



UN COLLABORATIVE PROGRAMME ON REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION IN DEVELOPING COUNTRIES NATIONAL PROGRAMME DOCUMENT

Cover Page

Country: The Philippines
 Programme Title: UN-REDD Philippines Programme: Supporting Initial Readiness Process

Programme Outcome(s): 2005-2009 UNDAF*:

(i) Good Governance: good governance reforms and practices are institutionalized by Government, Local Government Units (LGUs), civil society organizations and the private sector in a manner that contributes substantively to poverty reduction, protection of rights, sustainable human development and promotion of gender equality; (ii) Environmental Sustainability: increased capacity of stakeholders to protect/enhance the quality of the environment and sustainably manage natural resources

*2012- 2018 UNDAF currently under finalization process – once available, the programme will be aligned to the new UNDAF

Programme Duration: 12 months
 Anticipated start/end dates: July 2011-July 2012
 Fund Management Option(s): pass-through
 (Parallel, pooled, pass-through, combination)
 Managing or Administrative Agent: UNDP MDTF
 Office

Total estimated budget*: 500,000 USD

Out of which:

1. Funded Budget: _____
2. Unfunded budget: _____

* Total estimated budget includes both programme costs and indirect support costs

- Government _____
- UN-REDD MDTF 500,000 USD
- Other _____

Names and signatures of (sub) national counterparts and participating UN organizations

By signing this programme document, all signatories – national coordinating authorities and UN organizations – assume full responsibility to achieve results identified with each of them as shown in Table 1 and detailed in annual work plans.

UN organizations	National Coordinating Authorities
Ms. Jacqueline Badcock UN Resident Coordinator Signature: [Redacted] Date: 25 July 2011	Mr. Ramon J.P. Paje Secretary Department of Environment and Natural Resources Signature: [Redacted] Date: 25 July 2011
Mr. Kazuyuki Tsurumi FAO Representative in the Philippines Signature: [Redacted] Date: 26 July 2011	
Mr. Renaud Meyer UNDP Country Director Signature: [Redacted] Date: 27/7/11	
Mr. Tim Kasten UNEP, Deputy Director, Division of Environmental Policy Implementation and Chief, Freshwater and Terrestrial Ecosystems Branch Signature: [Redacted] Date: 27/7/11	

1. Executive Summary

The total area of forestlands in the Philippines is 15.8 million hectares, or 53% of the total land area. Of this, 15.05 million hectares have been classified and the rest remain unclassified. As of 2003, the total forest cover of the country is 7.2 million hectares or 24% of the total land area. Forests comprise open, closed, mangroves and plantations.

The combined effects of indiscriminate logging, inadequate forest protection, expansion of upland agriculture, fires, pests and diseases, and unplanned land conversion are cited as the main causes of forest depletion. The degradation of the upland environment has resulted in low productivity, underutilized land and slow diversification in the agricultural sector and reduced forest product flows which have increased poverty and reduced earnings.

This initial national programme is a one year undertaking which aims to develop the Philippines REDD readiness by putting in place the enabling environment. Specifically, it aims to achieve the over-all objective of *"to increase capacity of forestland, protected areas and ancestral domains managers & support groups to implement REDD+ projects and activities."* It is part of a comprehensive process through which the Philippines will become REDD+ ready; additional funding will be secured from bilateral and multi-lateral funding sources, including through a Full UN-REDD Programme, should additional funds become available of the UN-REDD Programme. The Initial National Programme has the following outcomes and corresponding outputs:

Outcome 1: REDD+ readiness support by effective, inclusive and participatory management process. Outputs are:

Output 1.1: Strong commitment on REDD+ from key stakeholders at the national and local level gained;

Output 1.2: Awareness of key stakeholders on REDD+ enhanced;

Output 1.3: Multi- stakeholder coordinative mechanism for REDD+ established.

Output 1.4: National REDD+ capacity programme developed;

Outcome 2: Systematic and structural approach to REDD+ readiness identified through concrete studies of options and inclusive consultation. Outputs are:

Output 2.1 Approach on REDD+ social and environmental safeguards developed;

Outcome 3: Capacity to establish reference baselines increased. Outputs are:

Output 3.1: Harmonized methodology for reference baselines for selected REDD-able sites established;

Output 3.2: A national MRV approach established.

The project will address national priorities of poverty alleviation, environmental protection and management and adapting to climate change impacts while contributing to reduced greenhouse gas emissions globally. The direct beneficiaries are the Philippines' forest communities, especially indigenous peoples. The project will be implemented by the Forest Management Bureau of the Department of Environment and Natural Resources and its partners, primarily CoDE REDD civil society organizations, supported by the following UN organizations also comprising the UN REDD partnership: Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

2. Situation Analysis

The current Common Country Assessment (CCA) which underpins the UN Development Assistance Framework (UNDAF) for the period 2011-2015 notes that although the Philippines is now considered a lower Middle Income Country (MIC), challenges to its sustainable development remain. It has a Human Development Index (HDI) ranking of 105th out of 182 countries but lagging behind in its attainment of some MDGs. The country still has wide disparities in both incomes and human development outcomes across regions and sectors.

Poverty is a persistent problem, with the number of poor people estimated to be greater today than 25 years ago due to the interlocking issues of quality of growth, population growth, food security, physical characteristics which render it perennially vulnerable to disaster risks and exacerbated by new challenges like climate change, decades old armed conflict in the south and a less than desired quality of public governance, among others.

An estimated 33% of the Philippine population still lives below the poverty line.¹ Poverty in the Philippines is predominantly rural in character and occurs mostly in the coastal and upland regions of the country, particularly Mindanao. An estimated 25 million Filipinos live in uplands with half of them occupying forest lands (Cruz, 1997). High unemployment rate, low level of educational attainment and weak support for human resource development are features of forest based communities. With relatively higher poverty rates, communities in the upland and rural areas are mostly indigenous peoples and settlers who are dependent on forest resources and are among the poorest and most marginalised.

Poverty alleviation is expedient in forest conservation actions. Forest resource dependent communities' main source of livelihood is farming of subsistence and cash crops supplemented by forest-based accessing of woodfuel either for domestic energy needs or for the market (firewood and charcoal) or for timber poaching as lucrative source of income under the control of entrenched financiers. Various forms of swidden agriculture (or kaingin) especially in logged-over areas are widely practiced, causing unregulated forestland conversion to small-scale farms or plantation of monocrops. In addition, forest lands are converted to expanding human settlements and industrial zones, or accessed for extractive economic activities.

Practices in sustainable management of forests not yet linked to impacts of climate change, weak law enforcement due to inadequately equipped people and organizations in terms of training, equipment, network, incentives and favorable policy conditions that provide development interventions are also factors that contribute to forest depletion. A Multi-Sectoral Forest Protection Committee (MFPC)² was institutionalized in 1995 to support forest law enforcement and governance but the number of MFPCs have been declining and interests waned due to lack of support.

Land Use, Forest Policy and Governance

Land Classification and Land Use Trends

The Philippines has a total land area of 30 million hectares broken down into certified alienable and disposable land (14.195 million hectares or 47%) and forestlands (15.805 million hectares or 53%).

¹ National Statistics and Coordination Bureau 2006

² Introduced under a World Bank project in 1992, MFPCs are composed of selected leaders in the community who bind themselves together to assist DENR in the crusade against illegal logging. Members include the LGUs, youth, academe, religious, women, media, military, business and other government agencies (Amaro, 2006).

Out of the total forestlands, 15.050 million hectares have been classified and the rest remain unclassified.³

Unfortunately, Philippine forests have steadily declined, covering around 70% of the country's land area in the 1920s, to only around 20% at present. From 27.5 million hectares in the late 1500s, the country's forest cover went down to 7.2 million hectares or 24.27 % of the total land area in 2003 and has remained at approximately this level since then. Forests comprise open, closed, mangroves and plantations. Of these, only 0.8 million hectares are old growth forests. The combined effects of indiscriminate logging, inadequate forest protection, expansion of upland agriculture, fires, pests and diseases, and unplanned land conversion are cited as the main causes of forest depletion.

The degradation of the upland environment has resulted in low productivity, underutilized land and slow diversification in the agricultural sector and reduced forest product flows which have increased poverty and reduced earnings. The cumulative effect of this degradation is severe and has affected lowland and coastal areas. Flooding and sedimentation of rivers and lakes have resulted in the loss of fertile cropland and shortened the life-span of reservoirs supported by dams, affecting both hydroelectric power and water supply. Every year, the rainy season brings an average of 20 typhoons that destroy crops and wash away topsoil.

Tenured Areas

As of 2009, approximately 6 million ha. of forestlands have been covered by some form of community forest management under various government programs, each with corresponding management regimes.⁴ This includes 181 Certificate of Ancestral Domains Claims across 2.54 million ha (Catala and Manuel, 2009)⁵; 1,786 Community-Based Forest Management Agreements (CBFMA) covering 1.62 million ha, involving 1,786 People's Organizations (PO) and over 321,726 households (FMB, 2008); 58 Protected Area Community Based Resource Management Agreements (PACBARMA) across 21,573.35 has.

- Other tenure and management agreements are reported by the Forest Management Bureau, as follows:
- 6 existing/active Timber Licenses in the country, covering 325,310 ha with an annual allowable cut of 65,770 cubic meters;
- 143 Integrated Forest Management Agreement (IFMA) and Industrial Tree Plantation Lease Agreement (ITPLA) holders, covering 767,094 ha;
- 143 Tree Farm and Agro forestry Farm Leases, covering 74,210 ha;
- 1,803 Socialized Industrial Forest Management Agreements (SIFMA), covering 35,587 ha, and
- 370 Forest Land Grazing Lease Agreements (FLGLA) permits, covering 101,187 ha.

Forest Management Regime

The Philippine Constitution offers overarching guidelines for how national forest resources should be managed. It guarantees the right to a balanced and healthy environment in accord with the rhythm and harmony of nature; to protection from disasters like floods and landslides, and to protection from economic and environmental threats resulting from wood and water shortage, biodiversity loss, air pollution and drought. Likewise, the Constitution provides for the full, efficient and rights-based use of natural resources to abate poverty, promote industrialization and full employment,

³ FMB, 2007

⁴ Lasco et al., 2009

⁵ As of May 2009, the National Commission of Indigenous Peoples (NCIP) had officially recognized 107 Certificates of Ancestral Domains Titles (CADT) and Certificates of Ancestral Land Titles (CALT) in the Philippines, covering roughly 2.7 million ha, with more than 600,000 residents. Many of these CADTs and CALTs had been Claims areas that were converted (Catala and Manuel, 2009).

affirm the diverse cultures of the Filipino, and ensure the availability of these resources to present and future generations (1987).

To these ends, Executive Order No. 318 decreed Sustainable Forest Management (SFM) as the prescribed forest management regime (EO 318, 2004). Management is intended to provide for the protections listed in the Constitution, as well as to conform with the 2002 Global Plan of Implementation of the World Summit on Sustainable Development in Johannesburg. Government policy promotes SFM in forests and forestlands in watersheds.

Watersheds are specifically identified as ecosystem management units requiring an integrated ecosystem management approach through SFM, due to the interrelationships and interactions among the various ecosystems of a watershed, from uplands to coastal areas (EO 318). Their management is intended to be holistic, science-based, rights-based, technology-based and community-based. It is intended to observe the principles of multi-use, rational utilization of resources, decentralization and devolution, active participation of Local Government Units (LGUs), synergism of economic, ecological, social and cultural objectives. It is also the policy of the Government to promote sound, effective and efficient, globally-competitive and equitable forestry practices in both public and private domains (EO 318).

However, there is a prohibition on logging and any commercial exploitation of forestry resources in old growth forests, proclaimed watersheds and other areas covered by the National Integrated Protected Areas System (NIPAS) in order to ensure the perpetual existence of all native plants and animals (EO 318).

The above policies are to be pursued using the following principles:

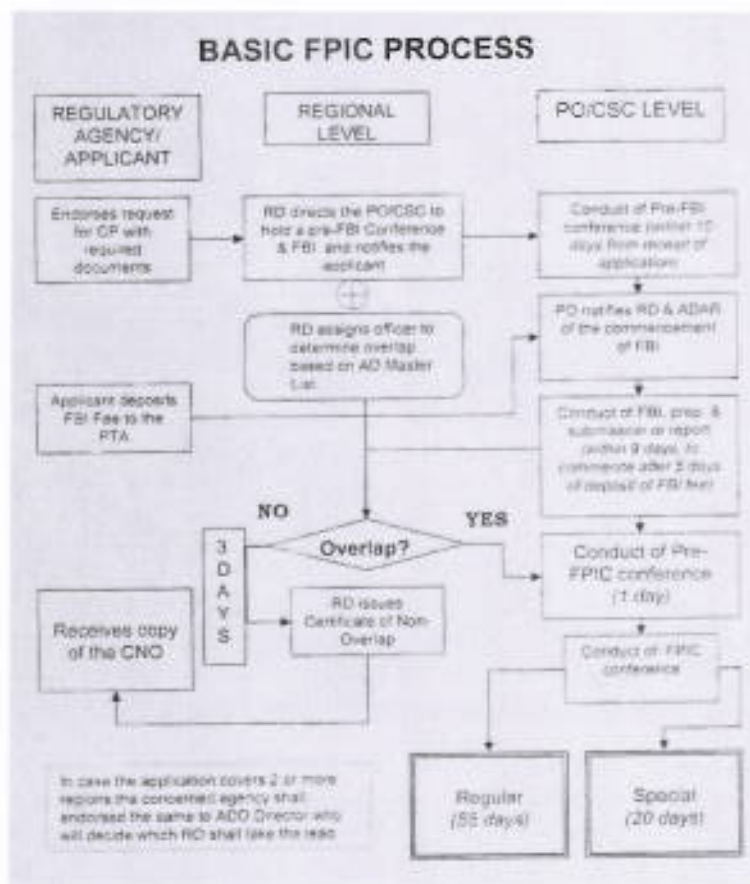
- Delineation, Classification and Demarcation of State Forestlands
- Holistic, Sustainable and Integrated Development of Forestry Resources
- Community-Based Forest Conservation and Development
- Incentives for Enhancing Private Investments, Economic Contribution and Global Competitiveness of Forest-Based Industries
- Proper Valuation and Pricing of Forestry Resources and Financing SFM
- Institutional Support for SFM.

In attaining SFM, empowering local communities in managing their resources is one of the strategies. The *Indigenous Peoples Rights Act of 1997 (IPRA Law)*, in particular, recognizes and promotes all the rights of Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs). It provided an enabling policy for the participation of IPs in SFM activities, in particular, community-based forest management and forest protection in their ancestral lands/domains.⁶

As provided in the IPRA law, legal safeguards such the Free and Prior Informed Consent (FPIC) was asserted to ensure participation of the IPs in decision-making as well as to protect their rights in the introduction and implementation of different undertakings that will have an impact in their ancestral domains. It is operationally described as "This is the consensus of all members of the ICC/IPs which is determined in accordance with their respective customary laws and practices that is free from any external manipulation, interference and coercion and obtained after fully discussing the intent and scope of the plan/program project activity, in a language and process understandable to the community. The FPIC is given by the concerned ICCs/IPs upon the signing of the Memorandum of Agreement (MOA) containing the conditions/requirements, benefits as well as penalties of agreeing parties as basis for the consent. The basic FPIC process is illustrated below,⁷

⁶ The Philippines National Report to the Third Session of the United Nations Forum on Forests, 2003

⁷ NCIP Administrative Order No.1, series of 2006. "The Free and Prior Informed Consent (FPIC) Guidelines of 2006.



The practice of respecting the mandated role of Local Government Units in autonomous, devolved and decentralized development and governance, per Republic Act 7160 (Local Government Code of 1991), similarly requires prior approval by local communities.

Management of Readiness

The 2009 passage of the Climate Change Act the issuance of its Implementing Rules and Regulations, the creation of the Climate Change Commission (CCC) and the issuance of the National Framework Strategy on Climate Change (NFSCC), provide the enabling environment for the development of REDD-plus governance. They also present significant opportunities to engagement government and diverse stakeholders in the drafting of a national legal framework on REDD-plus.

The roles of different government agencies on REDD+, however, still need to be clarified. Although Executive Order No. 881 was recently signed that placed the operational implementation of REDD+ to the DENR and the coordination of policies with the CCC, other key agencies such as the NCIP and key stakeholders like the local government units where REDD+ projects will be located, remain outside the ambit.

An approach that the Philippines has utilized in resource conservation efforts is the multi-stakeholder model wherein representatives from key stakeholders from both national agencies and local government units, civil society groups, indigenous peoples, academe, among others, are enumerated as members of the multi-sectoral body, ensuring sufficient representation by women. This democratic institutionalization of the consultative and participatory approach is reflected in

bodies such as the Fisheries and Resource Management Councils (FARMC) under the Philippine Fisheries Code of 1998⁸ and the Protected Area Management Board (PAMB) under the NIPAS Act. It can therefore serve as a useful model for REDD+.

In early 2009, civil society founded CoDe REDD Philippines, to catalyze REDD-plus readiness and ensure co-benefits for biodiversity conservation, ecosystem services and community development. In collaboration with the DENR's Forest Management Bureau (FMB), CoDe REDD Philippines and partners started to develop a multi-stakeholder REDD-plus strategy in order to facilitate REDD-plus development in the Philippines. This resulted in the Philippines' National REDD-plus Strategy (PNRPS), an outcome from the multi-stakeholder and multi-level process, that brought together the DENR-FMB, representatives from academe, indigenous peoples, local communities, local government units, local and regional conservation organizations and civil society groups. The PNRPS, which will serve to guide future national REDD-plus planning, priority-setting and implementation⁹ is proposed to be finalized under this proposal.

Next steps involve the development of an action plan and early implementation of REDD-plus readiness plans. However, this will require further consultations, through the CCC, DENR, the CoDe REDD Initiative and other multi-stakeholder processes.¹⁰

In particular, local communities (legal and de facto land managers) must be actively engaged, not only consulted, in the crafting a REDD-plus framework. This will help ensure that local customs, practices and perspectives are considered in the development of a REDD-plus legal framework. The development of enabling REDD-plus policy will involve a range of agencies and organizations, and will depend on substantial domestic expertise. The "Capacity Building and Communication" component addresses the need for such capacity building and coordination.

Given these considerations, strategies must be undertaken to develop a REDD-plus policy that is stable, enforced, enabling and integrates all stakeholders, including communities.

Initiatives of development partners related to REDD+ readiness

A number of initiatives by several development partners that are relevant to developing national REDD+ readiness are currently being implemented in the Philippines, and the following include key development partners and their initiatives that are highly relevant to the proposed joint programme:

GIZ

GIZ is implementing with DENR a 3.2 million Euro project on "Climate-relevant Modernisation of Forest Policy and REDD piloting in the Philippines". The project has the duration of 3 years, and it aims at the development of an improved forest policy and of specific incentives to avoided deforestation, for forest protection and rehabilitation and for conservation of biodiversity.

Specifically, the technical assistance will be delivered through intensive advisory services, capacity building and training. It will be supported by an International Adviser on Forest Policy and Climate Change seconded to the DENR-FMB, complemented by international and local expertise. The project

⁸ R.A. 8550.

⁹ The NRPSP is distinct from country submissions of Readiness Preparedness Plans (RPPs) to the World Bank's Forest Carbon Partnership Facility, as it is already based on extensive consultations, is written by diverse stakeholders, and already includes an initial strategy for REDD-plus implementation.

¹⁰ A multi-stakeholder coordinative mechanism is also proposed under this proposal, referred to in the draft PNRPS as the REDD+ Multi-stakeholder Council.

will enhance capacities for planning and implementation of climate relevant forest measures, conflict migration, securing land use rights, and improving local livelihoods. The project has set targets for avoided emissions and for conservation of biodiversity. It also seeks to "contribute to improved adaptive capacities and protective functions of forests."

The project assisted the elaboration of the NRPS. It will pilot and test REDD approaches in selected local communities, primarily in GTZ areas in Panay and Leyte, working out conservation agreements with local actors on forest protection; biodiversity conservation with specific incentives; and related monitoring and control mechanisms. In addition, it will promote policy dialogue on REDD in close cooperation with relevant stakeholders, and exchange of knowledge and experience at national, regional (ASEAN) and international level.

Main government agency counterpart is the DENR (primarily the FMB and the DENR Climate Change Office), and the implementation will be with the DENR regional and provincial offices and with selected LGUs and NGOs.

ADB

ADB's Climate Change Fund (CCF) to support pilot activities meant to develop new approaches for using REDD and land use management to mitigate greenhouse gas emissions while conserving biodiversity and supporting the livelihoods of forest-based communities. Support for related efforts is being provided by the Global Environment Facility (GEF) as grant cofinancing for investment projects in the Philippines.

The ADB project *Integrated Natural Resources and Environmental Management (INREM) Sector Development Programme*, implemented through DENR, will work in four large river basins to establish the foundation for a national approach to integrated river basin management, with an emphasis on upper watersheds. The intention is to include REDD demonstrations/ LULUCF activities using indigenous systems, with CCF funds to the INREM project.

The CCF-funded activities of \$1.41 million will complement \$1.4 million in GEF funding for work on land use, land use planning and forestry and related activities financed through a \$120 million loan. Activities will include development of public-private partnerships in the areas of ecotourism and agriculture, development of forest carbon/biomass baselines in upper watershed, basin-level assessments of carbon cycles, site-specific modalities for generating REDD carbon finance, and support to DENR for development of a national REDD strategy.

Forest Investment Program (FIP): In March 2010, the Subcommittee of the Climate Investment Funds (CIF) Strategic Climate Fund (SCF) covering the Forest Investment Program (FIP) met in Manila. Philippines was not part of the five endorsed FIP pilot countries. Instead, Philippines was recommended as a "reserve" country, and the status currently under review. The FIP, as part of the SCFs, will develop investment plans for REDD. There are some requirements for FIP investments, eg. a National REDD strategy, and a stakeholder mechanism, have to be in place.

JICA

JICA has currently in pipeline new loan projects for Climate Change, and forestry will be one of the sectors. The Climate Change project will be working in 3 watersheds, applying standard methodologies for watersheds, but incorporating some elements of REDD into the existing projects. Starting during this ongoing Japanese fiscal year (ie. before March), the new projects include a project in Mindanao on Capacity building on NRM, focused in livelihoods. Japanese and Philippine Governments provide the loan, but there is a weak conditionality from Japanese government. The criteria for the loan are not designed yet, but possibly certain proportion would go to REDD related

activities, such as monitoring and land use designation. DENR will probably have the main oversight on the loans.

AusAID

AusAID has been focusing mainly on Climate Change Adaptation and Disaster Risk Reduction. However, AusAid is currently developing a Climate Change and DRM strategy for the Philippines to guide the Aid programme's current and new engagement, and is considering to include mitigation and possibly REDD in the strategy.

Previously, AusAID has funded a Landcare project in partnership with the World Agroforestry Centre, promoting effective natural resource conservation farming policies and alternative livelihood options for upland farming communities in four provinces in Mindanao, and one in Visayas. Another project on enhancing tree seedling supply via economic and policy changes in the Philippines nursery sector, also with ICRAF, aimed to improve access to tree seedling supply to promote the development of smallholder and community forestry in the Philippines. Both of these projects have now terminated. Through the Philippines-Australia Community assistance project (PACAP), around 100 community based projects have been supported nationwide since 2005.

UN

UNDP is currently implementing two biodiversity projects funded through GEF. The Samar Island Biodiversity Project includes establishing the Samar Island Natural Park, and operationalizing park management in partnership with forest-edge communities with the aim of establishing a 'social fence' against threats. Interventions will strengthen participatory planning, process-response monitoring, surveillance and enforcement functions, enhance the conservation management capacities of communities, impart conservation values, backstop advocacy operations, and abet development of conservation-compatible village livelihoods. The Samar Island Biodiversity Project has done carbon stock assessment and was also considering carbon trading as one of the possible income streams of the Protected Area. *Current status ->*

The other UNDP project, *Expanding and Diversifying the National System of Terrestrial Protected Areas in the Philippines (EDNSTPAP)*, was recently approved by GEF and implementation is yet to commence. The project will: establish new conservation areas established (covering at least 400,000ha), representing diversified models of PA management (including Ancestral Domain, Local Government- and Community-Managed areas), Address barriers to the sustainable management of the national terrestrial PA system, and Enhance Financial sustainability of the terrestrial PA system. Under this Project, PES schemes will be pilot tested.

FAO has currently two ongoing projects that FAO Philippines is implementing in the forestry/NR sector. The project *Enhancing Natural Resources Management through Enterprise Development in the Philippines* will address poverty alleviation and environmental sustainability in upland forest areas. The intention is to build capacity in CBFM-POs, DENR, and Local Government Units (LGUs), to develop financially viable, ecologically sound, and socio-culturally appropriate community enterprises. The development of community enterprises will provide upland communities with sources of income and employment and will provide valuable lessons along with potential for scaling-up nationally. These natural resource-based enterprises will increase understanding of the contributions made by forestlands to local and national economies and the multiple services they provide to rural communities.

Another FAO project, *Linking communities in Southeast Asia to forestry-related voluntary carbon markets*, will assist countries in Southeast Asia in developing national and regional capacity regarding carbon markets, as well as produce guidelines and information systems to assist communities in the process of developing forestry projects for voluntary carbon markets. The

strategy of this project is based on three central components: (i) capacity development of regional stakeholders, and particularly rural communities, vis-à-vis improving connectivity, transparency and awareness of forest-related voluntary carbon market opportunities; (ii) "hands-on" learning and information sharing by developing and supporting small-scale forestry model projects; and (iii) developing simple guidelines to assist communities and smallholders develop forestry projects and link to voluntary carbon markets. The project activities will be undertaken through a series of national and regional workshops that will involve field site visits and the resulting development of guidelines for accessing voluntary carbon markets.

UNEP's regional GEF project on "Removing Barriers to Invasive Species Management in Production and Protection Forests in SE Asia" has been recently approved, and implementation is yet to start. The project is under the GEF-4 Biodiversity focal area, and it will be implemented in Indonesia, Cambodia, Philippines and Vietnam. In the Philippines, the partners include DENR, ASEAN Center for Biodiversity (Manila) and FAO Regional Office Asia Pacific (Bangkok). The project objective is to manage South East Asian forests and biodiversity sustainably by reducing negative environmental, economic and human health consequences of Invasive Alien Species. The project will establish National Policy and Institutional Frameworks and promote regional cooperation. It will support National Capacity Building and Institutional Support and National Pilots on the Prevention, Control and Management of Priority Forest IAS. The project will develop a National Information, Monitoring, and Awareness Program, and a Monitoring and evaluation plan. The project sites have not yet been selected.

The *MDG-F Joint Programme "Strengthening the Philippines' Institutional Capacity to Adapt to Climate Change"*. The joint programme is implemented over three years from 2008 to 2011. The programme brings together relevant UN agencies working on environmental sustainability and adaptation to climate change, namely UNEP, UNDP, FAO, ILO, UN HABITAT and WHO, as well as 9 government agencies, including the National Economic and Development Authority (NEDA), Department of Environment and Natural Resources (DENR) and Department of Agriculture (DA).

The joint programme is pursuing the following three outcomes: (1) Climate risk reduction (CRR) mainstreamed into key national & selected local development plans & processes; (2) Enhanced national and local capacity to develop, manage and administer projects addressing climate change risks; and (2) Coping mechanisms improved through pilot adaptation project.

The participating UN agencies are working together on inter-agency planning and management systems with national and local partners. UNEP and UNDP work together on the mainstreaming adaptation and capacity building components, while the other UN agencies and their government counterparts are implementing the pilot adaptation projects. The Joint Programme focuses in 5 sectors (Agriculture, Forestry, Water, Health and Coastal).

The Poverty Environment Initiative (PEI) is a global joint programme between UNDP and UNEP to serve as a common operational platform for helping countries meet the challenge of poverty-environment mainstreaming at the national, sectoral and local levels. The PEI in the Philippines is implemented through the UNDP Country Office, supported by the PEI Regional Team based in Bangkok. PEI aims to enable conditions to promote investment from national level public investment as well as local level public investment from LGUs and the Leagues; and to encourage greater benefit sharing of private investment.

ICRAF

ICRAF has studied the potential of avoided deforestation in improving the economic conditions of forest dwellers in selected sites. In the Ikalahan ancestral domain, ICRAF has supported the indigenous community through a project called RUPES (Rewarding Upland Poor for Ecosystem Services). Through the Kalahan Educational Foundation (KEF), the upland residents had started

collecting data on tree growth since 1994 and had made records for 10,000 hectares of production forests. Scientists from ICRAF helped the KEF to analyze the data on carbon stock measurements and train new community members. In mid-2008, KEF signed an agreement with the Mitsubishi UFJ Securities Co., Ltd. for a carbon sequestration project in at least 900 hectares of production forests in Nueva Vizcaya and Nueva Ecija Provinces as an Afforestation/Reforestation project under CDM.

In addition, several other organizations in the Philippines have already started pursuing pioneer REDD+ related projects. For example, Fauna and Flora International (FFI) has a pilot project in the southern Sierra Madre, Quezon Province; and Conservation International-Philippines recently achieved a Voluntary Carbon Standard Certification for its reforestation project, the Peñaflanca Sustainable Reforestation Project in Cabayan Province. Private sector investors have also sought to sign agreements with local communities regarding carbon rights and the development of REDD+ projects.

3. Strategies, including lessons learned and the proposed joint programme

Background/Context:

The programme will directly contribute to the 2005 -2009 UNDAF Outcome for Environmental Sustainability: Increased capacity of stakeholders to protect/enhance the quality of the environment and sustainably manage natural resources.” The aim of REDD+ is to help monetize the carbon stored in forests in order to create an incentive to protect and sustainably manage forest assets. Therefore, in addition to its emissions mitigation impacts, the programme will help increase the national and local stakeholders’ capacity to support not only the restoration and enhancement of forest ecosystem functions, but also the process of building ecosystem and human resilience to climate change so as to ensure environmental sustainability in the Philippines from this particular aspect.

The programme will also contribute to the 2005 -2009 UNDAF Outcome for Good Governance: “Good governance reforms and practices are institutionalized by Government, Local Government Units (LGUs), civil society organizations and the private sector in a manner that contributes substantively to poverty reduction, protection of rights, sustainable human development and promotion of gender equality.”

Effective Implementation of REDD+ is ultimately a governance issue, since it involves stakeholders voluntarily amending the way they manage forest resources, based on a full understanding of the benefits and risks of such changes, and rewarding those stakeholders in a fair and equitable way for such changes that result in reduced emissions. The focus of the programme on inclusive and participatory REDD+ management processes, building stakeholders’ understanding of REDD+, and ensuring the application of the principle of free, prior and informed consent, will all serve to improved respect and upholding of human rights.

Furthermore, in the context of the new UNDAF currently being prepared for the period 2011-2015, the programme is expected to directly contribute to its outcomes on productive livelihoods and climate change adaptation. The programme will also significantly contribute to the Philippines’ attainment of MDG1 on halving poverty and MDG 7 on ensuring environmental sustainability in particular.

These UNDAF outcomes are expected to support, in turn, related goals of the Medium Term Philippine Development Plan (MTPDP)¹¹ and the relevant sectoral plans, e.g. the Updated Forestry

¹¹ Currently under development.

Master Plan, the National Biodiversity Strategic Action Plan (NBSAP) and the National Framework Strategy on Climate Change (NSFCC) and its corollary Action Plan.

Finally, a number of development partners with their initiatives, indicated in the previous section, are also working in the above outcome areas, and therefore expected to these UNDAF outcomes.

Lessons Learned:

Formulating and implementing UN joint programmes is not easy, considering the diverse and varied systems and operating modalities of UN agencies and their non-harmonization, to date, with government counterpart systems and procedures¹².

In the case of the Environment Theme Group which came together to develop a proposal for the MDGF Environment and Climate Change Window,¹³ project formulation was faster than implementation. Keeping "integrity of concept" which responds primarily to national needs and priorities, rather than accommodation of individual UN agency interests (and their respective counterparts), helped to facilitate agreement on the final form of the concept note submitted to the MDGF Secretariat. The positive outcome of this approach was evident in its selection from among a huge number of submitted proposals, considering the very competitive nature of the selection process.

Implementation, however, was another matter. Considerable time was spent on leveling off on the common implementation approach, not only among the participating UN agencies, but also between the UN agencies and their respective national counterparts. The different implementation modalities among the UN agencies (direct vs national execution; centralized vs decentralized) also accounted for the varying rates of implementation among components of the programme.

Overall, a study, "the UNDAF 2005-2009 in the Philippines: Lessons Learned", conducted to guide the development of the next UNDAF for the 2011-2015 period, notes the following challenges experienced in joint programming¹⁴:

- limited opportunity for a large number of agencies to participate in common endeavors, e.g. in the MDGF programmes, the number of agencies involved (except for the climate change programme) averaged 2-3;
- Difficulty in keeping the integrity of the needed response, resulting in the usual default process of consolidating separate proposals from the interested UN agencies and their government counterparts;
- Implementation is even more difficult than the planning process, with each UN agency reverting back to individual, separate implementation, notwithstanding the need for synchronized actions according to a unified work plan; and
- Delay in releases and non-uniformity in downloading of resources to national counterparts.

On the other hand, positive experiences include:

- Increased ownership by national counterparts; and

¹² The implementation of the Paris Declaration on Aid Effectiveness is currently in progress and while harmonization and streamlining in processes are being effected, it is still too early to determine positive results on attainment of development outcomes.

¹³ "Strengthening the Philippines' Institutional Capacities to Adapt to Climate Change" is a US\$ 8 million UN joint programme among 6 UN agencies- UNDP, UNEP, FAO, UN-Habitat, WHO and ILO to mainstream climate change adaptation in national and local planning and regulatory processes.

¹⁴ Eleven (11) in all, with varying funding sources, i.e. MDGF, multi-bi lateral, regular core funds.

- Greater synergies because of complementation of efforts and resources between and among the UN agencies and national partners.

In the context of the national institutional framework, it is clear that there is no one agency that can tackle or manage REDD+ processes based on the country's collective lessons learned. The REDD+ regime involves a variety of stakeholders whose rights are governed by different laws. Institutional collaboration, therefore, needs to be arranged among different government agencies (e.g. CCC, DENR, NCIP) and institutional capacity-building on REDD for stakeholders, especially LGUs, need to be undertaken.

For instance, "carbon cowboys" are already entering into long-term contracts with Indigenous Peoples (IPs) resulting in a negative connotation for REDD among some IP groups. IPs as claimholders, therefore, must be consulted more deliberately on REDD to develop acceptable safeguards. NCIP as duty bearer, needs to develop policies/procedures that will protect IP rights on REDD. In MRV tools development for REDD, while science should provide the basis, community-based skills can be developed and tapped for on-the-ground MRV and greater benefit-sharing. For benefit-sharing mechanisms, CCC should conduct extensive multi-sectoral consultations. LGUs should develop forestry master plans to encourage REDD and develop climate resilience. Communities need to learn how to develop projects to tap REDD funds and pilot fund-based systems need to be tested. All of these should take place in close consultation and coordination with one another in order to establish coherent mechanisms with which to build an effective REDD+ framework.

The Proposed Joint Programme

As a partner country of the UN-REDD Programme, the Philippines is committed to developing the necessary capacity to implement REDD+ according to the components of REDD+ readiness jointly developed by UN-REDD and the FCPF. These include activities related to:

- Management of the readiness process
- Stakeholder engagement
- REDD+ Implementation Framework
- National REDD+ Strategy
- Establishment of Reference Levels
- Development of a national MRV system

. The overall REDD+ readiness programme is envisioned to involve phased implementation, putting in place the building blocks of a national REDD+ programme and supporting the stages identified in the draft PNRPS. The main strategy to be employed is capacity development¹⁵, addressing capacity gaps to enable the achievement of the outcome, *"increased capacity of forestland, protected areas and ancestral domains managers & support groups to implement REDD+ projects and activities"*.

The programme will endeavor to address the barriers to the effective use of the country's forests such as the varying quantification of their areal coverage, characterization and value, among others; conflicting management arrangements and corresponding tenurial instruments, varying, often competing interests of stakeholders, and the lack of incentive(s) to conserve and optimize use of forest resources by forest dwellers, etc.

The proposed initial national programme will thus contribute to ensuring that the Philippines is prepared to effectively participate in the REDD+ regime resulting from the UNFCCC negotiations, by

¹⁵ Includes policy, institutional and competency development.

focusing on key initial elements of REDD+ readiness. It is part of a comprehensive process through which the Philippines will become REDD+ ready; additional funding will be secured from bilateral and multi-lateral funding sources, including through a Full UN-REDD Programme, should additional funds become available at the UN-REDD Programme. Capacity development for this initial national programme will not only involve competency development among key duty bearers (NGAs, LGUs, partner CSOs like CodeREDD) but also address policy gaps (e.g. issuance of the National REDD Strategy), institute a national coordinating mechanism and produce basic information or standardized methodology for critical information generation (harmonized forest inventory data, emissions reference scenarios, etc.). It will also attempt to build national consensus on the most appropriate use and management options of the country's forests, as well as, leverage its potential for global economic benefits through the REDD regime when it materializes.

Sustainability

The capacities developed in this phase of the programme is envisioned to be sustained through institutionalization-putting in place the necessary legal framework that would support the goals and objectives of REDD+ and enhance /complement those already in place. As institution building is also a major strategy, it is hoped that the tools and systems and procedures generated will be mainstreamed in the processes of the duty bearers (concerned national agencies). The competency development programmes that will be generated will be enshrined in academic partners which are also members of the CoDeREDD and other relevant training institutes.

4. Results Framework

The **overall objective** of the joint UN-REDD Programme in the Philippines is *"to increase the capacity of key stakeholders, managers & support groups in forestland, protected areas and ancestral domains to implement REDD+ projects and activities."*

This objective will be secured through the following three **Outcomes** and associated **Outputs**. These **Outcomes** also correspond to elements representing critical aspects of REDD+ readiness.

Outcome 1: REDD+ readiness supported by effective, inclusive and participatory management process.

This Outcome will generate outputs that would ensure that all stakeholders will be able to contribute to defining a national REDD+ programme based on an adopted Philippine National REDD Plus Strategy. This Outcome further builds on the initiatives of development partners such as GIZ, ADB, JICA, AusAID, UN and ICRAF that are relevant in the development of national REDD+ readiness.

Output 1.1: Strong commitment to REDD+ from key stakeholders at the national and local level gained

Conduct of broad consultations and meaningful engagement will be done to engender a multi-level and multi-stakeholder participation. To build the foundation of strong commitment among government and non-government sectors, wider consultations will be done with key stakeholders at the national and local levels on REDD+ and the PNRPS

Output 1.2: Awareness of key stakeholders on REDD+ enhanced.

As a draft PNRPS has already been produced, the programme will endeavor to raise broader awareness on and acceptance of the Strategy, especially claim holders, e.g. IPs and other forest communities, with a view to its formal adoption and the subsequent preparation of a full REDD+ Action Plan. The project will develop a communication and advocacy plan, produce IEC materials

and execute a broad-based REDD+ awareness campaign, aimed at imparting appreciation of REDD-plus. Awareness materials will be designed specifically for each stakeholder group, field tested, and subsequently adapted based on audience response.

Output 1.3: Multi- stakeholder coordinative mechanism for REDD+ established

Terms of reference will be drawn up for either selecting or establishing a multi-stakeholder coordinative mechanism for REDD. Existing multi-stakeholder mechanisms will be examined for their appropriateness to serve as the MSC¹⁶. If found inadequate, the programme will endeavor to have the selected existing entity strengthened or a totally new one established to address the needs of the REDD process in particular, and a more sustainable and harmonized decision-making on forest management in general.

Output 1.4: National REDD+ capacity programme developed

- To ensure that key stakeholders are able to effectively play their respective roles and contribute to the delivery of the expected results under a REDD+ regime, their competencies will be enhanced through activities such as training, learning by doing and other appropriate forms of knowledge generation and skills enhancement on the various aspects of REDD+ implementation.
- Conduct of scaled-up capacity building to ensure climate change lens in efforts of law enforcement agencies through trainings on issues and challenges in forest administration, forestry laws and legal procedures as well as paralegal trainings. Enforcement programs need to be linked to realistic action plans in mitigation and adaptation.

Outcome 2: Systematic and structural approach to REDD+ readiness identified through concrete studies of options and inclusive consultation.

This Outcome is to deliver outputs that would standardize methodology and protocols on social and environmental safeguards, which would then go into a national legal framework governing REDD+ operations.

Output 2.1 Approach on REDD+ social and environmental safeguards developed

REDD-plus implementation must do no social and environmental harm and create multiple benefits to forest-dependent groups such as Indigenous Peoples and local communities. A review of existing regulations and environmental protection, including national legislation on benefit sharing and safeguards and regulations under the UNFCCC on climate change will be undertaken to determine gaps and limitations. Preparation of criteria, indicators and protocols for safeguards will be initiated. Similarly, a monitoring framework will be developed in consultation with key stakeholders. In the process of developing the monitoring framework, existing monitoring tools will be reviewed to determine its applicability and effectiveness. Use of state of the art technologies will be used in the monitoring framework (e.g. high resolution satellite images in the determining extent of forest cover). This will address measures to monitor both social (governance) and environmental safeguards (such as conservation of biodiversity).

¹⁶ The draft PNRPS provides for the establishment of a multi-sectoral council.

Outcome 3: Capacity to establish reference baselines increased.

This Outcome will work on harmonizing and standardizing methodologies on establishing national reference emission levels and measurement, reporting and verification (MRV) systems or MRVs, very important aspects of REDD+ endeavors.

Output 3.1: Harmonized methodology for reference baselines for selected REDD-able sites established¹⁷

Lack of a common approach in determining reference baselines will require harmonization of different existing methodologies. The project will build on available data holdings from DENR Bureaus and other research institutions. To achieve this within a period of one year, the project will work heavily on i) setting criteria for the establishment of possible REDD-plus sites; ii) review and collection of existing data for historical period, early start and baselines for selected sites, and iii) review the results of harmonization of methodology with other demonstration sites funded by GTZ and others

Output 3.2: A national MRV approach established

To conduct effective MRV and monitoring of REDD+ performance requires i) determining drivers of deforestation and forest degradation and MRV techniques to monitor drivers both at national and provincial levels; ii) establishing operational protocols for DNA that is compliant with international standards and guidelines; and iii) capacitating DNA towards designing a national MRV system, associated institutional development and training programme. The DENR as the designated national agency and other associated academic and research institutions will be at the forefront in this activity.

Complementation and building on other related past and on-going initiatives such as the projects of GTZ on access and benefit sharing and reference emission levels and MRVs. Care will be taken to avoid overlaps and ensure a broader and deeper basis for formulating the policy guidance on these aspects of REDD+ readiness work.

¹⁷ Indicative sites from which pilot REDD+ area(s) will be selected are Regions 1,2,6,8,11,13.

Results Framework Table

UNDAF Outcome:	
<u>Good Governance:</u> good governance reforms and practices are institutionalized by Government, Local Government Units (LGUs), civil society organizations and the private sector in a manner that contributes substantially to poverty reduction, protection of rights, sustainable human development and promotion of gender equality	
<u>Environmental Sustainability:</u> increased capacity of stakeholders to protect/enhance the quality of the environment and sustainably manage natural resources	
UN-REDD National Programme Outcome:	
Increased capacity of forestland, protected areas and ancestral domains managers & support groups to implement REDD+ projects and activities. ¹⁸	

National Programme Components	Participating UN organization-specific Outputs	Participating UN organization ¹⁹	Implementing Partner	Indicative activities for each Component	Resource allocation and indicative time frame (US\$)	
					Y1	Total
Outcome 1: REDD+ readiness support by effective, inclusive and participatory management process						142,290
	Output 1.1: Strong commitment on REDD+ from key stakeholders (government) sectors gained	UNDP	FMB/CCC/CSOs	- Consultations meetings and workshops - Meetings with CCC, and other key stakeholders - Forging partnerships	42,290	

¹⁸ Derived from the draft Philippine national REDD Plus Strategy (as of July, 2010).

¹⁹ In cases of national programmes using pooled fund management modality, the Managing Agent is responsible/accountable for achieving all shared programme outputs. However, those participating UN organizations that have specific direct interest in a given programme output, and may be associated with the Managing Agent during the implementation, for example in reviews and agreed technical inputs, will also be indicated in this column.

	Output 1.2. Awareness of key stakeholders on REDD+ enhanced.	UNDP	FMB/CCC/CSOs	• Dev't. of Communications & Advocacy Plan. • Dev't. of information, education & communications (IEC) materials. • Implementation of communications & advocacy plan.	20,000	
	Output 1.3: Multi-stakeholder coordinative mechanism for REDD+ established.	FAO UNDP	FMB/CCC/CSOs	• Review of existing mechanisms • Conduct of consultations • Formulation of terms of reference & protocols • Formalization of the REDD+ institutional mechanism	20,000 20,000	
	Output 1.4: National REDD+ capacity programme developed	UNDP	FMB/CCC/CSOs	• Preparation of capacity assessment tool • Capacity assessment of key stakeholders on REDD+ • Implementation Competency development for CCC & key stakeholders on REDD+	40,000	
Outcome 2 Systematic and structural approach to REDD+ readiness identified through concrete studies of options and inclusive consultation.						50,000

	Output 2.1: Approach on REDD+ social safeguards developed	UNDP	FMB/CCC/CSOs /NCIP/DILG/DA	- Review of existing & proposed safeguards. - Preparation of Criteria, Indicators and Protocols for safeguards. - Prepare monitoring framework - National consultations	30,000	
	Output 2.2: Approach on REDD+ environmental safeguards developed	UNEP			20,000	
Outcome 3: Capacity to establish reference baselines increased.						215,000
	Output 3.1. Harmonized methodology for reference baselines for selected REDD-able sites established ²⁰	FAO	FMB/CSOs/ Academe	- Criteria establishment for possible REDD site(s). - Review and collection of existing data for historical period, early start and baselines for selected sites - Review of results & harmonization of methodology with other pilots (e.g. GTZ funded ones).	100,000	

²⁰ Indicative sites from which pilot REDD+ area(s) will be selected are Regions 1,2,6,8,11,13.

Output 3.1 A national MRV approach established	FAO	FMB/CSOs/ Academe	- Determine drivers of deforestation and forest degradation and MRV techniques to monitor drivers (national and provincial) - Establishing operational protocols for DNA (compliant with international standards and guidelines) - Designing of a national MRV system and associated institutional development and training programme	115,000	
	FAO	FMB		60,000	60,000
	Sub-total		FAO UNDP UNEP	295,000 152,290 20,000	467,290
	Indirect Support Cost (7%)		FAO UNDP UNEP	20,650 10,660 1,400	32,710
Project Management Cost		Overall Total			500,000
		FAO UNDP UNEP			315,650 162,950 21,400

5. Management and Coordination Arrangements

Overview of the overall UN-REDD Programme structure

Policy Board

The UN-REDD Policy Board provides overall leadership and sets the strategic direction of the UN-REDD Programme. It decides on Programme financial allocations, in line with the budget parameters set out in the UN-REDD Framework Document, and develops monitoring mechanisms, with a view to ensuring Fund-wide success. The UN-REDD Policy Body will ensure coordination with REDD actors at a global scale, such as the World Bank's FCPF participants' committee. The Terms of Reference and Rules of Procedure for the UN-REDD Policy Board will be made available on the UN-REDD Programme website www.un-redd.org. See also the UN-REDD Workspace for eligible users www.unredd.net

Secretariat

The UN-REDD Secretariat serves the Policy Board, using the capacities of the participating UN organizations, research institutions and recognized experts. It ensures policies and strategies decided by the Policy Board are implemented and adhered to. The Secretariat will manage the national joint programme review process. It will also manage the UN-REDD's overall monitoring and evaluation function which includes *inter alia* monitoring allocations to and delivery by the country joint programmes, and tracking Programme-wide progress and ensuring that monitoring mechanisms are applied.

The Secretariat's main roles can be summarised as follows:

- Policy Board support
- Partner and external relations
- Quality assurance and oversight of national joint programmes
- Quality assurance and oversight of the International Support Functions described in the Global Joint Programme (hereafter referred to as the "Global Joint Programme")
- Monitoring and knowledge management

Participating UN Organizations' Coordination Group

The Participating UN Organizations' Coordination Group consists of representatives of the three UN agencies: FAO, UNDP, and UNEP. The Coordination Group will have the main function in ensuring active, participatory and well-coordinated engagement by the agencies to implement the goals and objectives of the overall UN-REDD Programme, as well as to provide oversight of the Secretariat consistent with the strategic directions and decisions provided by the Policy Board.

Administrative Agent

The UNDP Multi-Donor Trust Fund (MDTF) Office is the Administrative Agent of the UN-REDD Fund. The MDTF Office manages the distribution of resources and serves as the administrative interface with donors. UNDP's accountability as the Administrative Agent is set out in the policy "UNDP's Accountability when acting as Administrative Agent in MDTFs and/or UN Joint Programmes using the pass-through fund management modality".

The MDTF Office as AA will be responsible for:

- Receipt, administration and management of contributions from donors;
- Disbursement of funds to the Participating UN Organization, in accordance with the instructions of the UN-REDD Policy Board;
- Provide support to FAO, UNDP and UNEP in their reporting functions;
- Compilation of consolidated narrative and financial reports to the Policy Board through the Technical Secretariat, national steering committees and to donors.

The Administrative Agent may undertake additional functions at the request of the Participating UN Organizations.

Overview of expected management arrangements at the national level

UN Resident Coordinator

The Initial NP will be supported by UN Resident Coordinator in her/his strategic leadership of the UN Country Team and relationships with national authorities. The UN Resident Coordinator will provide ongoing oversight to the NP, ensuring the participating UN organizations are meeting their obligations. The Resident Coordinator is entrusted with supporting the overall programme design under the government's leadership, ongoing programmatic oversight of the NP activities and UN coordination with the National REDD Office where such exist. The Resident Coordinator also facilitates ongoing monitoring and evaluation of the NP activities in conformity with UN standards any guidance provided by the UN-REDD Secretariat or Policy Board. On receipt of consolidated country level reports, the Resident Coordinator will provide an overall assessment of the NP's progress and results. Resident Coordinators are encouraged to keep Country Team members fully-informed on UN-REDD activities. The UN-REDD Programme also looks to Resident Coordinators to reach out to NGOs, CSOs, national governments and non-resident UN agencies, where appropriate.

Programme Management Committee (PMC)

A Programme Management mechanism will be established to provide operational coordination to the NP and integration under the UNDAF thematic structures in place at the country level. The establishment of a country-led National REDD Office will be encouraged to provide day-to-day management of the NP, coordinate national REDD activities, ensure whole-of-government responses, and integrate REDD into national development planning processes.

Programme Management Unit (PMU)

A programme management unit (PMU) will be responsible for day-to-day management of the programme, including the preparation of annual and three-monthly workplans, and financial and programmatic reports. The PMU will be based in Honiara and will consist of following key staff:

- National Programme Coordinator (NDP): Senior government official; salary not paid by the project
- National Senior Programme Technical Advisor
- Programme Manager
- Administrative and Finance Assistant

a) National Programme Director (NPD)

The Department of Environment and Natural Resources will assign a senior official as part time National Programme Director. The NPD shall be responsible to the Government of the Philippines and UN Resident Coordinator on uses of the joint programme resources and reporting on the programme implementation progress as well as achievements. Specifically, the NPD shall be responsible for comprehensive management and implementation of the UN-REDD programme through supervision of the PMU. The NPD shall make decisions related to implementation, monitoring and evaluation of the national programme. The NPD will also act as Secretary of the PMC.

b) National Senior Programme Technical Advisor

A nationally-recruited Programme Technical Advisor will be recruited for the duration of the Initial UN-REDD country programme. The technical advisor will provide on-going technical advice to the National Programme Director so as to ensure effective and timely delivery of programme results. The programme technical advisor will also assist in the identification of required technical inputs and mobilization of appropriate technical specialists to deliver those inputs. The programme technical advisor will also assist in monitoring of programme delivery and advise on modifications to the programme strategy and work programme in order to rectify any short-comings in programme delivery.

c) Programme Manager (PM)

Project Manager will be delegated by the NPD to ensure smooth implementation on daily basis. PM will be accountable for operational activities of the project. Therefore this is a full time position with strong management experience and excellent English skills. He/she will be responsible for progress reports, annual and quarterly workplan preparation, and preparing budgets for approval.

d) Administrative and Finance Assistant

The Secretary/Accountant will provide assistance in the operational management of the project; undertake preparation of project events, including workshops, meetings (monthly, quarterly and annual), study tours, trainings, etc.; assist with project communication activities, including publications; be responsible for financial planning, accounting and reporting, control of expenditures, bank reconciliation, maintaining an inventory register, and general administration.

Cash Transfer Arrangements and work planning and budgeting

In the case of all three UN Agencies, cash transfers will be according to the UN Harmonized Approach to Cash Transfers. The specific modality of cash transfers will be determined on the basis of a joint micro-assessment to be conducted by ExComm agencies. Until the HACT micro-assessment is completed, cash transfer arrangements will be direct payment.

The PMU will be responsible for preparing a quarterly workplan (QWP) using a unified workplan format and covering activities and inputs under all participating UN Agencies, and (after the first quarter of implementation) a unified report on activities and expenditures during the previous quarter, disaggregated by participating UN Agency. The QWP will be accompanied by a quarterly budget table, disaggregated by responsible Participating UN Agency, as specified in Table 1, above, and for identifying specific procurement and recruitment activities to be undertaken by the Participating UN Agencies. The QWP and budget will be reviewed and agreed among the participating UN Agencies and the NPD.

6. Fund Management Arrangements

The UN-REDD Collaborative Programme utilizes the 'pass-through' modality for fund management. Participating UN organizations, in this case FAO, UNDP and UNEP, assume full programmatic and financial accountability for the funds received from the Administrative Agent.

Each Participating UN Organization shall decide on the execution process with its partners and counterparts following the organization's own regulation and rules. National governments, Regional Development Banks and NGOs can receive funding through a Participating UN Organization and act as executing agencies. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. Any indirect costs will be reflected in the Joint Programme submitted to the Technical Secretariat. Indirect costs will not exceed 7 per cent of the project budget. These costs cover general oversight, management, and quality control, in accordance with its financial regulations and rules. Specialized service delivery costs for programme and project implementation may be recovered directly, in accordance with the respective Participating UN Organizations' policies.

Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the UN-REDD Programme MDTF to carry out the activities for which it is responsible as set out in this document as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the UN-REDD Programme as set out in the UN-REDD MOU or as instructed by the UN-REDD Policy Board. The Participating UN Organizations will not make any commitments above the approved budgets, as amended from time to time by the Policy Board. If there is a need to exceed the budgeted amounts, the Participating UN Organization concerned will submit a supplementary budget request to the UN-REDD Policy Board, through the Technical Secretariat.

The Administrative Agent will ensure consistency of the approved Joint Programme with the applicable provisions of the Standard Administrative Arrangements (SAA) entered between donors and the Administrative Agent, and the MOU between the Participating UN Organizations and the Administrative Agent.

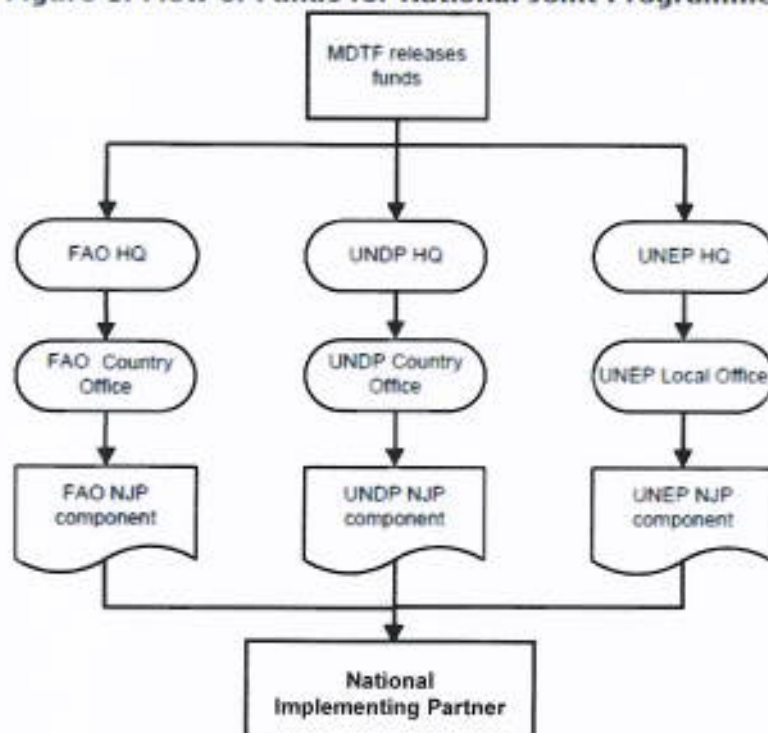
Transfer of cash to national Implementing Partners:

Funds will be released in accordance with the UN-REDD Programme Rules of Procedure. These procedures require the Technical Secretariat to submit the following to the Administrative Agent:

- Copy of the signed NJP document with the approved budget
- Submission Form, signed by the Chair of the Policy Board

Upon receipt of the necessary documentation, the Administrative Agent shall release funds to the Participating UN Organizations as set out in Section II of the Memorandum of Understanding for the Multi-Donor Trust Fund (available at www.undp.org/mdtf/UN-REDD/overview.shtml). The Administrative Agent shall notify the Participating UN Organizations and the UN Resident Coordinator when the funds have been transferred. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Figure 1: Flow of Funds for National Joint Programmes



The specific cash transfer modalities for the Participating UN Organizations are:

- **FAO:** funds will be transferred from the FAO Headquarters to the FAO country office. Fund utilization will be according to the UN Harmonized Approach to Cash Transfers. The payment will take the form of "direct cash transfer", "direct payment" or "reimbursement". Funds will be managed according to FAO financial rules and regulations
- **UNDP:** funds will be transferred from UNDP/BDP/EEG to the UNDP Country Office. Fund utilization will be according to the UN Harmonized Approach to Cash Transfers. The payment will take the form of "direct cash transfer", "direct payment" or "reimbursement". Funds will be managed in accordance with UNDP financial rules and regulations
- **UNEP:** the UNEP Regional Office in Bangkok shall manage its programme funds in accordance with UNEP's financial rules and regulations. Accountable advances will be transferred to the selected partners in this Joint Programme, following the designated modalities outlined in the agreements and/or subcontracts with UNEP.

The National Implementing Partner, on the otherhand, shall ensure separate books of accounts for the transfer of funds from FAO, UNDP, and UNEP.

7. Monitoring, Evaluation and Reporting

Table 2: Joint Programme Monitoring Framework (JPMF)

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
Outcome 1: REDD+ readiness support by effective, inclusive and participatory management process	REDD+ readiness roadmap; baseline: no roadmap process; target: roadmap ready after 7 months	Minutes of review meetings and roadmap document	Programme management to collate and supply	UNDP to organize and support process	Political stability allows process to proceed; Government commitment to multi-stakeholder process
Output 1.1: Strong commitment on REDD+ from key stakeholders (government) sectors gained	No. of stakeholders signified support to REDD+ programme	Minutes of consultation meetings; Resolutions	Programme management to collate and supply	UNDP to organize and support process	
Output 1.2: Awareness of key stakeholders on REDD+ enhanced.	Produced and disseminated Information, Education and Communication (IEC) materials baseline: no such materials; target: within 4 months	IEC materials	Programme management to collate and supply	UNDP to organize and support process	A wide range of stakeholders informed through a targeted approach
Output 1.3 Multi-stakeholder coordinative mechanism for REDD+ established.	Mechanisms clarified/defined for REDD+ baseline: several conservation mechanisms (eg. PAMB for PA; NSC for CBFM) target: within 2 months	TOR Minutes of meetings	Programme Management to supply	UNDP to organize and support process	Difference stakeholder views managed so as not to disrupt functions of working group
Output 1.4 National REDD+ capacity programme developed	National Capacity Development Programme for REDD+ Baseline: low capacities of stakeholders Targets: within 12 months	Capacity Assessment Report Copy of the draft Capacity Development Programme	Programme Management to supply	UNDP to organize and support process	

Outcome 2: Systematic and structural approach to REDD+ readiness identified through concrete studies of options and inclusive consultation	National REDD+ readiness strategy with safeguards; baseline: PNRPS drafted; Target: formalization within 11 months	Government and stakeholder endorsement	Independent contractor to conduct	UNDP to organize and support	Inclusive process consulting national and local governments, CSO, IP representatives, etc
Output 2.1: Approach on REDD+ social and environmental safeguards developed	REDD+ social environmental safeguards; baseline: no safeguards; targets; within 10 months	Safeguards, stakeholder endorsement	Programme management to supply Independent contractor to conduct	UNDP to organize and support process	Inclusive process consulting national and local governments, CSO, IP representatives, etc
Outcome 3: Capacity to establish reference baselines increased	Common approaches on RL and MRV	TOR, guideline, stakeholder endorsement	Programme management to supply	FAO to organize and support process	All sources of data are shared and a common approach agreed
Output 3.1: Harmonized methodology for reference baselines for selected REDD-able sites established	Harmonized methodology for reference baselining Baseline: several methodologies and approaches in gathering forestry data Targets: within 10 months	Copy of the methodology	Programme management to supply	FAO to organize and support process	All sources of data are shared and a common approach agreed
Output 3.2: A national MRV approach established	MRV approach; baseline: fragmented efforts; target: 12 months	TOR, guideline, stakeholder endorsement	Programme management to supply	FAO to organize and support process	All sources of data are shared and a common approach agreed

Annual/Regular Reviews: Audit requirements are determined by the HACT assessment process and, if necessary, constitute part of the HACT assurance activities.

The Government - particularly the lead National Implementing Partner and National Coordinating Authority - and the Participating UN Organizations shall jointly conduct scheduled/annual planning and review meetings through the PEB.

Risk Management: The UNDG has generally adopted UNDP's Enterprise Risk Management approach. This approach will be applied to the UN-REDD NPs. Reference should be made to the document "Tips and Guidelines on Conducting the Five Steps of the Enterprise Risk Management (ERM) Cycle".

A Risk Log will be prepared before the NP document is signed. It will set out how the identified risks and assumptions will be managed to achieve the expected programme results. The Risk Log will be regularly reviewed by the PEB and the UN-REDD Secretariat

Evaluation: The Secretariat will establish an Evaluation Plan which ensures that all national programmes will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the Secretariat from time to time shall lead reviews of NPs as necessary.

Reporting: The Participating UN Organizations are required to provide narrative reports on results achieved, lessons learned and the contributions made to the NP. The information shall be consolidated by the Programme Manager into a narrative report every 6 months and submitted to the Programme Management Committee. The reports will then be forwarded by the UN resident Coordinator to the UN-REDD Secretariat. The UN-REDD Secretariat shall provide the Policy Board updates on the implementation progress of the NJP every 6 months, based on information received from the UN Resident Coordinator. The UN Resident Coordinator will assist in ensuring the Participating UN Organizations at the country level provide the necessary information. The UN-REDD Coordination Group shall also follow-up with the relevant officers and representatives of the Participating UN Organizations.

The MA will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate.

Participating UN Organizations in receipt of UN-REDD resources will be required to provide the MA with the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than three months after the end of the applicable reporting period;
- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months after the end of the applicable reporting period;
- A final narrative report and financial report, after the completion of all National Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Programme activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

The MA shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the Secretariat.

Subsequently, in accordance with the MOU and the SAA, the Administrative Agent will submit consolidated narrative and financial reports to all UN-REDD Programme donors. Agreed standard UNDG financial and progress reporting formats will be utilised. The Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

Information given to the press, to the beneficiaries of the UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on

information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

8. Legal Context or Basis of Relationship

The Participating UN Organizations (FAO, UNDP and UNEP) have signed a Memorandum of Understanding (MOU) to implement the UN-REDD Collaborative Programme, which came into effect on 20th June 2008 and ends 20th June 2012.

This Joint Programme document is consistent with the cooperation/assistance agreements signed by the lead UN agencies involved in this programme with the Government of the Philippines. For the UNDP, this Document is pursuant to the Country Programme Action Plan and the Standard Basic Assistance Agreement (SBAA) it signed with the Government of the Philippines. All provisions in the SBAA therefore apply to this document. Consistent with Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

The **UNDP** reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

On the part of the **FAO**, this document is consistent with the basic agreement with Government of the Philippines as indicated in the exchange of letters between the Government of the Philippines and FAO on [insert date(s)].

The FAO Representative in the Philippines shall represent the Organization in the Philippines, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization's activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of Government in the agriculture, fishery and forestry sectors of the economy, as well as, to central planning authorities. He/she shall maintain close liaison with the Government's coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO's programme in the Philippines. FAO will provide technical support to ensure that appropriate technical quality is applied to all activities where FAO is responsible and is required to provide support.

For **UNEP**, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed Joint Programme document shall be the legal basis of UNEP's relation with the Government of the Philippines within the context of this programme. UNEP will work in close coordination with the programme management team.

The Participating UN Organizations agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to UN-REDD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.