of REDD-Plus and continue their activities in the Philippines despite the memorandum from the NCIP;
- f) There is need to come up with safeguards and sensitivity measures for aspects such as FPIC, gender and rights;
- g) There are still information gaps leading to misunderstanding and misconceptions about REDD+;
- h) There is a need to understand the links of CBD, SFM, forest governance frameworks;
- i) Lack of funding as total funding needed for PNRPS implementation is USD75M

3.6 REDD+ has a key role to play in the Philippines' low-carbon development strategy/plans. By virtue of the Climate Change Act, The Philippines, has promulgated its National Framework Strategy on Climate Change (NFSCC) and its National Climate Change Action Plan (NCCAP). The NFSCC is

formulated within the context of the country's sustainable development goals and governance/institutional factors that affect the country's ability to respond to climate change. This Framework Strategy provides a basis for the national program on climate change. It identifies Key Result Areas to be pursued in key climate-sensitive sectors in addressing the adverse effects of climate change both under adaptation and mitigation. The framework is based on the fundamental principles of sustainable development and treats mitigation as a function of adaptation. The NFSCC recognizes the value of REDD+ as an important area for integrated mitigation/adaptation. The NFSCC adopts the Philippine National REDD+ Strategy as a key strategic priority in the Framework. The NCCAP, on the other hand, establishes REDD+ as a key area for ensuring climate-smart development.

- 3.7 The envisaged national management arrangements for REDD+ contemplates a National Multistakeholder REDD+ Council (NRMC) and Provincial MRC with collaborative mechanisms with regional development councils that are working mechanisms and to be strengthened, as indicated in the PNRPS. The leadership of the Climate Change Commission (the country's highest and sole policy making body on climate change, with the President of the Republic as Chairperson) is seen as a vital element in the national management arrangements for REDD+. At present, the Climate Change Commission has taken the task of leading the organization and formalization of the organization structures as outlined in the PNRPS. While this is in progress, the Working Groups under the PNRPS, comprised of government agencies, NGOs, people's organizations, academe, research institutions, and international partner agencies, serve as the transition for the technical conversation for REDD+, while the steering committee or executive board/s of various REDD+ related projects have started to integrate actions with the favored action to have one governing body with specific technical working groups supported by the PNRPS working groups.
- 3.8 The formulation of the Philippine National REDD-Plus Strategy (PNRPS) has already been completed and it is now being disseminated and further enhanced through initiation of regional information dissemination and capacity-building activities.