

Attachment A

QUARTER PROGRESS REPORT¹ PERIOD APRIL – JUNE 2017

UNDP	
Philippine Country Office Registry	
PROGRESS REPORT	
Date Received:	<u>06-07-17</u>
Forward to:	<u>ISO</u>
CC:	

A. BASIC INFORMATION

Project ID / Output ID	00080516/00093061 / 00047594	Reporting Date:	6/30/2017
Full Title:	Biodiversity Finance Initiative		
Start Date	12/1/2013	Completion date, approved extension (if any)	12/31/2018
Total Project Fund: (and fund revisions, if any)	USD 763,000.00	AWP Budget (2017)	USD 164,633.33
Implementing Partner:	United Nations Development Programme		
Donor/s	European Union, Governments of Germany, Flanders, Switzerland and Norway		
Responsible Partner/s:			

B. INDICATIVE/EMERGING RESULTS OF THE PROJECT

To achieve the results that Biofin is aiming for, stakeholder engagement is imperative. Key stakeholders that need to be strategically engaged have to be identified, the stakeholder network strengthened and continually engaged to ensure clear communication of objectives to achieve a shared vision. Collective leadership through a participatory process is necessary to take the change endeavor to fruition. To assess the process monitoring of the project, the following factors² were used:

- a. leadership and sponsorship – The key stakeholders from the Department of Environment and Natural Resources (DENR) are the Biodiversity Management Bureau (BMB), Foreign-Assisted and Special Projects Service (FASPS), Planning Service and the Office of the Undersecretary for International Environmental Affairs. Others include the National Economic and Development Authority (NEDA), Department of Finance (DoF), Department of Budget and Management (DBM), Climate Change Commission (CCC), the Philippine Business for Environment (PBE), Philippine Business for Social Progress (PBSP) and the Office of Rep. Josephine Ramirez-Sato. These stakeholders have varying levels of awareness and commitment to Biofin although it can be said that there is some degree of high level sponsorship as evidenced through the leadership of Usec Jonas Leones of the DENR, Dir. Mundita Lim of the BMB, Dir. Edwin Domingo of the FASPS, Assistant Secretary Mercedita Sombilla of NEDA, and Rep. Josephine Ramirez-Sato from the legislature. However, there is a need to further strengthen and obtain commitment from the other stakeholders (i.e. CCC, DBM, Planning Service, PBE, PBSP) and a need to engage other actors beyond this core group.

¹ UNDP CO Template for Quarterly Progress Reporting for projects without donor-prescribed templates for quarterly reporting; simplified form from POPP; Updated: June 2016

² Based on Working with Stakeholder Dialogues: Key Concepts and Competencies for Achieving Common Goals, Collective Leadership Institute 2011

- b. cohesion and relationship-management – “Success in the delivery of outcomes thrives on good relationships.”³ Biofin has provided good opportunities for exchange of ideas (meetings, workshops, informal discussions) and articulation of project objectives and goals between and among stakeholders. These venues help ensure transparent communication and help develop trust among stakeholders. Press releases on Biofin experience have further promoted cohesion among stakeholders.
- c. goals and process clarity – When people are aware of the relevance of the project for them and their institutions and of what their specific contribution is, they stay engaged. However, there are times that it is difficult to keep stakeholders aligned behind the overall goal and “backdoor diplomacy” and informal consultations are needed to keep them onboard. An unexpected success of the project was the relatively easy mainstreaming of the Philippine Biodiversity Strategy and Action Plan (PBSAP) targets into the new Philippine Development Plan (2017-2022) which has been formally adopted through EO 27 in June. This can be attributed to the clear understanding by the BMB of their role in mainstreaming biodiversity into the national plan. On the other hand, the slow progress in the marketplace activity may be an indication that the goal or the process that Biofin is undertaking may not be very clear with PBE which is the key project partner for this specific task. The PMU, being unaware of the UNDP requirement of conducting a due diligence when partnering with the private sector is an example of lack of process clarity. This has significantly delayed the engagement with Team Energy Foundation, Inc. and the research on public-private partnerships since the no-go decision was only obtained this quarter.
- d. knowledge and competence – Biofin brings to a number of the stakeholders knowledge sharing opportunities and learning resources (webinars, regional and global workshops) to enrich current wisdom and to help stakeholders see the entire picture. In particular, officials and key technical staff from BMB, NEDA, DoF and DBM as well as, Cong. Josephine Sato have participated in Biofin’s regional and global workshops. Other stakeholders have participated in webinars, meetings and seminars/workshops which are, in a way, capacity building exercises. The knowledge that has been imparted to stakeholders is one of the building blocks for Biofin’s sustainability.
- e. credibility - Credibility involves a number of factors such as reputation, neutrality and credibility of the initiator (in this case DENR-BMB and PMU); adequate representation of stakeholders; transparency of decision-making; and reliability with which recommendations or inputs from different stakeholders are taken into account. Annual workplans are prepared together with BMB while progress is reported regularly to the UNDP Country Office, DENR-FASPS, Global Biofin Team and the Project Board which is composed of representatives from government and non-government organizations. Thus, decisions in project implementation, particularly in areas that are problematic, are coured through these channels. PMU has been invited to be a member of the Technical Working Group of One-Mindoro Natural Resources and Development Council, a proposed think tank and recommendatory body that seeks to improve environmental governance in the island. PMU also received an inquiry from an NGO based in Negros Island on the possibility of developing a local PBSAP in the region. Should this push through, there is a strong possibility that the Biofin methodology will be implemented and institutionalized in the island.
- f. inclusivity – This means integration of critical voices and ensuring representativeness particularly of those crucial for the implementation of the project. Biofin was able to identify major stakeholders (i.e. DENR, DoF, DBM, NEDA, CSO partners) that need to be strategically engaged for successful implementation. At the same time, Biofin has been constantly in touch with these stakeholders providing them with updates and continuously involving them in the process.
- g. ownership – This happens when decision-making by all stakeholders takes place on the basis of consensus building, their contributions are sufficiently acknowledged and the relevance of goal/s, objectives and outcomes is regularly reviewed by all. Biofin has implemented a very participatory process in producing outputs like the PIR, PPBER, FNA and finance solutions plan. At present, the same process of collective decision-making is carried out in implementing finance mechanisms.

³ Ibid.

h. delivery and outcome orientation – To ensure delivery of outputs, roles of the Biofin team are clear and implementation and steering structures (Project Board) are in place. Monitoring of is done regularly through team and board meetings, mid-year and annual assessment and planning. Implementation of project activities is always done in close coordination with partner agencies/organizations to ensure ownership and commitment.

C. TECHNICAL ACCOMPLISHMENTS

- Evidence-based reporting. Include relevant reports/publications and/or photo-documentation (description, date, location) as an annex.
- Quarterly financial performance is reported in the FACE Form. Please ensure consistency of technical accomplishments with the submitted Quarter FACE form and the AWP.
- Interim annual financial performance data is reported in the APR.

Project Outcome Indicator/s ⁴	Baseline	Target this Year (2017)	End of Project Target
Number of feasibility studies on finance mechanisms carried out	0	5	10
Percentage of national biodiversity strategies & results covered with adequate funds	20%		
Delivery rate % increase for selected finance mechanisms	0		
Public budget increase (%) for biodiversity over baseline (BAU)			
Amount of additional resources from private sector			

EXPECTED OUTPUTS

Output 1. By 2018, capacity to implement resource mobilization mechanisms is improved

Project Output Indicator/s	Baseline	Quarter Milestone	Annual Target
Number of viable proposals submitted by LGUs and CSOs totaling 1B (PSF)	No proposals submitted		At least 5 viable proposals submitted
Number of viable proposals submitted by LGUs totaling 200M (ER 1-94)	No proposals submitted		At least 5 viable proposal submitted
BIOFIN methodology implemented locally	LGUs do not have biodiversity action plans and finance solutions		BIOFIN Workbooks implemented in at least 2 LGUs
Private sector participation in marketplace ensured	Limited private sector investment for biodiversity conservation		At least 1 marketplace/matching activity conducted

⁴ These indicators are from the Global Biofin Team.

EXPECTED OUTPUTS

Output 1. By 2018, capacity to implement resource mobilization mechanisms is improved

Project Output Indicator/s	Baseline	Quarter Milestone	Annual Target
Support to PBSAP Secretariat provided	2016 Limited awareness on the PBSAP		Participation in at least 3 cascading activities

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
		Status of Activity	Status Update/ Accomplishment for the Quarter	
<p>Planned Activity</p> <p>1.1 Submit LGU/CSO proposals totaling PhP100M to the Peoples Survival Fund (PSF)</p>	<p>At least 5 viable proposals submitted</p>		<p>The Peoples Survival Fund is a special fund with an annual allocation of PhP1B from the General Appropriations Act to augment financial support for climate change adaptation programs, projects and activities. It was created pursuant to Sec 18 of Republic Act 10174 or the Peoples Survival Fund (PSF).</p> <p>The proposal entitled "Secured Water Supply, Sanitation and Management to Mitigate Climate Change Impact in the Province of Cavite" worth P544,099,148.00 has been submitted to the Climate Change Commission last June. Upon recommendation of the provincial governor, the components on mangrove rehabilitation and the establishment of a turtle sanctuary were not included.</p>	<p>Capacity of LGUs for project development is barely sufficient thus, a considerable amount of time was spent in mentoring them. In consideration of this, more resources (time, expertise and finances) need to be allocated for this activity to facilitate proposal preparation and presentation to the CCC and PSF Secretariat.</p> <p>Data from the Department of Environment and Natural Resources (DENR) required by the LGU were not readily available. It is proposed that a policy that will direct DENR field offices to prepare such information be drafted.</p> <p>In the last Project Board meeting, the representative from the Department of Budget and Management informed the body that there is no allocation for PSF in 2017 given its low utilization but PhP1 billion will be included in the 2018 National Expenditure Program. In view of this development, the resource mobilization target for this finance mechanism needs to be evaluated and revised.</p>

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
		Status of Activity	Status Update/ Accomplishment for the Quarter	
<p>Planned Activity</p> <p>1.2 Submit LGU proposals totaling PhP200M to ER 1-94</p>	<p>At least 5 viable proposals submitted</p>		<p>ER 1-94, as amended, requires the generation company and/or energy resource developer to set aside one centavo per kilowatt hour (P0.01/kWh) of the total electricity sales as financial benefits to host communities. The P0.01/kWh is monitored through trust accounts established specific for EF (Electrification Fund), DLF (Development and Livelihood Fund) and RWMHEEF (Reforestation, Watershed Management, Health and/or Environmental Enhancement Fund) in the name of Department of Energy (DOE) and the generation company. Current funding available from ER 1-94 trust funds amount to more than PHP 1.2 billion. Data secured from the DOE indicate a very low take-up, i.e., PhP 30 million as of 2013 and 2014 representing 4% of the total amount available.</p> <p>Biofin is providing technical assistance to:</p> <ol style="list-style-type: none"> 1. Scaling up of Maldives – Malita’s Marine Protected Area (MPA) and Establishment of Sustainable Ecotourism 2. Livelihood Development Program for Busuanga, Palawan – P100,000 is available from Calamian Island Power Corporation 	<p>The trust fund in Busuanga, Palawan (Calamian Island Power Corporation) only amounts to PhP10,000. The amount available for Malita is approximately PhP300,000 (SMC Power Corporation). Considering that the target for accessing ER 1-94 is PhP200M, there is a need to identify host communities that have access to larger trust funds and provide them with assistance.</p> <p>It is proposed that a certain percentage of the RWMHEEF be allocated for biodiversity conservation. Biofin will further explore this with DOE.</p>
<p>Planned Activity</p> <p>1.3 Develop programs for donor and private sector participation</p>	<p>1 marketplace/matching activity for 4 proponents conducted</p>		<p>The marketplace showcases innovative biodiversity projects/initiatives that have potential to scale and can deliver social, environmental, and economic performance. It is expected to stimulate funding, insights, resources, and conversations to address the challenges on biodiversity, thus, contributing to achieve the targets of Sustainable Development Goals 14 and 15 (Life on water; Life on land).</p> <p>Four selected proponents from last year’s call for proposals will be matched with the private sector together with the Philippine Business for the Environment (PBE), a non-</p>	<p>To facilitate the matching activity, the services of Mr. Bonar Laureto have been retained.</p> <p>On the certification of biodiversity-friendly enterprises, no policy currently exists, thus, BMB does not have the authority to certify. The draft policy should be facilitated but this is beyond the purview of Biofin.</p> <p>Mr. Laureto earlier proposed that Biofin conduct a survey with the private sector to</p>

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance Status of Activity	Status Update/Accomplishment for the Quarter	REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
			<p>government organization (NGO) whose members are the top corporations in the country. These are:</p> <ol style="list-style-type: none"> 1. Aquaponic System – Bgy. Aquaponics 2. Nipa Palm Sugar – FREEDOM, Inc. 3. Community-based Ecotourism Development in Mt. Iglit-Baco National Park – Tamaraw Conservation Project-DENR 4. BioDiverseCity: Native Ornamental Trees For Urban Greening – Pro-Seeds Development Association Incorporated (PRO-SEEDS) <p>A meeting between FREEDOM and BMB was conducted upon the former's desire to have their nipa palm sugar labeled as biodiversity-friendly. The assessment forms have been provided to FREEDOM and a focus group discussion with its partner PO is scheduled to complete the assessment process.</p>	<p>determine the latter's needs so that matching will be easier.</p>
<p>Planned Activity 1.4 Ensure private sector participation in marketplace as investors</p>	<p>PPP training for DENR bureaus conducted (c/o PPP Center)</p> <p>At least 1 meeting with private sector convened</p>		<p>Compared with the marketplace, this activity looks at the demand side.</p> <p>A meeting with Cong. Josephine Sato and Unilab Executive Director has been scheduled in connection with the latter's need for dried <i>Jagundi</i> leaves to be sourced from Occidental Mindoro.</p>	
<p>Planned Activity 1.5 Pursue corporate social responsibility (CSR) programs</p>	<p>CSR programs for Mts. Banahaw-Cristobal and Manleluag NPs implemented</p>		<p>Draft MOAs for the CSR programs have been submitted to Team Energy Foundation, Inc. (TEFI) for their review and approval.</p>	<p>Biofin has been facilitating this partnership for almost a year and has experienced slow turnaround time of proposal development from BMB and the park superintendents (PASu). It seems that BMB has too many tasks that deter their focus on this undertaking. Constant follow-up was made to expedite the process.</p>

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance Status of Activity	Status Update/ Accomplishment for the Quarter	REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
<p>Planned Activity</p> <p>1.6 Localize biodiversity action plans and implement finance solutions</p>	<p>Biofin methodology implemented</p>		<p>A joint workshop with Haribon Foundation was held last May 8-11, 2017. The objective is to mainstream biodiversity into local plans using the PBSAP framework and adopt the 5 PBSAP priority programs as anchors for proposed projects of the 4 LGUs of Naujan, Pola, Socorro and Victoria which encompass the Naujan Lake National Park. The workshop produced a preliminary policy and institutional review, public and private expenditure review and a finance needs assessment. It was attended by 55 participants from LGUs, government agencies and civil society organizations.</p> <p>To support the localization effort on Mindoro Island, Biofin attended the Environmental Governance Summit last May 4, 2017 in Calapan City in Oriental Mindoro. The objectives of this meeting are:</p> <ol style="list-style-type: none"> 1. An agreement for a mutual responsibility of protecting the environment of the shared natural resources 2. Create a governance council for the protection and management of the shared natural endowments/resources; 3. Forge an integrated developmental framework for the island of Mindoro. <p>As a result of this summit, the leadership of both the provinces of Mindoro is considering the creation of a One Mindoro Natural Resources and Development Council which will function as a think tank and a recommendatory body to the political leaders of the island. Its jurisdiction covers the following:</p> <ol style="list-style-type: none"> 1. shared natural resources (watersheds & forests; wildlife & biodiversity; IPs and ancestral domain; marine and aquatic resources) 	<p>No difficulty was encountered in implementing this finance mechanism primarily because of the high level of political support Biofin obtained from Cong. Josephine Sato and the 2 governors of Mindoro Island.</p> <p>Should the One Mindoro Council be established, this is seen by Biofin as a good opportunity for institutionalizing the PBSAP and Biofin methodology.</p>

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance Status of Activity	Status Update/Accomplishment for the Quarter	REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
			<p>2. common island interests (survival, food sufficiency, farm level productivity, value chain development, improved local environmental governance)</p> <p>3. Common development areas (sustainable agriculture, forestry & fisheries; renewable energy; sustainable transportation system; water security; ecotourism and cultural heritage)</p> <p>Biofin has been identified as a member of its proposed Technical Working Group and has offered to assist the group in developing a framework anchored on both the new Philippine Development Plan (PDP) and the PBSAP.</p>	
	Resource valuation studies conducted for 2 protected areas (PA)		<p>A Lead Consultant and LGU Specialist were procured.</p> <p>In support to the localization effort, resource valuation studies for 2 PAs namely the Apo Reef Natural Park and the Naujan Lake National Park have commenced. These studies shall calculate economic and financial internal rate of return (EIRR and FIRR) of investing in the management of PAs, which will be used as business case for the government and private sector to invest in PAs. This is undertaken jointly with another UNDP project entitled "Strengthening Marine Protected Areas to Conserve Marine Key Biodiversity Areas in the Philippines (SMART Seas PH)."</p> <p>Initial results have been produced by the studies. For Apo Reef Natural Park, the estimated total economic value of ecosystem services is between PhP1.3 B to 1.8B while PhP1.8B is the estimate for Naujan Lake National Park. A series of focus group discussions will be conducted to further validate these figures prior to the computation of the economic internal rate of return (EIRR) and the financial internal rate of return (FIRR).</p>	<p>Obtaining secondary data from LGUs was difficult and constant follow-up was done.</p> <p>Although a preliminary meeting on the questionnaire for key informant interviews for Apo Reef was done, data obtained by the SMART Seas staff were inaccurate.</p>

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
		Status of Activity	Status Update/ Accomplishment for the Quarter	
Planned Activity 1.7 Strengthen the PBSAP Secretariat	Support to cascading activities for other DENR bureaus, agencies and regional offices provided		<p>The activity has the following objectives:</p> <ol style="list-style-type: none"> To raise awareness on the PBSAP by explaining its content and relevance to national plans and international commitments To enlist commitment from participants on PBSAP implementation through the integration/inclusion of PBSAP actions in their workplans <p>Biofin participated in the following PBSAP cascading activities:</p> <ol style="list-style-type: none"> BMB key staff last April 17-18, 2017 in Manila North Luzon cluster attended by approximately 50 participants from Regions 1-3 and CAR in Laoag City, Ilocos Norte <p>PMU received an inquiry from an NGO based in Negros Island on the possibility of preparing a localized PBSAP.</p>	<p>The activity is an excellent opportunity to raise awareness on the PBSAP and its relation to the PDP. Ideally, the activity should be conducted on a regional basis to obtain good results for regional targets and commitments. At the same time, these workshops are occasions for young and new BMB technical staff to build capacities and competencies for facilitation and for increased awareness on the PBSAP.</p> <p>The activity was able to obtain very good suggestions from the participants on how to strengthen regional coordination, planning and monitoring of PBSAP targets.</p> <p>Diversity of participants could be have improved as PBSAP thematic areas were clustered due to lack of participants. The presence of the NEDA representative was useful because she was able to clearly explain the relationship between the PDP and PBSAP.</p> <p>In spite of the presence of a special order mandating their attendance, the low or at times non-participation of BMB division chiefs has been observed. Their presence is imperative as they are the persons who should be very familiar with the PBSAP.</p> <p>Reference sheets for the indicators were not completed as earlier agreed upon with BMB. There are few Philippine examples for these finance solutions.</p>
Planned Activity 1.8	Viability of at least 5 financial mechanisms (debt swaps,		Biofin is currently undertaking technical analysis for the following 12 finance solutions: ODA, earmarked funds,	

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
		Status of Activity	Status Update/ Accomplishment for the Quarter	
Finalize finance plan	green bonds, social impact investment, ecological fiscal transfers, etc.) determined		debt for nature swaps, enterprise challenge funds, user fees, ecological fiscal transfers, environmental trust funds, green bonds, crowdfunding, CSR/philanthropy, diaspora and impact investments.	

EXPECTED OUTPUTS

Output 2. By 2018, environmental policies are conducive for investments in biodiversity conservation

Project Output Indicator/s	Baseline		Quarter Milestone	Annual Target
	2016	4 ⁵		
Number of policy documents/proposals/drafts developed and/or revised with BIOFIN assistance				At least 1 additional policy document/proposal/draft developed

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance	
		Status of Activity	Status Update/ Accomplishment for the Quarter
Planned Activity 2.1 Formulate policy papers and implement policies	BMB technical bulletin which lists all data that should be made available to LGUs required by PSF issued		This is a continuing activity done by the team.
	Possibility of a policy guidance for power companies in reviewing proposals for ER 1-94 explored with DOE		
Planned Activity 2.2 Support policy processes in connection with biodiversity financing	Support to house hearings (PGRABS, E-NIPAS, Malampaya) and other preparatory activities provided		The draft Executive Order has been submitted to the office of Cong. Josephine Sato who will seek an appointment with Executive Secretary Salvador Medialdea to discuss the draft policy.
	EO on PGRABS finalized and submitted to Malacanan		

⁵ Malampaya Fund bill; Legal Memo on Biodiversity Offsets; Legal Memo on Green Bonds; Policy Paper on Public-Private Partnership in Protected Areas

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Status of Activity	Physical Performance	
			Status Update/ Accomplishment for the Quarter	
Planned Activity 2.3 Mainstream PBSAP targets into the PDP	PBSAP targets mainstreamed into PDP		All 20 PBSAP targets were mainstreamed in Chapters 8 and 20 of the Philippine Development Plan 2017-2022 which was adopted through EO 27 s. 2017.	
Number of policy processes with support from BIOFIN (consultations, etc.)			2016	2[1]
Number of budgets and plans revised (national, local, CSO)			2017	

EXPECTED OUTPUTS

Output 3. By 2028, greater awareness on biodiversity and its importance to the economy is achieved

Project Output Indicator/s	Baseline	Quarter Milestone	Annual Target
Number of partnership activities conducted	2015 1 partnership activity		At least 1 partnership activity
Number of organizations/agencies that forged partnership and commitment to implement strategies and actions in the IEC Plan	2015 N/A		At least 2 organizations/agencies
Number of IEC materials produced and disseminated	2015 No previous organizations/agencies that committed to IEC plan		At least 2 IEC materials produced and disseminated
Number of radio and other media sources highlighting biodiversity financing	2015 1 media coverage		At least 2 radio and other media coverage
Number of press releases published	2015 3 press releases		At least 2 press releases

Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Status of Activity	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
			Status Update/ Accomplishment for the Quarter		
Planned Activity 3.1 Implement IEC plan	IEC plan implemented		Completed but needs formal acceptance by BMB.		
	Number of partnership activities conducted		Biofin collaborates with the Office of Rep. Ramirez-Sato for policy and localization activities Biofin partnered with Haribon Foundation for the conduct of the latter's Biodiversity Fellows Program among the municipalities within the Naujan Lake National Park. Biofin participated in the project development phase where the localization activities were conducted. To match the marketplace proponents, Biofin partners with the Philippine Business for the Environment (PBE) and the Philippine Business for Social Progress (PBSP) to identify private companies who are interested in financing the proponents. Biofin also provided technical assistance in the conduct of the National Oceans Conference organized by BMB-DENR and DA-BFAR. Biofin has been a key actor in the First National Biodiversity Congress. Four (4) sessions on and one (1) plenary presentation on biodiversity financing were sponsored by Biofin during the Congress. The Foundation for the Philippine Environment committed Php 1.6M for the publication of the PBSAP and its popular version. The popular version had been published while the unabridged document is undergoing final revisions. Biofin collaborates with the office of Cong. Josephine Sato in developing press releases and feature stories which are published on online and print news dailies as well as on the BIOFIN website. Biofin developed a news story on women in the sustainable management of biodiversity at the local level which appeared on the Biofin website and the DENR-FASPS newsletter. Biofin also developed infographics which appeared on its social media accounts and produced collaterals for distribution to partners (shirts, bags, posters).		
	Number of organizations/agencies that forged partnerships and commitment to implement strategies and action in the IEC plan				
	Number of IEC materials produced and disseminated				

Number of radio and other media sources highlighting biodiversity financing		Several media sources published news on biodiversity financing in the country during the PBSAP launch and the First National Biodiversity Congress. Biofin has been very active in social media and has recently populated its country webpage lodged under the global website.	
Number of press releases published		Radyo Kalikasan interviewed Biofin regarding accessing earmarked funds for biodiversity financing particularly from the PSF, ER 1-94 and Malampaya Funds. Biofin assisted in the crafting of press releases in relation with the Declaration of Cooperation which was published in several online and print news dailies.	

EXPECTED OUTPUTS				
Output 4. Project Management Unit				
Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Physical Performance		REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
		Status of Activity	Status Update/ Accomplishment for the Quarter	
Planned Activity 4.1 Conduct team, regional and project board meetings	Team and board meetings conducted		The following meetings were conducted: a. regional skype meeting last April 5, 2017 b. board meeting last June 28, 2017 c. mid-year planning and assessment workshop last June 19-21, 2017	
Planned Activity 4.2 Participate in Global and Regional BIOFIN workshops and UNDP CO Activities	Project and institutional activities/events attended		PMU participated in the following activities: a. 3 rd Biofin regional workshop in Kazakhstan last April 25-27, 2017 b. Foresight and Future Workshop last May 18-19, 2017 c. Brown bag session on private sector engagement last May 5, 2017 d. Travel and expense workshop last June 22, 2017 e. Prepared and submitted a proposal for the Innovation Fund	
Planned Activity 4.3 Prepare and submit reports	Reports submitted punctually		The second quarter report was prepared and submitted to both the UNDP CO and Biofin global team.	

EXPECTED OUTPUTS				REMARKS Challenges / Bottlenecks and plans to address them / Lessons Learned
Output 4. Project Management Unit		Physical Performance		
Activity/Sub-activity Description	Activity/Sub-activity Deliverables	Status of Activity	Status Update/ Accomplishment for the Quarter	
Planned Activity 4.4 Participate in related BMB activities			There were no BMB activities this quarter.	
Planned Activity 4.5 Develop a mobile application on M&E for PBSAP and BIOFIN implementation	Proposal developed for Innovation Facility Meetings with Smart and Accenture to explore possible partnership conducted			

a. PARTNERSHIPS FORGED

Name of partner	Type	Description of partnership and how it has contributed to project results or sustainability
Philippine Business for the Environment	Civil Society Organization	An MOU between PBE and UNDP has been signed which stipulates that both parties will cooperate in biodiversity partnerships particularly on organizing venues (forums, marketplace, meetings) for private sector participation in biodiversity conservation.
Philippine Business for Social Progress (PBSP)	Civil Society Organization	The initial contact was made during a roundtable discussion organized by PBSP entitled "Business Beyond the Usual: Inclusive Business and Sustainable Development Goals CEO Forum" last October 2016. Although there is no formal agreement between UNDP and PBSP, a shared vision for inclusive business is the basis for collaboration.
Haribon Foundation for the Conservation of Natural Resources	Civil Society Organization	Haribon Foundation is the oldest environmental organization in the Philippines and has actively participated in the updating of the PBSAP as well as in a number of Biofin's workshops. The partnership involves a joint project development workshop among the LGUs and POs in the municipalities of Naujan, Pola, Socorro and Victoria which encompass the Naujan Lake Natural Park. This contributes to the PBSAP localization efforts of the project.

b. IEC AND KNOWLEDGE MANAGEMENT

IEC/Knowledge Product	Type	Date published/ produced	Target audience	Link (if available)
Social media posts for info dissemination	Other	April-June 2017	General public	https://www.facebook.com/pbsap/ https://twitter.com/BIOFIN PH https://www.instagram.com/biofin_ph/

Releases for the 2017 International Day for Biological Diversity	Online and print dailies	May 24, 2017 May 22, 2017	General public	Business Mirror Manila Bulletin
Contribution to DENR-FASPS newsletter	Contribution to newsletter	May 17, 2017	General public	http://fasps.denr.gov.ph/index.php/2016-02-17-04-17-37/2016-02-15-13-46-31/fasps-updates-newsletter
Infographics on the work of PBSAP and the work of BIOFIN in the Philippines	Infographic	June 2017	BIOFIN Countries and general public	BIOFIN Philippines country webpage
News feature on "Women and the sustainable management of nature at the local level in the Philippines"	Online news feature	June 30, 2017	BIOFIN Countries and general public	BIOFIN website

c. ACTIONS TAKEN REGARDING AUDIT AND/OR SPOT CHECK FINDINGS

Describe actions taken to address the findings from the audit / spot check as applicable

Audit/Spot check recommendation/s	Action taken	Responsible person	Implementation date
			<i>Click here to enter date.</i>
			<i>Click here to enter date.</i>

d. RISK LOG UPDATE

Assess identified risks and record new risks that may affect project implementation:

No.	Description	Date Identified	Type	Status	Countermeasures / Management response (What actions have been taken/will be taken to counter this risk)
1	The availability of target participants to the project's activities like the BD expenditure tagging workshop, PBSAP cascading activities, PBSAP localization and other related	3/1/2017	Political (Government commitment)	Materialized, medium-level risk. This has caused a delay in the submission of the report on BD expenditure tagging.	Constant follow-ups with the concerned DENR bureau that has not yet undergone the BD expenditure tagging workshop is being done.

No.	Description	Date Identified	Type	Status	Countermeasures / Management response (What actions have been taken/will be taken to counter this risk)
	meetings can cause a delay in project implementation and may affect deliverables			<p>Although a PBSAP cascading activity has been conducted for BMB, only 1 out of the 4 target BMB division chiefs was present in spite of a Special Order and a prior notice of the activity. It is imperative that the senior management staff of BMB are familiar with the PBSAP and their roles in its implementation.</p> <p>The diversity of participants in the first regional PBSAP cascading workshop was minimal.</p>	<p>A one-on-one cascading activity can be done for the senior staff.</p> <p>PMO provided BMB with the list of PBSAP consultation participants for the succeeding workshops.</p>
2	A new DENR secretary was appointed to replace the former.	5/1/2017	Political	Declaration of cooperation was not signed by the former secretary.	In the June 2017 board meeting, Asec Corazon Davis, who chaired the meeting, advised that the document be revised to indicate who in the DENR can sign on behalf of the Secretary.
3	The implementation of the marketplace activity has been very slow.	January 2017	Strategic	Materialized, medium-level risk. PMO partners with the Philippine Business for Environment (PBE) for the marketplace.	To facilitate this, PMO retained the services of PBE's Executive Director to hasten implementation.
4.	Decision on the partnership of Biofin with Team Energy Foundation, Inc.	January 2017	Organizational	Materialized, high-risk. PMO obtained the commitment of TEFI in funding a research on PPPs for biodiversity conservation. However, UNDP required the conduct of a due diligence on TEFI and its parent companies. The report was prepared in the last quarter of 2016 and a no-go decision was only obtained in the second quarter of 2017. The due diligence requirement has	TEFI has not included the PPP research in its budget for this year but PMO will follow this up with them in the third quarter. TEFI has informed PMO that should there be unspent funds, they may be able to obligate these for the PPP research.

No.	Description	Date Identified	Type	Status	Countermeasures / Management response (What actions have been taken/will be taken to counter this risk)
5.	Change in focal persons in the Department of Budget and Management (DBM)	January 2017	Political	<p>delayed this activity for almost a year.</p> <p>Materialized, medium-risk. In the last year, PMO has met with 3 different directors in Bureau E of DBM and the focal person (Ms. Vanessa Mendoza) has left DBM.</p>	PMO will strategize on how to better engage with DBM given the situation.
6.	Delayed publication of the PBSAP (unabridged version)	July 2016	Political	<p>Materialized, medium-risk. With the change in administration last July 2016, BMB decided that a message from the new DENR secretary (Sec. Gina Lopez) be included aside from the message of the former secretary. The process of having the message approved and signed by Sec. Lopez took a long time. By the time it was signed, Sec. Lopez was replaced by Sec. Cimatu.</p>	BMB has decided that there will be no more messages in the final document.
7.	Delayed hiring of LGU Specialist for localization	June 2017	Operational	<p>Materialized, medium risk</p> <p>The hiring of the LGU Specialist failed. During the February 2017 posting, the first batch who applied were not qualified. During the second posting, the first choice declined the post as she was accepted to a regular post. Thus, the team opted to offer the job to the second candidate.</p>	LGU Specialist now on board.
8	PSF allocation for 2017 was deleted by Congress due to low utilization	June 2017	Political	<p>The PSF is an earmarked fund that has been identified as a finance mechanism. Given this development, adjustments to</p>	Targets will be revised.

No.	Description	Date Identified	Type	Status	Countermeasures / Management response (What actions have been taken/will be taken to counter this risk)
9	Absence of policies to support resource mobilization	June 2017 June 2016	Regulatory	the resource mobilization targets will have to be made. Although BMB is promoting biodiversity-friendly enterprises (BDFE), there is no existing policy on this. Most of the marketplace start-ups/proponents are BDFE. Materialized, medium-level risk. There is already a draft DAO on the establishment of a PPP unit in the DENR which was left unsigned by the last administration. There is a possibility that the new administration may not approve the policy.	The approval of the BDFE policy is beyond the purview of Biofin. What can only be done is for Biofin to follow up on the status of the proposed policy. The DENR Co-Chair of the Project Board has been designated as Undersecretary for Policy and Planning and this matter can be brought to his attention.

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