



BIOFIN

Biodiversity
Finance
Initiative
Philippines



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety



NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS



Flanders
State of the Art



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

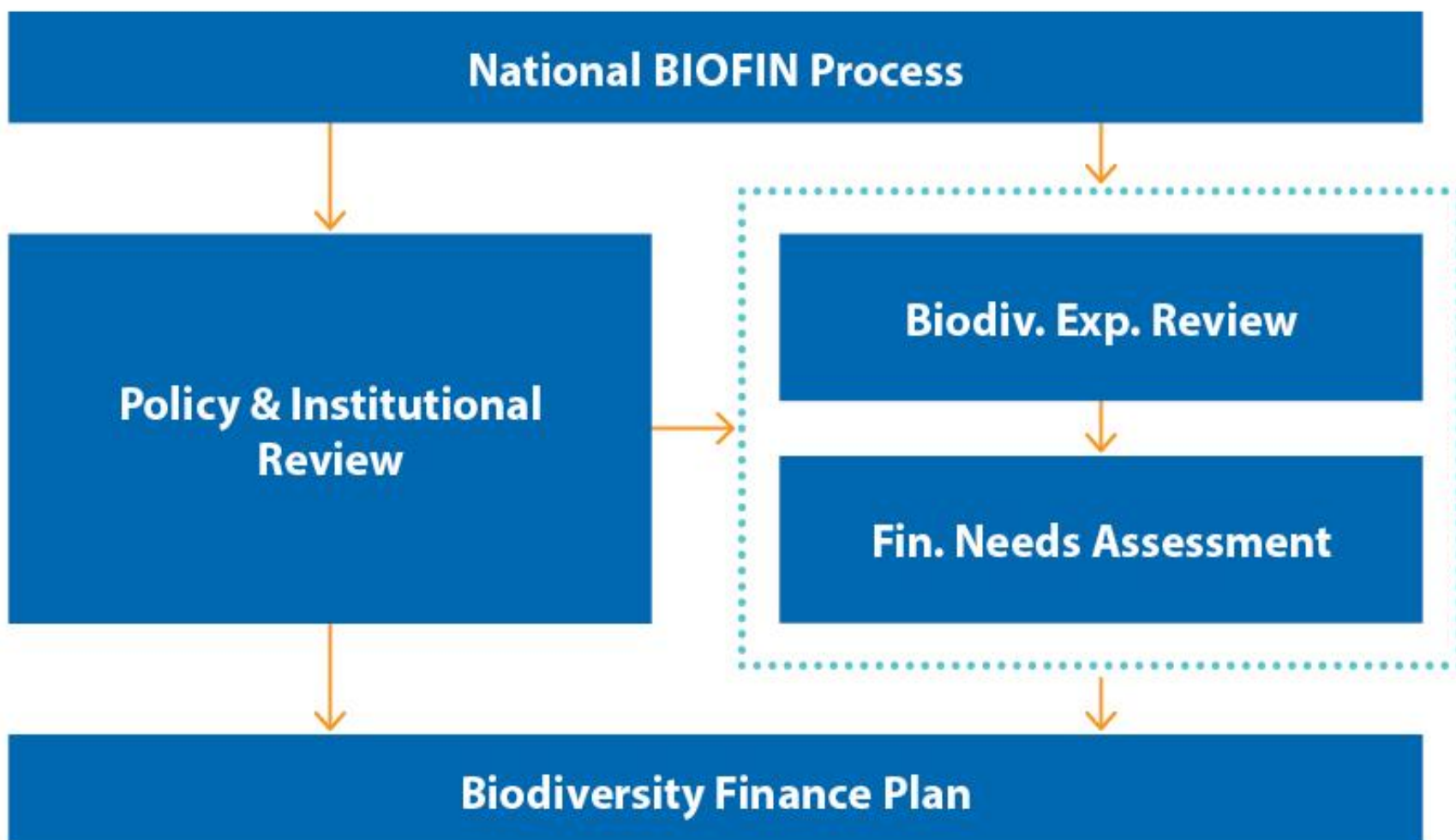
Federal Office for the Environment FOEN

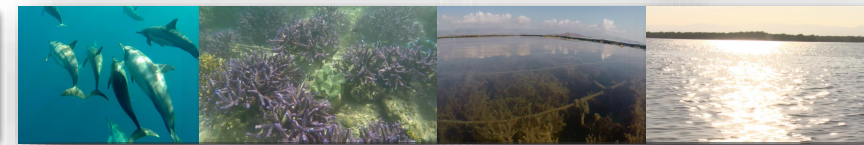
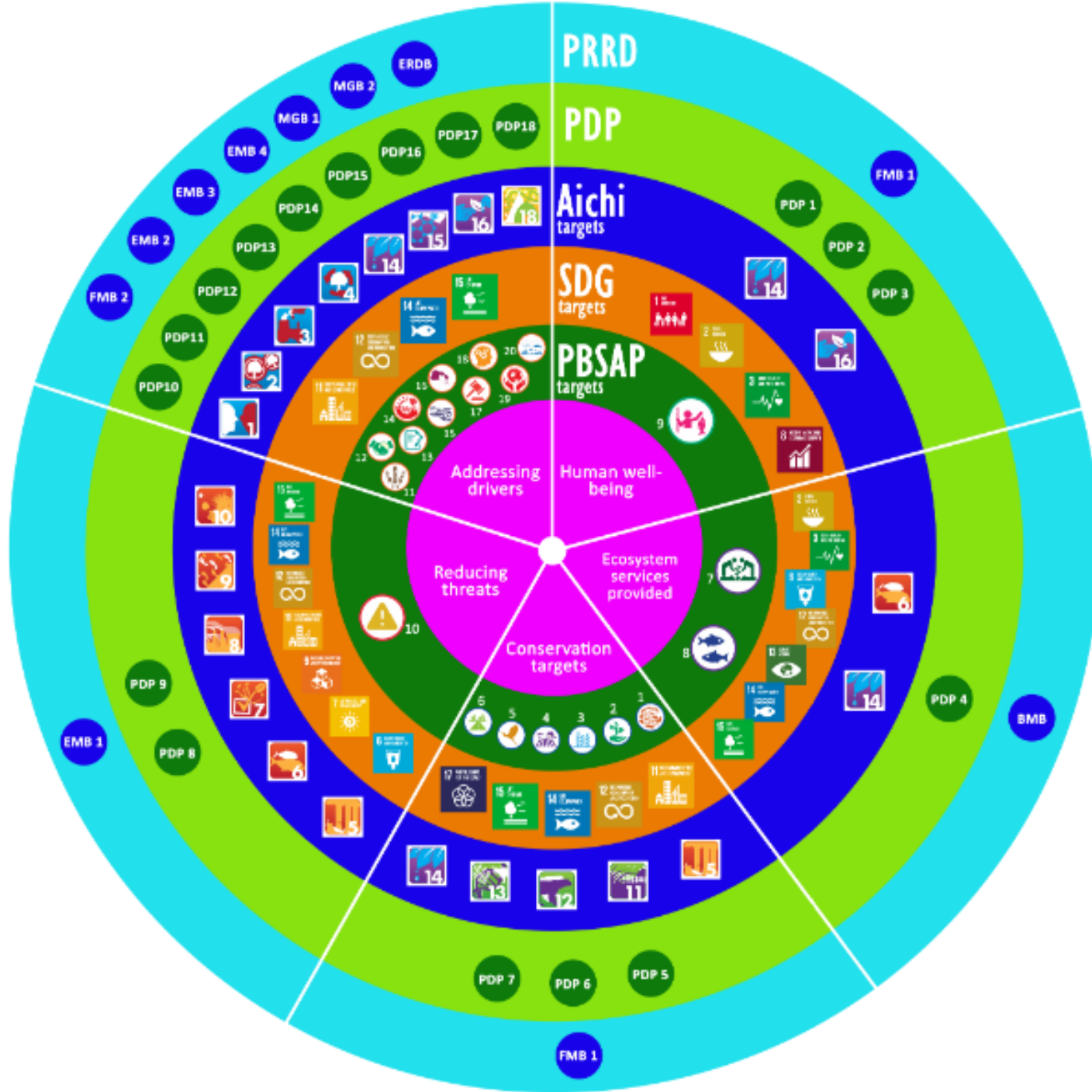


LORENZO V. CORDOVA, JR. EnP

Lead Consultant
BIOFIN Philippines

BIOFIN Process





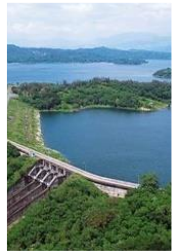
Priority programs



1 Banking on biodiversity: A program on genetic research and wealth generation in protected areas



2 Optimizing potential of protected area for ecotourism



3 Biodiversity and water management

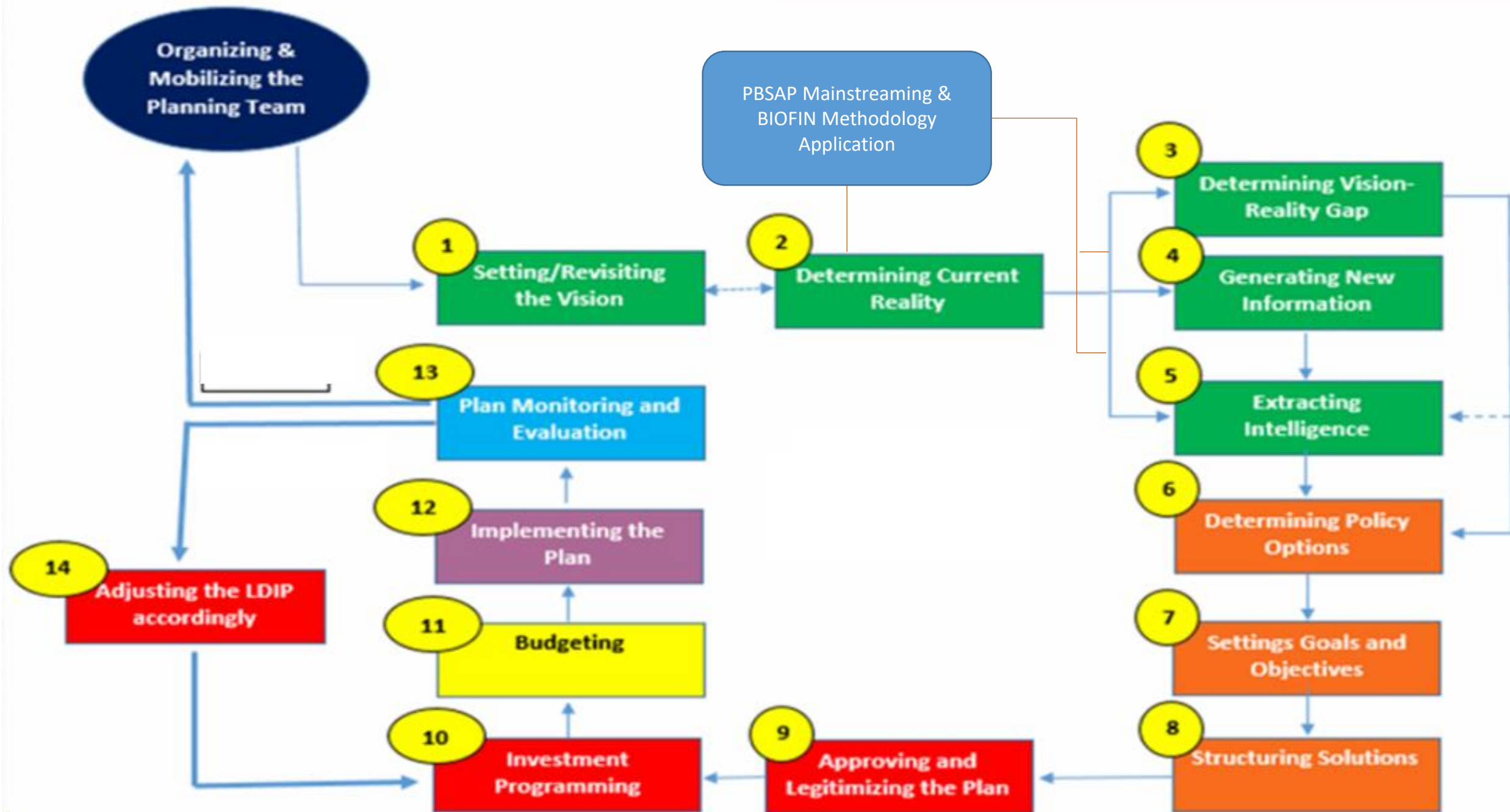


4 Improving resilience, reducing vulnerabilities

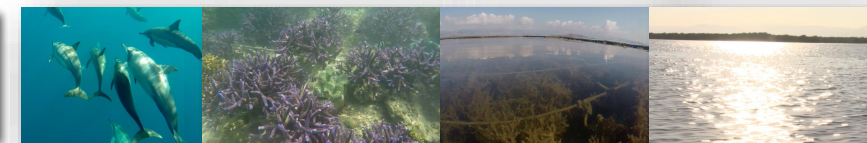


5 Celebrating urban biodiversity





Key LGU Planning and Investment Programming Instruments

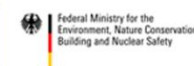


Planning Instrument	Timeframe
Comprehensive Land Use Plan	10 to 15 years
Comprehensive Development Plan	6 years
Executive Legislative Agenda	3 years
Local Development Investment Program	3 years
Annual Investment Program	1 year

BIOFIN in Mindoro



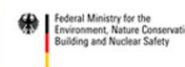
Location map of the Island of Mindoro
(Photo source: Google Earth and PBCFI)



Policies and laws that may be leveraged for biodiversity finance



- 1987 Constitution
- Article X Sections 5,6,7 of Local Government Code of 1991
- Taxes
- Local Enterprise System
- ODA Act of 1996, as amended by RA 8555 -- Local government loans and loan-financed projects;
- Grants
- Municipal Bonds
- Partnership with Private sector – RA 6957 as amended by RA 7718 (BOT Law); DILG MC No. 2016-120 on LGU P4
- Development Fund
- Revenue from Ecosystem Services



Local Policies



Comprehensive Land Use and Zoning Ordinance	Local Investment Code
Comprehensive Development Plan	Municipal Environmental Code
Tourism Plan	Local Awards and Incentive Code
Establishment/Declaration of MPAs	Ordinance regulating industrial, manufacturing and processing establishments
Enactment of house bills into law for the PAs	Water management/ utilization is included in the 20% development fund utilization guidelines
MOA between LGU and PA for co-management	User Fee System
Local PPP Code	Ordinance/ Resolutions to regulate mining activities

Local Institutions/ Organizations



LGU (Municipal/ Provincial)	CSOs/POs
One Mindoro Natural Resources Council	Academe (e.g. MINSCAT, OMSC)
Local Committee Leader (Purok Leaders)	Public Attorneys Office
Provincial Cave Assessment Team	Philippine Army
Provincial Cave Committee	Coast Guard
Barangay Council	Private Sector
PNP	CSOs

Key Offices/ Institutions



Offices Institutions
Local Chief Executive
Local Finance Committee
Sangguniang Bayan/ Panlalawigan
National Government Agencies (e.g. DENR, BFAR, DA, DOT, DILG)
Regional Development Council
Municipal Development Fund Office (DOF)
Bureau of Local Government Finance
LGU Guarantee Corporation
PPP Center





Finance Needs
Analysis

Expenditure
Review

Cost of
Actions

Biodiversity Expenditure Review

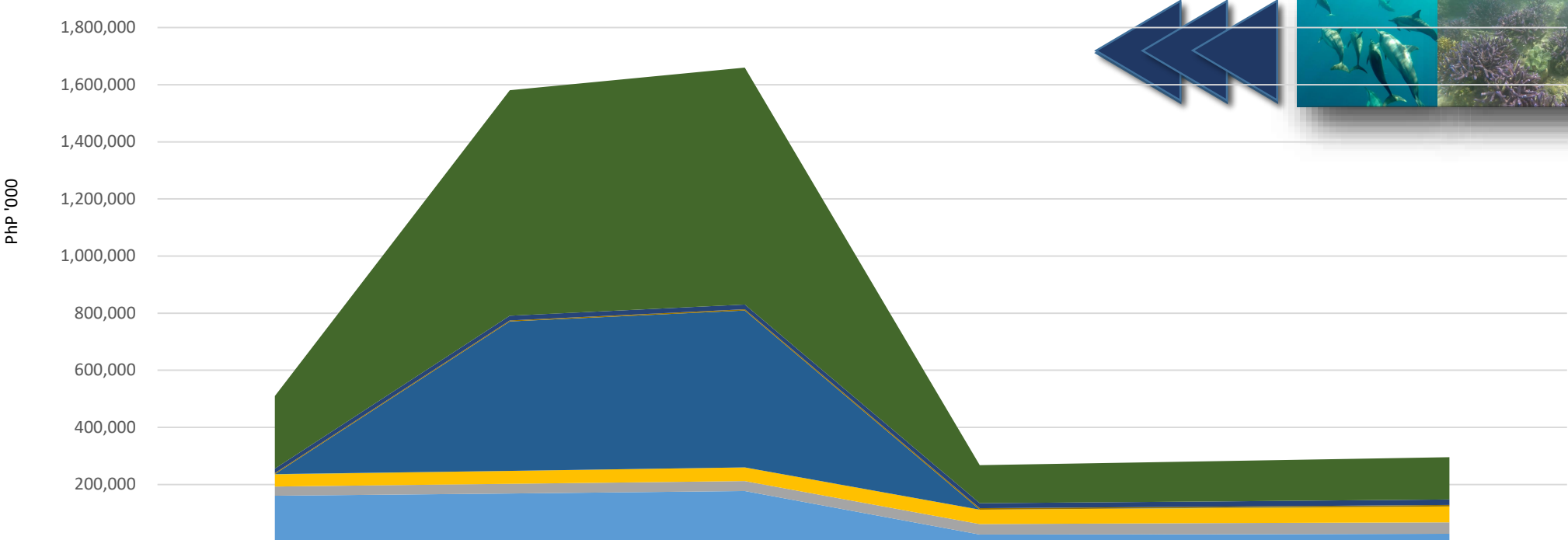


Estimates & Assumptions

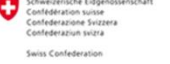
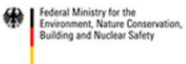
- DENR MIMAROPA
- Regional Development Investment Program
- LGU Budget – 4% of the 20% Development Fund (PhP500,000)
- Private sector (e.g. MBCFI, Path, Haribon) – est. PhP6,000,000



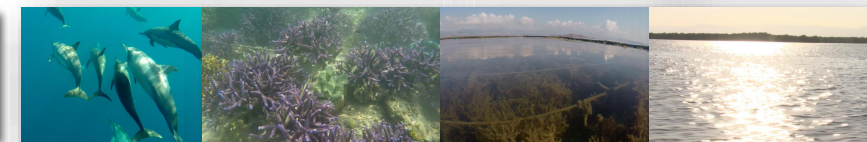
Projected Availale Budget for Biodiversity Initiatives in Mindoro Island



	2017	2018	2019	2020	2021	2022
TOTAL (PhP '000)	255,049	790,649	830,181	133,982	140,681	147,715
Private Sector	15,037	15,789	16,578	17,407	18,277	19,191
LGU Budget	4,000	4,200	4,410	4,631	4,862	5,105
NCIP	75	79	83	87	92	96
MINS CAT	17	18	19	19	20	21
DOT		522,848	548,990			
DOST	143	150	158	166	174	182
DAR	58	61	64	67	71	74
DA	43,364	45,532	47,809	50,200	52,709	55,345
BFAR	31,973	33,572	35,250	37,013	38,863	40,807
DILG	9	10	10	11	11	12
DENR	160,372	168,391	176,811	24,382	25,601	26,881



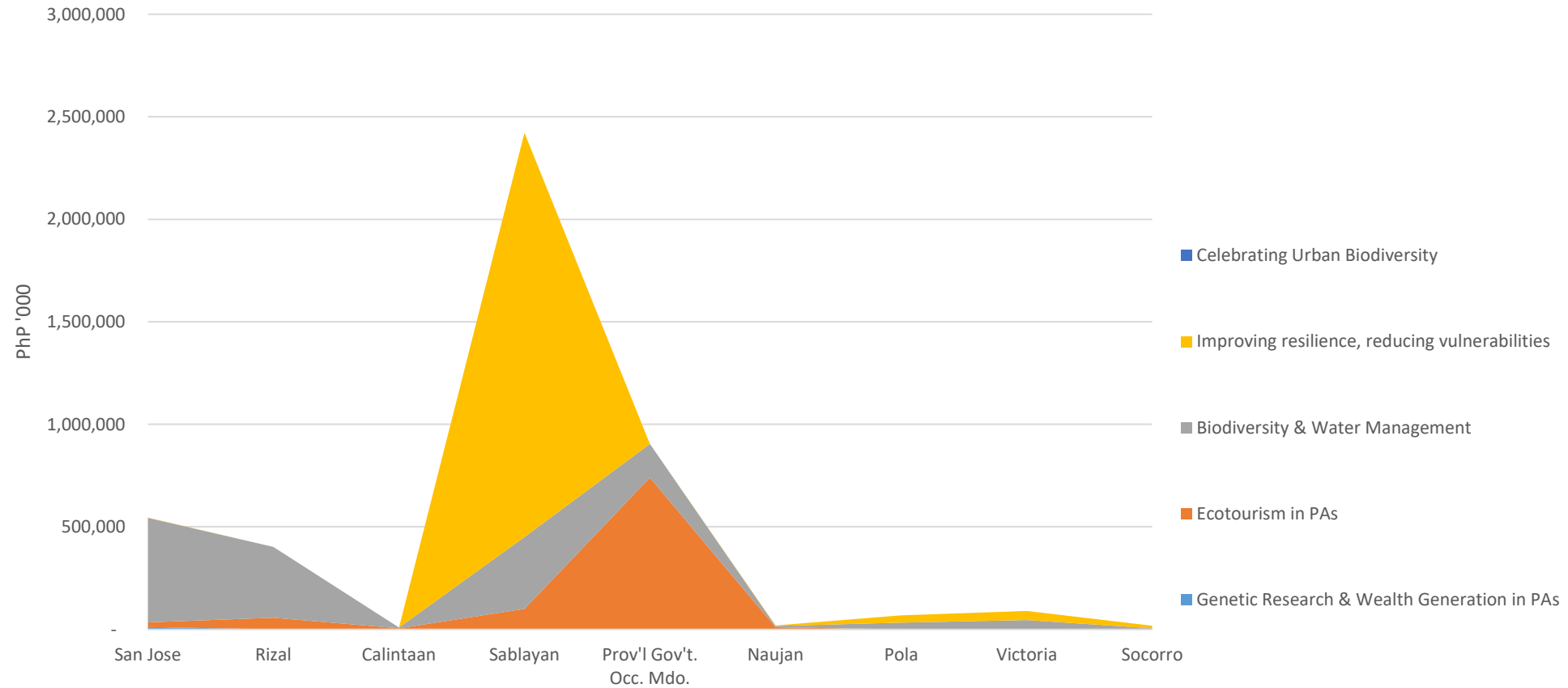
Cost Summary of Priority Biodiversity Programs in Mindoro



Province	Conservation (PhP '000)	Revenue Generating (PhP '000)	Total (PhP '000)
Occidental Mindoro	2,502,450	1,777,336	4,279,786
Oriental Mindoro	92,192	99,473	191,665
Total	2,594,642	1,876,809	4,471,451



Cost Summary of Priority Biodiversity Programs in Mindoro

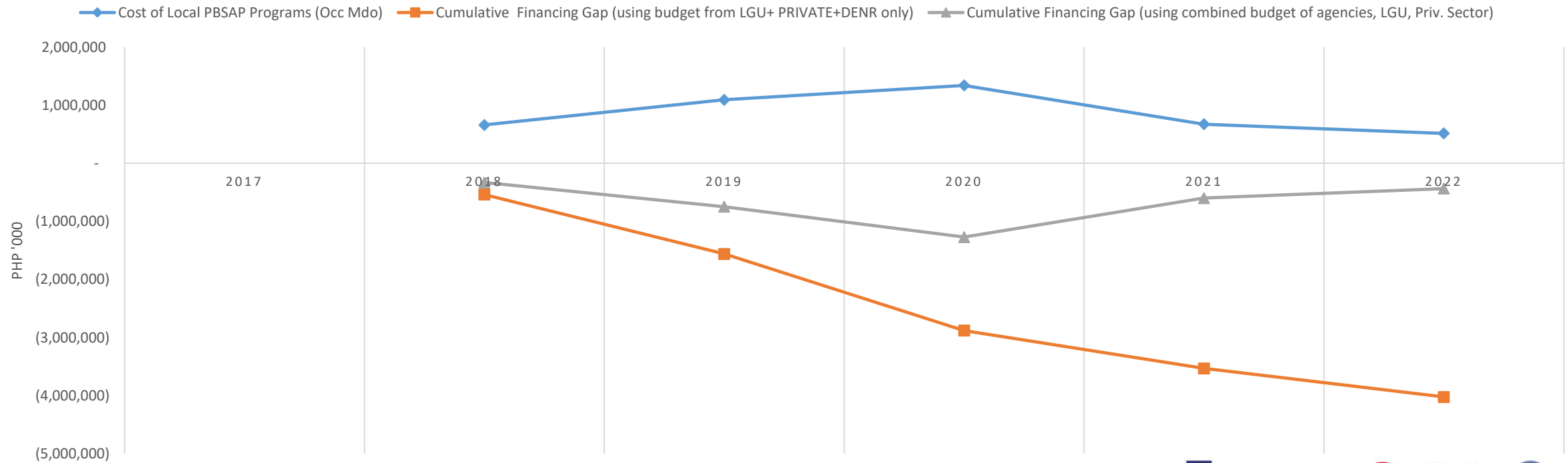


Finance Needs Assessment



Priority Biodiversity Programs Occidental Mindoro

Cumulative Financing Gap of PhP436 M to PhP4.023 B

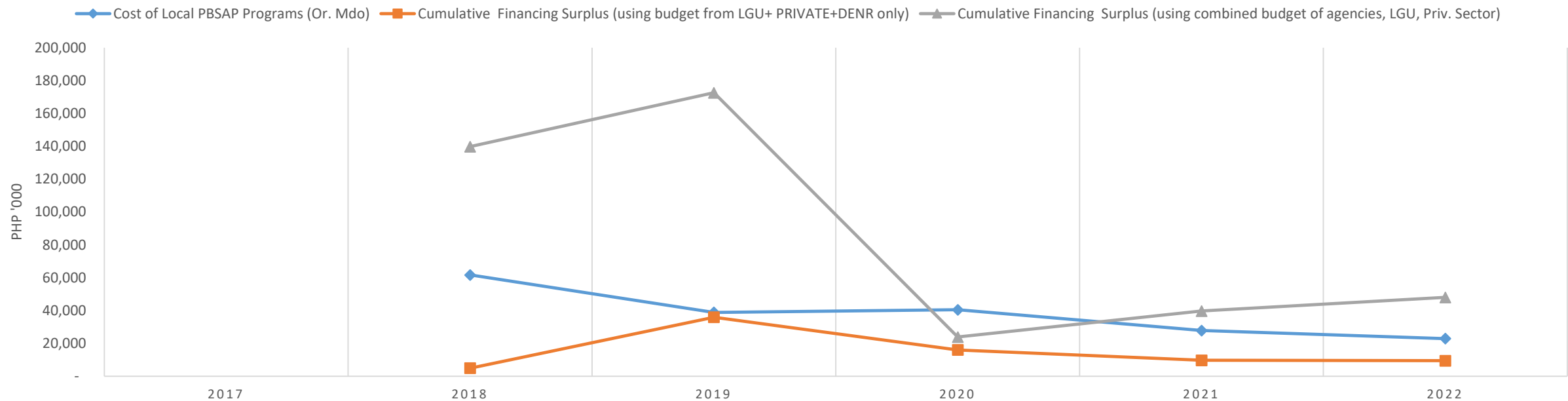


Finance Needs Analysis



Oriental Mindoro

Cumulative Financing Surplus of PhP9.42 M to PhP47.97 M



Finding Finance
Solutions

at the Local Level

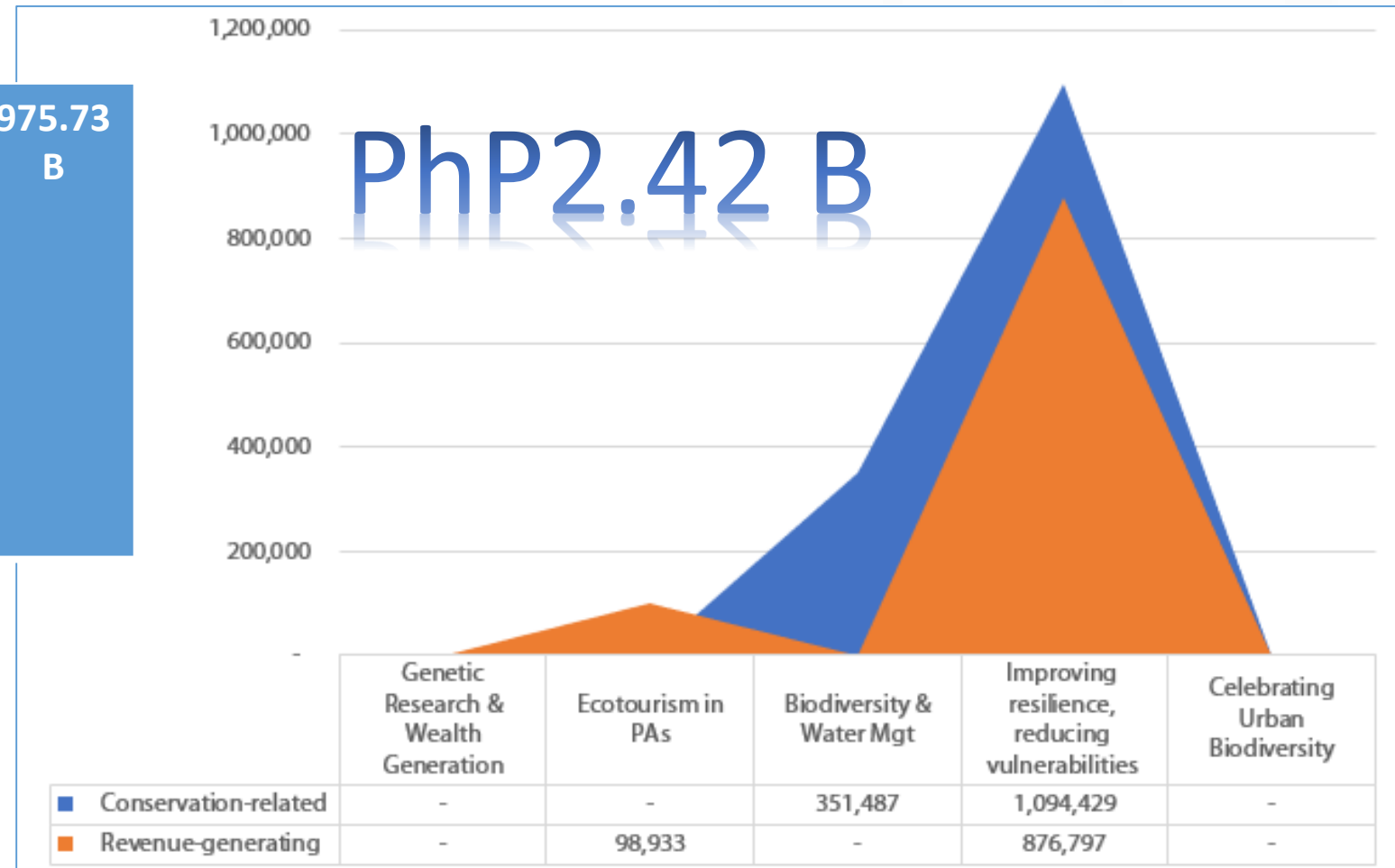


The Case of
Sablayan

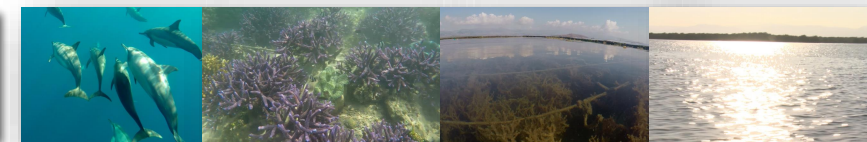
Priority Biodiversity Programs



Sablayan Integrated Ridge to Reef Development Program (SIRRDPP)	1.44 B	Sablayan Sustainable Ecotourism Development Program	975.73 B
---	--------	---	----------



2016 LGU Budget Allocation



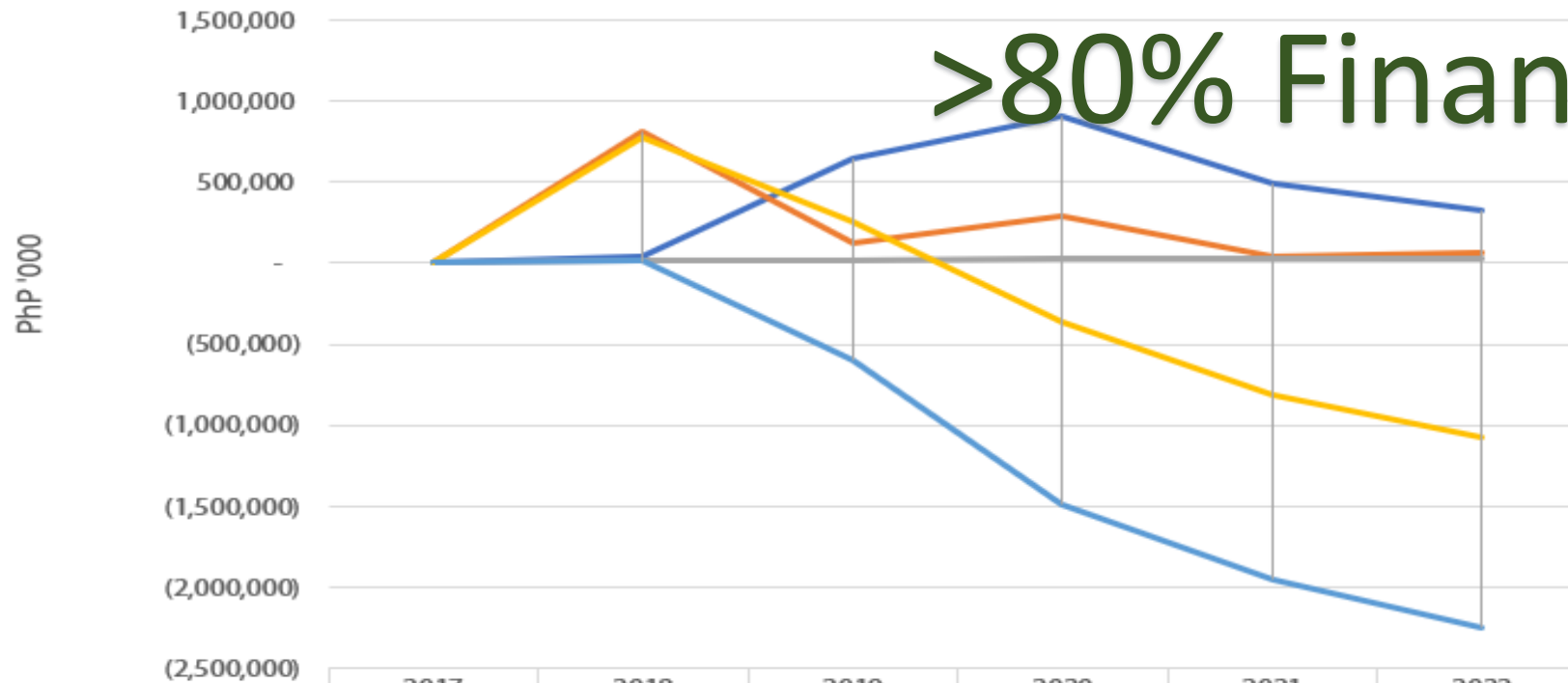
Program	Amount (PhP)
Urban Ecosystem Management and Development Program	4,502,315
Coastal Resource Management and Development Program	1,335,190
Forest Ecosystem Management and Development Program	1,925,160
Freshwater Ecosystem Management and Development Program	487,900
Ecotourism	5,071,216
Crops and Livestock Production	4,958,335
Fishery Services	1,004,800
Services to Indigenous People (IP)	1,619,200
Total Allocated Fund (2016)	20,904,116



Financial Needs Assessment



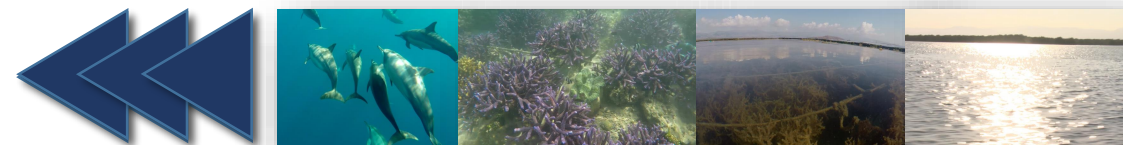
>80% Finance Gap



	2017	2018	2019	2020	2021	2022
— Sablayan SIRRDP & SEDP Cost	-	43,800	649,967	908,627	493,751	325,501
— Estimated Allocations from LDIP	-	818,253	126,130	293,373	44,319	65,662
— Estimated Allocation of LGU BD-related budget + NGAs + Private sector	-	21,949	23,047	24,199	25,409	26,680
— Cumulative Gap/ Surplus (Cost - LDIP)	-	774,453	250,617	(364,637)	(814,069)	(1,073,908)
— Cumulative Gap/ Surplus (Cost - (Est. LG annual budget + NGAs + Private sector))	-	21,851	(605,069)	(1,489,497)	(1,957,839)	(2,256,660)



Alignment with Vision and Targets



Anchoring from Sablayan's Vision



Cross-Sectoral Special Issues and Concerns	Local PBSAP Program Components	PBSAP Priority Programs Mainstreamed in PDP
Tourism	Implementation of Tourism Masterplan	Ecotourism in PAs
Physical/ Infrastructure Sector Urban Ecosystem	Implementation of Tourism Masterplan	Improving resilience reducing vulnerabilities
Forest Ecosystem Freshwater Ecosystem	Forest Ecosystem Management and Development Program	Biodiversity and Water Management
Coastal and Marine Ecosystem	Coastal Resource Management and Development Program	Biodiversity and Water Management
Urban Ecosystem Disaster Resilient LGU	Urban Ecosystem Management and Development Programs	Improving resilience reducing vulnerabilities



Sector/Sub-Sector
Economic enterprise and investment promotion
Tourism
Local Economic Enterprise
Transportation
Drainage and Flood Control
Forest and Forest lands
Coastal Resource Management
Urban Ecosystem
Disaster Risk Reduction



DILG Categories for Financing	LGU Identified Biodiversity Finance Solutions
Own-source revenues	<ul style="list-style-type: none"> • Sourced from LGU Funds: <ul style="list-style-type: none"> - 20% Development Fund; - LGU General Fund (e.g. Task Force MARLEN) - DRRM Fund
Intergovernmental Fiscal Transfer	
External Financing – National Government, Other LGU, and Development Partner	<ul style="list-style-type: none"> • Accessing National Gov't. Agencies • Partnership and Assistance from NGOs & research Institutions • CSR and Philanthropy • Grants
Other Financing options (e.g. Loans, PPP etc.)	<ul style="list-style-type: none"> • Loan • PPPs • Environmental fees • Earmarked funds (PSF) • IPAF

Matrix of finance solutions identified for SSED



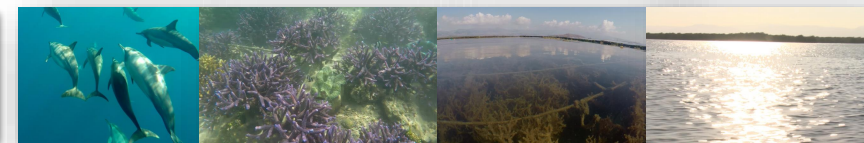
Sub-Programs/ Project	Finance Solutions			
	Locally Available Fund	Accessing National Gov't. Agencies	Partnership and Assistance from CSOs and Research Institutions	Private Sector Engagement/ Partnership
Site Infrastructure Development				
Establishment of Sablayan Visitor Center/cum Development/ Marketing/ Operationalization of 14 Sablayan Tourism Products				
Awareness Raising, Capacity/ Institutional and Enterprise Development for Tourism Stakeholders				
Gateway Establishment/ Improvement				
Access Road Improvement/ Establishment				
Full implementation of Solid Waste Management Program				
Review/Upgrading/Establishment of Tourism Related Policies, Standards, Guidelines, Management Agreements to support biodiversity conservation				

Matrix of finance solutions identified for SIRRDP



Sub-Programs/ Project	Finance Solutions				
	Locally Available Fund	Accessing National Gov't. Agencies	Partnership and Assistance from CSOs & research Institutions	Private Sector Engagement/ Partnership	Earmarked Funds
Forest Ecosystem Management and Development Program					
Urban Ecosystem Management and Development Program					
Coastal Resource Management and Development Program					

Summary



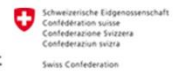
Finance Solutions	Targets
Maximizing Locally Available Funds	PhP 60 M (low); PhP300 M (high)
Accessing National Government Agencies	PhP 761.4 M
Fostering Partnership and Assistance from Civil Society Organizations and Research Institutions	PhP 4.025 M
Catalyze Biodiversity Investments through Private Sector Engagement/ Partnership	PhP 1.22 B
Tapping Earmarked Funds	PhP 32 M
TOTAL	PhP 1.88 B to PhP2.31 B



Recommendations and Way Forward



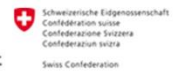
- 1) Ensure inclusion of the sub-program components that were only identified during the BIOFIN Workshops in the updating of AIP and LDIP.
- 2) The LGU to revisit the costing of LDIP and update it based on the costing of SSEDp and SIRRDP.
- 3) Examine and explore possibility with Local Finance Committee to realign unspent funds that may support SSEDp and SIRRDP.
- 4) The LGU to continue coordinating with regional offices of NGAs and the Regional Development Council secretariat for in order to tap resources (grant, technical assistance) that may support SEDP and SIRRDP.



Recommendations and Way Forward



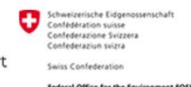
- 5) The LGU may also explore with the Biodiversity Management Bureau's Coastal and Marine Ecosystems Management Program (CMEMP) on the possibility to finance SIRRDP's Coastal Resource Management and Development with cumulative funding gap up to 2022 of PhP9.26 million.
- 6) Maximize the partnership with CSOs. Their activities and resources will help LGUs meet its vision and divert resources that may be used for other priority sectors.
- 7) Feasibility studies should be conducted to determine appropriate environmental fees and schemes projects contained in the programs. The studies should build on the LGU's experience in Apo Reef Natural Park particularly in revenue sharing.



Recommendations and Way Forward



- 8) Engage the PPP Center and seek guidance on designing and developing PPP projects especially for gateway rehabilitation/ establishment and other big-ticket infrastructure projects in Urban Ecosystems.
- 9) Should the LGU management expressed interest to submit to PSF, package the SIRRDP using the lens of biodiversity as a means of climate change adaptation.
- 10) LGU to proactively continue coordinating with NGAs and RDC for inclusion of the sub-programs in the process updating the RDIP.
- 11) Loans were not yet included and discussed in this document because the LGU still have liabilities to settle (as per COA report). But as soon these are settled, the LGU may avail of loan programs of Municipal Development Funds Office (MDFO) and or LGU Guarantee Corporation (LGUGC) to finance its projects. Moreover, the LGU should coordinate with Municipal Development Fund Office (MDFO) of the Department of Finance and avail of technical assistance in packaging projects for MDFO loan programs.



Summary of Action Plan



Finance Solutions	Tasks	Period/ Quarter of the year	Person(s) In-Charge/ Office	Indicative Cost (Php '000)
Maximizing Locally Available Funds	Review LDIP & AIP	Q1	MPDO; MDC; LCE	100
	Tagged BD-related PPAs	Q1	MPDO; MENRO	
	Update and Introduce in local development and investment plans the new PPAs that contribute to implementation of local PBSAP	Q1-Q2	MPDO; MENRO; MTO; MDRRMO	
	Re-examine the investable funds	Q1-Q2	MPDO	
	Review LDRRMF and identify which can support the SIRRDP and other related activities	Q1	MPDO; MENRO; MTO; MDRRMO	
	Review Local Development Fund and propose key program components that can support SEDP and SIRRDP	Q1	MPDO; MENRO; MTO; MDRRMO; LFC	
	Discuss findings with Local Finance Committee	Q2	MPDO; MENRO; MTO; MDRRMO	
	Approval of Local Finance Committee and Sanggunian	Q2	LFC; SB	

Summary of Action Plan



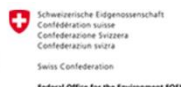
Finance Solutions	Tasks	Period/ Quarter of the year	Person(s) In-Charge/ Office	Indicative Cost (PhP '000)
Accessing National Government Agencies	Coordination with NEDA for inclusion of identified PPAs	Q3	MPDO	50
	Submission of project/ program briefs	Q3	MPDO	
	Coordination with RDC and other NGAs	Q1-Q4	MPDO	
	Tag approved PPAs	Q1 the following year	MPDO; MENRO; MTO; MDRRMO	
Partnership and assistance from NGOs	Tagged PPAs conducted by CSOs in the municipality	Q2	MPDO; MENRO; MTO; MDRRMO	50
	Alignment meetings in the implementation for annual and multi-year PPAs	Q2	MPDO; MENRO; MTO; MDRRMO	
	Facilitate coordination among CSOs for PPAs that will be co-implementers	Q1-Q4 of every year		
	Monitor, tagged financing and implementation of PPAs	Q1-Q4 of every year	MPDO; MENRO; MTO; MDRRMO	



Summary of Action Plan



Finance Solutions	Tasks	Period/ Quarter of the year	Person(s) In-Charge/ Office	Indicative Cost (PhP '000)
Private Sector Engagement/ Partnership	Seek technical assistance from PPP Center	Q2	LCE	100
	Explore possible private sector partners for CSR	Q2-Q4	LCE	
	Conduct feasibility study of PPP(s)	Q3-Q4	MPDO; PPP Center	
	Policy to support private sector engagement/ partnership – Local PPP Law for enactment of Sanggunian	Q4	Sanggunian Bayan	
Earmarked Funds	Review guidelines of PSF	Q1	MPDO; MENRO; MDRRMO	300
	Review CDP and LCCAP	Q1	MPDO; MENRO; MDRRMO	
	Design and development of project proposal	Q1	MPDO; MENRO; MDRRMO	
	Secure endorsement from Sanggunian and LCE	Q2	MPDO; MENRO; MDRRMO	
	Submit proposal to PSF Secretariat	Q2	MPDO; LCE	



Summary of Action Plan



Finance Solutions	Tasks	Period/ Quarter of the year	Person(s) In- Charge/ Office	Indicative Cost (PhP '000)
Others	Policy Work:			
	• Submission to MDC, endorsement to SB and adoption of Biodiversity Finance Plan	Q1	Sanggunian Bayan	100
	• Review and updating of Environmental Code	Q2-Q4		
	• Review and updating of Tourism Code	Q2-Q4		
	• Review and updating of Revenue Code	Q2-Q4		
	• Review and updating of Incentive Code	Q2-Q4		
	Incorporation in local development plans of items identified during BIOFIN workshops and program development but are not in LDIP	Q1	MPDO	20
	Validate sub-components of Forest Ecosystem Management and Development	Q1	MPDO; MENRO	20
TOTAL				740



Follow us!



www.facebook.com/pbsap
Pbsap-Biofin



[@BIOFIN_PH](https://twitter.com/BIOFIN_PH)
BIOFIN Philippines



[Biofin_PH](https://www.instagram.com/Biofin_PH)
BIOFIN Philippines